



# झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No.18 of 2022/340

Date: 28<sup>th</sup> December 2022

To

Shri Pankaj Prakash  
Head – Corporate Regulations (ER)  
Tata Power Company Limited (TPCL)  
Regulation Department  
Jojobera Power Plant  
Jamshedpur - 831016

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for True-up of FY 2021-22 and Annual Performance Review (APR) for the FY 2022-23 of Tata Power Company Limited (TPCL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dated 28.12.2022 passed by the Commission in Case (Tariff) No. 18 of 2022 along with office report dated 28.12.2022 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 two weeks as ordered.

Thanking you.

Yours faithfully,

*Rajendra*  
(R. P. Nayak)  
Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION  
RANCHI**

**FORM OF PROCEEDING**

Case (Tariff) No. 18 of 2022

Tata Power Company Limited (TPCL)

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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.	28.12.2022	<p>The petition dated 30.11.2022 for True-up of FY 2021-22 &amp; Annual Performance Review (APR) for the FY 2022-23 of the petitioner - Tata Power Company Ltd. (TPCL) for sale of electricity from Unit 2 &amp; 3 (2x120 MW) of Jojobera Power Plant of the Petitioner-Tata Power Co. Ltd. to Tata Steel Limited have been scrutinized and several deficiencies/ discrepancies have been pointed out as shown in the office report dated 28.12.2022.</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/- Member (T)</p> <p style="text-align: center;">Sd/- Member (L)</p>	





**Office Report**

The petition dated 30.11.2022 for True-up of FY 2021-22 & Annual Performance Review (APR) for the FY 2022-23 of the petitioner - Tata Power Company Ltd. (TPCL) for sale of electricity from Unit 2 & 3 (2x120 MW) of Jojobera Power Plant of the Petitioner-Tata Power Co. Ltd. to Tata Steel Limited 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 for FY 2021-22 and Annual Performance Review for FY 2022-23 Petition filed by The Tata Power Company Limited**

**Data Gap On True-Up for FY 2021-22.**

1. The Petitioner is required to provide a Clear, Readable, and Searchable pdf of Page no. 381.
2. The Petitioner is required to submit an Audited Annual Account for FY 2021-22 for Unit-2 & Unit-3.
3. The Petitioner is required to provide the duly certified copy by the auditor certifying the Operational Parameters.
4. The petitioner should submit the audited certificate certifying the Consumption, GCV.
5. It is observed that the Petitioner has claimed the Gross Station Heat Rate (GHR) for Unit 1 and Unit 2 are 2544 kcal/kWh and 2541 kcal/kWh respectively against the normative value of 2550 kcal/kWh and 2550 kcal/kWh as per Regulation 16.1 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulation 2020. The Petitioner is required to provide the reason for Lesser Station Heat Rate.
6. As per Annexure P2a of the Petition, it is observed that the actual availability of Unit 2 for the months of Nov-2021 and Dec-2021 are 49.99% and 47.57% respectively; which is significantly lesser than the normative Availability of 85.00% as per regulation 16.1 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulation 2020. The Petitioner is required to provide the justification for such lower availability.
7. It is observed that the Petitioner has claimed the actual Auxiliary Consumption of Unit 1 & Unit 2 as 9.19% and 9.10% respectively; which is higher than the normative value of 9.00% as per Regulation 16.1 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulation 2020. The Petitioner is required to provide the justification for such deviation.



8. As per Table 3, Table 4 of the Tariff Petition, it is observed that the actual Plant load factor of Unit 2 & Unit 3 are 71.49% and 82.12% respectively; which are lower than the normative annual Plant Load Factor of 85.00% as per Regulation 16.1 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulation 2020. The Petitioner is required to provide the justification for such a lower Plant Load Factor.
9. The Petitioner in para 35(IV) of the petition, mention minor deviation and overall impact on Energy Charge Rate (ECR) dated 30/09/2021, 30/12/2021, 31/3/2022, and 29/06/2022. In this regard, the Petitioner is required to submit these letters.
10. As per Tables 5, and 6 of the petition, it is observed that the actual Middling Coal for Unit 2 & Unit 3 are 3.64% and 1.72% against the Commission-approved Value of 21.81 % and 21.80 % respectively. While in CCL [Shakti WIV] Fuel Mix increased from nil to 23.45 % in Unit 2 and increase from nil to 23.53 % in Unit 3. The Petitioner is required to provide the reason for such changes/differences in Fuel Mix Value.
11. It also observed that in Unit 2 & Unit 3 landed price for the Secondary Fuel Parameter for FY 2021-22 increases from Commission approved value as per MYT order. The Petitioner is required to provide the justification for such deviation.
12. The petitioner should provide statutory audited details of month-wise opening stock, fuel procured during the month, transit loss, utilization, and balance for coal and oil at the end of each month for the Generating plant for FY 2021-22 along with sample bills for each fuel source for each month.
13. The petitioner should submit a copy of the monthly bill raised to the beneficiary for FY 2021-22.
14. It is observed that the Petitioner has considered Auxiliary with PLF Compensation for computation of ECR (i.e. Energy Charge Rate) for both Unit 2 and Unit 3 instead of Normative auxiliary consumption as per Regulation 17.7 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulation 2020. In this regard, the Petitioner is required to provide a details justification.
15. The petitioner is required to submit a detailed justification for the Spillover of additional capital expenditure of schemes allowed in MYT Order.
16. It is observed that, the Commission had not approved any additional capitalization towards Standalone Asset for Unit 2 & Unit 3 respectively for FY 2021-22 in its MYT Order. However, the Petitioner in its True-up Petition has claimed additional capitalization of Rs 2.80 Cr for Unit 2 and Rs 2.38 Cr for Unit 3 respectively towards standalone assets during FY 2021-22. In this regard, the Petitioner is directed to clarify the reason for such deviation from MYT Order dated Nov 4, 2022.
17. It is observed that the Petitioner has claimed Capitalization –Apportioned for Common Facilities amounting to Rs 0.23 Cr each for Unit 2 & Unit 3 against the actual as per Add Cap sheet of the tariff Model. In this regard, the Petitioner is required to provide the detailed computation for considering the same.



18. The Petitioner is required to provide the cost-benefit analysis, DPR, and applicable regulatory provision w.r.t. asset Capitalized during the FY 2021-22.
19. It is observed that, the Commission had not approved any Decapitalization towards Standalone Asset for Unit 2 for FY 2021-22 in its MYT Order. However, the Petitioner in its true-up Petition has claimed decapitalization of Rs 2.24 Cr for Unit 2. In this regard, the Petitioner is directed to clarify the reason for such deviation from MYT Order dated Nov 4, 2022
20. The petitioner in its petition at para 86 has submitted that TPCL is yet to file the ITR FY2021-22. In this regard, the Petitioner is directed to submit actual income tax paid along with documentary evidence instead of grossing up the MAT rate in the Petition FY 2021-22.
21. It is observed that for computation of Depreciation on Add Cap, the Petitioner has considered the balance useful life of Unit 2 as 5 years and Unit 3 as 6 years which is against clause 15.30 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulation 2020. In this regard, the Petitioner is required to provide the necessary justification.
22. The Petitioner is required to submit the reason for considering Depreciation only on Additional Capitalization for repayment under interest on loan section instead of total Depreciation during the year.
23. The petitioner is required to submit the heads of O&M and Miscellaneous expenses reconciling with an audited annual account of TPCL.
24. The Petitioner has claimed Employee expenses excluding terminal liabilities for Unit 2 and Unit 3 as Rs 8.69 Cr each as compared to Rs 8.41 Cr for each Unit as per MYT order dated 14<sup>th</sup> Nov 2022. The Petitioner is required to exhibit the reasons for deviations w.r.t MYT Order.
25. It is observed that the Petitioner procure primary fuel from CIL (under SHAKTI), Tata Power. The Petitioner is required to submit a complete copy of the Contract Agreement with CIL and Tata Power.
26. The Commission in the True-up Order for (FY 2019-20) dated 14<sup>th</sup> Nov 2022 has computed the Revenue surplus of Rs. 4.19 Cr. for Unit 2 and Rs 7.04 Cr. for Unit 3 to be recovered as per Tariff Regulations 2015. The Petitioner is required to depict the adjustment of the same during the (FY 2021-22) in consonance with the Audited Financial statements for the FY 2021-22.

**Data Gap On Annual Performance Review for FY 2022-23.**

27. The Petitioner is required to submit details of the Contract Agreement with all the coal suppliers from whom the coal is purchased during FY 2022-23.
28. The Petitioner is directed to submit the receipts of Coal from all its sources.
29. The Petitioner should submit the Availability Certificate of the Generating Plant as certified by the Appropriate Authority (example- SLDC).



30. It is observed that the Gross Station Heat Rate (GHR) is 2541 kcal/kWh for each Unit against the normative value of 2550 kcal/kWh as per Regulation 16.1 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulation 2020. The Petitioner is required to provide the justification of the Lower Station Heat Rate.
31. The Petitioner has deviated from the Coal Mix approved by the Commission in its MYT Order. Further, there is a sharp decrease in the percentage consumption of coal from Middling Coal, CCL Shakti R3, and a sharp increase in the CCL Shakti WIV, CCL SFA, and E-auction. In this regard, the Petitioner is required to submit the reasons for such deviation and exhibit the steps taken to secure a quality supply of coal from a reliable source and ensure optimum energy charge to its beneficiary.
32. As per Tables 64 & 65 of the Petition, the landed price for LDO increases by 22749 Rs/MT for Unit 2 and 22203 Rs/MT for Unit 3 against the landed price of LDO as claimed in MYT Order dated 14<sup>th</sup> Nov 2022. The Petitioner is directed to submit the justification for a sharp increase in the landed price of LDO.
33. As per Tables 81 & 82, the Petitioner has computed ROE for Units 2 & 3 considering the rate of pre-tax equity of 18.71% (Grossing-up the post-tax rate of 14% with the applicable tax rate i.e. 25.17%). However, Regulation 15.10 of the JSERC Generation Tariff Regulation, 2020 allows the Petitioner to claim ROE on the post-tax basis at the base rate of 14% and Petitioner is required to claim Income Tax at the time of Truing-Up as per Regulation 15.12 of the JSERC Generation Tariff Regulation, 2020. In this regard, the Petitioner is directed to provide the proper justification.
34. It is observed that for computation of Depreciation on Add Cap the Petitioner has considered the balance useful life of for Unit 2 as 4 years and Unit 3 as 5 years which is against clause 15.30 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulation 2020. In this regard, the Petitioner is required to provide the necessary justification.
35. The Petitioner is required to submit the reason for considering Depreciation only on Additional Capitalization for repayment under interest on loan section instead of total Depreciation during the year.
36. As per Tables 88 & 89 the Petitioner has claimed Rs 4.21 Cr for Unit 2 & Rs 4.15 Cr for Unit 3 against Raw Water Expenses for FY 2021-22. The Petitioner is directed to provide documentary evidence in this regard.

  
Secretary