Jharkhand State Electricity Regulatory Commission

Order on

True-up for FY 2019-20

and

Annual Performance Review for FY 2020-21

for

Damodar Valley Corporation (DVC)

Ranchi

January 30, 2023

CONTENTS

List of Abbreviations

Abbreviation	Description
ABR	Average Billing Rate
ACS/ACoS	Average Cost of Supply
AFC	Annual Fixed Charges
APR	Annual Performance Review
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BCCL	Bharat Coking Coalfields Limited
BG	Bank Guarantee
BTPS	Bokaro Thermal Power Station
CAGR	Compound Average Growth Rate
CCL	Central Coalfields Limited
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CSGS	Central Sector Generating Stations
CSS	Cross Subsidy Surcharge
CTPS	Chandrapura Thermal Power Station
DPS	Delayed Payment Surcharge
DVC	Damodar Valley Corporation
DSTPS	Durgapur Steel Thermal Power Station
DTPS	Durgapur Thermal Power Station
EA	Electricity Act, 2003
ECR	Energy Charge Rate
EHT	Extra High Tension
ERPC	Eastern Region Power Committee
FPA	Fuel Purchase Adjustment
FSTPS	Farakka Super Thermal Power Station
FY	Financial Year
GFA	Gross Fixed Assets
GoI	Government of India
GoJ	Government of Jharkhand
GOMD	Grid Operation and Maintenance Division
HP	Horse Power
HT	High Tension
IAS	Irrigation and Agriculture Services
IEX	Indian Energy Exchange
IoWC	Interest on Working Capital
IPP	Independent Power Producer
JBVNL	Jharkhand Bijli Vitran Nigam Limited
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
JUSCO	Jamshedpur Utilities & Services Company

KBUNL MTPS	Kanti Bijlee Utpadan Nigam Limited- Muzaffarpur Thermal Power Station
KHTPS	Kahalgaon Thermal Power Station
KTPS	Koderma Thermal Power Station
kVA(h)	kilo Volt-Ampere (hour)
kW(h)	kilo Watt (hour)
LF	Load Factor
LT	Low Tension
LTIS	Low Tension Industrial Services
MD	Maximum Demand
MDI	Maximum Demand Indicator
MES	Military and Engineering Services
MHS	Maithon Hydropower Station
MOD	Merit Order Despatch
MoP	Ministry of Power
MPL	Maithon Power Limited
MTPS	Mejia Thermal Power Station
MU	Million Units
MVA	Mega Volt Ampere
MW	Megawatt
MYT	Multi Year Tariff
NTI	Non-Tariff Income
O&M	Operation & Maintenance
P&G	Pension & Gratuity
PAF	Plant Availability Factor
PF	Power Factor
PHS	Panchet Hydropower Station
PPA	Power Purchase Agreement
PSU	Public Sector Undertaking
RE	Renewable Energy
REC	Renewable Energy Certificates
RPO	Renewable Purchase Obligation
RTPS	Raghunathpur Thermal Power Station
RTS	Railway Traction Services
SAIL	Steel Authority of India Limited
SBI	State Bank of India
SD	Security Deposit
SERC	State Electricity Regulatory Commission
SS	Streetlight Services
T&D	Transmission & Distribution
THS	Tilaiya Hydropower Station
TOD	Time of Day
TSL	Tata Steel Limited
TSTPS	Talcher Super Thermal Power Station

TVS	Technical Validation Session
UDAY	Ujwal Discom Assurance Yojana
UI	Unscheduled Interchange
USO	Universal Supply Obligation
WB	West Bengal
WBERC	West Bengal Electricity Regulatory Commission
WBSEB	West Bengal State Electricity Board
WBSEDCL	West Bengal State Electricity Distribution Company Limited

List of Tables

BEFORE

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 11 of 2020

In the matter of:

Petition for

True-up for FY 2019-20

And

Annual Performance Review for FY 2020-21

In the matter:

Damodar Valley Corporation (DVC)

DVC Towers, V.I.P. Road, Kolkata- 700 054…………………………. **Petitioner**

PRESENT

Shri. Justice Amitav K. Gupta	Chairperson
Shri. Atul Kumar	Member (Technical)
Shri. Mahendra Prasad	Member (Legal)

Order dated January 30, 2023

Damodar Valley Corporation (hereinafter referred to as 'DVC' or the 'Petitioner') has filed Petition dated December 07, 2020 for approval of True up for FY 2019-20 and Annual Performance Review for FY 2020-21.

A 1 INTRODUCTION

Jharkhand State Electricity Regulatory Commission

1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as the JSERC or the Commission) was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commission Act, 1998 on August 22, 2002. The Commission became operational with effect from April 24, 2003.

1.2 The Government of Jharkhand vide its notification dated August 22, 2002 had defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commission Act, 1998 to be the following, namely:

(a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in Section 29;
(b) to determine the tariff payable for the use of the transmission facilities in the manner provided in Section 29;
(c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
(d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.

1.3 After the Electricity Act, 2003 came into force, the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the functions of State Electricity Regulatory Commissions (SERCs) are now defined under Section 86 of the Act.

1.4 In accordance with Section 86 (1) of the Act, the JSERC discharges the following functions:

(a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:
Provided that where open access has been permitted to a category of consumers under Section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies

or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;

(c) facilitate intra-state transmission and wheeling of electricity;

(d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;

(e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;

(f) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;

(g) levy fee for the purposes of this Act;

(h) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;

(i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;

(j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;

(k) discharge such other functions as may be assigned to it under this Act.

1.5 The Commission has also to advise the State Government as per sub section 2 of Section 86 of the Act, on all or any of the following matters, namely:

(a) promotion of competition, efficiency and economy in activities of the electricity industry;

(b) promotion of investment in electricity industry;

(c) reorganisation and restructuring of electricity industry in the State;

(d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

1.6 The State Commission ensures transparency while exercising its powers and discharging its functions.

1.7 In discharge of its functions, the State Commission is also guided by the National Tariff Policy as brought out by GoI in compliance to Section 3 of the Act. The objectives of the National Tariff Policy are to:

(a) ensure availability of electricity to consumers at reasonable and competitive rates;

(b) ensure financial viability of the sector and attract investments;

(c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;

(d) promote competition, efficiency in operations and improvement in quality of supply.

Damodar Valley Corporation (DVC)

1.8 Damodar Valley Corporation (hereinafter referred to as DVC or the Petitioner), is a statutory body incorporated under the Damodar Valley Corporation Act, 1948, having multifarious functions. Regarding the electricity, DVC undertakes generation of electricity and is therefore a generating company within the meaning of Section 2 (28) of the Electricity Act, 2003. DVC also undertakes transmission of electricity in the Damodar valley area which falls within the territorial limits of the two states namely, West Bengal and Jharkhand. It, therefore, undertakes inter-state transmission of electricity and operates inter-state transmission system within the meaning of Section 2 (36) of the Electricity Act, 2003. DVC also undertakes the sale of electricity to West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Jharkhand Bijli Vitran Nigam Limited (JBVNL) in its capacity generally as a generating company. This is bulk sale of electricity by a generating company to a distribution licensee within the meaning of Section 62 (1) (a) of the Electricity Act, 2003. In addition to the above, DVC undertakes the retail sale and supply of electricity to the consumers in the Damodar Valley area under the provisions of Section 62 (d) read with Section 86 (1) of the Electricity Act, 2003.

1.9 DVC, being a statutory body constituted under the DVC Act, 1948, is a Public Sector Undertaking (PSU). As envisaged under Section 79 (1) (a) of the Electricity Act, 2003, the tariff for generation of electricity is to be decided by the Central Electricity Regulatory Commission (CERC). Similarly, with regards to the inter-state transmission, DVC again is regulated by CERC and tariff for composite (inter-state) generation & transmission is to be determined by the CERC in terms of Section 79 (1) (c) and (d) of the Electricity Act, 2003.

1.10 With regards to the retail sale and supply of electricity, DVC covers the entire Damodar Valley area which falls in two contiguous States, namely, the State of West Bengal and the State of Jharkhand. Thus, tariff for retail sale and supply of electricity in the Damodar Valley area is governed by the provisions of Section 62 (d) read with Section 86 (1) of the Electricity Act, 2003 and has to be determined by the respective Electricity Regulatory Commissions in the states of West Bengal and Jharkhand. The Petitioner is a Distribution Licensee under the provisions of the Electricity Act, 2003 (EA, 2003) having licence to supply electricity in the State of Jharkhand.

The Petitioner's Prayers

1.11 The Petitioner in Petition No.: 11 of 2020 for True-up for FY 2019-20 and APR for FY 2020-21 has prayed before the Commission as mentioned below:

Part-A: Truing up for FY 2019-20

- ***"determine the trued-up ARR based on the submission in the instant true-up petition for the year 2019-20 and pass the direction for adjustment of revenue gap / surplus as deemed proper;***
- ***settle other commercial issues based on the submissions made by DVC;***
- ***pass such other order(s) as the Hon'ble Commission may deem fit and proper keeping in view the facts and circumstances of the case"***

Part-B: Annual Performance Review for FY 2020-21

- ***"Admit the present petition and determine the Aggregate Revenue Requirement for the year 2020-21 based on the submissions herein made by DVC,***
- ***Settle other commercial issues as mentioned in the present submission,***
- ***Pass such other order(s) as the Hon'ble Commission may deem fit and proper keeping in view the facts and circumstances of the case."***

Scope of the Present Order

1.12 As stated above, the Petitioner has submitted the Petition seeking truing up for FY 2019-20 and APR for FY 2020-21. The Commission has considered the submissions made by the Petitioner and Stakeholders on the Petition and has decided to deal with the Petition through this Order.

1.13 The Commission in this Order has approved the True-up for FY 2019-20.

1.14 The Commission has however not carried out the APR for FY 2020-21 as considerable time has lapsed and the Petitioner has already filed truing up Petition for FY 2020-21. As the truing up petition is under active consideration of this Commission. The Commission therefore does not find any merit in carrying out APR for FY 2020-21.

1.15 While approving this Order, the Commission has taken into consideration:

a) Material placed on record by the Petitioner
b) Provisions of the Electricity Act, 2003;
c) Principles laid down in the National Electricity Policy;
d) Principles laid down in the Tariff Policy;

e) Provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 (hereinafter referred to as "Tariff Regulations, 2015");

1.16 Accordingly, the Commission has scrutinized the Petition in detail and hereby issues the Order on Truing-up for FY 2019-20 for DVC.

A 2 PROCEDURAL HISTORY

Background

2.1 The Commission issued Order on True-up for FY 2016-17, Annual Performance Review for FY 2017-18 & FY 2018-19 and determination of ARR & Tariff for FY 2019-20 dated May 28, 2019.

2.2 The Commission has also issued Order on True-up for FY 2017-18 vide its Order dated September 29, 2020.

2.3 The Commission has approved the True up for FY 2018-19, Annual Performance Review for FY 2019-20 and ARR & Tariff for FY 2020-21 on September 30, 2020 while disposing the Petition No. 01 of 2020 & 02 of 2020.

2.4 The Petitioner has now filed the Petition for True-up for FY 2019-20 and Annual Performance Review for FY 2020-21 on December 07, 2020 before the Commission for consideration.

DVC Case History

2.5 Central Electricity Regulatory Commission (CERC) by Order dated October 03, 2006 decided the tariff for DVC for its functions of inter-state generation and transmission of electricity and directed that the tariff so determined should be made effective for the period April 01, 2006 to March 31, 2009.

2.6 DVC, aggrieved by the order dated October 3, 2006 passed by CERC, had filed an appeal against the said Order before the Hon'ble APTEL. Hon'ble APTEL, before passing its final Judgment in the appeal filed by DVC against the aforementioned Order by CERC, issued several interim orders dated December 6, 2006, January 15, 2007 and February 26, 2007, restraining the State Commissions of West Bengal and Jharkhand from passing orders for determination of distribution and retail tariffs for DVC till its final judgment. Hon'ble APTEL, by Judgment and Order dated November 23, 2007, allowed the appeal filed by DVC and directed CERC to determine the revenue requirements and inter-state generation and transmission tariff for DVC for the period FY 2006-07 to FY 2008-09, *de-novo*, in the terms laid down in its Order. Subsequently, the CERC in accordance with the directions of the Hon'ble APTEL revised the ARR and tariff for inter-state generation and transmission of electricity for the period FY 2006-07 to FY 2008-09 by its Order dated August 6, 2009.

2.7 Aggrieved by the Order passed by the CERC on August 6, 2009, DVC again filed an appeal against the said Order before Hon'ble APTEL. Hon'ble APTEL vide Interim Order dated September 16, 2009 allowed WBERC and JSERC to fix the retail supply tariff for FY 2010-11 after considering the generation tariff as fixed by CERC in its Order dated August 6, 2009 as the input cost but not any final orders in this regard. Consequently, DVC filed the Petition for determination of ARR and retail tariffs for the period FY 2006-07 to FY 2010-11 to the Commission on October 31, 2009. Since the matter was subjudice before the Hon'ble APTEL and there was a direction for not passing any final retail tariff Order, the Commission kept the Petition pending awaiting final order of the Hon'ble APTEL.

2.8 The Hon'ble APTEL, vide its Order dated May 10, 2010, directed DVC to implement the generation tariff as determined by the CERC in its Order dated August 6, 2009 and to give effect to any refund to its consumers arising out of implementation of the said Order. The relevant extract of the said Order is reproduced below:

> *"107. Since we do not find any substance in the grounds raised in the Appeal, we deem it fit to dismiss the Appeal as devoid of merits. Consequently**, we direct the Appellant (DVC) to implement the Tariff as determined by the Central Commission vide its Order dated, 6th August, 2009**. DVC is also directed to revise the electricity bills raised by it for electricity consumption during April, 2006 onwards of its licensees and HT consumers and **refund the excess amount billed and collected along with the interest at the rate of 6 per cent per annum in line with Section 62 (6) of The Electricity Act, 2003...**" **(Emphasis added)***

2.9 Hon'ble APTEL, by its Order dated May 10, 2010, further directed the Petitioner to approach the concerned SERCs for finalizing the retail tariffs, the relevant extract is being reproduced below:

> *"107. Thereafter, the DVC is directed to approach the concerned State Electricity Commissions for getting the final Order relating to the Retail Tariff who in turn will fix the retail Tariff according to law."*

2.10 Aggrieved by the said Order of the Hon'ble APTEL, DVC filed an appeal before the Hon'ble Supreme Court of India, being No. C.A. No. 4881/ 2010. The Hon'ble Supreme Court in its Order dated July 9, 2010, stayed refund. The relevant part of the said Order is reproduced below:

> *"In the meantime, parties will submit before us the various disputed items to be taken into account in Tariff Fixation as well as the relevant documents on which*

*Damodar Valley Corporation would be relying upon at the final hearing...**Until further orders, there shall be stay on refund.**" **(Emphasis added)***

2.11 From the said Order, it is clear that the entire Order of the Hon'ble APTEL has not been stayed by the Hon'ble Supreme Court and the stay is related to only refund.

2.12 The Commission, in line with the Judgment dated May 10, 2010 of the Hon'ble APTEL in its aforementioned Order, initiated the process of review of the Tariff Petitions submitted by the Petitioner and issued the provisional Order on ARR for FY 2006-07 to FY 2012-13 on November 22, 2012.

2.13 The Petitioner subsequently submitted the final True-up Petition for FY 2006-07 to FY 2012-13 along with the MYT Petition for the Control Period from FY 2013-14 to FY 2015-16 on February 28, 2014. The Commission while issuing the MYT Order for the Control Period FY 2013-14 to FY 2015-16 on September 04, 2014 did not undertake the final True-up for FY 2006-07 to FY 2012-13 as the matter was subjudice. The Commission, in the said Order, observed as follows:

"5.7 In the Tariff Order dated 22nd November 2012, the Commission had approved a cumulative revenue surplus of Rs.424.38 Cr for the period FY 2006-07 to FY 2008-09. However, as the true up for the above-mentioned years was provisional subject to the final decision of the Hon'ble Supreme Court in its appeal C.A. No. 4881/2010, the Commission had not allowed any pass through of this surplus along with the revenue gap approved for FY 2010-11 and FY 2011-12 to be adjusted once the final decision is made in this regard.

5.8 In view of above, the Commission is of the opinion that as the True up for period FY 2006-07 to FY 2008-09 is still subject to final judgement of the Hon'ble Supreme Court with respect to the appeal No. C.A. No. 4881/2010 filed by DVC against the Order of ATE dated 10th May 2010; the Commission has not made any adjustment in revenue surplus approved for this period. This would be a pass through once the final judgement is issued in this matter.

5.9 With respect to True up for FY 2009-10 to FY 2012-13 in accordance with the Final Tariff orders issued by CERC, the Commission is of the view that detailed analysis should be carried out to assess the impact of the orders. In this regard, several consumers have represented in front of the Commission for approval of compensation as per the CERC regulations due to them for refund of excess capacity charges recovered by DVC. M/s Bihar Foundry & Castings Ltd being a

HT consumer within the command area of DVC has preferred an appeal before the Hon'ble Supreme Court vide appeal No. SLP (Civil) No 10945 of 2012 for refund of excess of capacity charges realised by DVC.

....

5.14 In view of above, the Commission is of the opinion that final true up for the period FY 2009-10 to FY 2012-13 shall be undertaken on finalisation of compensation as per the CGRF and final judgement of Supreme Court in appeal no. SLP (Civil) No 10945 of 2012 for refund of excess of capacity charges realised by DVC.

5.15 Accordingly, the Commission has not considered any true up for previous years revenue gap/surplus in this order."

2.14 One of the HT consumer of DVC, Anjaney Ferro Alloys, filed an Appeal before the Hon'ble APTEL, against the Commission's Order dated September 04, 2014 submitting that the Commission ought to have undertaken final True-up of the of ARR for FY 2006-07 to FY 2012-13. The Hon'ble APTEL, agreeing with the view of the Commission that the matter of True-up was subjudice, upheld the Order of the Commission. Anjaney Ferro Alloys preferred an appeal before the Hon'ble Supreme Court of India (CA No. 7383/2016) against the Order dated March 23, 2016 passed by the Hon'ble APTEL.

2.15 The Hon'ble Supreme Court of India, vide its Judgment dated October 26, 2016, directed the Commission to take-up the issue of True-up of previous years and make the decision subject to the result of Civil Appeal No. 4881 of 2010. It reads as:

".. Therefore, this appeal is disposed of with a direction to Respondent No.1-Jharkhand State Electricity Regulatory Commission to take up the true-up issue and pass the required Orders within a period of six months from today.

However, the Commission is free to make the decision subject to the result of Civil Appeal No. 4881 of 2010 in case the said civil appeal is not disposed of before the said period."

2.16 In accordance with the above, the Commission issued an Order on True-up from FY 2006-07 to FY 2013-14 and Annual Performance Review for FY 2014-15 on April 19, 2017 and the Order on True-up for FY 2015-16 and ARR for FY 2016-17 to FY 2020-21 on May 18, 2018.

2.17 The Commission in its MYT Order dated May 18, 2018 has not considered the surplus till FY 2014-15 to be passed on to the consumers considering the following Judgment in Order dated 19.01.2018 in Case No 07 of 2017:

> *"In view of the said admitted position and the facts and circumstances appearing on record, we are of the view that during the pendency of Appeal No. 198 of 2017 filed by the petitioner in this case and Appeal No. 163 of 2017 filed by the respondent, DVC, before the Hon'ble Appellate Tribunal for Electricity, the order dated 19.4.2017 passed in Case (T) No. 02 of 2016 cannot be said to have attained its finality and it would not be proper to pass any order in the instant case for refund of excess charges claimed by the petitioners at this stage."*

2.18 The Hon'ble Supreme Court in its Judgment in Civil Appeal No. 4881 of 2010 dated December 3, 2018 dismissed the appeal as:

> *"… The upshot of the above discussion is that the appellant has not made out a case for interference.* ***The appeal fails and is dismissed.*** *The parties will bear their respective costs."* ***(Emphasis Added)***

2.19 The Commission in its Order dated May 28, 2019 also directed the Petitioner as below:

> *"… 8.10 In addition, since the Appeal I.A. no. 1188 of 2018 & DFR No. 2430 of 2018, filed on the Order of the Commission dated May 18, 2018 is sub-judice, the Commission has not proposed any recovery for the past gaps.*
>
> *8.11 The Commission however notes that the said surplus shall increase as carrying cost is to be allowed on the amount not adjusted/refunded. It would be very difficult to refund/adjust the previous years' surplus if it is not gradually reduced.*
>
> *8.12 The Commission therefore, directs the Petitioner to propose a roadmap for adjustment of the abovementioned surplus clearly stating the period of treatment and the manner in which it proposes to do within two months of issue of this Order."*

2.20 The Petitioner has submitted a separate petition for determination of ARR and category wise tariff schedule for the period from FY 2006-07 to FY 2011-12 and adjustment of Revenue Gap/(Surplus) till FY 2014-15 for distribution activity of DVC in the State of Jharkhand.The above said petition is under consideration and is being dealt separately.

Information Gaps in the Petitions

2.21 As part of the true-up and tariff determination exercise, several deficiencies/information gaps were observed in the Petition submitted by the Petitioner which were communicated to the Petitioner vide Letter Nos. JSERC/Case (Tariff) No. 11 of 2020/400 dated January 28, 2021.

2.22 The Petitioner submitted its response to the aforesaid letter and furnished additional data/ information to the Commission vide letter nos. Coml./Tariff/JSERC/Adl. Info 19-20-21/377 dated Febraury 12, 2021 and subsequents submission.

2.23 The Commission has scrutinized the additional data/ information supporting documents as supplied by the Petitioner and has considered the same while passing this Order.

2.24 In order to provide adequate opportunities to all stakeholders and general public, as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulation(s) framed by the Commission and in order to ensure transparency in the process of tariff determination, the Commission decided to hold Public Hearing on December 05, 2022 and December 07, 2022.

Inviting Public Comments/Suggestions

2.25 After the initial scrutiny of Petition filed by the Petitioner, the Commission directed the Petitioner to issue a public notice inviting comments/ suggestions on the Petition from public and to make available copies of the Petitions to the members of general public on request.

2.26 The public notice was subsequently issued by the Petitioner in various newspapers and a period of twenty one (21) days was given to the members of the general public for submitting their comments/suggestions.

Table 1: List of newspapers and dates of publication of public notice by the Petitioner

Newspaper	Date of Publication
Dainik Bhaskar	03.03.2021 & 04.03.2021
Dainik Jagran	03.03.2021 & 04.03.2021
Morning India	03.03.2021 & 04.03.2021
The Hindustan Times	03.03.2021 & 04.03.2021
Hindustan	24.02.2021 & 25.02.2021
Prabhat Khabar	24.02.2021 & 25.02.2021
Morning India	24.02.2021 & 25.02.2021
The Times of India	24.02.2021 & 25.02.2021

2.27 The Commission has also organized a public hearing on December 05, 2022 and December 07, 2022 where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above said Petition. The details of newspapers wherein the notice was published by the Commission are as under:

Table 2: List of newspapers and dates of publication of public notice by the Commission

Newspaper	Date of Publication
Prabhat Khabar	22.11.2022 & 04.12.2022
Dainik Jagran	22.11.2022 & 04.12.2022
The Times of India	22.11.2022 & 04.12.2022
The Hindustan Times	22.11.2022 & 04.12.2022

Submission of Comments/Suggestions and Conduct of Public Hearing

2.28 Written objections/ comments/ suggestions on the Petitions were received from various stakeholders. In addition to the written suggestions, various stakeholders also gave their comments/suggestions on the Petitions filed during the Hearings. The objections/ comments/ suggestions of the Public, Petitioner's responses and Commission's views thereon are detailed in **Section A 4** of this Order.

A 3 BRIEF FACTS OF THE PETITION

Aggregate Revenue Requirement

3.1 The summary of Aggregate Revenue Requirement for FY 2019-20 and FY 2020-21 as approved in the MYT/Tariff Order vis-a-vis that claimed by the Petitioner is tabulated below:

Table 3: ARR as submitted by the Petitioner for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	FY 2019-20		FY 2020-21	
	Approved	Actual	Approved	Petition
Own Generation Cost	6711.92	7140.35	7023.19	5454.64
Power Purchase cost	779.85	1006.81	708.56	605.78
Add: Interest on Temp Financial Accommodation	-	15.16	-	24.27
Less: Non-Tariff Income (NTI)	48.53	21.74	50.96	25.00
Add: Tariff filling & publication exp. (CERC)	4.81	7.38	4.74	4.58
Add: Legal Charges & Consultancy Fees	-	10.77	-	1.89
Add: Environmental Protection & other Cess	0.20	-	0.25	0.25
Gross-ARR	7448.25	8151.01	7685.78	8299.03
ARR-Jharkhand part (in the ratio of sales)	3252.18	3656.74	3365.45	3816.41
Add: Rebate on Sale of power	-	33.54	-	15.42
Add: Cost of RE power/REC (Jharkhand)	169.30	136.17	143.34	183.87
Add: Tariff filling & publication Exp. (Jharkhand)	0.57	1.09	0.64	0.85
Add: Interest on security deposit (Jharkhand)	2.88	4.05	3.51	6.69
Interest on Working Capital (Jharkhand)	4.30	69.80	4.10	64.67
Total-ARR (Jharkhand)	**3429.23**	**3901.53**	**3517.03**	**4087.92**

3.2 The summary of revenue from sale of power as as claimed by DVC is as follows:

Table 4: Revenue from sale of power as submitted by the Petitioner for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	FY 2019-20	FY 2020-21
Total ARR for Jharkhand (Rs. Crore)	3901.53	4087.92
Energy Sale in Jharkhand (MU)	6996.55	7144.63
Revenue billed from Jharkhand Consumers (Rs. Cr.)	2959.03	3014.06

A 4 PUBLIC CONSULTATION PROCESS

4.1 The Petition filed by the Petitioner evoked responses from several stakeholders. The Public Hearings were held on two days to ensure the maximum public participation and transparency wherein stakeholders put forth their comments and suggestions before the Commission in the presence of the Petitioner. The list of the participants during the public hearings is attached as **Annexure-1** to this Order.

4.2 In course of public hearings, the Commission also allowed persons/representatives of entities who had not submitted prior written representations but attended the public hearings to express their views, regarding the Petition filed by the Petitioner and also about ways and means to improve the services rendered by the Petitioner.

4.3 The written as well as comments and suggestion of the members of the public expressed during the Public Hearings along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

Own Generation Cost

Higher Allocation of T&D charges to firm consumers

Public Comments/ Suggestions

4.4 The Stakeholder has submitted that the sale portfolio of DVC can be divided into the following categories:

* Sale to firm consumers in the States of Jharkhand and West Bengal
* Export to PPA beneficiaries under schedule mode
* Sale of power to JBVNL, SAIL-BSL, JUSCO, TATA Steel, Indian Railways etc. at some points in consumer mode through its own transmission and distribution (T&D) network.

4.5 The entire Annual Fixed Charge approved by Hon'ble CERC in respect of T&D system amounting to Rs. 377.47 Crores has been allocated by DVC amongst the firm consumers of Jharkhand and West Bengal. It is respectfully submitted that the T&D network of DVC is being utilised for

(i) export of power to PPA beneficiaries under schedule mode outside and

(ii) Sale to JBVNL, SAIL-BSL, JUSCO, TATA Steel, Indian Railways etc. in consumer mode and hence the T&D systems costs ought to be shared with such entities as well.

The Stakeholders has requested that, the allowable T&D systems costs on the firm consumers is to the tune of Rs. 151.93 Crores for FY 2019-20 as against Rs. 377.47 Crores claimed by the DVC.

Petitioner's Response

4.6 The Petitioner submitted that the objection raised by the Consumer Association is misconstrued and liable to be rejected. The Objector has wrongly conceptualized regarding the power evacuation from Generating stations of DVC to different beneficiary of DVC.

4.7 The petitioner submitted that, the sale to licensees in scheduled mode is undertaken by DVC in its capacity as generator and is guided by CERC regulation. The scheduling to beneficiaries is done at the Ex-bus of the respective generating stations, thereafter the responsibility of evacuation of power through PGCIL network lies with the beneficiaries. The tariff of PGCIL network is being directly recovered from such licensees by PGCIL through POC mechanism. DVC's unified Transmission and Distribution network is not being utilized anyway in the said evacuation process. However, there are some transmission assets of DVC which are being used to carry interstate powers, Tariff of such transmission assets is being determined by CERC and the same is recovered from the entire pool of AFC of CTU lines and currently being serviced through POC mechanism. Therefore, DVC did not include AFC of such lines in the ARR of its Distribution Activity.

4.8 This same issue was earlier raised by the objector against which DVC has already provided its detail justification. This Hon'ble Commission has persistently over the years have allowed the entire AFC of the unified T&D network of DVC as determined by CERC to recover from the firm consumers after segregating the same between the two states i.e. state or Jharkhand and state of West Bengal based on their respective sales ratio. It is also pertinent to mention here that Hon'ble WBERC has also approved the same methodology as adopted by this Hon'blc Commission in its various orders.

4.9 Therefore, Petitioner stated that to continue with the settled methodology or the previous orders regarding the recovery of the AFC of unified T&D network of DVC utilized in the Distribution and Retail Sale activity.

Views of the Commission

4.10 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has discussed the allocation of T&D charges to firm consumers in detail in **Section A 5** of this Order.

Recovery of contribution to P&G Fund Sinking Fund with applying Availability Factor.

Public Comments/ Suggestions

4.11 The Stakeholder has submitted that the prayer of DVC seeking recovery of contribution to P&G Fund and Sinking Fund without factoring the availability factors like that applicable for recovery of the AFC consisting of the elements defined in CERC Tariff Regulations. Such an approach is contrary to the CERC Regulations as well as past Orders issued by Hon'ble APTEL and Hon'ble JSERC/ WBERC.

4.12 *The stakeholder has submitted the ground for the objections on this account are summarized below:*

JSERC Order dated 04.09.2014 in the matter of "Multi Year Order for Determination of ARR from FY 2013-14 to FY 2015-16 and Retail Supply Tariff for DVC Command area of Jharkhand" with regard to Pension and Gratuity observed as follows:

*"**<u>Commission's Analysis 6.72 The Commission is of the view that the contribution to Pension and Gratuity and Sinking fund has already been considered by CERC in the Annual Fixed Charges of the DVC's generating stations and as per Section 21 of the CERC Regulations,</u>** the fixed costs of the generating stations shall be computed on annual basis based on actual plant availability factor as well as the normative plant availability factor. Hence, the claim of the Petitioner finds no merit and accordingly the Commission has disallowed the cost claimed by the Petitioner under this head".*

- *APTEL judgment dated 23.03.2016 in Appeal No. 255 of 2014 with regard to treatment of Pension and Gratuity costs. The relevant extract of the said judgment is reproduced below:*

"(k) As regards the another issue of pension & gratuity and sinking fund contribution, the State Commission in its Impugned Order dated 04.09.2014 vide para 6.72 states as follows:

"6.72 The Commission is of the view that the contribution to Pension and Gratuity and Sinking fund has already been considered by CERC in the Annual Fixed Charges of the DVC's generating stations and as per Section 21 of the CERC Regulations, the fixed costs of the generating stations shall be computed on annual basis based on actual plant availability factor as well as the normative plant availability factor. Hence, the claim of the Petitioner finds no merit and accordingly the Commission has disallowed the cost claimed by the Petitioner under this head." The State Commission has stated that the pension & gratuity and sinking fund has been appropriately considered by the Central

Commission while determining tariff of generating stations of the Appellant and hence the State Commission has not undertaken any determination/re-determination on the same and this cost has in fact been allowed as input cost as part of the power procurement cost from the Appellant's generating stations and as such no part of it is required to be re-determined by the State Commission. ***We are in agreement with the State Commission's findings as above."***

4.13 As is evident from the above findings of Hon'ble APTEL, the issue of adjustment of contribution to P&G and sinking fund based on the actual availability has already been settled by Hon'ble APTEL as well as by both Hon'ble JSERC & WBERC in plethora of Orders. The being fully aware of this fact is trying to rake up the same issue every time before this Hon'ble Commission. The Petitioner has continued to do the same in the current petition, intentionally mentioning selective portions of various orders out of context, so as to mislead the Hon'ble Commission. The Objector humbly requests the Hon'ble Commission to reprimand the Petitioner for such conduct and issue strict directions for not raising the same issue repeatedly before the Hon'ble Commission.

Petitioner's Response

4.14 The Petitioner replied that that the Hon'ble Supreme Court in the order dtd. 23.07.2018 in Civil Appeal Nos. 971-973 of 2008, 4289 of 2008 and 4504 - 4508 of 2008 has upheld the judgment dtd. 23.11.2007 passed by the Hon'ble APTEL. Accordingly, the portions of DVC Act 1948 so far as they are not inconsistent with the Electricity Act 2003 will continue to hold ground for determination of tariff (ref. fourth proviso of Section 14 of the Electricity Act 2003). While issuing the judgment dtd. 23.11.2007, the Hon'ble APTEL on the issue of Contribution to the Pension & Gratuity Fund (P&G fund} and Sinking Fund held as under:

"D.3 As a general rule, once the Commission, after prudence check, has agreed with the need for funding the Pension and Gratuity Contribution funds, DVC should have been allowed to recover entire amount from the consumers through the tariff Asking DVC to contribute out of its own 8 resources would tantamount to denying it the return on equity as assured in terms of Tariff Regulations. However, if we look at it from the point of view of the consumers, the consumers, particularly the industrial and commercial ones, have now no option to adjust their sale price to take into consideration the need for meeting the accumulated liability. It is, therefore, an accepted fact that due to postponing of the creation of such fund, the consumers were enjoying lesser tariff tl1an tire legitimate tariff otherwise applicable to them."

"E.15 As regards sinking funds which is established with the approval of Comptroller Accountant General of[India vide letter dated December 29, 1992 under· the provision of Section 40 of the DVC Act is to be taken as an item of expenditure to be recovered through tariff as brought out in para 82 earlier."

4.15 Accordingly, DVC is entitled to recover through tariff the entire contribution to the Pension and Gratuity (P&G) Fund and Sinking Fund as approved by the Hon'ble CERC. As such it may therefore be concluded that recovery of expenditure towards contributions to the P&G fund and Sinking fund as already approved by the Hon'ble CERC may be recovered by DVC in full i.e. without further factoring in the Plant Availability Factor or Transmission Availability Factor as the case may be since it may increase or decrease the recovery as compared to that approved amount.

4.16 Further, the Petitioner would like to draw kind attention to Regulation 15 and 42 of CERC “Terms and Conditions of Tariff’ Regulations 2019 which is reproduced below;

“15. Capacity Charges: The Capacity charges shall be derived on the basis of annual fixed cost. The Annual Fixed Cost (AFC) of a generating station or a transmission system including communication system shall consist of the following components:

(a) Return on equity;
(b) Interest on loan capital;
(c) Depreciation;
(d) Interest on working capital; and
(e) Operation and maintenance expenses”

“42. Computation and Payment of Capacity Charge for Thermal Generating Stations:

{2} The capacity charge payable to a thermal generating station for a calendar month shall be calculated in accordance with the following formulae:

CCpl = (0.20 x AFC) x (1/12) x (PAFMpl / NAPAF) subject to ceiling of (0.20 x AFC) x (1/12)

CCp2 = ((0.20 x AFC) x (1/6) x (PAFMp2 / NAPAF) subject to ceiling of (0.20 x AFC) x (1/6)}-CCpl

CCopl = (0.80 x AFC) x (1/12) x (PAFMopl / NAPAF) subject to ceiling of (0.80 x AFC) x (1/12)

Ccop2 = {(0.80 x AFC) x (1/6) x (PAFMop2 / NAPAF) subject to ceiling of (0.80 x AFC) x (1/6)}- Ccopl

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From the above it is clear that defined elements of AFC does not include contribution to P&G Fund and Sinking Fund for the obvious reason that these elements are considered for DVC as a special case. Plant availability factor is applicable on the elements of AFC as defined under Regulation 10.15 and not on the other elements considered as a special case for DVC. Moreover, these elements are not considered for computation of Working Capital and IWC. Hence, DVC has not factored in PAFY in respect of contribution to P&G Fund and Sinking Fund of CERC’s approved tariff wherein such additional and special elements have been indicated separately.

Regarding the claim of the respondent that the issue has been settled by Hon’ble APTEL vide order dated 23.03.2016, it is submitted that, DVC has challenged the said orders before Hon’ble Supreme Court. Hon’ble Supreme Court vide order dated 02.01.2017 in civil appeal no 8317 of 2016 has held as follows,

“The consideration by the Commission would naturally be made without being influenced by the order passed by the Appellate Tribunal for Electricity.”

Thereafter this Hon’ble Commission in order dated 18.05.2018, 28.05.2019, 29.09.2020 and 30.09.2020 did not approve the claim of DVC regarding recovery of P&G and Sinking fund without linking with availability factor. The petitioner has filed appeals against the said orders of this Hon’ble Commission before Hon’ble Tribunal. Such appeals are presently pending before the Tribunal. Therefore the petitioner stated that the claim of the objector that the issue is settled by the Hon’ble Tribunal is incorrect.

Views of the Commission

4.17 The Commission has examined the submissions made by the Stakeholder and the Petitioner. The Commission is of the view that the Pension & Gratuity Fund, like any other component of the AFC should be recoverable based on the actual availability. In addition, the methodology is sub-judice before the APTEL in Appeal Nos. 163 of 2017 and 281 of 2018. Hence, the Commission has followed the same methodology as adopted in the previous Order dated September 30, 2020, while calculating the P&G Funds.

Power Purchase Cost

Public Comments/ Suggestions

4.18 The Stakeholder submitted that the Petitioner has claimed power purchase cost inclusive of Transmission charges to the tune of Rs 1,006.81 Crore to purchase 2099.55 MU during the FY 2019-20. This excludes the solar power purchase quantum towards fulfilment of its Renewable Purchase Obligations (RPO).

The stakeholders submitted that UI charges are a commercial mechanism to maintain grid discipline. The UI charges penalises whosoever causes grid indiscipline, whether generator or distributor. Furthermore, Hon'ble CERC in its Statement of Reasons explaining the various provisions of UI regulations 2009 defines UI mechanism as follows:

"UI pricing is expected to serve the twin objectives of specifying settlement rate for deviations from schedules in normal operating range and ensuring 'grid discipline' on the one hand while ensuring maximisation of generation at optimal cost for grid participants on the other. Further, UI pricing mechanism should discourage grid participants from using UI mechanism as trading instrument".

Additionally, Hon'ble CERC in its SOR regarding Unscheduled Interchange charges and related matters Regulations, 2009 clearly states:

"15.5. We are in agreement with the view that the UI charge and Additional UI charge shall truly act as financial dis- incentive only if UI cost for overs drawl beyond the prescribed limits in the frequency range of 49.2 to 49.5 Hz, and the payments towards any over-drawl below 49.2 Hz are not allowed as pass-through for the utilities as part of their annual revenue requirement.

In order to sensitize the Utilities, consumers and other stakeholders for such persistent over-drawl, and to facilitate such dis-allowance by concerned State Electricity Regulatory Commissions, the Commission believes that the information about such over- drawl/under-generation should be readily available. RLDCs have accordingly been directed to prepare and publish on their respective website the records, of the UI Accounts, on monthly basis, specifying the quantum of over-drawl/under-generation and corresponding amount of UI paid/received for each beneficiary or buyer and generating station or seller for the time-blocks when grid frequency was below 49.2 Hz and between 49.5-49.2 Hz separately."

Even, the Forum of Regulators, which is a representative body of central and state electricity regulatory commissions, in CERC press release dated 23.07.2009 has agreed that the additional unscheduled-interchange (UI) charges imposed on distribution utilities for excessive overdraw from the grid would not be allowed to be recovered from consumers with effect from 01.08.2009. The relevant extracts from the same is reproduced below:

"2. The Forum has considered the recommendation of the Parliamentary Standing Committee. on Energy that the regulators should evolve such practice that when the Annual Return Rates are being filed, the damages which have been imposed as Unscheduled Interchange charges should be stated separately and very clearly and those payments which are in the nature of damages should not go to show purchase of power because that really is the inefficiency or incompetence of that particular distribution company or entity.

6. After this decision of the Forum of Regulators, the distribution utilities will now be required to forecast their demand more precisely and plan the power purchase in advance. Otherwise, they will have to bear the burden of additional UI charges from their own finances and will not be able to pass this on to the consumers. (CERC Statement in Press release)."

4.19 In the instant petition, Petitioner has loaded UI energy in the power purchase cost amounting to a total of Rs. 64.60 Crores during FY 2019- 20 and Rs. 8.01 Crores during FY 2020-21 which is actually the result of inefficiency or incompetence of DVC in managing its energy portfolio in an optimal manner. In the view of aforesaid, the Stakeholders submitted to disallow the amount pertaining to UI charges claimed by the Petitioner in Power Purchase Cost.

Petitioner Response

4.20 The petitioner in its reply submitted that, the objective of the Unscheduled interchange (UI) mechanism is to maintain grid discipline and stability through commercial mechanism. It is a well settled principle that the DC/Schedule of the next day is submitted to the respective RLDC on estimation basis in the evening of the previous day. Thereafter the actual over/under injection/drawal is taken care of by the UI mechanism through commercial terms as specified in the DSM regulation. The objector has alleged the due to inefficiency or incompetency on the part of DVC the UI cost was incurred. It is inferred from the said contention, that to be efficient in operation, the day ahead estimation of DC/Schedule need to be absolutely accurate for all 96 block and for 365 days which is not practically possible for any human being/ software/ AIs etc. Under the current scenario the UI is bound to happen to maintain the grid stability and therefore there is mechanism in place to take care of the deviation through commercial terms.

4.21 The objector has wrongly placed reliance on some old press release, and discussion paper. They have not shown any concrete Regulations or Act which mandates that the cost of Ul arises due to inefficiency of the licensee, therefore should not be passed through in Tariff. In fact, the citation made by the objector reveals that CERC opined that the payment in nature of damage or cost incurred for over drawal when the frequency below 49.2 Hz, which may be treated as really an inefficiency may not be passed through but not the entire UI cost.

4.22 In fact under the present arrangement of power drawl by the Consumers in firm mode, they are free to reduce or increase their drawl irrespective of the grid frequency. But DVC being a grid connected entity is responsible for making payment in the form of UI/DSM charges for any overdrawal from the grid. Whenever, the total generation of DVC becomes insufficient to meet up the demand of the consumers then only the net drawal of UI comes into the picture and so also comes the commitment of UI payment. In fact, power so drawn through UI from the grid into the DVC system are actually being used by the consumers itself. So in one hand while Consumers are enjoying the uninterrupted power at the time of their overdrawal without sharing any responsibility to maintain the grid frequency at 50 cycles per second, in other hand they are questioning on the payment of UI charges by DVC.

4.23 It has always been a commitment of DVC to maintain 24x7 power supply to our consumers except for some technical exigency which is beyond DVC's control. In doing so, the instantaneous mismatch of load and generation is equated through the UI mechanism.

4.24 Therefore, the petitioner submitted to allow the cost of UI which has already been incurred to maintain the 24x7 power supply. It is also submitted that, this Hon'ble Commission has persistently over the years has allowed the cost of UI. Hon'ble WBERC has also allowed the cost of UI in its various orders. Moreover, in accordance with the JSERC Tariff Regulation, 2015 for distribution activity Power Purchase Cost which includes UI purchase is uncontrollable in nature.

View of the commission

4.25 The Commission has examined the submissions made by the Stakeholder and the Petitioner and approved the Power purchase Cost after prudence check in **Section A5**.

Interest on Temporary Financial Accommodation

Public Comments/ Suggestions

4.26 The Stakeholders commented that the Petitioner has claimed Rs. 15.15 Crores and Rs. 24.27 Crores towards the interest on temporary financial accommodation for the FY 2019-20 and FY 2020-21. The Petitioner's claim towards Interest on temporary financial accommodation is violative of the JSERC Distribution Tariff Regulations 2015. It is well settled in law that the Appropriate Commission is bound to follow its own Regulations while framing Orders. There is no ARR item such as Interest on temporary financial accommodation in the JSERC Distribution Tariff Regulations 2015 and hence, such claim ought to be disallowed. Any reference to WBERC Regulations/ Order will not entitle DVC to claim such amount before Hon'ble JSERC. Even in the last JSERC Order dated 30.09.2020, the Hon'ble Commission has not allowed any item such as interest on temporary Accommodation for FY 2020-21.

4.27 The framework of the Tariff Regulations (Interest on Working Capital) along with Supply Code (Security Deposit) provide sufficient cushion and margin towards Working capital requirements. The receivables position of DVC demonstrates that the Petitioner has allowed continuous power supply to JBVNL in spite of mounting receivable beyond the stipulated due dates of payment. This is contrasted with the fact that electricity supply of HT consumers is disconnected immediately upon payment default. The Stakeholders commented that the approach of claiming interest on temporary financial accommodation is penalizing the timely paying customers at the cost of defaulter JBVNL. Such an approach promotes inefficiency and is against the interest of justice.

Petitioner's Response

4.28 The grounds that have been raised now by the objector were already raised by them in the earlier occasions. DVC has already submitted detailed justification for requirement of Interest on temporary financial accommodation to be passed through in tariff in its True-up petition for FY 2016-17 submitted vide letter dated. 10.10.2018. In the said petition, DVC mentioned various judgement of Hon'ble APTEL which validates that interest on temporary financial accommodation is to be passed through in Tariff.

4.29 The Commission in its previous tariff Orders dated 18.05.2018, 28.05.2019, 29.09.2020 and 30.09.2020 has already allowed the Interest on Temporary Financial Accommodation against the deduction of Delayed Payment Surcharge from the ARR. The relevant portion of the tariff order dated 29.09.2020 (True-up for FY 2017-18) is reproduce below:

"5.45 The Commission is of the view that the Petitioner be allowed the Interest on Temporary Financial Accommodation on the principal amount of the Delayed Payment Surcharge. It is observed that the DPS amount is charged at 18% p.a. on the average Principal Payment Outstanding whereas the interest rates for accommodating such shortfall is 12.60%. However, as per the submissions made by Petitioner, it is observed that the amount claimed for Interest on Temporary Financial Accommodation is higher than the Delayed Payment Surcharge claimed. The Commission has approved the interest of 12.60% on the average principal amount outstanding on which DPS was charged for improving the liquidity of the Petitioner."

4.30 Thus, the Petitioner stated that the above-mentioned portion of the tariff order that the matter related to Interest on Temporary Financial Accommodation already settled by the Commission in its previous orders. Thus, the claim of Consumers Association is baseless and liable to be rejected.

Views of the Commission

4.31 The Commission has examined the submission made by the Stakeholder and the Petitioner. The Commission is of the view that the Petitioner is to be allowed the Interest on Temporary Financial Accommodation on the principal amount of the Delayed Payment Surcharge. It is observed that the DPS amount is charged at 18% p.a. whereas the interest rates for accommodating such shortfall is at the rate of the Interest on Working Capital for that year. Hence, the Commission has approved the interest at the rate of the Interest on Working Capital for that year on the principal amount outstanding on which DPS was charged for improving the liquidity of the Petitioner.

Rebate on Sale of Power for Consumers of Jharkhand

Public Comments/ Suggestions

4.32 The Stakeholder submitted that the Petitioner has claimed the rebate on sale of power for consumers of Jharkhand as Rs. 33.54 Crores for FY 2019-20 and Rs.15.42 Crores for FY 2020-21

The Hon'ble Commission in its previous Tariff Order dated 30.09.2020 stipulated the following:

"Commission's Analysis

5.56. Hence, the Commission directs in future the Petitioner should allow and maintain record of various Rebate provided under separate head in its Audited Accounts as detailed in the Tariff Schedule in Section A 13 of this Order. Any rebate provided over and above the values specified in Section A 13 shall be attributable to the Petitioner and shall not be recovered in the ARR."

4.33 Firstly, the amount claimed by the Petitioner towards rebate on sale of power for consumers of Jharkhand for FY 2019-20 and FY 2020-21 could not be validated from the Audited Annual Accounts of DVC for respective years. Further, it is respectfully submitted that each of the rebate prescribed in the terms and condition of supply is either provided to the consumer as such rebate facilitates optimisation of cost for DVC or is in the form of disincentive to DVC for inaction. The same is explained below:

Voltage Rebate - Such a rebate is to encourage consumers to move to higher voltage level as the losses on higher voltage is lower thereby leading to lower cost of service to DVC. Load Factor Rebate- Load Factor Rebate incentivises energy consumption by customers and it leads to better capacity utilisation of infrastructure to DVC and reduced losses. High load factor of consumers reduces the transmission losses and consequently power purchase cost. Higher load factor also reduces the transformer losses.

4.34 Rebate for Online Payment and Due Date Payment - Timely and prompt payment reduces the working capital cost of DVC. Online payment optimises the O&M costs for DVC. Rebate for Prepaid Metering Prepaid metering reduces the working capital cost of DVC and also optimises the O&M costs.

4.35 Rebate for Delayed Billing This rebate is provided to consumers to promote prompt and timely billing by DVC. This is in the nature of a disincentive. It can be seen that the rebates either optimise the cost of DVC or are in the nature of a disincentive. If the rebate is added in the ARR, then there is no meaning of providing the same. It is also stated that the JSERC Distribution Tariff Regulations do not provide that rebates are to be considered as part of the ARR. The Stakeholders submitted that the rebates cannot be allowed to be added as an ARR item and hence the claimed amounts may be disallowed.

Petitioner's Response

4.36 The petitioner submitted that, DVC has already submitted the detail break up of Rebate on sale of power duly reconciled with the Annual accounts for FY 2019-20 and FY 2020-21 vide additional submission dated 12.02.2021.

4.37 Regarding the other contentions raised by objector, it is submitted that, unlike other businesses, the electricity business fall under the regulatory regime whose tariff is being determined on cost plus basis following stringent guideline and prudence check. Therefore, there is no scope for any distribution licensee to charge any arbitrary tariff and from there to offer any rebate/incentive.

4.38 The different rebate scheme i.e. Voltage Rebate, Load Factor Rebate etc. is designed to encourage the consumers to maintain a good load profile, so that overall saving can be made on the cost of electricity. As the tariff of electricity is determined on cost plus basis, any savings on account of improvement of load profile of consumers is already passed through in the ARR. Therefore, it is wrong and denied that the rebate structure offered to consumers is in the form of disincentive to DVC. The Tariff and rebate structure ought to be designed in such a way that, DVC can recover the ARR (the cost of the licensee) after providing all rebate in accordance with the tariff order. This similar issue was raised by the objector in the earlier occasion as well against which DVC has already furnished its detail justification.

4.39 In this regard DVC also submits that this issue is already settled and allowed by this Hon'ble Commission in its previous order dated 28.05.2019, 29.09.2020 and 30.09.2020. Hon'ble WBERC has also adopted the same principle and allowed the Rebate on Sale of Power as a passed through element in Tariff. Thus, Petitioner replied that the comment is without any merit and ought to be rejected.

Views of the Commission

4.40 The Commission has examined the submission made by the Stakeholder and the Petitioner. The Commission has discussed the rebate to sale firm of power for consumers of Jharkhand in detail in **Section A 5** of this Order.

Non-Tariff Income

Public Comments/ Suggestions

4.41 The Stakeholders submitted that claimed the Non-Tariff Income in its True-Up petition for FY 2019-20 as Rs. 21.74 Crores and in APR petition for FY 2020-21 as Rs. 25.00 Crores. Such NTI is only towards Delayed Payment Surcharge billed to Firm Consumers.

Non-Tariff Income has been defined under the JSERC Tariff Regulations, as under: "n) "Non-Tariff Income" means income relating to the Licensed business other than from *tariff (Wheeling and Retail Supply), and excluding any income from Other Business, cross-subsidy surcharge and additional surcharge;*

6.50 All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to Licensed business from the Other Business of the Licensee shall constitute non-tariff income of the Licensee; 6.51 The amount received by the Licensee on account of non-tariff income shall be deducted from the aggregate revenue requirement in calculating the net revenue requirement of such Licensee."

4.42 The above definition of Non-Tariff Income provides for items to be included and excluded from Non-Tariff Income. Any other income earned by the Petitioner has to be treated as Non-Tariff Income in terms of the aforesaid Regulations and applied as a reduction from the ARR.

4.43 It can be seen that the NTI as per audited accounts is Rs. 504.29 Crores in FY 2019-20 whereas only Rs. 21.74 Crores has been claimed by DVC purportedly being DPS billed to Firm Consumers. For FY 2020-21, the DVC has considered NTI of Rs. 25.00 Crores on estimated basis.

4.44 It is also our objection that the DVC has not provided any break-up of the NTI based on business segments in which it operates namely Generation, Transmission and Distribution/Retail supply.

4.45 Thus, in view of the above, the allowable NTI is to the tune of Rs. 321.38 Crores (Rs. 21.74 Crores plus Rs. 299.64 Crores) for FY 2019-20. This is also subject to prudence check and statutory auditor certificate verifying that the DPS to export beneficiaries is to the tune of Rs. 182.91 crores in FY 2019-20.

Petitioner's Response

4.46 The Petitioner responded that the objector is raising all repetitive issues. This same issue has already been raised earlier on several occasions by the objector. DVC has also from time to time submitted its reply against such objection. In its reply vide letter no. Coml./Tariff/JSERC/Additional Info-19-20/ 1377 dtd. 23.05.2019 has provided justification that why such other income should not qualify as NTI against each element of other income booked in the Annual Accounts.

4.47 The Commission time and again has cleared its stand that Delayed Payment Surcharge (DPSJ on account of firm consumers is the only income that to be qualified as Non-Tariff Income (NTI). Hon'ble WBERC it its various orders has approved the DPS on account of Firm Consumers as the only item to be quailed as NTL.

4.48 No new ground has been raised by the objector in the instant objection. Regarding the objection raised on the issue of break-up of Delayed Payment Surcharge, it is respectfully submitted that detail break-up of Delayed Payment Surcharge for FY 2019-20 duly reconciled with the audited annual accounts was submitted vide additional submission dated 12.02.2021.

4.49 The objector has consistently misconstrued other income of DVC as per the audited books of Accounts as non-tariff income. Actually the part of other income which falls under the definition of non-tariff income should only qualify for this purpose. Entire fixed assets base of DVC lies with the Generation and Transmission network which falls under the jurisdiction of CERC. This Hon'ble Commission do not approve tariff for any fixed assets of this corporation, accordingly, do not allow any profit margin for the distribution business. Therefore, all the other income sub-heads except delayed payment surcharge are related to either generation or transmission business of DVC and need to be taken care of by the CERC. Only the income in respect of Delay Payment Surcharge billed by DVC as a part of its distribution activity qualifies as non-tariff income. Objections made herein are not only misleading but also against the applicable Regulations of the State Commission as well as the Central Commission.

4.50 It may be pertinent here to mention the decision of the Hon'ble CERC on the issue of non-tariff income while framing the "Terms and Conditions of Tariff" Regulations 2019. Relevant portion of the said Regulation 62 and Statement of Reason in this regard are reproduced below for reference.

The non-tariff net income in case of generating station and transmission system from rent of land or buildings, sale of scrap and advertisements shall be shared between the beneficiaries or the long term customers and the generating company or the transmission licensee, as the case may be, in the ratio 50:50.""16.3.1 The draft 2019 Tariff Regulations provides for sharing of non-tariff income from generating station and transmission system to be shared between generating company or transmission licensee and beneficiaries or long-term customers, as the case may be in the ratio 50:50.

16.3.2 Many stakeholders suggested to clarify that only non-tariff income net of expenses shall be shared. Further, many stakeholders' suggested difficulty in segregation of non-tariff income components to be shared like statutory investments, bank balances, etc. and also stated benefit of many such type of income, especially rental and interest from contractors is already shared fully, as the impact is reflected in the reduced rates charged by such contractors. After carefully considering the submissions, it has been decided to revise the Regulation by restricting the non-tariff income only from rent of land or buildings, sale of scrap and advertisements."

4.51 It is clear from the above references that the Hon'ble CERC has not included the income from Delay Payment Surcharge from Generation or Transmission business under the head "Non-Tariff Income." It is therefore a matter of simple conclusion that the income from Delay Payment Surcharge related to generation and transmission activity of DVC is required to be excluded from the scope of Non-Tariff Income.

4.52 It is also submitted that, any other income which will qualify as NTI in terms of the above mentioned CERC regulation will be considered by CERC at the time of determination of Tariff of the Generating Stations and unified T&D network of DVC for the 2019-24 period and it will be automatically passed through in the ARR of distribution activity.

4.53 In view of the above, the petitioner has submitted to consider Delayed Payment Surcharge on account of firm consumers as the only Non-Tariff Income and reject the objector's contentions as well as the disallowances proposed by the objector.

Views of the Commission

4.54 The Commission has gone through the submission of the Stakeholder and the Petitioner. The Commission has adopted same approach as considered in its previous Order dated September 30, 2020.

Interest on Working Capital

Public Comments/ Suggestions

4.55 The Stakeholders submitted that the DVC has claimed interest on working capital arbitrarily as Rs. 69.73 Crores during FY 2019-20 and Rs. 91.80 Crores during FY 2020-21 violating the established approach of Hon'ble JSERC for computation of eligible working capital.

4.56 It is respectfully submitted that as per Clause 6.29 of the JSERC Distribution Tariff Regulations, Interest on Working capital shall comprise of:

(a) One-twelfth of the amount of Operation and Maintenance expenses for such financial year; plus
(b) Maintenance spares at 1% of Opening GFA;plus

(c) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus
(d) Amount held as security deposits under clause (a) and clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users; minus (e)One-month equivalent of cost of power purchased, based on the annual power procurement plan.

(f)Rate of interest on working capital shall be equal to the base rate of SBI plus 350 bps as applicable on the 1st April of the relevant financial year.

The Hon'ble State Commission in the Tariff Order for FY 2012-13 dated 22.11.2012 has made the following observations with respect to the GFA and O&M cost of the Petitioner as below:

"7.40 However, the Commission noticed that the GFA and O&M cost of the Petitioner cannot be segregated into that of pertaining to generation and transmission business and that for distribution and retail business at present. Hence, applying the aforementioned methodology for computation of IWC is not possible. Therefore, the Commission decided to continue with the methodology as applied by the Commission for truing up the ARR for FY 2006-07 to FY 2011-12 in this Order."

4.57 Further, the interest on working capital has been worked out by Hon'ble Commission in the past orders dated 18.05.2018, 28.05.2019 & 30.09.2020 also consistent with its approach in the Order dated 19.04.2017, wherein its observations are as below:

"6.55 However, since the O&M cost and other expenses of the Petitioner are included in the cost of generation of power from its own stations, applying the aforementioned methodology as per the 'Distribution Tariff Regulations, 2010' is not possible.

6.56 Hence, the Commission has adopted the same methodology as described in the Tariff Order for FY 2012-13 dated 22nd November, 2012."

The Hon'ble JSERC has considered the working capital entitlement of DVC as 1% of the revenue sales.

4.58 The Stakeholders submitted that to disallow the Petitioner's claim of Rs. 69.73 Crores and Rs. 91.90 Crores during the FY 2019-20 and FY 2020-21 respectively and approve Rs. 4.29 Crore and Rs. 4.22 Crore for the respective years computed in line with the Hon'ble Commission's observations and consistent methodology for computing Interest on Working Capital.

Petitioner's Response

4.59 The Petitioner responded that regarding the claim of DVC for Interest on Working Capital in respect of its distribution activity it is submitted respectfully that the tariff in respect of the entire assets related to generation and T&D network is determined by the Hon'ble CERC. In terms of para 111 of the judgment dtd. 23.11.2007 by the Hon'ble APTEL, the T&D System of DVC has been considered as unified deemed inter-state transmission system for the purpose of tariff determination. As such T&D network of DVC is not segregated into assets specifically assigned to its distribution activity and transmission activity within the two contiguous states namely Jharkhand and West Bengal. Hence jurisdiction of determination of tariff lies with the Central Commission.

4.60 Relevant portion of the judgment of Hon'ble APTEL dtd. 23.11.2007 in Appeal No. 271, 272, 273 etc. of 2006 and 08 of 2007;

110. Taking an integrated view of the above provisions and applying them to the instant case, it is clear that any 'transmission line' i.e. high pressure (HT) Cables and overhead lines (HT), excluding the lines which are essential part of distribution system of a licensee (WBSEB and JSEB as the case may be), used for the conveyance of electricity from a generating station owned by DVC and located in the territory of one State (either State of West Bengal or Jharkhand) to generating station or a sub-Station located in the territory of another State (either in the State of Jharkhand or West Bengal) together with any step-up and step down transformer, switch gear and other works necessary to and used for the control of such cables or overhead lines and such building or part thereof as may be required to accommodate such transformers, switch-gear and other works shall constitute the "Inter-StateTransmission system" of DVC. Further, the transmission segments from the generating Stations to HT Consumers located in the same territory of a State are deemed'dedicated transmission lines' and are to be maintained and operated by DVC

111. DVC has been supplying power from its generating stations lo West Bengal Electricity Board and Jharkhand Electricity Board along with nearly 120 HT-Consumers either through inter- state transmission lines or through the point-to-point 'dedicated transmission lines'. We, therefore, conclude that all transmission systems of DVC be considered as unified deemed inter-state transmission system, insofar as the determination of tariff is concerned and as such regulatory power for the same be exercised by the Central Commission.

4.61 It is also a fact that while determining the tariff in respect of generating stations and T&D network of DVC, the Hon'ble CERC allows Interest on Working Capital based on the norms specified in the applicable Tariff Regulations for relevant periods under consideration. The Hon'ble CERC allows the tariff based on the assets but not based on its activities. In other words, it may be concluded that a pure transmission licensee (say Licensee AJ having the assets similar to DVC would get a similar transmission tariff like DVC though the Licensee-A is not having any distribution activity. Therefore, going by the fact that since CERC allows IWC on account of Generation and Transmission activity, it will not be justified to say that DVC is not entitled to the IWC for distribution activity as per the applicable SERC Regulations. DVC in its reply to this Hon'ble Commission's order dtd. 14.02.2020 pointed out that in order to manage its distribution activity, DVC is required to maintain the following:

- Separate manpower consisting of executives, supervisors and other working personnel at different category to deal various technical and Non- technical issues, security requirement, safety requirement etc. related to consumer power supply;
- Arrangement to carryout repair & maintenance work related to consumer power supply;
- Arrangement for Data communication, meter reading, billing & collection related to consumer power supply including necessary infrastructure;
- Information Technology (IT) based monitoring system and data acquisition arrangements etc.

  The above list is not exhaustive but only an indicative one.

  For providing quality Service to the consumers, additional rolling fund is required for the aforesaid activities which are not serviced either through normative O&M or through normative Working Capital and Interest on Working Capital as approved in the generation and transmission tariff by the Hon'ble CERC. It is once again reiterated that such additional fund requirement which is directly related to DVC's distribution activity remains un-serviced in the IWC allowed by the Hon,ble CERC. The Hon'ble CERC while fixing the norms in the Tariff Regulations for determination of Transmission Tariff envisages the activity of Transmission business only and not any distribution activity. As such the claim of DVC in respect of IWC in terms of applicable Regulations of the two State Commissions in its different petitions related to determination of distribution tariff are a pressing requirement of DVC and disallowing the same as proposed by the objector's Association on the ground of any computational difficulty is misleading and devoid of any merit.

4.62 The claim of Petitioner in respect of IWC in the present petition is only a bare necessity for quality and reliable power supply to the consumers and licensees and overall development of the Valley Area. The Commission is therefore requested to discard the contention and proposal of the objector as the same are devoid of any merit.

Views of the Commission

4.63 The Commission has examined the submission made by the Stakeholder and the Petitioner. The Commission for approving IoWC has considered its earlier approach for reasons brought out in its earlier tariff orders. The detailed computation in this regard is dealt with in subsequent sections of this Order.

Details of Exchange Purchase is not provided

Public Comments/ Suggestions

4.64 The Stakeholder submitted that the Commission in the data gap query had sought detail of the power purchase from exchange. The Petitioner in its reply submitted that it procures power from Exchange during contingency situations only to meet the consumer demand to the maximum extent possible and also at the same time maintain grid discipline. Such situations arise due to shortfall in generation due to fuel constraints. During the months of May, 2020 to July, 2020, DVC had to purchase small quantum from the exchanges (around 4.3 MU only) to maintain the demand-supply balance. Such situations are uncontrollable in nature due to forced outages. The average rate of power purchase from the exchanges during the said period on actuals was Rs. 3.34/kWh. DVC anticipated such situations in future while finalizing the power purchase cost and quantum for entire FY 2020-21 and requested the Commission to allow the cost of estimated power purchase as claimed in the APR petition during contingency for FY 2020-21.

4.65 The Stakeholder submitted that the relevant Annexure-17 is missing in the compilation published by the Commission/DVC on its website and respectfully prayed that such details may be published by DVC and a reasonable time of seven working days may be provided to JCADVC to file its objections on the same if any.

Petitioner's Response

4.66 The Petitioner submitted that the allegation made by Objector is wrong and liable to be rejected. DVC in its additional information submission for True- up for FY 2019-20 and APR for FY 2020-21 submitted vide letter dated 12.02.2021 has provided the details of Exchange purchase during the FY 2020-21 (up to July'20) as Annexue-17. DVC has also uploaded the same file in its website where the Objector is claiming that the relevant Annexure is missing.

Views of the Commission

4.67 The Commission has examined the submission made by the Stakeholder and the Petitioner. The Commission has discussed the issue in detail in **Section A 5** of this Order.

A 5 TRUE-UP FOR FY 2019-20

5.1 The Commission had carried out the True up of FY 2016-17 and FY 2017-18 vide Tariff Order dated May 28, 2019 and September 29, 2020 respectively.

5.2 The Commission had carried out the True up of FY 2018-19, APR for FY 2019-20 and ARR for FY 2020-21 vide Tariff Order dated September 30, 2020.

5.3 The Petitioner submitted that the Petition for True-up for FY 2019-20 has been prepared based on the Audited Accounts, taking into consideration the provisions of the Tariff Regulations, 2015 and the methodology adopted by the Commission in its earlier Orders.

5.4 The Commission based on the provisions of the Tariff Regulations, 2015 has now carried out True-up for the FY 2019-20 taking into account the following;

a) Audited (Statutory) Accounts for the FY 2019-20.
b) Tariff Regulations, 2015.
c) Methodology adopted by the Commission in its earlier Orders.

5.5 The component-wise description of the Petitioner's submission and the Commission's analysis on the same is provided in the foregoing paragraphs.

Supply Points, Connected Load and Energy Sales

Petitioner's Submission

5.6 The Petitioner submitted the actual category-wise number of consumers/connection points, connected load and energy sales in the Damodar Valley area falling within the State of Jharkhand for FY 2019-20.

Commission's Analysis

5.7 The Commission after scrutinizing the latest information submitted by the Petitioner, the Audited Accounts made available for the aforementioned year and prudence check, approves the actual supply points, connected load and energy sales as submitted by the Petitioner for FY 2019-20 which is as summarised below:

Table 5: Supply Points, Connected Load and Sales in Jharkhand submitted by the Petitioner and Approved by the Commission

Consumer Category	FY 2019-20					
	Petition			Approved		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
LT (MW)	5	7.82	41.11	5	7.82	41.11
11 kV	1	0.50	0.02	1	0.50	0.02
33 kV	120	816.05	4214.07	120	816.05	4214.07
132 kV (Industry)	7	285.50	966.54	7	285.50	966.54
132 kV (Traction)	3	72.63	254.89	3	72.63	254.89
220 kV	2	280.00	1519.93	2	280.00	1519.93
Total	**138**	**-**	**6996.55**	**138**	**-**	**6996.55**

Transmission & Distribution Losses and Energy Requirement

Petitioner's Submission

5.8 The Petitioner submitted that the Commission approved 3.34% as T&D loss for the network of DVC for FY 2019-20 vide its Tariff Order dated September 30, 2020 whereas, the actual T&D loss works out to be 3.27%.

5.9 Further, in addition to the energy sold in the Jharkhand area, the Petitioner also submitted the actual sales in the West Bengal area and the energy wheeled from its inter-state transmission system for the purposes of computation of the energy requirement for the entire Damodar Valley area.

5.10 Based on the total energy sales in the Damodar Valley area, the T&D losses and the energy wheeled from the system, the Petitioner submitted the actual energy requirement for FY 2019-20.

Commission's Analysis

5.11 As regards the T&D Losses for Control Period from FY 2016-17 to FY 2020-21, Clause 5.23 of the Tariff Regulations, 2015, is reproduced below:

> *"5.23 The Licensee shall file the distribution loss trajectory for the entire Control Period in the Business Plan commensurate with the capital investment plan for each year of the control period for approval of the Commission after verification and evaluation of the same.*
>
> *The Licensee shall be allowed to operate at below 5% audited distribution loss without any incentive/ penalty mechanism."*

5.12 The Commission has therefore approved actual T&D Losses as submitted by the Petitioner.

5.13 Based on the approved energy sales for Jharkhand area, approved T&D losses, the energy sales within West Bengal area and energy wheeled through DVC system, the energy requirement for the FY 2019-20 has been summarized in the following table.

Table 6: Energy Requirement submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2019-20	
	Petition	Approved
Energy sales within the state of Jharkhand	6996.55	6996.55
Energy sales within the state of West Bengal	8613.17	8613.17
Total energy sales in DVC Area	15609.72	15609.72
Energy wheeled	957.83	957.83
Overall Utilization	16567.56	16567.56
T&D loss (MU)	559.84	559.84
T&D loss (%)	3.27%	3.27%
Total Energy Requirement for DVC	**17127.40**	**17127.40**

Energy Availability from Own Generating Stations for Distribution Function

Petitioner's Submission

5.14 The Petitioner submitted that it generates power from its own stations to meet part of the power requirements for its consumers in the Jharkhand and West Bengal. The generating stations include both thermal and hydel stations.

5.15 The Petitioner also submitted the actual generation available from own generating stations for FY 2019-20.

Commission's Analysis

5.16 The Commission has considered the submission made by the Petitioner on energy availability from its own generating stations. Based on the availability certificate and the power purchase submitted, the Commission approves the energy availability from own generation. The energy availability from own generation as per the submission of the Petitioner and approved by the Commission is summarised below:

Table 7: Energy Availability from Own Generating Stations submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2019-20	
	Petition	Approved
BTPS 'B' U# 3	73.50	73.50
DTPS U# 4	372.86	372.86
MTPS U# 1to3	2460.69	2460.69

Particulars	FY 2019-20	
	Petition	Approved
MTPS U# 4	924.77	924.77
HYDEL	201.24	201.24
Sub Total	**4033.05**	**4033.05**
MTPS U# 5&6	3126.47	3126.47
MTPS U# 7&8	4990.67	4990.67
CTPS U# 7&8	3089.10	3089.10
DSTPS U# 1&2	5964.86	5964.86
KTPS U# 1&2	6096.79	6096.79
BTPS 'A'	2532.44	2532.44
RTPS U # 1&2	4718.65	4718.65
Sub Total	**30518.99**	**30518.99**
Total Own Generation	**34552.04**	**34552.04**

Power Purchase from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

5.17 The Petitioner submitted that it is also purchasing power from CSGS and other sources viz. NTPC, NHPC, PTC & other sources (excluding net power purchased under Unscheduled Interchange mechanism) to meet the energy requirements in the DVC area.

5.18 Further, during the period FY 2019-20, the Petitioner also purchased and sold power through the Unscheduled Interchange (UI) mechanism.

Commission's Analysis

5.19 The Commission has determined the balance energy requirement to be met through purchase of power from CSGS and other sources after meeting the energy requirement from own generation.

5.20 The following table summarizes the station-wise net power purchase as submitted by the Petitioner and as approved by the Commission for FY 2019-20.

Table 8: Station-wise Net Power Purchase submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2019-20	
	Petition	Approved
NHPC		
Rangit	34.08	34.08
Teesta- V	232.35	232.35
NTPC		
TSTPS I	4.40	4.40
KBUNL MTPS II	71.87	71.87

Particulars	FY 2019-20	
	Petition	Approved
PTC		
Chukha	170.60	170.60
Kurichu	38.91	38.91
Tala	147.34	147.34
MPL	950.17	950.17
Contingency Purchase (IEX-PXIL)	323.78	323.78
Net UI (Import)	126.06	126.06
Renewable-Solar	60.02	60.02
Total	**2159.57**	**2159.57**

Energy Balance

5.21 Based on the energy requirement and energy availability from own generation, T&D losses and power purchase from CSGS and other sources, the energy balance for FY 2019-20 as submitted by the Petitioner and as per Commission's analysis is summarized in the following table:

Table 9: Energy Balance submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2019-20	
	Petition	Approved
A. Energy Requirement		
Energy sales within the state of Jharkhand	6996.55	6996.55
Energy sales within the state of West Bengal	8613.17	8613.17
Total energy sales in DVC Area	15609.72	15609.72
Energy wheeled	957.83	957.83
Overall Utilization	16567.56	16567.56
T&D loss (MU)	559.84	559.84
T&D loss (%)	3.27%	3.27%
Total Energy Requirement for DVC	**17127.40**	**17127.40**
B. Energy Availability		
Own Generation-Firm sources		
Thermal	34350.80	34350.80
Hydel	201.24	201.24
Sub Total	34552.04	34552.04
Net Power Purchase	2033.51	2033.51
UI (Import)	126.06	126.06
Energy received for Wheeling	914.10	914.10
Less: Energy sold to other licensees & exchange	20498.32	20498.32
Total Energy Available for DVC	**17127.40**	**17127.40**

Cost of Own Generation

Petitioner's Submission

5.22 DVC constituted under the DVC Act, 1948, is a PSU as envisaged under Section 79 (1) (a) of the Electricity Act, 2003, and the tariff for generation of electricity is to be decided by the CERC. Accordingly, cost of generation for DVC as a whole from own stations has been taken as approved by the CERC in its relevant Orders.

5.23 Further, the effect of variation in Fuel Price Adjustment (FPA) in energy charges has also been built in the own cost of generation in accordance with the formula prescribed by the CERC.

Commission's Analysis

5.24 The Commission has taken note that the CERC has issued final Tariff Orders for the following stations for the period FY 2014-15 to FY 2018-19. The Commission has considered the ARR approved for T&D business as per the latest CERC Order dated March 02, 2022 and July 23, 2022 and cost of generating station i.e. MTPS U#4 as per CERC Order dated November 30, 2022 while approving the power purchase cost for FY 2019-20.

Table 10: CERC Orders considered for approval of Fixed Charges of Own Generating Stations

Station	Date of CERC Order
BTPS 'B'	19.05.2017
DTPS U#3&4	20.07.2017
MTPS U#1to3	31.08.2016
MTPS U#4	30.11.2022
MHS	20.09.2016
PHS	20.09.2016
THS	23.09.2016
T&D System	23.07.2022 & 02.03.2022
MTPS U#5&6	16.03.2017
MTPS U#7&8	03.10.2016
CTPS U#7&8	17.02.2017
DSTPS U#1&2	17.03.2017
KTPS U#1&2	28.02.2017
RTPS U#1&2	28.09.2017
BTPS 'A' U#1	30.05.2018

5.25 The Commission after scrutinizing the information made available by the Petitioner and after perusal of the above CERC Orders has adopted the fixed charges for own power generation from thermal and hydel stations for DVC for FY 2019-20 as approved by CERC in its relevant Tariff Orders. The Commission has verified the Energy Charge Rate (ECR) computation and approves the Energy Charge Rate (ECR) as submitted by the Petitioner.

5.26 The Commission shall take into consideration any changes in the cost of own generation/T&D business and revise the ARR to the extent of changes in the input cost, due to issuance of True-up Orders of Petitioner's generating stations and the T&D business by Hon'ble CERC for FY 2019-20.

5.27 The AFC of own power generating stations as adopted by the Commission from the aforementioned CERC Orders for the period FY 2019-20 has been summarized in the following table. The Commission has adopted the methodology used in its previous Orders for calculation of Fixed Charges for own generating stations.

Table 11: Fixed Charges approved by the Commission (Rs. Crore)

Station	Normative Availability (NAPAF)	Actual Yearly Plant Availability Factor (PAFY)	Annual Fixed Charge (AFC) (Rs. Crore)	Recoverable fixed charges as per CERC formula (Rs. Crore)	Share of firm consumer	Recoverable Fixed charge from Firm Consumers (Rs. Crore)
	A	B	C	D=Min (C,C*B/A)	E	F = D*E
BTPS 'B'	75%	23.06%	95.37	29.32	100.00%	29.32
DTPS U # 4	74%	55.66%	112.50	84.62	100.00%	84.62
MTPS U#1 to 3	85%	83.33%	362.06	354.95	100.00%	354.95
MTPS U#4	85%	88.61%	135.74	135.74	100.00%	135.74
MHS	80%	80.00%	17.45	17.45	100.00%	17.45
PHS	80%	80.00%	12.88	12.88	100.00%	12.88
THS	80%	80.00%	4.93	4.93	100.00%	4.93
T&D System	98.50%	99.54%	453.84	453.84	100.00%	453.84
SUB TOTAL			**1194.77**	**1093.73**		**1093.73**
MTPS U#5 & 6	85%	90.50%	473.78	473.78	22.38%	106.02
MTPS U# 7 & 8	85%	75.34%	1019.21	903.38	35.42%	320.02
CTPS U # 7 & 8	85%	87.99%	530.60	530.60	0.60%	3.21
DSTPS U # 1 & 2	85%	88.93%	1104.17	1104.17	70.69%	780.49
KTPS U # 1 & 2	85%	90.03%	1175.74	1175.74	3.15%	37.04
BTPS 'A'	85%	75.70%	771.89	687.44	55.03%	378.32
RTPS U # 1 & 2	85%	69.88%	1395.55	1147.30	36.71%	421.21
SUB TOTAL	-	-	**6470.93**	**6022.40**	-	**2046.31**
GRAND TOTAL	-	-	**7665.70**	**7116.13**	-	**3140.04**

5.28 The Commission has approved the Energy Charge Rate for own generating stations for FY 2019-20 as submitted by the Petitioner after performing due-diligence of the relevant documentary evidence submitted. The Energy Charges approved by the Commission for FY 2019-20 for own generating stations is summarised below:

Table 12: Energy Charges submitted by Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2019-20	
	Petition	Approved
BTPS 'B'	18.83	18.83
DTPS (U# 4)	140.40	140.40
MTPS U#1to3	805.94	805.94
MTPS U#4	293.11	293.11
MHS	17.45	17.45
PHS	12.88	12.88
THS	4.93	4.93
MTPS U#5&6	211.42	211.42
MTPS U#7&8	500.93	500.93
CTPS U#7&8	4.38	4.38
DSTPS U #1&2	1214.19	1214.19
KTPS U#1&2	50.85	50.85
BTPS 'A'	304.92	304.92
RTPS U#1&2	511.45	511.45
Total Energy Charges	**4091.69**	**4091.69**

Table 13: Total Charges submitted by Petitioner and approved by the Commission (Rs. Crore)

Station/item	FY 2019-20			
	Petition		Approved	
	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge
BTPS 'B'	29.32	18.83	29.32	18.83
DTPS U#4	84.62	140.40	84.62	140.40
MTPS U#1to3	354.95	805.94	354.95	805.94
MTPS U#4	118.93	293.11	135.74	293.11
MHS	17.45	17.45	17.45	17.45
PHS	12.88	12.88	12.88	12.88
THS	4.93	4.93	4.93	4.93
T&D System	377.47	-	453.84	-
MTPS U#5&6	106.02	211.42	106.02	211.42
MTPS U#7&8	321.06	500.93	320.02	500.93
CTPS U#7&8	3.21	4.38	3.21	4.38
DSTPS U#1&2	780.49	1214.19	780.49	1214.19
KTPS U#1&2	37.04	50.85	37.04	50.85
BTPS 'A'	378.32	304.92	378.32	304.92
RTPS U#1&2	421.97	511.45	421.21	511.45
Cost of Own Generation	**3048.66**	**4091.69**	**3140.04**	**4091.69**

Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

5.29 The Petitioner submitted the actual power purchase cost from CSGS and other sources (including RE sources) during FY 2019-20 has been considered based on the actual power purchase bills received from the generators. The Petitioner further submitted that they have fulfilled a portion of its solar obligation through actual power from different solar plants and through the purchase of REC. Similarly, regarding Non-solar RPO, the Petitioner has fulfilled a portion through applicable Hydro generation and purchase of Non-solar REC. The Petitioner added that the shortfall of RPO has been carried forward in FY 2021-22.

5.30 The Petitioner also claimed Rs 161.39 Crore towards Transmission Charges including the expenses towards ERPC Fund.

Commission's Analysis

5.31 Based on the total energy requirement, the Commission has allowed the quantum of energy to be purchased from CSGS and other sources (Other than Own Source) and from own generating stations as proposed by the Petitioner.

5.32 Besides, the Petitioner has segregated the cost of RPO into West Bengal and Jharkhand based on the RPO requirements stipulated by the respective State Regulatory Commissions for FY 2019-20. Accordingly, the Commission also finds it prudent to segregate the cost of RPO for FY 2019-20 as per the RPO requirements stipulated by the respective Commissions and actual RPO compliance by the Petitioner.

5.33 Based on the RPO Compliance submitted by Petitioner, the Commission has approved the expenses below for purchase of Renewable Energy Certifications (RECs) towards RPO Compliance for Sales in Jharkhand.

Table 14: Expenses towards RECs submitted by Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2019-20	
	Petition	Approved
Solar (REC)	18.18	18.18
Non-Solar (REC)	57.74	57.74

5.34 Thus, the net Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources (including RE sources and excluding purchase from own generating stations) approved is summarised below:

Table 15: Source-wise Power Purchase Cost submitted by Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2019-20							
	Petition				Approved			
	Quantum (MU)	Fixed Cost	Energy Cost	Total Cost	Quantum (MU)	Fixed Cost	Energy Cost	Total Cost
NHPC								

Particulars	FY 2019-20							
	Petition				Approved			
	Quantum (MU)	Fixed Cost	Energy Cost	Total Cost	Quantum (MU)	Fixed Cost	Energy Cost	Total Cost
Rangit	34.08	6.75	7.07	13.82	34.08	6.75	7.07	13.82
Teesta	232.35	28.62	36.28	64.90	232.35	28.62	36.28	64.90
NTPC								
FSTPS I&II	-	-	0.83	0.83	-	-	0.83	0.83
FSTPS III	-	-	6.88	6.88	-	-	6.88	6.88
KHTPS I	-	-	(0.01)	(0.01)	-	-	(0.01)	(0.01)
KHTPS II	-	-	(0.001)	(0.001)	-	-	(0.001)	(0.001)
TSTPS I	4.40	0.47	0.91	1.39	4.40	0.47	0.91	1.39
NTPC- VVNL (Coal)			1.25	1.25			1.25	1.25
Solar								
NTPCL-Solar	28.77	-	26.89	26.89	28.77	-	26.89	26.89
NTPC- VVNL (Solar)	31.25	-	34.65	34.65	31.25	-	34.65	34.65
NVVNL	-	-	3.96	3.96	-	-	3.96	3.96
PTC								
Chukha	170.60	-	41.46	41.46	170.60	-	41.46	41.46
Kurichu	38.91	-	8.56	8.56	38.91	-	8.56	8.56
Tala	147.34	-	32.26	32.26	147.34	-	32.26	32.26
MPL	950.17	157.09	305.14	462.23	950.17	157.09	305.14	462.23
KBUNL	71.87	24.04	20.79	44.83	71.87	24.04	20.79	44.83
IEX/PXIL	323.78	-	102.13	102.13	323.78	-	102.13	102.13
UI	126.06	-	64.60	64.60	126.06	-	64.60	64.60
Total	**2159.57**	**216.98**	**693.66**	**910.64**	**2159.57**	**216.98**	**693.66**	**910.64**

5.35 The Commission also approves Rs 161.39 Crore towards transmission charges including the expenses towards ERPC fund.

O&M Expenses of ULDC Scheme

Petitioner's Submission

5.36 The Petitioner has claimed Rs. 0.28 Crore towards O&M Expenses of ULDC Schemes for FY 2019-20. The Petitioner submitted that it pays the POSOCO charges for the purpose of load dispatch and management and the ULDC charges billed by PGCIL in terms of the Tariff approved by CERC which is without the O&M component. O&M charges related to ULDC are paid separately to PGCIL against invoice.

Commission's Analysis

5.37 The Commission observes that the expenses incurred are with respect to the Transmission Business. The Commission approves only expenses incurred by the Distribution Licensee within the State of Jharkhand. In addition, the Petitioner has not proposed any such expenses in the MYT Order. Hence, the Commission has not approved any expenses towards O&M Expenses of ULDC Schemes, while truing up for FY 2019-20.

Tariff Filing and Publication Expenses (CERC)

Petitioner's Submission

5.38 The Petitioner has claimed Rs. 4.86 Crore towards Tariff filing fees (CERC) and Rs. 2.52 Crore towards Publication Expenses for FY 2019-20.

Commission's Analysis

5.39 The Commission examined the submission made by the Petitioner towards Tariff filing fees (CERC) and approves as claimed by the Petitioner.

5.40 The Commission has scrutinized the bills towards publication expenses and approved the publication expenses as Rs. 2.52 Crore for FY 2019-20.

Interest on Temporary Financial Accommodation

Petitioner's Submission

5.41 The Petitioner has claimed Rs 15.16 Crore towards Interest on Temporary Financial Accommodation for FY 2019-20 stating that cost of Temporary Financial Accommodation was required to avoid any financial injury to the utility due to delayed payment by the purchaser of electricity in retail mode needs to be compensated in the interest of the consumers as well. Such safeguard of the utility has been considered by the West Bengal Electricity Regulatory Commission (WBERC) while formulating the tariff regulations. Clause 5.6.5.4 of the "Terms and Conditions of Tariff" Regulations, 2011 is reproduced below;

> *"5.6.5.4 The Commission may allow, if considered necessary, interest on temporary financial accommodation taken by the generating company / licensee from any source to a reasonable extent of unrealized arrears from the consumers / beneficiaries."*

5.42 The Petitioner also referred to Appeal No. 153 of 2009 and Appeal No. 177 & 178 of 2012 to substantiate the same.

Commission's Analysis

5.43 The Commission is of the view that the Petitioner to be allowed the Interest on Temporary Financial Accommodation on the principal amount of the Delayed Payment Surcharge. It is observed that the DPS amount is charged at 18.00% per annum on the Principal Amount, whereas the interest rates for accommodating such shortfall is 12.55%. The Commission has approved the interest of 12.55% on the principal amount outstanding on which DPS was charged for improving the liquidity of the Petitioner.

Table 16: Interest on Temporary Financial Accommodation submitted by the Petitioner and Approved by the Commission (Rs. Crore)

Particulars	FY 2019-20	
	Petition	Approved
Delay Payment Surcharge (DPS)	21.74	21.74
Principal Amount Outstanding **(DPS/18%)**	120.76	120.76
Interest on Temporary Financial Accommodation	**15.16**	**15.16**

Non-Tariff Income

Petitioner's Submission

5.44 The Petitioner has claimed Rs. 21.74 Crore towards Non-Tariff Income for FY 2019-20.

Commission's Analysis

5.45 The Commission has observed that the value claimed by the Petitioner as Non-Tariff Income is Delayed Payment Surcharge (DPS) by firm consumers of DVC distribution licensee. The Commission in line with its earlier approach has approved the Non-Tariff Income as proposed by the Petitioner.

Legal Charges & Consultancy Fees

Petitioner's Submission

5.46 The Petitioner submitted that they have incurred Legal expenses in relation to various court cases pertaining to its Distribution activity within its operational area. The Petitioner has also appointed Consultants for assistance in regulatory and commercial activities and has been paying fees to them. Since, such expenditures are not covered in the normative O&M charges as allowed by CERC for generation and transmission activities of DVC. The Petitioner has claimed Rs. 10.77 Crore towards Legal Charges and Consultancy Fees.

Commission's Analysis

5.47 The Commission has examined the submission made by the Petitioner and observes that the Petitioner has not submitted any documents in support of its claim that such expenses are not included in the normative O&M expenses approved by CERC and therefore the Commission has not approved any Legal and Consultancy charges claimed by the Petitioner.

Allocation of Costs for DVC as a whole to Jharkhand Area

Petitioner's Submission

5.48 The Petitioner has submitted that the input costs including own generation cost, Power Purchase Cost, Other Input Cost, etc. cannot be segregated into the cost pertaining to Jharkhand and West Bengal area as DVC operates as a single entity. Thus, the Petitioner has submitted that, for the purpose of computing retail tariffs pertaining to Jharkhand area, the input cost of DVC be bifurcated in the ratio of the energy sales in Jharkhand area to the total sales in the Damodar Valley area.

Commission's Analysis

5.49 The Commission has allocated the expenses of DVC as a whole to Jharkhand area by following the methodology approved in the previous Tariff Orders. The following table summarizes the input cost allocated to the Jharkhand area for the period FY 2019-20 as submitted by the Petitioner and as approved by the Commission.

Table 17: Cost Allocation for Jharkhand submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	2019-20		
	APR Order	Petition	Approved
Cost of Own Generation	6711.93	7140.35	7231.73
Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses)	779.85	1006.53	1006.53
O&M Expenses for ULDC Scheme	-	0.28	0.00
Tariff filling fees & publication expenses to CERC	4.81	7.38	7.38
Less: Non-Tariff Income (NTI)	48.53	21.74	21.74
Interest on Temporary Financial Accommodation	-	15.16	15.16
Legal Charge & Consultancy Fee	-	10.77	0.00
Water Cess & other State Cess	0.20	-	-
Total ARR of DVC (Distribution)	**7448.26**	**8158.72**	**8239.06**
Ratio of sales in Jharkhand	43.66%	44.82%	44.82%
ARR Apportioned to Jharkhand	**3252.18**	**3656.88**	**3692.89**

Rebate on Sale of Power

Petitioner's Submission

5.50 The Petitioner, in its Petition has claimed Rs 33.54 Crore towards Rebate on Sale of Power for FY 2019-20.

Commission's Analysis

5.51 The Commission vide its letter no. JSERC Case (Tariff) No. 11 of 2020/400 dated 28.01.2021 directed the Petitioner to submit the break-up for the claim of Rs. 33.54 Crore towards Rebate on Sales duly reconciled with the Audited Accounts for FY 2019-20. The Petitioner in its reply submitted the detail breakup of rebate on sale of power for the firm consumers of DVC segregated between the State of Jharkhand and West Bengal and reconciled the same with Annual Accounts. The Commission scrutinised the detail submitted by the Petitioner and approves the Rebate on Sale of Power as submitted by the Petitioner.

Interest on Working Capital (IoWC)

Petitioner's Submission

5.52 The Petitioner has submitted that the Interest on Working Capital has been determined in accordance with the applicable provisions of the Tariff Regulations, 2015, according to which, the Interest on Working Capital shall be as given below:

> *"6.30 Working capital for the Retail Supply of Electricity for the Control Period shall consist of:*
>
> *a) One-twelfth of the amount of Operation and Maintenance expenses for retail supply business for such financial year; plus*
>
> *b) Maintenance spares at 1% of Opening GFA for retail supply business; plus*
>
> *c) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus*
>
> *d) Amount held as security deposits under clause (a) and clause (b) of subsection(1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for wheeling business; minus*

e) One month equivalent of cost of power purchased, based on the annual power procurement plan.

6.31 Rate of interest on working capital shall be equal to the base rate of SBI plus 350 bps as applicable on the 1st April of the relevant financial year."

5.53 Accordingly, the Petitioner has claimed the Interest on Working Capital required for DVC for Jharkhand Area to be Rs. 69.80 Crore for FY 2019-20.

Commission's Analysis

5.54 As per the Tariff Regulations, 2015, Interest on Working Capital shall be calculated on the basis of the following:

"Working capital for the Retail Supply of Electricity for the Control Period shall consist of:

a) One-twelfth of the amount of Operation and Maintenance expenses for retail supply business for such financial year; plus

b) Maintenance spares at 1% of Opening GFA for retail supply business; plus

c) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus

d) Amount held as security deposits under clause (a) and clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for wheeling business; minus

e) One month equivalent of cost of power purchased, based on the annual power procurement plan."

5.55 However, since the O&M cost and other expenses of the Petitioner are included in the cost of generation of power from its own stations, applying the aforementioned methodology as per the Tariff Regulations, 2015 is not possible. Hence, the Commission has approved Interest on Working Capital as adopted by the Commission for calculation of Interest on Working capital in its earlier Orders.

Interest on Consumer Security Deposit

Petitioner's Submission

5.56 The Petitioner submitted an amount of Rs. 4.05 Crore towards Interest on Consumer Security Deposit.

Commission's Analysis

5.57 The Clause 6.28 of the Tariff Regulations, 2015, allows the Petitioner to recover the interest on security deposits through the ARR. The Commission has approved the Interest on Consumer Security Deposit as submitted by the Petitioner based on scrutiny of the Audited Accounts for FY 2019-20.

Tariff Filing and Publication Expenses (JSERC)

Petitioner's Submission

5.58 The Petitioner submitted an amount of Rs. 1.09 Crore towards Tariff Filing and Publication Expenses in JSERC.

Commission's Analysis

5.59 The Commission has approved the Tariff Filing and Publication Expenses in JSERC as submitted by the Petitioner after considering the receipts submitted by the Petitioner.

Summary of ARR approved by the Commission

5.60 Based on the above, the Commission has approved ARR for FY 2019-20 vis-à-vis that approved in the APR Order dated September 30, 2020 and the ARR claimed by the Petitioner which is as summarised below:

Table 18: ARR submitted by Petitioner and approved by the Commission (Rs. Crore)

Station/item	FY 2019-20					
	APR Order		Petition		Approved	
	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost
Cost of Own Generation	4307.55	2404.37	4091.69	3048.66	4091.69	3140.04
Power Purchase Cost (Including Transmission Charges & Excluding RE/REC Expense)	482.74	297.11	628.16	378.37	628.16	378.37
O&M Expenses for ULDC Scheme	-	-	-	0.28	-	0.00
Tariff filling fees & publication expenses to CERC	-	4.81	-	7.38	-	7.38
Less: Non-Tariff Income (NTI)	-	48.53	-	21.74	-	21.74
Interest on Temporary Financial Accommodation	-	-	-	15.16	-	15.16

Station/item	FY 2019-20					
	APR Order		Petition		Approved	
	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost
Legal Charge & Consultancy Fee	-	-	-	10.77	-	0.00
Water Cess & other State Cess	-	0.20	-	-	-	-
Total	**4790.30**	**2657.96**	**4713.26**	**3445.46**	**4713.26**	**3525.79**
Ratio of sales in Jharkhand part to total firm sale in entire DVC	43.66%		44.82%		44.82%	
ARR before IWC, Interest on SD & Tariff Filling Fees in the licensed area of Jharkhand	**2091.62**	**1160.56**	**2112.57**	**1544.32**	**2112.57**	**1580.32**
Rebate on Sale of Power				33.54		33.54
Cost of Solar & Non Solar Power and REC Purchased to meet solar & non solar RPO in the state of Jharkhand	169.30		136.17		136.17	
Interest on Working Capital		4.30		69.80		4.86
Interest on security deposit		2.88		4.05		4.05
Tariff Filing Fees & Publication Expenses in JSERC		0.57		1.09		1.09
Net ARR for Jharkhand	**2260.92**	**1168.31**	**2248.74**	**1652.79**	**2248.74**	**1623.85**
TOTAL ARR	**3429.23**		**3901.53**		**3872.59**	
Sale in Jharkhand (MU)	6953.94		6996.55		6996.55	
Average Cost of Supply (Rs. / kWh)	**4.93**		**5.58**		**5.54**	

Revenue from Sale of Power in Jharkhand Area

Petitioner's Submission

5.61 The Petitioner submitted that the revenue billed from sale of power in Jharkhand as Rs. 2959.03 Crore for FY 2019-20.

Commission's Analysis

5.62 The Commission approves the revenue as submitted by the Petitioner for FY 2019-20 based on the Audited Accounts and reconciliation submitted by the Petitioner.

Revenue Gap/(Surplus) and its Treatment

5.63 The Commission after scrutinitized the detail submitted by Petitioner approves the Revenue Gap/(Surplus) as summarised below:

Table 19: Revenue Gap/(Surplus) approved by the Commission (Rs. Crore)

Particulars	FY 2019-20
ARR Approved	3872.59
Revenue Billed	2959.03
Revenue Gap/(Surplus)	**913.56**

5.64 The Commission has approved the gap as Rs. 913.56 Crore for FY 2019-20. The Commission observes that during the pendency of the Petition, the Petitioner has filed Petition for MYT Petition for the period from FY 2021-22 to FY 2025-26. The Commission is therefore of the view that it would be prudent to adjust the consolidated Gap/Surplus while disposing the MYT Petition for the period from FY 2021-22 to FY 2025-26. The Commission therefore has not adjusted the gap for FY 2019-20 in this Order and shall be dealt in the Petition filed by the Petitioner for MYT Petition for the period from FY 2021-22 to FY 2025-26.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on January 30, 2023.

Date: 30.01.2023
Place: Ranchi

Sd/-	**Sd/-**	**Sd/-**
(Atul Kumar)	**(Mahendra Prasad)**	**(Justice Amitav K. Gupta)**
MEMBER (Technical)	**MEMBER (Legal)**	**CHAIRPERSON**

ANNEXURES

Annexure-1: List of participating members of public in the public hearing

Sr. No.	Name	Address/Organization
		Date: December 05, 2022
1.	Rajiv Yadav	Association of DVC HT Consumers of Jharkhand
2.	Promod K Agarwal	Association of DVC HT Consumers of Jharkhand
3.	Suman Mondal	TATA STEEL UISL
4.	P.K. Garg	RADHA GOPAL ISPAT LTD.
5.	R.S. Sharma	DVC
6.	Vikas	DVC
7.	Jitendar	DVC
8.	Sanjay Kumar	DVC
9.	Gunwani Singh Mongia	MONGIA STEEL
10.	B.K. Tiwary	PAVANPUTRA STEEL
11.	M.S. Chakraborty	DVC
12.	Anup Sharma	DVC
13.	Samrat Bhowmik	DVC
14.	Debshankar Ghosh	DVC
15.	Subrata Ghosal	DVC
16.	Chandan Kumar	DVC
17.	Rajeev Kumar Agarwal	JSV ENTERPRISES BARHI
18.	Raja Choudhary	DIVINE STEEL Pvt. Ltd.
19.	Mazhar Khan	MAIHAR ALLOYS (P) Ltd.
20.	Tabarak Khan	HOBAY STEEL BARHI
21.	Satish Kumar	DVC
22.	Vashwar Banerjee	DVC
23.	Sikander Parwan	HAZARBAGH
24.	Sumeet Agarwal	SHRESTH STEEL LLP
25.	Pramod Kumar	HAZARIBAG
		Date: December 07, 2022
26.	Subrata Ghosal	DVC
27.	Satish Kumar	DVC
28.	Samrat Bhowmik	DVC
29.	Debashankar Ghosh	DVC
30.	Vashwar Bannerjee	DVC
31.	Anup Sharma	DVC
32.	Sanjay Kumar	DVC
33.	Ramesh	BSL BOKARO
34.	Prabir Banerjee	ANJANEY FERRO ALLOY LTD
35.	Lambodar Mahto	BOKARO
36.	Waibav Chowdhury	ANJANEY FERRO ALLOYS LIMITED

Sr. No.	Name	Address/Organization
37.	A.N Choudhary	TSUISL
38.	Chandan Kumar	DVC
39.	M.S. Chakraborty	DVC
40.	Sanjeeb Sharma	RAMGARH
41.	Pawan Choudhary	RAMGARH
42.	Sanjay Kumar Singh	BOKARO STEEL PLANT
43.	Pramod Agarwal	Association of DVC HT Consumers of Jharkhand