



झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No.11 of 2022/209
Date: 14th October 2022

To

Shri S. R. Singh
Electrical Superintending Engineer
Tenughat Vidyut Nigam Limited (TVNL)
Hinoo, Doranda, Ranchi - 834002

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for Business Plan & MYT petition for the Control Period 2021-22 to FY 2025-26 of Tenughat Vidyut Nigam Limited (TVNL) – Regarding thereof.


Sir,

Please find enclosed a copy of Order dt. 14.10.2022 passed by the Commission in Case (Tariff) No. 11 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. R. Nayak)
Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

**FORM OF PROCEEDING
Case (Tariff) No. 11 of 2022**

Tenughat Vidyut Nigam Limited (TVNL) 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 17.11.2021 for Business Plan & MYT petition for the Control Period 2021-22 to FY 2025-26 of the petitioner - Tenughat Vidyut Nigam Limited (TVNL) for 2x210 MW Tenughat TPS 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. 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 17.11.2021 for Business Plan & MYT petition for the Control Period 2021-22 to FY 2025-26 of the petitioner - Tenughat Vidyut Nigam Limited (TVNL) for 2x210 MW Tenughat TPS have been scrutinized and several deficiencies/ discrepancies have been scrutinized and several deficiencies/discrepancies have been found in the petition as indicated below:

Data Gaps/ Discrepancy Note on the Business Plan and MYT Petition filed by

Tenughat Vidyut Nigam Ltd. (TVNL) for the Control period FY 2021-26

1. The Petitioner (Tenughat Vidyut Nigam Ltd. or TVNL) vide Order dt. 28.02.2020 was directed to submit the true up Petitions for the FY 2016-17, FY 2017-18 and FY 2018-19 along with audited accounts before the Commission within three months of the issue of the order. The Petitioner has not provided the copy of Audited Accounts for each year of the period FY 2015-16 to FY 2018-19 for the conduct the True up proceedings.
2. TVNL is required to submit the Audited Accounts of the Petitioner's company for each year of the period FY 2019-20 to FY 2020-21.
3. TVNL was also directed to reconcile the fixed assets register after physical verification and submit detailed asset wise register along with asset wise depreciation schedule before the Commission. TVNL has not complied to the said directive of the Commission.
4. The Commission directed the Petitioner to undertake follow-up action for completion of upgradation work of the 400 kV Tenughat Bihar Sharif Transmission line and early commissioning of the 220 kV Tenughat - Govindpur transmission line. TVNL has not submitted the status report on the same.
5. The Petitioner has failed to submit detailed justification for capital expenditure as per Regulation 6.7 of the JSERC Tariff regulations 2020, as claimed in the Petition. The petitioner ought to submit the scheme wise details in respect of the Capital Expenditure claimed for the Control Period FY 2021-26:
 1. Approval of Competent Authority;

2. Detailed Project Report;
3. Implementation schedule including timelines;
4. Cost-benefit analysis & Rate reasonability;
5. Improvement in operational efficiency envisaged in the Control Period;
6. Any scheme On-going that will spill over into the Control period FY 2021-26.
7. 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 decision in connection with the admissibility of the claimed Capital expenditure.

6. The Plant Availability Factor of TVNL has been low (compared to NAPAF) during the previous Control period FY 2016-21 with 69.66% PAF during the FY 2020-21. Further, for the FY 2021-26, TVNL has claimed PAF of 85% for each year of the Control period FY 2021-26 which seems overambitious. In this regard, TVNL is required to submit the actions it has taken/ will take to attain PAF of 85%. TVNL is also required to submit the actual PAF for the FY 2021-22.
7. The Auxiliary consumption as well as Secondary fuel oil consumption for the previous control period FY 2016-21 has also failed to attain normative levels. TVNL is required to submit the actions it has taken/ will take to attain Auxiliary consumption as well as Secondary fuel oil consumption to the normative levels of 85%. TVNL is required to submit the actual Auxiliary consumption as well as Secondary fuel oil consumption for the FY 2021-22.
8. The Employee expenses incurred by TVNL for the FY 2019-20 has increased by more than 80% of the employee expenses for the FY 2018-19 and by more than 63% against the approved employee expenses. The submissions made by TVNL for FY 2019-20 are also on the higher side. TVNL is directed to submit the detailed justification in such regard.
9. TVNL is required to submit the details of Non-Tariff income for the FY 2020-21 duly reconciled with the Audited Accounts for the FY 2020-21.
10. The first proviso to the Regulation 6.6 of the JSERC Tariff regulations 2020 requires the petitioner to furnish the details (of previous control period FY 2016-21) of year-wise

audited data on Scheme-wise capital investment, efficiency improvements and its cost benefit analysis, quality improvement measures undertaken. TVNL has not submitted relevant details as per the requirement of JSERC Tariff regulations 2020.

11. TVNL has proposed to claim Special Allowance for Unit 1 (from FY 2022-23 onwards) and Unit 2 (from FY 2023-23 onwards). First proviso to Regulation 14.11 of the JSERC Tariff regulations 2020 suggests that Special Allowance is not applicable for a generating station or unit which is in a depleted condition. In context of such claim of TVNL, it is observed that the operational parameters of the plant are in significant deviation from the normative parameters. TVNL itself has submitted that owing to the plant being old and entering into 20th year of operation, it has had frequent shutdowns resulting into degradation of operational parameters. In context of the above, TVNL ought to submit necessary justification in support of its claim of Special Allowance.

12. The Petitioner is required to submit the detailed CWP statement in soft copy (xls) clearly indicating the working of Opening CWP, opening GFA balance for the FY 2021-22 (ref Table 8 of the MYT Petition).

13. TVNL is required to submit the actual details of operational parameters for the FY 2021-22. The list of operational parameters shall include PAF, PLF, Station Heat Rate, Aux. Consumption, Secondary fuel oil consumption, actual transit loss.

14. As per JSERC Tariff regulations 2020, the rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Generating Company. The Petitioner is required to submit the detailed computation of Rate of Interest claimed (@9.40%).

15. The depreciation computed by the Petitioner for assets proposed to be added during the FY 2021-22 and beyond is not comprehensible. TVNL is directed to provide the detailed computation of the same.

16. The Petitioner has not submitted details of terminal benefits report established through actuarial studies as per the regulations. The Petitioner should submit the same in accordance with Clause 15.42 (Note 3) of the JSERC Tariff Regulations, 2020.


Secretary