

# **Jharkhand State Electricity Regulatory Commission**



Order on  
True-up for FY 2018-19,  
Annual Performance Review for FY 2019-20 and  
ARR & Tariff for FY 2020-21  
for  
Tata Steel Limited (TSL)

Ranchi  
September 29, 2020



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### List of Abbreviations

Abbreviation	Description
<b>A&amp;G</b>	Administrative and General
<b>ACS/ACoS</b>	Average Cost of Supply
<b>APR</b>	Annual Performance Review
<b>APTEL</b>	Appellate Tribunal for Electricity
<b>ARR</b>	Aggregate Revenue Requirement
<b>BG</b>	Bank Guarantee
<b>CC</b>	Consumer Contribution
<b>CGRF</b>	Consumer Grievance Redressal Forum
<b>CSD</b>	Consumer Security Deposit
<b>CWIP</b>	Capital Works in Progress
<b>DVC</b>	Damodar Valley Corporation
<b>FPA</b>	Fuel Purchase Adjustment
<b>FY</b>	Financial Year
<b>GFA</b>	Gross Fixed Assets
<b>GoJ</b>	Government of Jharkhand
<b>HP</b>	Horse Power
<b>HT</b>	High Tension
<b>IAS</b>	Irrigation and Agriculture Services
<b>IEX</b>	Indian Energy Exchange
<b>IFC</b>	Interest & Finance Charge
<b>IoWC</b>	Interest on Working Capital
<b>kW</b>	kilo Watt
<b>kWh</b>	kilo Watt hour
<b>kVA</b>	kilo Volt Ampere
<b>kVAh</b>	kilo Volt-Ampere hour
<b>MD</b>	Maximum Demand
<b>MES</b>	Military and Engineering Services
<b>MOD</b>	Merit Order Despatch
<b>MU</b>	Million Units
<b>NTI</b>	Non-Tariff Income
<b>O&amp;M</b>	Operation and Maintenance
<b>PPA</b>	Power Purchase Agreement
<b>R&amp;M</b>	Repair and Maintenance
<b>REC</b>	Renewable Energy Certificates
<b>RoE</b>	Return on Equity
<b>RPO</b>	Renewable Purchase Obligation
<b>RTS</b>	Railway Traction Services
<b>SBI</b>	State Bank of India
<b>SERC</b>	State Electricity Regulatory Commission
<b>SOP</b>	Standard of Performance
<b>SS</b>	Streetlight Services
<b>TSL</b>	Tata Steel Limited



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**BEFORE**

**Jharkhand State Electricity Regulatory Commission, Ranchi**

**Case (Tariff) No.: 11 of 2019**

**In the matter of:**

**Petition for  
True-up for FY 2018-19, APR for FY 2019-20  
and  
ARR & Tariff for FY 2020-21**

**In the matter:**

Tata Steel Limited (TSL)  
Northern Town, Bistupur, Jamshedpur..... **Petitioner**

**PRESENT**

Mr. Rabindra Narayan Singh

Member (Engg.)

Mr. Pravas Kumar Singh

Member (Legal)

**Order dated September 29, 2020**

Tata Steel Limited (hereinafter referred to as 'TSL' or the 'Petitioner') has filed the Petition dated December 26, 2020 for approval of True up of FY 2018-19, Annual Performance Review for FY 2019-20 and Annual Revenue Requirement and Tariff 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 Commissions 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 Commissions 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 (hereinafter referred to as the “Act”) came into force, the earlier Electricity Regulatory Commissions Act, 1998 got repealed and the functions of SERC’s 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 to also 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 Tariff Policy notified by the Government of India under Section 3 of the Act. The objectives of the 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.

### **The Petitioner-Tata Steel Limited**

1.8 Tata Steel Limited (TSL), formerly known as Tata Iron and Steel Company Limited (TISCO), is a company incorporated under the provisions of the Companies Act, 1956. It has been distributing electricity in Jamshedpur under the licence granted u/s 14 of the Act.

1.9 The Petitioner has been distributing electricity in Jamshedpur township since 1923 through a sanction/licence granted u/s 28(1) of the erstwhile Indian Electricity Act, 1910. Post enactment of the EA, 2003, the Petitioner filed an application for a Distribution Licence for Jamshedpur township on December 24, 2003 u/s 15 of the Act. In the absence of the notified Regulations and in view of the first proviso of Section 14 and Section 172(b) of the Act, JSERC vide Order dated March 24, 2004 permitted TSL to continue operating under the provisions of the repealed Act till the time Regulations regarding the same were notified by the Commission.

1.10 After notification of the JSERC (Terms and Conditions for Distribution Tariff) Regulations, 2004, action for issue of licence for Jamshedpur town was initiated and subsequently the licence was issued to TSL on January 12, 2006 effective from March 24, 2004.

1.11 The area of the Petitioner is bounded as under: -

**North:** River Subarnarekha;

**South:** Tracks of South Eastern Railways;

**East:** Eastern boundaries of Mouza Jojobera and Nildhand;

**West:** River Kharkai.

### **The Petitioner's Prayers**

1.12 The Petitioner in this Petition has made the following prayers before the Commission:

*a) "Admit the Petition and examine the proposal submitted by the Petitioner in the enclosed petition for a favourable dispensation."*



- b) Pass suitable orders with respect to its claim based on regulations and audited accounts for the True-up of ARR of Rs. 1,741.98 Crs for FY 2018-19 which is incurred by TSL for serving its consumers.*
- c) Pass suitable orders with respect to its claim based on regulations and provisional actual for first six months and revised estimate for balance six months of FY 2019-20 for ARR of Rs. 1604.13 Crs for FY 2019-20;*
- d) Pass suitable orders with respect to its claim based on regulations and revised Aggregate Revenue Requirement (ARR) for FY 2020-21 for Rs. 1,677.27 Crs;*
- e) Pass suitable orders with respect to the Tariff Proposal submitted by the petitioner and pass the direction for adjustment of revenue gap/(surplus) as deemed proper;*
- f) Condone any inadvertent omissions/errors/shortcomings and permit TSL to add/change/modify/alter this filing and make further submissions as may be required at a future date;*
- g) Pass such further, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case;"*

#### **Scope of the Present Order**

- 1.13 The Commission in this Order has approved the True-up for FY 2018-19, Annual Performance Review for FY 2019-20 and Annual Revenue Requirement and Tariff for FY 2020-21.
- 1.14 While approving this Order, the Commission has taken into consideration:
  - a) Material placed on record by the Petitioner including Annual Audited Accounts for FY 2018-19;
  - 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 the Tariff Regulations, 2015 or the Regulations);
- 1.15 Accordingly, the Commission has scrutinized the Petition in detail and hereby issues the Order on Truing-up for FY 2018-19, Annual Performance Review for FY 2019-20 and Annual Revenue Requirement and Tariff for FY 2020-21 for Tata Steel Limited.



## **A 2 PROCEDURAL HISTORY**

### **Background**

- 2.1 The Commission had issued the MYT Order for the Petitioner on June 04, 2014 for True up for FY 2011-12 and FY 2012-13, determination of ARR for MYT Period from FY 2013-14 to FY 2015-16 and tariff for FY 2013-14. The Petitioner filed Review Petition against the MYT Order dated June 04, 2014 for relief under the provisions of Section 94 (1) (f) of the Act and Regulation 36 (1) of the Jharkhand State Electricity Regulatory Commission (Conduct of Business) Regulations, 2011 on July 01, 2014. The Commission issued the Order on the Review Petition in its Order dated March 31, 2015.
- 2.2 The Petitioner filed the tariff Petition for True-up for FY 2013-14, Annual Performance Review for FY 2014-15 and Revised Annual Revenue Requirement and Tariff for FY 2015-16 on November 10, 2014. The Commission issued the Order on the above Petition on May 31, 2015.
- 2.3 The Petitioner had filed the tariff Petition for Truing up for FY 2014-15 and Annual Performance Review for FY 2015-16 on January 01, 2016. Further, as per the provisions of the Tariff Regulations, 2015, the Petitioner also filed the Business Plan for MYT Control Period from FY 2016-17 to FY 2020-21 on July 12, 2016 and the Petition for determination of Annual Revenue Requirement for Multi Year Tariff Period from FY 2016-17 to FY 2020-21 and Tariff Determination for FY 2016-17 on July 28, 2016. The Commission issued the Tariff Order in this regard on February 28, 2017.
- 2.4 The Petitioner filed the tariff Petition for True-Up for FY 2015-16, Annual Performance Review for FY 2016-17, Annual Revenue Requirement and Tariff Determination for FY 2017-18. The Commission issued the Tariff Order in this regard on May 18, 2018. The Petitioner filed Review Petition against the Order dated May 18, 2018 and the Commission issued the Review Order on September 11, 2018. Further, the Commission approved the True up for FY 2016-17 and FY 2017-18 vide its Order dated May 26, 2020.
- 2.5 The Petitioner in the current Petition, filed on December 26, 2020 has sought Truing up of FY 2018-19, Annual Performance Review for FY 2019-20, Annual Revenue Requirement and Tariff Determination for FY 2020-21.



### **Information Gaps in the Petition**

- 2.6 As part of the Tariff determination exercise, several deficiencies/information gaps were observed in the Petition submitted by the Petitioner that were communicated to the Petitioner vide letter nos. JSERC/Case (Tariff) no.: 11 of 2019/416 dated February 10, 2020 and JSERC/Case (Tariff) no.: 11 of 2019/33 dated June 18, 2020.
- 2.7 The Petitioner submitted its response to the aforesaid letters and furnished additional data/ information to the Commission vide letter nos.: PBD/207/10/59-T/2020 dated March 11, 2020 and PBD/828/10/59-T/2020 dated July 22, 2020.
- 2.8 The Commission has scrutinized the Petition along with additional data/information submitted by the Petitioner in response to the discrepancies identified and has considered the same while passing this Order.

### **Inviting Public Comments/Suggestions**

- 2.9 The Commission directed the Petitioner to make available copies of the Petition to the members of the general public on request, and also issue a Public Notice inviting comments/suggestions on the Petition for approval of True-up for FY 2018-19, Annual Performance Review for FY 2019-20 and Annual Revenue Requirement and Tariff for FY 2020-21.
- 2.10 The aforesaid Public Notice was issued by the Petitioner in the following 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 TSL**

<b>Newspaper</b>	<b>Date of Publication</b>
Prabhat Khabar	21.03.2020
Dainik Bhaskar	21.03.2020
Times of India	21.03.2020
The Telegraph	21.03.2020
Uditwani	21.03.2020
Chamakta Aaina	21.03.2020
Avenue	21.03.2020
New Ispat Mail	21.03.2020
Hindustan	22.03.2020
Dainik Jagran	22.03.2020
Pioneer	22.03.2020

- 2.11 Further, taking a considerate view of the pandemic situation due to COVID-19, the Commission issued a Notice on its website [www.jserc.org](http://www.jserc.org) and various newspapers giving



additional time till July 28, 2020 to various Stakeholders to submit their comments/suggestions. Further, the Commission also organized a Public Hearing through video conference on July 31, 2020, 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**

<b>Newspaper</b>	<b>Date of Publication</b>
Prabhat Khabar (Hindi)	18.07.2020
Dainik Jagran (Hindi)	18.07.2020
The Times of India (English)	18.07.2020
The Hindustan Times (English)	18.07.2020

### **Submission of Comments/Suggestions and Conduct of Public Hearing**

- 2.12 Objections/Comments/Suggestions on the Petition were received. The Objections/Comments/Suggestions of the Public, Petitioner's responses and Commission's views thereon are detailed in **Section 0** of this Order.

### A 3 BRIEF FACTS OF THE PETITION

- 3.1 The following Section summarises the Petition for trueing up for FY 2018-19, APR for FY 2019-20 and ARR and Tariff for FY 2020-21 as filed by the Petitioner for the Commission's approval.

#### True-up for FY 2018-19

##### Energy Sales

- 3.2 The following table summarises the actual energy sales for FY 2018-19 as submitted by the Petitioner against the sales approved in the MYT Order dated February 28, 2017.

**Table 3: Sales as submitted by the Petitioner for FY 2018-19 (MU)**

Consumer Category	FY 2018-19	
	MYT Order	Actual
Domestic	255.99	204.27
Domestic - DSHT	119.33	84.10
Commercial	76.37	72.20
Temporary Supply	2.00	2.44
High Tension I	39.20	2081.14
High Tension II	168.00	
High Tension III	2014.32	
High Tension IV	100.00	
Utilities/Street Light	89.00	87.48
Sale to JUSCO	337.95	408.39
<b>Total Sales</b>	<b>3202.17</b>	<b>2940.02</b>

##### Energy Balance

- 3.3 The Energy Balance as submitted by the Petitioner vis-a-vis that approved by the Commission in MYT Order dated February 28, 2017 is tabulated below:

**Table 4: Energy Balance as submitted by the Petitioner for FY 2018-19 (MU)**

Particulars	FY 2018-19	
	MYT Order	Petition
<b>Energy Requirement</b>		
Sales to Other Licensee	337.95	408.39
Dist. Loss on Sales to Other Licensee (%)	0.00%	0.00%
Dist. Loss on Sales to Other Licensee	-	-
Energy Req. for Sales to Other Licensee	337.95	408.39
Sales to Steel Works	100.00	171.51
Dist. Loss on Sales to Steel Works (%)	0.00%	0.00%
Dist. Loss on Sales to Steel Works	-	-
Energy Req. for Sales to Steel Works	100.00	171.51
Sales to LT consumers	423.36	366.39
Sales to Other HT consumers	2340.85	1993.73

Particulars	FY 2018-19	
	MYT Order	Petition
Total Sales to Other Consumers	2764.22	2360.12
Dist. Loss on Sales to Other Consumers (%)	4.00%	3.02%
Dist. Loss on Sales to Other Consumers	115.18	73.46
Energy Req. for Sales to Other Consumers	2879.39	2433.58
Overall Sales	3202.17	2940.02
Overall Distribution Loss %	3.47%	2.44%
Overall Distribution Loss	115.18	73.46
<b>Total Energy Requirement</b>	<b>3317.34</b>	<b>3013.47</b>
<b>Energy Available</b>		
TPCL (Unit II and Unit III)	1608.34	1400.95
Damodar Valley Corporation 132kV	289.16	393.07
Damodar Valley Corporation 400kV	1399.85	1073.34
TSW - Captive	20.00	19.14
Open Access/Other sources	-	126.97
<b>Total Pooled Energy Availability</b>	<b>3317.34</b>	<b>3013.47</b>

### Aggregate Revenue Requirement

- 3.4 The ARR for FY 2018-19 as submitted by the Petitioner vis-a-vis that approved by the Commission in MYT Order dated February 28, 2017 is tabulated below:

**Table 5: ARR as submitted by the Petitioner for FY 2018-19 (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Actual
Power Purchase Cost	1408.81	1565.08
O&M Expenses	71.79	87.95
Depreciation	32.08	27.51
Interest on Loan	10.93	9.33
Interest on Consumer Security Deposit	1.71	2.17
Interest on Working Capital	17.34	18.44
Funding Cost of DPS	-	1.49
Return on Equity	22.94	34.66
Less: Non-Tariff Income	5.86	4.65
Add: Deferred Income Tax	-	-
<b>Annual Revenue Requirement</b>	<b>1559.75</b>	<b>1741.98</b>

- 3.5 Based on the ARR and revenue as per Audited Accounts, the Petitioner has computed the Revenue Gap/(Surplus) for FY 2018-19 as summarized below:

**Table 6: Gap/(Surplus) as submitted by the Petitioner for FY 2018-19 (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Actual
<b>Annual Revenue Requirement</b>	<b>1559.75</b>	<b>1741.98</b>
<b>Revenue Billed</b>	<b>-</b>	<b>1841.77</b>
<b>Gap/(Surplus) during FY</b>	<b>-</b>	<b>(99.79)</b>

## **Annual Performance Review for FY 2019-20**

### **Energy Sales**

3.6 The following table summarises the energy sales estimated by the Petitioner for FY 2019-20 vis-à-vis that approved by the Commission in the MYT Order dated February 28, 2017:

**Table 7: Sales as submitted by the Petitioner for FY 2019-20 (MU)**

Consumer Category	FY 2019-20	
	MYT Order	Estimated
Domestic	266.76	224.31
Domestic - DSHT	123.17	84.84
Commercial	77.69	77.35
Temporary Supply	2.00	1.12
High Tension Service	2387.29	1896.07
Utilities/Street Light	88.00	84.44
Sale to JUSCO	337.95	348.95
<b>Total Sales</b>	<b>3282.85</b>	<b>2717.10</b>

### **Energy Balance**

3.7 The Energy Balance as submitted by the Petitioner for FY 2019-20 vis-a-vis that approved by the Commission in the MYT Order dated February 28, 2017 is tabulated below:

**Table 8: Energy Balance as submitted by the Petitioner for FY 2019-20 (MU)**

Particulars	FY 2019-20	
	MYT Order	Estimated
<b>Energy Requirement</b>		
Sales to Other Licensee	337.95	348.95
Dist. Loss on Sales to Other Licensee (%)	0.00%	0.00%
Dist. Loss on Sales to Other Licensee	0.00	0.00
Energy Req. for Sales to Other Licensee	337.95	348.95
Sales to Steel Works	100.00	121.35
Dist. Loss on Sales to Steel Works (%)	0.00%	0.00%
Dist. Loss on Sales to Steel Works	0.00	0.00
Energy Req. for Sales to Steel Works	100.00	121.35
Sale-Surplus in PX	-	25.09
Sales to LT consumers	434.44	387.23
Sales to Other HT consumers	2410.45	1859.57
Total Sales to Other Consumers	2844.90	2246.80
Dist. Loss on Sales to Other Consumers (%)	4.00%	3.03%
Dist. Loss on Sales to Other Consumers	118.54	70.20
Energy Req. for Sales to Other Consumers	2963.43	2317.00
Overall Sales including Surplus	3282.85	2742.19
Overall Distribution Loss (%)	3.48%	2.50%

Particulars	FY 2019-20	
	MYT Order	Estimated
Overall Distribution Loss	118.54	70.20
<b>Total Energy Requirement</b>	<b>3401.38</b>	<b>2812.39</b>
<b>Energy Available</b>		
TPCL (Unit-II and Unit-III)	1608.34	1404.58
Damodar Valley Corporation (132kV)	373.20	341.92
Damodar Valley Corporation (400kV)	1399.85	994.75
TSW - Captive	20.00	9.59
Renewable Energy	-	-
Open Access/Other sources	0.00	61.55
<b>Total Pooled Energy Availability</b>	<b>3401.38</b>	<b>2812.39</b>

### Aggregate Revenue Requirement

- 3.8 The ARR for FY 2019-20 as submitted by the Petitioner vis-a-vis that approved in the MYT Order dated February 28, 2017 is tabulated below:

**Table 9: ARR as submitted by the Petitioner for FY 2019-20 (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Estimated
Power Purchase Cost	1464.11	1433.13
O&M Expenses	75.23	82.58
Depreciation	9.08	8.72
Interest and Finance Charges	17.95	21.39
Interest on Consumer Security Deposit	1.83	2.53
Interest on Working Capital	33.63	29.06
Return on Equity	24.04	31.72
Less: Non-Tariff Income	5.86	5.00
<b>Annual Revenue Requirement</b>	<b>1620.01</b>	<b>1604.13</b>

### Annual Revenue Requirement and Tariff for FY 2020-21

#### Energy Sales

- 3.9 The following table summarises the energy sales as approved by the Commission in its MYT Order dated February 28, 2017 vis-a-vis that projected now by the Petitioner for FY 2020-21:

**Table 10: Sales as submitted by the Petitioner for FY 2020-21 (MU)**

Consumer Category	FY 2020-21	
	MYT Order	Projected
Domestic	276.53	224.31
Domestic - DSHT	127.01	85.84
Commercial	79.02	77.35
Temporary Supply	2.00	1.12
High Tension Service	2454.92	1990.88
Utilities/Street Light	88.00	84.44

Consumer Category	FY 2020-21	
	MYT Order	Projected
Sale to JUSCO	337.95	348.95
<b>Total Sales</b>	<b>3365.43</b>	<b>2812.89</b>

### Energy Balance

3.10 The Energy Balance as submitted by the Petitioner vis-a-vis that approved by the Commission in MYT Order dated February 28, 2017 is tabulated below:

**Table 11: Energy Balance as submitted by the Petitioner for FY 2020-21 (MU)**

Particulars	FY 2020-21	
	MYT Order	Projected
<b>Energy Requirement</b>		
Sales to Other Licensee	337.95	348.95
Dist. Loss on Sales to Other Licensee (%)	0.00%	0.00%
Dist. Loss on Sales to Other Licensee	-	-
Energy Req. for Sales to Other Licensee	337.95	348.95
Sales to Steel Works	100.00	121.35
Dist. Loss on Sales to Steel Works (%)	0.00%	0.00%
Dist. Loss on Sales to Steel Works	-	-
Energy Req. for Sales to Steel Works	100.00	121.35
Sales-Surplus in PX	-	25.09
Sales to LT consumers	445.55	387.23
Sales to Other HT consumers	2481.94	1955.37
Total Sales to Other Consumers	2927.49	2342.60
Dist. Loss on Sales to Other Consumers (%)	4.00%	3.75%
Dist. Loss on Sales to Other Consumers	121.98	87.77
Energy Req. for Sales to Other Consumers	3049.46	2430.37
Overall Sales	3365.43	2837.99
Overall Distribution Loss (%)	3.50%	3.00%
Overall Distribution Loss	121.98	87.77
<b>Total Energy Requirement</b>	<b>3487.41</b>	<b>2925.77</b>
<b>Energy Available</b>		
TPCL (Unit II and Unit III)	1608.34	1404.58
Damodar Valley Corporation 132kV	459.23	341.92
Damodar Valley Corporation 400kV	1399.85	994.75
TSW - Captive	20.00	9.59
Renewable Energy	-	-
Open Access/Other sources	-	174.93
<b>Total Pooled Energy Availability</b>	<b>3487.42</b>	<b>2925.77</b>

### Aggregate Revenue Requirement

3.11 The ARR for the FY 2020-21 as approved by the Commission in its MYT Order dated February 28, 2017 vis-a-vis that projected now by the Petitioner is tabulated below:

**Table 12: ARR as submitted by the Petitioner for FY 2020-21 (Rs. Crore)**



Particulars	FY 2020-21	
	MYT Order	Projected
Power Purchase Cost	1507.02	1493.31
O&M Expenses	78.91	87.93
Interest on Loan	7.45	9.53
Interest on Working Capital	18.47	21.57
Interest on Security Deposit	1.93	2.62
Depreciation	35.51	32.23
Return on Equity	25.38	35.10
Non-Tariff Income	5.86	5.00
<b>Annual Revenue Requirement</b>	<b>1668.81</b>	<b>1677.27</b>

3.12 The Petitioner has estimated the cumulative Revenue Gap/(Surplus) of Rs. 957.35 Crore till FY 2020-21, as summarized below:

**Table 13: Cumulative Revenue Gap till FY 2020-21 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Actual	Actual	Projected	Projected
Opening Revenue Gap/(Surplus) as on 1 <sup>st</sup> April of FY	1269.38	1323.49	1157.84	1193.22	1121.31
Revenue Gap/(Surplus) created during the year	(101.76)	(312.88)	(99.79)	(207.54)	(285.78)
Incentives/Penalty on T&D Loss	(0.09)	0.17	-	-	-
Total additions during the year	-101.85	(312.71)	(99.79)	(207.54)	(285.78)
Rate of Interest	12.80%	12.60%	12.20%	12.45%	12.45%
Carrying Cost on Opening Balance	162.48	166.76	141.26	148.56	139.60
Carrying Cost on Add. Gap/(Surplus)	(6.52)	(19.70)	(6.09)	(12.92)	(17.79)
Total Carrying Cost	155.96	147.06	135.17	135.64	121.81
Gap/(Surplus) incl. Carrying Cost	1323.49	1157.84	1193.22	1121.31	957.35

3.13 The Petitioner has submitted that given the significant amount of Revenue Gap, it may not be possible to pass on the whole impact to the consumers by way of revision in retail tariffs, as it may lead to a tariff shock. Therefore, the Petitioner has proposed increase in Fixed Charges and Energy Charges to recover the accumulated Revenue Gap in the next three years.

3.14 In order to cover the projected Revenue Gap for the Financial Year, the Petitioner has proposed revision in retail tariff for FY 2020-21 for various categories. The tariff schedule proposed by the Petitioner is summarised below:

**Table 14: Tariff Proposed by the Petitioner for FY 2020-21 (Rs.)**

Category/Sub-category	Existing Tariff (Rs.)		Proposed Tariff (Rs.)	
	Energy Charge	Fixed Charge	Energy Charge	Fixed Charge
Domestic (0-100 units)	2.60/kWh	13/Conn./Month	3.00/kWh	30/Conn./Month
Domestic (Above 100 units)	4.55/kWh	30/Conn./Month	6.00/kWh	70/Conn./Month
Domestic HT	4.20/kWh	40/kVA/Month	5.50/kWh	90/kVA/Month
Commercial	6.25/kWh	100/Conn./Month	7.00/kWh	210/Conn./Month
IAS	4.50/kWh	20/HP/Month	6.00/kWh	50/HP/Month
LTIS	5.00/kWh	100/kVA/Month	5.60/kWh	165/kVA/Month





Category/Sub-category	Existing Tariff (Rs.)		Proposed Tariff (Rs.)	
	Energy Charge	Fixed Charge	Energy Charge	Fixed Charge
HTIS	6.30/kWh	320/kVA/Month	7.00/kWh or 6.79/kVAh	440/kVA/Month
SS (Metered)	4.90/kWh	35/Conn./Month	5.50/kWh	80/Conn./Month
RTS/MES	6.00/kWh	350/kVA/Month	6.70/kWh	440/kVA/Month



## A 4 PUBLIC CONSULTATION PROCESS

4.1 The Petition filed by the Petitioner evoked responses from several Stakeholders. The Public Hearing through video conferencing was held on July 31, 2020 to ensure maximum public participation and transparency wherein Stakeholders put forth their comments and suggestions before the Commission. The list of the attendees is attached as **Annexure-1** to this Order.

4.2 The comments and suggestion of the members of the public along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

### **Power Purchase Cost from TSW-Captive**

#### *Public Comments/Suggestions*

4.3 The Stakeholder submitted that the Petitioner's claim for power procurement expenses from TSW-Captive is different from that reported in the Audited Accounts and requested the Commission to approve the expenses as per Audited Accounts.

#### *Petitioner's Response*

4.4 The Petitioner submitted that the Commission approves the power purchase from Tata Steel Works-Captive (TSW-Captive) source at a rate, which is the least cost power among all sources of the Petitioner. Hence, the Petitioner has adopted the same methodology for claiming the power cost from TSW-Captive source for FY 2018-19 as Rs. 4.64/kWh, which is the lowest power purchase rate among all the power purchase sources. The Petitioner further added that these rates are finalised at the time of truing-up based on the approved values of other sources. For accounting during the year, booking of cost from TSW-Captive is done as per the available information on cost at that point of time.

#### *Views of the Commission*

4.5 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has dealt with the issue in detail in **Section A 5** of this Order.

### **O&M Expenses**

#### *Public Comments/Suggestions*

4.6 The Stakeholder submitted that the Petitioner has claimed inflationary adjustment in calculating O&M Expenses, which is not in line with the provision of the Tariff



Regulations, 2015. Hence, the Stakeholder requested the Commission to approve O&M Expenses as per above said Regulations.

***Petitioner's Response***

- 4.7 The Petitioner submitted that it has claimed normative amount for A&G Expenses, R&M Expenses and Employee Expenses for FY 2018-19 as per the practice followed by the Commission, in accordance with the Tariff Regulations, 2015. The calculation and values are explained in the detail in the Petition submitted to the Commission for approval.

***Views of the Commission***

- 4.8 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has dealt with the issue in detail in **Section A 5** of this Order.

**Income Tax**

***Public Comments/Suggestions***

- 4.9 The Stakeholder submitted that it seems that the Income Tax was paid by the Petitioner on Minimum Alternate Tax (MAT) basis. In the Income Tax Return (ITR), it is observed that Income Tax at MAT Rate amounting to Rs. 358.54 Crore has been paid on Income. From the ITR submitted by the Petitioner, the Stakeholder submitted that the ratio of Income Tax on Income under MAT works out to 21.55%, which is almost same as that claimed by TSUSIL (earlier JUSCO) in its Petition. Hence, the Stakeholder requested the Commission to not allow a blanket rate of Income Tax while grossing up the Return on Equity as claimed by the Petitioner. The Stakeholder submitted that there are many other factors in determining actual Income Tax payable where the Petitioner is claiming past carry forward of deficit in ARR and also claiming Interest on carry forward of losses by it. The Stakeholder further quoted Para 115JB(2)(iii) of the Income Tax Act, 1961 (as amended) to support the suggestion.

***Petitioner's Response***

- 4.10 The Petitioner drew the attention of the Stakeholder to the provisions of Section 115JB of the Income Tax Act, 1961 (IT Act): -

*“115JB. (1) Notwithstanding anything contained in any other provision of this Act, where in the case of an assessee, being a company, the income-tax, payable on the total income as computed under this Act in respect of any previous year*

*relevant to the assessment year commencing on or after the 1st day of April, 2012, is less than eighteen and one-half per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable by the assessee on such total income shall be the amount of income-tax at the rate of eighteen and one-half per cent:”*

4.11 The Petitioner further submitted that it is clear from the aforesaid provisions that the Income Tax Liability of a company will be higher of the following:

- (a) “Tax liability” of the company computed as per the normal provisions of the IT Act, i.e., tax computed on the taxable income of the company by applying the tax rate applicable to the Company;
- (b) Tax computed @ 18.5% (plus surcharge and cess as applicable) on book profit.

4.12 The Petitioner submitted the “total income” under normal provisions of the IT Act or “Book Profit” as calculated as per Section 115JB of the IT Act, is not the deciding factor for applicability of tax rate for a Company. A Company must compare its tax liability under both methods and higher of the two becomes payable. The detail of the Income and Income Tax payable in case of the Petitioner for the Company as a whole, for FY 2018-19 is shown below:

**Table 15: Detail of Income Tax as submitted by the Petitioner (Rs. Crore)**

Sl. No.	Particulars	Amount (Rs. Crore)	Reference in ITR-VI
1	Total Income	1353.75	Schedule Part B-TI
2	Tax on Income under normal provisions of the IT Act	4774.30	Schedule Part B-TTI
3	Deemed Total Income	16638.54	Schedule Part B-TI
4	Tax on Book Profit	3585.41	Schedule Part B-TTI

4.13 Since, during the year under consideration, the Tax Liability under normal provisions of the IT Act (Rs. 4774.30 Crore) is higher than the tax on book profit (Rs. 3585.41 Crore), the Tax payable by the Petitioner is Rs. 4774.30 Crore. This is also evident from Item-3 of Schedule Part B-TTI-Computation of tax liability on total income. The Petitioner further added that the applicable tax rate for the Petitioner for the year under consideration is 34.94% (30% (Corporate Tax) + 12% (Surcharge) + 4% (Education Cess)).

4.14 During the year under consideration, the Petitioner has utilized Tax credit of the taxes paid in earlier years under Section 115JAA of the IT Act amounting to



Rs. 118.89 Crore. In this regard, the Petitioner re-produced the provisions of Section 115JAA: -

*“4) The tax credit shall be allowed set off in a year when tax becomes payable on the total income computed in accordance with the provisions of this Act other than section 115JA or section 115JB, as the case may be.*

*(5) Set off in respect of brought forward tax credit shall be allowed for any assessment year to the extent of the difference between the tax on his total income and the tax which would have been payable under the provisions of sub-section (1) of section 115JA or section 115JB, as the case may be for that assessment year.”*

4.15 Hence, the Petitioner based on the aforesaid provisions submitted the following: -

- The tax credit shall be available in the year in which tax is payable under normal provisions of the IT Act.
- The credit can be allowed to the extent of difference between tax liability as per normal provisions of the IT Act and tax as per book profit.

4.16 The Petitioner submitted that during the FY 2018-19, the tax payable by the Petitioner was computed under normal provisions of the IT Act. In light of the limitation provided under Section 115JAA (5) of the IT Act, the Petitioner has availed tax credit of Rs. 118.89 Crore and requested the Commission to consider the rate as 34.94% for calculation of Rate of Return on Equity.

### ***Views of the Commission***

4.17 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has dealt with the issue in detail in **Section A 5** of this Order.

### **Representation of Normative values and audited figure**

#### ***Public Comments/ Suggestions***

4.18 The Stakeholder submitted that the Petitioner has combined the audited figures along with normative figures, which make it difficult to analyse. Hence, the Stakeholder requested the Commission to direct the Petitioner to submit the figures of Audited Accounts and normative claim separately.

#### ***Petitioner’s Response***

4.19 The Petitioner submitted that some elements of the ARR are claimed based on Audited Accounts, whereas other are claimed on normative basis, as per provisions in the

Regulations, and the same is termed accordingly. For example, Employee Expenses excluding terminal benefits, R&M Expenses, A&G Expenses, Interest on Loan, Return on Equity are claimed on normative basis, while Power Purchase Expenses and other elements are claimed as per actuals as per Audited Accounts and in line with the Regulations.

***Views of the Commission***

- 4.20 The Commission has gone through the submissions of the Stakeholder and the Petitioner. As per Regulations, some elements are allowed on normative basis, while other elements are allowed on actuals, which has been considered while approving the ARR components.

**Basis for claiming the Income Tax at MAT for FY 2019-20**

***Public Comments/ Suggestions***

- 4.21 The Stakeholder submitted that the Petitioner has claimed the Income Tax on MAT basis, which is different when compared with the previous year.

***Petitioner's Response***

- 4.22 The Petitioner submitted that a new Section 115BAA was introduced under the IT Act by the Government of India through the Taxation (Amendment) Ordinance, 2019 on September 20, 2019. As per the provisions of Section 115BAA, a Company has an option to pay Income Tax at a reduced rate of 25.17%. If the Company opts for the scheme, MAT will not be applicable to it. The Company can exercise this option any time before filing of return of income for FY 2019-20. After due analysis, the Company has opted for this scheme for FY 2019-20 and the rate of corporate tax for the Petitioner shall be 25.17%. It is imperative to note that the provisions of MAT shall not be applicable to the Petitioner from FY 2019-20 onwards and requested the Commission to consider the above facts and approve the Income Tax as claimed in the Petition.

***Views of the Commission***

- 4.23 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has dealt with the issue in detail in **Section A 6** of this Order.



## **Revised ARR for FY 2020-21**

### ***Public Comments/ Suggestions***

- 4.24 The Stakeholder has submitted that the situation has changed drastically due to Covid-19 pandemic and lockdown afterwards. Hence, the tariff determination based on data submitted in December, 2019 will not be factual at this stage. For example, the projected sales of 2828 MU may not be valid in the present scenario.

### ***Petitioner's Response***

- 4.25 The Petitioner has estimated the Sales of 2828 MU for FY 2020-21 at the time of filing of Petition. However, in actuals, till date the sales are down due to lockdown and slowdown in economic activities. The Petitioner has revised the sales projection, which is estimated to be around 2250 MU. The Petitioner further added that these revised estimates are again subject to market development, which is uncontrollable in nature. The reduction in sales will further reduce the revenue and will widen the Revenue Gap.

### ***Views of the Commission***

- 4.26 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission observes that the submission made by the Petitioner on reduction in Sales for FY 2020-21 has not been communicated to the Commission through any submission and the same has not been notified for public comments. Hence, the Commission has scrutinised the data submitted in the Petition and after prudence check has approved the Sales for FY 2020-21 in **Section A 7** of this Order.

## **Tariff Philosophy**

### ***Public Comments/Suggestions***

- 4.27 The Stakeholder stated that the Petitioner has been continuously earning Surplus on annual basis and the cumulative Surplus of last 5 years shown is Rs. ~893.97 Crore. The Stakeholder further stated that the Petitioner is also claiming interest on the Gap of past years. In the current scenario of COVID-19, where there is financial crisis, the Stakeholder strongly objected to any increase in tariff just to liquidate the past Gap.

### ***Petitioner's Response***

- 4.28 The Petitioner submitted that they have claimed the ARR components as per prevailing Regulations. Accordingly, the final Revenue Gap as on March 31, 2021 works out to



Rs. 1074.12 Crore. The current Petition was filed in December, 2019. The true up Order for FY 2016-17 and FY 2017-18 was issued in May, 2020. Therefore, the effect of true up for FY 2016-17 and FY 2017-18 is not taken into account while filing the Petition. The Petitioner further communicated that the Revenue Gap is because of Gap of past years, which is getting recovered now and is liquidating the Gap, as these are reasonable expenses/legitimate claims of the Petitioner. The Petitioner further added that not allowing recovery of Gap of past years will further burden the consumers along with carrying cost in the future.

### ***Views of the Commission***

- 4.29 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has scrutinised the Petition and after prudence check has approved the Gap/(Surplus) for the Petitioner in **Section A 8** of this Order.

### **Terms of Supply**

#### ***Public Comments/Suggestions***

- 4.30 The Stakeholder submitted that the Petitioner has proposed to increase the penal charge for exceeding the Contracted Demand continuously for three months in a year from 150% to 200%. The Stakeholder added that any change in Terms & Conditions of Supply should be done after a thorough impact analysis and discussion. The present system of 150% was fixed by the Commission in the past in its State Advisory Committee meeting.

#### ***Petitioner's Response***

- 4.31 The Petitioner submitted that penal rate of 200% is proposed for habitual defaulter, who overdraws for more than three times in the same financial year. The Petitioner added that the Distribution Electrical System is designed for working at a particular load and accordingly HT power supply (Contract Demand) is sanctioned. The consumer is supposed to be within the limit of Contract Demand and should draw power within the Contracted Demand. In case of overdrawal of power by any consumer, electricity distribution system gets disturbed, thereby putting the entire system at risk and therefore, the Petitioner requested the Commission to allow the penal charge as proposed in the Petition.





### ***Views of the Commission***

- 4.32 The Commission has gone through the submissions of the Stakeholder and the Petitioner. However, the Commission is of the view that the same, though discussed in the Tariff Order, is an issue to be decided based on the JSERC (Electricity Supply Code) Regulations. Hence, the Commission has approved the Terms & Conditions of Supply for FY 2020-21 accordingly.

### **Proposed Tariff for Domestic HT Consumer**

#### ***Public Comments/ Suggestions***

- 4.33 The Stakeholder has submitted that in the present approved tariff structure, the Domestic HT Category consumers are billed Fixed Charge at 100% Sanctioned load whereas other category like LTIS is billed at 50% of Sanctioned load or actual demand, whichever is higher. Similarly, Industrial consumers are billed either at 85% of Sanctioned load or actual load, whichever is higher. The Stakeholder suggested approving the Fixed Charge on per Connection basis instead of Demand based (kVA) for Domestic HT Consumers. The Stakeholder further added that the Petitioner has proposed a monstrous hike of 125% in Demand Charges/Fixed Charges for Domestic HT Consumers without any basis. Such change in established tariff slab without considering its impact and practicality will disturb the whole concept of tariff rationalization.

#### ***Petitioner's Response***

- 4.34 The Petitioner requested to retain the kVA-based billing for Domestic HT consumer. The Petitioner added that in Connection based billing, there will be no control over demand pattern of the consumers and demand-based billing helps to ensure discipline among consumers and also in principle, billing should be on kVA basis. Further, the tariff hike is proposed to bring the tariff close to Average Cost of Supply (ACoS) and to make it reflective of the cost structure with reference to Fixed and Variable component.

### ***Views of the Commission***

- 4.35 The Commission has taken into account the views of the Stakeholder and the Petitioner, while approving the Tariff in this Order.



## **Hike in the Tariff of Commercial Category**

### ***Public Comments/ Suggestions***

- 4.36 The Stakeholder submitted that the Petitioner has proposed a massive hike of ~110% in Fixed Charge and a hike of ~12% in Energy Charge for Commercial establishments. It is known to everyone that due to lockdown, all commercial establishments are struggling hard to survive. Hence, the Stakeholder requested the Commission that the tariff should be fixed sympathetically keeping in mind the present effect of the pandemic on millions of livelihoods.

### ***Petitioner's Response***

- 4.37 The Petitioner submitted that the rationale for tariff increase is already submitted along with the Petition. The existing tariff has been in force for more than ~2 years. Further, the component of Fixed Cost is extremely low compared to the cost structure of the Petitioner. The Petitioner further added that during the pandemic period, if the establishment is closed or there is slowdown in the business activity, then the energy consumption will also be less, resulting in lower electricity bill. Hence, the Petitioner requested the Commission to consider the tariff increase as proposed in the Petition.

### ***Views of the Commission***

- 4.38 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has dealt with the issue in detail in **Section A 13** of this Order.

## **Sharing of expenses of JUSCO for Power Business with other Facilities**

### ***Public Comments/ Suggestions***

- 4.39 The Stakeholder submitted that Tata Steel has sublet its entire works related to its Power Division to JUSCO in a Franchise mode. The Stakeholder added that JUSCO is raising a combined bill of Electricity and Water Charges to its consumers where bills of electricity are raised with water charges and collection of bills is also combined and need to understand how JUSCO is segregating service charge of Electricity and Water charges.

### ***Petitioner's Response***

- 4.40 The Petitioner submitted that having common resource for billing function reduces costs of all services due to efficient utilisation of resources. However, the cost incurred in the billing system needs to be allocated to Businesses appropriately. Billing expense of

JUSCO (now TSUISL) is apportioned to power and non-power (including water) based on the ratio of billing amount during the period.

***Views of the Commission***

- 4.41 The Commission has gone through the submissions of the Stakeholder and the Petitioner and has dealt with the issue in subsequent Sections of this Order.

**Proposed increase in Tariff for Domestic HT Consumer**

***Public Comments/ Suggestions***

- 4.42 The Stakeholder stated that TSL supplies to Domestic-HT Category consumer at single point. Considering the seasonal variation, consumption varies and remains low in winter and increases in summer. Such pattern of energy consumption is inevitable. As per the present tariff structure, energy bill increases drastically in winter, because of low consumption. The Stakeholder further added that electricity tariff for domestic customers used to be flat round the year when TSL was outside the purview of JSERC and such concept needs to be followed. The Stakeholder added that the consumer should be charged at a specified Fixed rate for full-year, as prevailing in the past years, when tariff determination of TSL was not under the purview of JSERC.

***Petitioner's Response***

- 4.43 The Petitioner submitted that billing of Asiana Garden (Consumer of TSL) is done as per the applicable Tariff Order issued by the Commission. All consumers are required to pay the two-part tariff, which consists of Fixed Charge and Energy Charge. Electricity Distribution Infrastructure needs to be maintained throughout the year, even though the utilisation of the same is low for domestic consumer in winter season and high in summer season. There is no provision of charging high Fixed Charge in summer and lower Fixed Charge in winter season depending upon the utilisation and therefore the effective price may vary in summer and winter. This is true for most of the categories and does not impact the consumer, if we look at one-year time period. In view of the above, the Petitioner requested the Commission to approve the same tariff throughout the financial year.



### ***Views of the Commission***

- 4.44 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has scrutinised the Petition and has approved the tariff for Domestic-HT Category consumers in **Section 0** of this Order.

### **Security Deposit**

#### ***Public Comments/ Suggestions***

- 4.45 The Stakeholder submitted that the in case of default in payment of electricity bill, the Petitioner disconnects the consumer's electricity connection. The Stakeholder added that barring Petitioner's sister Companies and Government departments, there is no defaulter. In view of this, there should not be any provision for Security Deposit. Further, based on the past pattern of consumers, the Security Deposit should be based on reality and not fixed for 45 days. The Stakeholder further added that interest payable by the Petitioner should also be fixed.

#### ***Petitioner's Response***

- 4.46 The Petitioner submitted that Security Deposit including interest on Security Deposit is charged as per the prevailing JSERC Electricity Supply Code Regulations, 2015 and subsequent amendment thereof.

### ***Views of the Commission***

- 4.47 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission is of the view that the Interest on Security Deposit is governed as per JSERC Electricity Supply Code Regulations, 2015 and subsequent amendment thereof and all the Distribution Licensees are required to abide by it.

### **Effect of Depreciation**

#### ***Public Comments/ Suggestions***

- 4.48 The Stakeholder submitted that the consumer has paid the Petitioner for power connection, on 2-3 occasions. In spite of these, depreciation is added to determine tariff, which is not justified and will not give true picture.



***Petitioner's Response***

4.49 The Petitioner submitted that they do not claim any depreciation on assets, which are created out of Consumer Contribution from consumer.

***Views of the Commission***

4.50 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has dealt with the issue in detail in Subsequent Sections of this Order.



## **A 5 TRUE-UP FOR FY 2018-19**

- 5.1 The Commission had approved the MYT Order for the 2<sup>nd</sup> Control Period, i.e., from FY 2016-17 to FY 2020-21 and determined Distribution Tariff for FY 2016-17 vide its Order dated February 28, 2017 based on the principles specified in the Tariff Regulations, 2015.
- 5.2 On May 18, 2018, the Commission had issued Order on Truing-up for FY 2015-16, Annual Performance Review for FY 2016-17, Annual Review Requirement and Tariff for FY 2017-18.
- 5.3 The Commission approved the Truing up for FY 2016-17 and FY 2017-18 vide its Order dated May 26, 2020.
- 5.4 The Petitioner has now sought approval for Truing up for FY 2018-19 based on the Audited Accounts taking into consideration the provisions of the Tariff Regulations, 2015 and the methodology adopted by the Commission in the earlier Orders.
- 5.5 The Commission based on the provisions of the Tariff Regulations, 2015 has now carried out the truing up for FY 2018-19 taking into account the following:
  - (a) Audited accounts for FY 2018-19;
  - (b) Tariff Regulations, 2015;
  - (c) Methodology adopted by the Commission in its earlier Orders.
- 5.6 The component-wise description of the Petitioner's submission and the Commission's analysis on the same is provided in the upcoming paragraphs.

### **Consumers, Connected Load and Energy Sales**

#### ***Petitioner's Submission***

- 5.7 The Petitioner has submitted the details of number of consumers, connected load and energy sales for FY 2018-19 based on actuals.

#### ***Commission's Analysis***

- 5.8 The Commission, after scrutinizing the information submitted by the Petitioner and performing prudence check, approves the actual number of consumers, connected load and energy sales as submitted by the Petitioner for FY 2018-19, as summarised below:

**Table 16: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission for FY 2018-19**

Consumer Category	FY 2018-19					
	Petition			Approved		
	No. of Consumers	Connected Load (kVA/kW/HP)	Consumption (MU)	No. of Consumers	Connected Load (kVA/kW/HP)	Consumption (MU)
Domestic	35915	195962.72	204.27	35915	195962.72	204.27
Domestic - DSHT	131	55982.00	84.10	131	55982.00	84.10
Commercial	9722	57460.25	72.20	9722	57460.25	72.20
High Tension	132	436364.94	2081.14	132	436364.94	2081.14
Utilities/Street Light	349	19752.00	87.48	349	19752.00	87.48
Temporary Supply	143	129.00	2.44	143	129.00	2.44
Sale to JUSCO	1	70000.00	408.39	1	70000.00	408.39
<b>Total Consumers</b>	<b>46393</b>	<b>835650.91</b>	<b>2940.02</b>	<b>46393</b>	<b>835650.91</b>	<b>2940.02</b>

## Energy Balance

### Petitioner's Submission

5.9 The Petitioner has submitted that in order to meet its energy requirement, it has procured power from different sources in an efficient manner. The Petitioner further submitted the actual Sales along with the actual Distribution Loss for FY 2018-19. The Petitioner requested the Commission to approve the Energy Balance as per the actuals for FY 2018-19 as shown below:

**Table 17: Energy Balance for FY 2018-19 as submitted by the Petitioner (MU)**

Particulars	FY 2018-19	
	MYT Order	Petition
<b>Energy Requirement</b>		
Sales to Other Licensee	337.95	408.39
Dist. Loss on Sales to Other Licensee (%)	0.00%	0.00%
Dist. Loss on Sales to Other Licensee	-	-
Energy Req. for Sales to Other Licensee	337.95	408.39
Sales to Steel Works	100.00	171.51
Dist. Loss on Sales to Steel Works (%)	0.00%	0.00%
Dist. Loss on Sales to Steel Works	-	-
Energy Req. for Sales to Steel Works	100.00	171.51
Sales to LT consumers	423.36	366.39
Sales to Other HT consumers	2340.85	1993.73
Total Sales to Other Consumers	2764.22	2360.12
Dist. Loss on Sales to Other Consumers (%)	4.00%	3.02%
Dist. Loss on Sales to Other Consumers	115.18	73.46
Energy Req. for Sales to Other Consumers	2879.39	2433.58
Overall Sales	3202.17	2940.02
Overall Distribution Loss %	3.47%	2.44%
Overall Distribution Loss	115.18	73.46



Particulars	FY 2018-19	
	MYT Order	Petition
<b>Total Energy Requirement</b>	<b>3317.34</b>	<b>3013.47</b>
<b>Energy Available</b>		
TPCL (Unit II and Unit III)	1608.34	1400.95
Damodar Valley Corporation 132 kV	289.16	393.07
Damodar Valley Corporation 400 kV	1399.85	1073.34
TSW – Captive	20.00	19.14
Open Access/Other sources	-	126.97
<b>Total Pooled Energy Availability</b>	<b>3317.34</b>	<b>3013.47</b>

### Commission's Analysis

- 5.10 The Commission has scrutinized the details submitted by the Petitioner and has approved the Sales for FY 2018-19 as per the Audited Accounts submitted by the Petitioner. The Commission has further approved the power purchase quantum from each source after scrutinising the energy bills raised by the Damodar Valley Corporation (DVC), Tata Power Company Limited (TPCL) and other generators.
- 5.11 The Commission has observed that the actual overall Distribution Loss of 2.44% for FY 2018-19 as claimed by the Petitioner is well within the level of 3.47% approved in the MYT Order dated February 28, 2017, though the same is higher than the actual Distribution Loss approved by the Commission for FY 2017-18, i.e., 2.30%, vide its previous Order dated May 26, 2020. However, the Commission has approved the actual overall Distribution Loss for FY 2018-19 as per Clause 5.23 of the Tariff Regulations, 2015, as 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 following table details the Energy Sales, Distribution Losses and power purchase quantum as submitted by the Petitioner and as approved by the Commission:

**Table 18: Energy Requirement for FY 2018-19 as approved by the Commission (MU)**

Particulars	FY 2018-19		
	MYT Order	Petition	Approved
<b>Energy Requirement</b>			
Sales to Other Licensee	337.95	408.39	408.39





Particulars	FY 2018-19		
	MYT Order	Petition	Approved
Dist. Loss on Sales to Other Licensee (%)	0.00%	0.00%	0.00%
Dist. Loss on Sales to Other Licensee	-	-	-
Energy Req. for Sales to Other Licensee	337.95	408.39	408.39
Sales to Steel Works	100.00	171.51	171.51
Dist. Loss on Sales to Steel Works (%)	0.00%	0.00%	0.00%
Dist. Loss on Sales to Steel Works	-	-	-
Energy Req. for Sales to Steel Works	100.00	171.51	171.51
Sales to LT consumers	423.36	366.39	366.39
Sales to Other HT consumers	2340.85	1993.73	1993.73
Total Sales to Other Consumers	2764.22	2360.12	2360.12
Dist. Loss on Sales to Other Consumers (%)	4.00%	3.02%	3.02%
Dist. Loss on Sales to Other Consumers	115.18	73.46	73.45
Energy Req. for Sales to Other Consumers	2879.39	2433.58	2433.57
Overall Sales	3202.17	2940.02	2940.02
Overall Distribution Loss (%)	3.47%	2.44%	2.44%
Overall Distribution Loss	115.18	73.46	73.45
<b>Total Energy Requirement</b>	<b>3317.34</b>	<b>3013.47</b>	<b>3013.47</b>
<b>Energy Available</b>			
TPCL (Unit II and Unit III)	1608.34	1400.95	1400.95
Damodar Valley Corporation 132 kV	289.16	393.07	393.07
Damodar Valley Corporation 400 kV	1399.85	1073.34	1073.34
TSW – Captive	20.00	19.14	19.14
Open Access/Other sources	-	126.97	126.97
<b>Total Pooled Energy Availability</b>	<b>3317.34</b>	<b>3013.47</b>	<b>3013.47</b>

## Power Purchase Cost

### Petitioner's Submission

5.13 The Petitioner has submitted that it sources its power requirement primarily from TPCL (Unit-II & Unit-III) and DVC at 132 kV and 400 kV. In addition to the above, the Petitioner also procures power from TSW-Captive Unit as and when required.

5.14 The details of Renewable Purchase Obligation (RPO) compliance as submitted by the Petitioner for FY 2018-19 including the carry forward from previous Financial Year is shown below:

**Table 19: Summary of RPO compliance for FY 2018-19 as submitted by the Petitioner (MU)**

Particulars	FY 2018-19					
	RPO (%)	Obligation for FY 2018-19 (MU)	Carry forward from Previous Year (MU)	Net Obligation for FY 2018-19 (MU)	Equivalent REC Purchased (MU)	Carry forward to next Financial Year (MU)
Non-Solar	4.50%	117.92	10.80	128.72	127.77	0.95
Solar	5.50%	144.12	147.42	291.55	281.93	9.62
<b>Net RPO</b>	<b>-</b>	<b>262.04</b>	<b>-</b>	<b>420.27</b>	<b>409.70</b>	<b>10.57</b>



- 5.15 The Petitioner requested the Commission to consider the same and allow subsequent purchase as carry forward to next Financial Year for meeting the RPO target.
- 5.16 The Petitioner has submitted the actual power purchase expenses based on the Audited Accounts and requested the Commission to consider the same while truing up for FY 2018-19:

**Table 20: Power Procurement Cost for FY 2018-19 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Petition
<b>Power Purchase Cost</b>		
<b>TPCL Unit 2</b>		
Power Purchased (MU)	804.17	698.18
Rate of Power Purchased (Rs./kWh)	4.00	5.25
Power Purchase Cost (Rs. Crore)	321.37	327.54
Prior Period Adjustments (Rs. Crore)	0.00	39.28
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>321.37</b>	<b>366.82</b>
<b>TPCL Unit 3</b>		
Power Purchased (MU)	804.17	702.77
Rate of Power Purchased (Rs./kWh)	3.89	5.29
Power Purchase Cost (Rs. Crore)	312.73	327.51
Prior Period Adjustments (Rs. Crore)	0.00	44.50
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>312.73</b>	<b>372.01</b>
<b>DVC 132 kV</b>		
Power Purchased (MU)	289.16	393.07
Rate of Power Purchased (Rs./kWh)	5.27	4.63
Power Purchase Cost (Rs. Crore)	152.30	181.88*
Prior Period Adjustments (Rs. Crore)	0.00	(0.02)*
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>152.30</b>	<b>181.86*</b>
<b>DVC 400 kV</b>		
Power Purchased (MU)	1399.85	1073.34
Rate of Power Purchased (Rs./kWh)	3.83	4.80
Power Purchase Cost (Rs. Crore)	536.02	515.47
Prior Period Adjustments (Rs. Crore)	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>536.02</b>	<b>515.47</b>
<b>TSW (Captive)</b>		
Power Purchased (MU)	20.00	19.14
Rate of Power Purchased (Rs./kWh)	7.66	4.64
<b>Power Purchase Cost (Rs. Crore)</b>	<b>3.83</b>	<b>8.88</b>
<b>Open Access/ UI</b>		
Power Purchased (MU)	-	126.97
Rate of Power Purchased (Rs./kWh)	-	4.99
<b>Power Purchase Cost (Rs. Crore)</b>	<b>-</b>	<b>63.33</b>
<b>REC Purchased (Rs. Crore)</b>	<b>78.73</b>	<b>56.28</b>
<b>Total Power Purchase</b>		
Power Purchased (MU)	3317.34	3013.47
Rate of Power Purchased (Rs./kWh)	4.25	5.19



Particulars	FY 2018-19	
	MYT Order	Petition
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1408.81</b>	<b>1564.63*</b>

*\* Revised in additional submission dated July 22, 2020*

### **Commission's Analysis**

- 5.17 In compliance to the Commission's letter dated June 18, 2020, the Petitioner vide its letter dated July 22, 2020, provided the detail of prior period adjustment for DVC 132 kV and DVC 400 kV and revised the power procurement cost from DVC at 132 kV to Rs. 181.86 Crore from Rs. 182.29 Crore.
- 5.18 The Commission has scrutinized the Audited Accounts and monthly power procurement bills of TPCL and DVC as submitted by the Petitioner. In case of power procured from TPCL and DVC, the Commission approves the power procurement cost based on the Audited Accounts, monthly bills submitted by the Petitioner, approved Tariff by the Commission and revised submission by the Petitioner vide its letter dated July 22, 2020.
- 5.19 As regards the power procured from TSW Captive, the Commission has approved the Tariff equal to the lowest tariff among all the other generators approved in the respective Financial Year.
- 5.20 The Petitioner has claimed per unit rate as Rs. 4.99/kWh for energy procured from Open Market/UI. The Commission vide its letter dated February 10, 2020, directed the Petitioner to provide the justification for purchase quantum and its price.
- 5.21 The Petitioner submitted that it procures power from Open Market, only when there is any breakdown/shutdown in long-term sources. The Petitioner submitted that there were fifty-four instances when there were restrictions in power supply from DVC 400 kV source during FY 2018-19 and submitted the details of breakdown/shutdown of DVC 400 kV along with its reply dated March 11, 2020.
- 5.22 The Petitioner further submitted that the price in the Open Market depends on demand and supply at that particular time in the Open Market and the Petitioner has no control over the same and requested the Commission to consider the same. The Commission observed that in case of breakdown/restriction in power supply from DVC 400 kV, the Petitioner procured power from Open Market due to transmission constraints in the Transmission Infrastructure connecting the 132 kV connected loads and the 400 kV connected loads.

5.23 Further, the Commission in its Order dated May 26, 2020, has directed the Petitioner to carry out necessary study and steps to interconnect the upstream transmission networks to improve its power availability.

5.24 The Commission after due scrutiny approves the power procurement cost from Open Market/UI as shown below:

**Table 21: Power Procurement Cost for FY 2018-19 as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19		
	MYT Order	Petition	Approved
<b>TPCL Unit-II</b>			
Power Purchased (MU)	804.17	698.18	698.18
Rate of Power Purchased (Rs./kWh)	4.00	5.25	4.69
Power Purchase Cost (Rs. Crore)	321.37	327.54	327.54
Prior Period Adjustments (Rs. Crore)	0.00	39.28	39.28
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>321.37</b>	<b>366.82</b>	<b>366.82</b>
<b>TPCL Unit-III</b>			
Power Purchased (MU)	804.17	702.77	702.77
Rate of Power Purchased (Rs./kWh)	3.89	5.29	4.66
Power Purchase Cost (Rs. Crore)	312.73	327.51	327.51
Prior Period Adjustments (Rs. Crore)	0.00	44.50	44.50
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>312.73</b>	<b>372.01</b>	<b>372.01</b>
<b>DVC 132 kV</b>			
Power Purchased (MU)	289.16	393.07	393.07
Rate of Power Purchased (Rs./kWh)	5.27	4.63	4.63
Power Purchase Cost (Rs. Crore)	152.30	181.88*	181.88
Prior Period Adjustments (Rs. Crore)	0.00	(0.02)*	(0.02)
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>152.30</b>	<b>181.86*</b>	<b>181.86</b>
<b>DVC 400 kV</b>			
Power Purchased (MU)	1399.85	1073.34	1073.34
Rate of Power Purchased (Rs./kWh)	3.83	4.80	4.79
Power Purchase Cost (Rs. Crore)	536.02	515.47	513.97
Prior Period Adjustments (Rs. Crore)	0.00	-	1.51
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>536.02</b>	<b>515.47</b>	<b>515.47</b>
<b>TSW (Captive)</b>			
Power Purchased (MU)	20.00	19.14	19.14
Rate of Power Purchased (Rs./kWh)	7.66	4.64	4.63
<b>Power Purchase Cost (Rs. Crore)</b>	<b>3.83</b>	<b>8.88</b>	<b>8.86</b>
<b>UI/Open Market</b>			
Power Purchased (MU)	-	126.97	126.97
Rate of Power Purchased (Rs./kWh)	-	4.99	4.99
<b>Power Purchase Cost (Rs. Crore)</b>	<b>-</b>	<b>63.33</b>	<b>63.33</b>
<b>REC Purchased (Rs. Crore)</b>	<b>78.73</b>	<b>56.28</b>	<b>56.28</b>
<b>Total Power Purchase</b>			
Power Purchased (MU)	3317.34	3013.47	3013.47
Rate of Power Purchased (Rs./kWh)	4.25	5.19	5.19
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1408.81</b>	<b>1564.65*</b>	<b>1564.63</b>

\* Revised in additional submission dated July 22, 2020

## Operation and Maintenance Expenses (O&M)

### Petitioner's Submission

- 5.25 The Petitioner has submitted that it has segregated each component of O&M Expenses. The Petitioner has claimed the normative Employee Expenses for FY 2018-19 based on the normative Employee Expenses for FY 2017-18 claimed in its Petition for Truing up for FY 2017-18 and escalated the same based on actual inflation factor of 4.92% and the load growth for FY 2018-19. Similarly, the Petitioner has projected the normative A&G Expenses for FY 2018-19 based on the normative A&G Expenses for FY 2017-18, inflation factor of 4.92% for FY 2018-19 and the impact of load growth.
- 5.26 The Petitioner has calculated the normative R&M Expenses considering the 'k' factor as 4.80% as approved by the Commission in the MYT Order dated February 28, 2017. The Petitioner has factored in the inflation factor (4.92%) while calculating the normative R&M Expenses for FY 2018-19.

**Table 22: Normative O&M Expenses for FY 2018-19 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Petition
Employee Expenses	22.74	24.54
A&G Expenses	23.18	27.52
R&M Expenses	25.88	27.38
<b>O&amp;M Expenses</b>	<b>71.79</b>	<b>79.44</b>

- 5.27 Further, for calculation of sharing of gains/(loss) on O&M Expenses, the Petitioner has considered the actual value of Employee Expenses, A&G Expenses and R&M Expenses as Rs. 25.30 Crore, Rs. 31.62 Crore and Rs. 30.97 Crore, respectively, for FY 2018-19 as per the Audited Accounts.

**Table 23: Actual O&M Expenses for FY 2018-19 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19
	Petition
Employee Expenses	25.30
A&G Expenses	31.62
R&M Expenses	30.97
<b>O&amp;M Expenses</b>	<b>87.89</b>

- 5.28 The Petitioner has additionally claimed Rs. 0.06 Crore towards increase in Petition Fees and CGRF Expenses (Rent & Remuneration) over normative value under Change in Law.
- 5.29 The table below depicts the O&M Expenses as claimed by the Petitioner including sharing of Gain/(Loss):

**Table 24: O&M Expenses including sharing of Gain/Loss as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19
	Petition
Normative O&M Expenses	79.44
Actual O&M Expenses	87.89
Gain/(Loss)	(8.45)
Sharing of Gain/(Loss)	-
Add: Change in Law	0.06
<b>O&amp;M Expenses Claimed</b>	<b>79.50</b>

**Commission's Analysis**

5.30 The Commission has approved the actual O&M Expenses for FY 2018-19 based on the Audited Accounts for FY 2018-19 as shown below:

**Table 25: Actual O&M Expenses as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19
	Approved
Employee Expenses	25.30
A&G Expenses	31.62
R&M Expenses	30.97
<b>O&amp;M Expenses</b>	<b>87.89</b>

5.31 The Commission in its Order dated May 26, 2020, has calculated the normative Employee Expenses for FY 2016-17 and FY 2017-18 based on the revised Employee Expenses (Salaries and Wages and Staff Welfare Expenses) for FY 2015-16 as per Audited Accounts, actual value of inflation factor (3.05% for FY 2016-17 and 3.01% for FY 2017-18) as per The Tariff Regulations, 2015 and approved load growth for respective years.

5.32 Following the same approach, the Commission has approved the Employee Expenses for FY 2018-19 considering the actual value of inflation factor (4.92%) as per the Tariff Regulations, 2015 and approved load growth for FY 2018-19. The Petitioner has submitted the Employee Expenses including the terminal benefits in the past and the Commission has approved the Employee Expenses including terminal benefits. Hence, adopting the same methodology, the Commission has approved the Employee Expenses including terminal benefits for FY 2018-19.

5.33 The Commission, for conversion of connection load from kW to kVA, has considered the Power Factor as 0.85.

**Table 26: Normative Employee Expenses as approved by the Commission (Rs. Crore)**

Particulars	UoM	FY 2018-19
		Approved
Employee Cost of Previous Year	Rs. Cr.	21.81
Connected Load of Previous Year	kVA	868051
Employee Cost/kVA	Rs./kVA	251.20
Inflation Factor	%	4.92%
Employee Cost/kVA including Inflation	Rs./kVA	263.56
Connected Load (kVA) for Current Year	kVA	883881
<b>Normative Employee Cost</b>	<b>Rs. Cr.</b>	<b>23.21</b>

- 5.34 The Commission has approved the normative A&G Expenses for FY 2018-19, based on the approved normative A&G Expenses for FY 2017-18 (excluding Petition Filing Fee and CGRF Expenses) during True up for FY 2017-18 vide its Order dated May 26, 2020 and the actual inflation factor as 4.92% for FY 2018-19.
- 5.35 The Commission has considered the Petition Filing Fee and CGRF Expenses based on actual as the same are non-escalable expenses.
- 5.36 For the purpose of evaluating the normative R&M Expenses, the Commission has considered the approved opening value of Gross Fixed Assets for FY 2018-19 and multiplied it with the 'k' factor of 4.80% as approved in the MYT Order dated February 28, 2017.

**Table 27: Normative O&M Expenses as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19
	Approved
Employee Expenses	23.21
A&G Expenses (excluding filing & CGRF Expenses)	26.48
R&M Expenses	26.08
<b>Normative O&amp;M Expenses</b>	<b>75.76</b>
Petition Filing Fee	0.05
CGRF Expenses (Rent & Remuneration)	0.32
<b>Normative O&amp;M Expenses including Filing Fee and CGRF Expenses</b>	<b>76.13</b>

- 5.37 In view of the above, the O&M Expenses claimed by the Petitioner and approved by the Commission including sharing of Gain/(Loss) for FY 2018-19 is shown below:

**Table 28: O&M Expenses for FY 2018-19 as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19	
	Petition	Approved
Normative O&M Expenses	79.44	75.76*
Actual O&M Expenses	87.89	87.52*





Particulars	FY 2018-19	
	Petition	Approved
Gain/(Loss)	(8.45)	(11.76)
<b>Sharing of Gain/Loss</b>	-	-
Expenses due to Change in Law/Filing Fee & CGRF Expenses	0.06	0.37
<b>O&amp;M Expenses Approved</b>	<b>79.50</b>	<b>76.13</b>

*\*Excluding Petition Filing Fees and CGRF Expenses*

## Capital Work in Progress (CWIP) and Gross Fixed Assets (GFA)

### Petitioner's Submission

- 5.38 The Petitioner has submitted that it has considered the Opening and Closing Capital Work in Progress (CWIP) as per the Balance Sheet for FY 2018-19. The assets transferred to Gross Fixed Asset (GFA) are considered based on the Audited Accounts. The Petitioner further submitted that the capital expenditure and resultant capitalization is carried out as per the plan approved by the Commission in its earlier Orders. The scheme-wise detail of capital expenditure and capitalisation was enclosed along with the Petition.
- 5.39 The Petitioner requested the Commission to review the Capital Expenditure and Capitalization for FY 2018-19 as submitted based on the Audited Accounts.

**Table 29: CWIP and GFA for FY 2018-19 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Petition
<b>Capital Works in Progress</b>		
<b>Opening CWIP</b>	<b>15.06</b>	<b>4.00</b>
Additional Capex	20.00	9.93
Less: Capitalisation	23.59	7.13
<b>Closing CWIP</b>	<b>11.48</b>	<b>6.80</b>
<b>Gross Fixed Assets</b>		
<b>Opening GFA</b>	<b>538.71</b>	<b>543.69</b>
Net Addition	23.59	7.13
<b>Closing GFA</b>	<b>562.30</b>	<b>550.83</b>

### Commission's Analysis

- 5.40 The Commission has scrutinised the scheme-wise details of Capital Expenditure and Capitalisation as submitted by the Petitioner along with audited information for approval of CWIP and GFA for FY 2018-19. On scrutiny of the information submitted by the Petitioner, the Commission observed that the works carried out by the Petitioner were towards the schemes approved by the Commission in its MYT Order dated February 28, 2017.





- 5.41 The Commission observed that the opening Gross Fixed Asset for FY 2018-19 as submitted by the Petitioner (Rs. 543.69 Crore) is different from closing Gross Fixed Asset for FY 2017-18 (Rs. 543.24 Crore) and directed the Petitioner to provide the reasons for same. In compliance to the Commission's query, the Petitioner, vide letter dated July 22, 2020, submitted that the Opening GFA for FY 2018-19 is Rs. 543.69 Crore as per the Audited Accounts and requested the Commission to consider the same while truing up.
- 5.42 The Commission however, observed that in the Petition for Truing up for FY 2017-18, the Petitioner has claimed the additional capitalization for FY 2017-18, without considering the adjustment/Transfer during the financial year, while calculating the closing GFA for FY 2017-18. Based on prudence check of facts placed before the Commission by the Petitioner, the Commission had approved the Closing GFA for FY 2017-18 as Rs. 543.24 Crore, without taking into account adjustment/Transfer during the financial year as shown in the Audited Accounts for FY 2017-18 in its Order dated May 26, 2020. The Commission has therefore, considered the approved closing GFA for FY 2017-18 in its Order dated May 16, 2020 as Opening GFA for FY 2018-19.
- 5.43 Further, the Petitioner in its reply dated July 22, 2020, has revised the net addition in GFA to Rs. 6.80 Crore from Rs. 7.13 Crore for FY 2018-19.
- 5.44 Based on the information submitted by the Petitioner and after prudence check, the Commission approves the GFA, CWIP and capital expenditure incurred during the year for FY 2018-19 as summarised below:

Table 30: CWIP and GFA for FY 2018-19 as approved by the Commission (Rs. Crore)

Particulars	FY 2018-19		
	MYT Order	Petition	Approved
<i>Capital Works in Progress</i>			
<b>Opening CWIP</b>	<b>15.06</b>	<b>4.00</b>	<b>4.00</b>
Additional Capex	20.00	9.93	9.93
Less: Capitalisation	23.59	6.80*	6.80
<b>Closing CWIP</b>	<b>11.48</b>	<b>7.13</b>	<b>7.13</b>
<i>Gross Fixed Assets</i>			
<b>Opening GFA</b>	<b>538.71</b>	<b>543.69</b>	<b>543.24</b>
Net Addition	23.59	6.80*	6.80
<b>Closing GFA</b>	<b>562.30</b>	<b>550.49</b>	<b>550.04</b>

\* Revised in reply dated July 22, 2020



## Consumer Contribution

### *Petitioner's Submission*

5.45 The Petitioner has submitted the details of Consumer Contribution (CC) capitalised during FY 2018-19 as shown below:

**Table 31: CC Capitalised for FY 2018-19 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19
	Petition
CC capitalized during the Year	3.15

### *Commission's Analysis*

5.46 The Commission vide its letter dated June 18, 2020, directed the Petitioner to provide the detailed calculation of CC for FY 2018-19 including Opening CC, Closing CC, addition during the year, and reconciliation of the same with the Audited Accounts. The Petitioner in its reply dated July 22, 2020, submitted the CC received during the FY 2018-19 as Rs. 4.33 Crore. The Petitioner further added that out of total CC including CC not capitalized in previous years, the Petitioner was able to capitalize only Rs. 0.87 Crore in FY 2018-19.

5.47 The Commission has scrutinized the details submitted by the Petitioner and approves the CC received during FY 2018-19 as below as the same is considered for calculation of Depreciation, Loan Addition and Equity Addition calculations as per the methodology adopted by the Commission in the previous Orders.

**Table 32: Consumer Contribution as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19	
	Petition	Approved
Consumer Contribution received during the Year	4.33*	4.33

\* Revised in reply dated July 22, 2020

## Depreciation

### *Petitioner's Submission*

5.48 The Petitioner has submitted that the Depreciation proportionate to the extent of Fixed Assets funded through CC has been deducted from the total depreciation in order to arrive at the net Depreciation.

5.49 The Petitioner has submitted that the details of accumulated depreciation can be referred in the Audited Accounts of FY 2018-19 and depreciation charged during FY 2018-19 can be referred from Profit and Loss (P&L) Statement.

5.50 The Petitioner submitted the depreciation on assets funded through CC as shown below:

**Table 33: Depreciation on assets created out of CC as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19
	Petition
Closing GFA (A)	550.37
Closing Consumer Contribution capitalised (B)	64.33
Gross Depreciation (C)	31.15
Depreciation on Consumer Contribution (D=C/A*B)	3.64

5.51 Accordingly, the Petitioner has claimed Net Depreciation as summarised below:

**Table 34: Depreciation as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Petition
Gross Depreciation	35.78	31.15
Depreciation on Account of CC	3.70	3.64
<b>Net Depreciation</b>	<b>32.08</b>	<b>27.51</b>

### **Commission's Analysis**

5.52 The Commission directed the Petitioner to provide the detailed calculation of depreciation on GFA and assets created out of CC for FY 2018-19. In compliance to the Commission's query, the Petitioner vide its reply dated July 22, 2020 revised the depreciation to Rs. 27.61 Crore from Rs. 27.51 Crore for FY 2018-19.

5.53 The Petitioner further added that the depreciation on assets created out of CC is calculated in proportion to gross depreciation and in the ratio of closing CC capitalised out of total Closing GFA for FY 2018-19.

5.54 The Commission observed that the Petitioner has calculated the depreciation on assets created out of CC on closing value. Further, the Commission observed that the closing CC considered by the Petitioner is not matching either with the audited figure or revised figure submitted by the Petitioner vide letter dated July 22, 2020.

5.55 Hence, the Commission has approved net depreciation after deducting the depreciation on assets funded out of CC from the Gross Depreciation for FY 2018-19. The Commission has considered the average value of GFA and CC instead of closing values as considered

by the Petitioner. The depreciation has been considered at the same Rate of Depreciation as claimed by the Petitioner while approving the depreciation for FY 2018-19.

- 5.56 The following table summarizes the depreciation as submitted by the Petitioner and as approved by the Commission for FY 2018-19:

**Table 35: Depreciation for FY 2018-19 as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19		
	MYT Order	Petition	Approved
Gross Depreciation	35.78	31.15	31.12
Depreciation on account of CC	3.70	3.54*	3.55
<b>Net Depreciation</b>	<b>32.08</b>	<b>27.61</b>	<b>27.57</b>

\*Revised in reply dated July 22, 2020

## Interest and Finance Charges

### Petitioner's Submission

- 5.57 The Petitioner has submitted that it has considered the same methodology as approved by the Commission in its previous Orders for computing Interest and Finance Charges. The deemed additions to the loan have been considered at 70% of GFA addition during FY 2018-19 after reducing assets created from CC during the year.  $\{(Total\ Asset\ Addition\ to\ GFA\ during\ the\ year - Asset\ Addition\ from\ Consumer\ Contribution\ during\ the\ year) \times 70\%\}$ .

**Table 36: Normative Loan & Normative Equity added during the Year (Rs. Crore)**

Particulars	FY 2018-19
	Petition
Assets added during the Year	7.13
Less: CC received during the Year	3.15
Normative Amount Added during the Year	3.98
Equity Addition during the Financial Year @ 30%	1.19
Debt Addition during the Financial Year @ 70%	2.79

- 5.58 Further, in accordance with Clause 6.24 and Clause 6.25 of the Tariff Regulations, 2015, the interest on normative loan has been calculated on the average normative loan for the year. The rate of interest for the year has been considered as SBI Base Rate as applicable on April 01, 2018 plus 200 basis points.

**Table 37: Interest and Finance Charges as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Petition
Opening Loan (Normative)	105.19	99.59
Add: Deemed Addition during the FY	15.11	2.79
Less: Deemed Repayment	32.08	27.51
Closing Loan (Normative)	88.22	74.87

Particulars	FY 2018-19	
	MYT Order	Petition
Average Loan	96.70	87.23
SBI Base Rate plus 200bp	11.30%	10.70%
<b>Interest and Finance Charges</b>	<b>10.93</b>	<b>9.33</b>

### Commission's Analysis

- 5.59 The Commission has considered the normative opening loan for FY 2018-19 as the closing value approved for FY 2017-18 in its Order dated May 26, 2020.
- 5.60 In light of the Petitioner's additional submission dated July 22, 2020, the Commission has considered the CC received during FY 2018-19 as Rs. 4.33 Crore for calculating the normative loan and equity addition during FY 2018-19.
- 5.61 In accordance with the Tariff Regulations, 2015 and the principles adopted in the previous Tariff Order, the Commission has considered the normative loan addition during the year as 70% of the approved capitalization after deducting assets funded out of CC. The normative repayment is deemed to be equal to the approved net depreciation during the financial year.
- 5.62 Considering the above methodology, interest on normative loan has been calculated on the average normative loan outstanding during the year at the interest rate of SBI Base Rate as on April 01, 2018 plus 200 basis points.

**Table 38: Normative Loan and Normative Equity added during FY 2018-19 (Rs. Crore)**

Particulars	FY 2018-19	
	Petition	Approved
Assets added during the Year	7.13	6.80
Less: CC received during the Year	3.15	4.33
Normative Amount Added during the Year	3.98	2.47
Equity Addition during the Financial Year @ 30%	1.19	0.74
Debt Addition during the Financial Year @ 70%	2.79	1.73

- 5.63 The following table summarises the Interest and Finance Charges (IFC) as submitted by the Petitioner and as approved by the Commission for FY 2018-19:

**Table 39: Interest and Finance Charges for FY 2018-19 as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19		
	MYT Order	Petition	Approved
Opening Loan (Normative)	105.19	99.59	99.90
Add: Deemed Addition during the FY	15.11	2.79	1.73
Less: Deemed Repayment	32.08	27.51	27.57
Closing Loan (Normative)	88.22	74.87	74.06



Particulars	FY 2018-19		
	MYT Order	Petition	Approved
Average Loan	96.70	87.23	86.98
SBI Base Rate plus 200bp	11.30%	10.70%	10.70%
<b>Interest and Finance Charges</b>	<b>10.93</b>	<b>9.33</b>	<b>9.31</b>

### Interest on Security Deposits

#### Petitioner's Submission

- 5.64 The Petitioner furnished the details of Interest on Consumers' Security Deposit (CSD) as per the Audited Accounts for FY 2018-19. The Petitioner has paid the Interest on CSD after considering the actual security deposit, period of security deposit held and applicable interest rate.
- 5.65 The Petitioner further submitted that the average security deposit amount as on year-end of FY 2018-19 was Rs. 22.77 Crore and the corresponding interest on security deposit was Rs. 2.17 Crore.

**Table 40: Interest on CSD for FY 2018-19 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Petition
Opening Consumer Security Deposit	17.81	22.90
Consumer Security Deposit Addition	1.23	(0.26)
Closing Consumer Security Deposit	19.04	22.64
<b>Interest on Consumer Security Deposit</b>	<b>1.71</b>	<b>2.17</b>

#### Commission's Analysis

- 5.66 The Commission observed that the Petitioner has claimed negative Consumer Security addition (Rs. (0.26) Crore) during FY 2018-19. The Commission vide its letter dated February 10, 2020, directed the Petitioner to provide the reason for negative addition during FY 2018-19. In reply, the Petitioner vide its letter dated July 22, 2020, submitted that while preparing the petition/accounts, security deposit from three consumers was inadvertently missed out totalling to Rs. 4.09 Crore, which has led to reporting of lesser net addition of security deposit ((0.26) Crore) and revised the CSD addition to Rs. 3.84 Crore.
- 5.67 The Commission has considered the revised submission of the Petitioner, however, directs the Petitioner to ensure utmost care while preparing the Petition.
- 5.68 The Interest on CSD as submitted by the Petitioner and approved by the Commission for FY 2018-19 is shown below:

**Table 41: Interest on CSD for FY 2018-19 as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19		
	MYT Order	Petition	Approved
Opening CSD	17.81	22.90	22.90
CSD Addition	1.23	3.84*	3.84
Closing CSD	19.04	26.74	26.74
<b>Interest on CSD</b>	<b>1.71</b>	<b>2.17</b>	<b>2.17</b>

\* Revised in reply dated July 22, 2020

**Return on Equity****Petitioner's Submission**

5.69 The Petitioner submitted that it has considered the same methodology for computing equity addition as approved by the Commission in its earlier Orders. The deemed addition to the equity has been considered @30% of total GFA addition after reducing asset addition from CC amount received during the year.  $\{(Total\ Addition\ to\ GFA\ during\ the\ year - Asset\ Addition\ from\ Consumer\ Contribution\ during\ the\ year) \times 30\%\}$ .

5.70 The Petitioner submitted that it has paid the Income Tax (IT) as per normal IT rate and accordingly Return on Equity (RoE) has been grossed up by corporate IT rate. The Income Tax paid challan copy is enclosed along with the Petition.

**Table 42: Return on Equity as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Petition
Opening Equity (Normative)	144.78	144.89
Equity Addition (Normative)	6.48	1.19
Closing Equity (Normative)	151.26	146.08
Average Equity	148.02	145.48
Rate of Return	15.50%	15.50%
Return on Equity	22.94	22.55
Income Tax Rate	-	34.94%
Income Tax	-	12.11
<b>Return on Equity including Income Tax</b>	<b>22.94</b>	<b>34.66</b>

**Commission's Analysis**

5.71 In accordance with the Tariff Regulations, 2015, the Commission has considered the Opening Equity base for FY 2018-19 as the Closing Equity base approved for FY 2017-18 vide its Order dated May 26, 2020.

5.72 The Commission has allowed a rate of return of 15.5% (post tax) on equity, which is as per Clause 6.17 of the Tariff Regulations, 2015.





- 5.73 The Commission observed that as per Income Tax Return (ITR) Acknowledgement, Tata Steel Limited had paid IT of Rs. 4128.22 Crore against the estimated value of Rs. 3585.40 Crore for FY 2018-19. The Commission vide its letter dated February 10, 2020, directed the Petitioner to clarify the difference in the amount. Further, the Petitioner was also directed to substantiate the Income Tax associated with power distribution business.
- 5.74 The Petitioner in its reply dated March 11, 2020, submitted that it has paid the total IT of Rs. 4128.22 Crore in FY 2018-19, but later the same was estimated as Rs. 3585.40 Crore only. So, a refund was claimed accordingly since, advance IT is paid quarterly on the estimated income of the Company and the Company usually deposits advance IT on a higher side to reduce the incidence of interest u/s 234B and 234C of the IT Act. During the year under consideration, the Company has claimed certain deductions, which were not envisaged at the time of Advance IT computation. This is the primary reason for reduction of tax liability of the Company resulting in refund. The Petitioner further added that no separate Income Tax is calculated and paid for Power Distribution Business by TSL and IT is paid for the Company as a whole.
- 5.75 Based on the ITR challan copy submitted by the Petitioner, the Commission has observed that the Tax Assessed (Rs. 3585.40 Crore) is ~21.55% of total income (Rs. 16638.54 Crore). Hence, the Commission has approved the Income Tax at 21.55% on RoE for FY 2018-19.

**Table 43: Return on Equity for FY 2018-19 as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19		
	MYT Order	Petition	Approved
Opening Equity (Normative)	144.78	144.89	144.89
Equity Addition (Normative)	6.48	1.19	0.74
Closing Equity (Normative)	151.26	146.08	145.63
Average Equity	148.02	145.48	145.26
Rate of Return	15.50%	15.50%	15.50%
<b>Return on Equity</b>	<b>22.94</b>	<b>22.55</b>	<b>22.52</b>
Income Tax Rate	-	34.94%	21.55%
Income Tax	-	12.11	6.18
<b>Return on Equity including Income Tax</b>	<b>22.94</b>	<b>34.66</b>	<b>28.70</b>

## Interest on Working Capital

### *Petitioner's Submission*

- 5.76 The Petitioner submitted that it has arrived at the Working Capital requirement based on the Tariff Regulations, 2015. The SBI Base rate as on April 01, 2018 plus 350 basis





points has been considered for computation of Interest on Working Capital (IoWC) as given below. Further, the Petitioner has claimed the Funding cost of Delayed Payment Surcharge (DPS) as Rs. 2.17 Crore as shown below:

**Table 44: Interest on Working Capital for FY 2018-19 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Petition
Receivables (2 months)	259.96	291.54
O&M Expenses (1 month)	5.98	7.33
Maintenance Spares (1% of Opening GFA)	5.39	5.44
Less: Security Deposit	18.43	22.77
Less: Power Purchase Cost (1 month)	117.40	130.42
Total Working Capital	144.76	151.12
Interest Rate	12.80%	12.20%
<b>Interest on Working Capital</b>	<b>17.34</b>	<b>18.44</b>
Funding Cost of DPS	-	2.17
<b>IoWC including Funding Cost of DPS</b>	<b>17.34</b>	<b>20.61</b>

### *Commission's Analysis*

- 5.77 The Commission observes that the Petitioner has calculated the receivables for two months based on actual revenue received in that particular financial year, as against the ARR. However, the Commission has calculated the receivables based on Annual Revenue Requirement instead of actual revenue as the Commission has approved a large amount of surplus to be recovered at the existing Tariff. The Commission has adopted the same approach in its previous Tariff Orders.
- 5.78 The Petitioner further submitted that since the Commission has considered DPS as part of Non-Tariff Income (NTI) to compute the net Annual Revenue Requirement (ARR), in light of Judgment of Hon'ble Appellate Tribunal for Electricity (APTEL) dated July 12, 2011, in Appeal No. 142 and 147 of 2009, the funding cost of DPS should be additionally allowed in normative working capital.
- 5.79 The Commission observed that the Petitioner has received an amount of Rs. 3.20 Crore as Delayed Payment Surcharge in FY 2018-19. The Commission has considered the revenue received from DPS under Non-Tariff Income and hence, approves the expenses required to finance the same at the rate approved for IoWC. The Commission has considered the rate for DPS as 18.00% per annum for calculation of corresponding receivables against DPS.
- 5.80 The Commission has scrutinized the details submitted by the Petitioner and approves the IoWC on normative basis including funding cost of DPS as shown below:

**Table 45: Interest on Working Capital for FY 2018-19 as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19		
	MYT Order	Petition	Approved
Receivables (2 months)	259.96	291.54	286.39
O&M Expenses (1 month)	5.98	7.33	6.34
Maintenance Spares (1% of Opening GFA)	5.39	5.44	5.43
Less: Consumers' Security Deposit	18.43	22.77	24.82
Less: Power Purchase Cost (1 month)	117.40	130.42	130.39
Total Working Capital	144.76	151.12	142.96
Interest Rate	12.80%	12.20%	12.20%
<b>Interest on Working Capital</b>	<b>17.34</b>	<b>18.44</b>	<b>17.44</b>
Funding Cost of DPS	-	2.17	2.17
<b>IoWC including Funding Cost of DPS</b>	<b>17.34</b>	<b>20.61</b>	<b>19.61</b>

## Non-Tariff Income

### Petitioner's Submission

5.81 The Petitioner has claimed Rs. 4.65 Crore towards NTI for FY 2018-19. The Petitioner further submitted that the NTI includes Interest, Miscellaneous Charges, etc., and substantiated the NTI with the Audited Accounts for FY 2018-19 submitted along with the Petition.

**Table 46: Non-Tariff Income for FY 2018-19 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2018-19	
	MYT Order	Petition
Non-Tariff Income	5.86	4.65

### Commission's Analysis

5.82 The Commission observed that the Petitioner has considered the DPS and Meter Rent in Revenue from Sale of Power instead of NTI. The Commission has scrutinized the Audited Accounts and based on the methodology adopted in the previous Orders, approves the NTI including the income from DPS (Rs. 3.20 Crore) and Meter Rent (Rs. 1.67 Crore), as shown below:

**Table 47: Non-Tariff Income as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19		
	MYT Order	Petition	Approved
Non-Tariff Income	5.86	4.65	9.79

## Revenue

### Petitioner's Submission

5.83 The Petitioner submitted the Revenue from Operations as Rs. 1841.77 Crore including

DPS and Meter Rent based on Audited Accounts for FY 2018-19.

### *Commission's Analysis*

- 5.84 The Commission has scrutinized the Audited Accounts submitted by the Petitioner along with the Petition. The Commission has considered the income other than Revenue from Operations, viz., Meter Rent and Income from DPS under NTI. Hence, such income is deducted from here, to arrive at the Income from Operations as summarised below:

**Table 48: Revenue as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19	
	Petition	Approved
Revenue	1841.77	1836.62

### **Summary of Annual Revenue Requirement and Gap/(Surplus)**

#### *Petitioner's Submission*

- 5.85 The Petitioner has projected a Surplus of Rs. 99.79 Crore for FY 2018-19 based on the Audited Accounts.

### *Commission's Analysis*

- 5.86 The following table summarises the ARR and Gap/(Surplus) for FY 2018-19 as submitted by the Petitioner vis-à-vis the values approved by the Commission:

**Table 49: Summary of ARR as approved by the Commission for (Rs. Crore)**

Particulars	FY 2018-19		
	MYT Order	Petition	Approved
Power Purchase Cost	1408.81	1565.08	1564.63
O&M Expenses	71.79	87.95	76.13
Depreciation	32.08	27.61	27.57
Interest & Finance Charges	10.93	9.33	9.31
Interest on CSD	1.71	2.17	2.17
IoWC including Funding Cost of DPS	17.34	20.61	19.61
Return on Equity	22.94	34.66	28.70
Less: Non-Tariff Income	5.86	4.65	9.79
<b>Annual Revenue Requirement</b>	<b>1559.75</b>	<b>1742.76</b>	<b>1718.32</b>
Revenue Billed	-	1841.77	1836.62
<b>Gap/(Surplus)</b>	-	<b>(99.01)</b>	<b>(118.30)</b>

- 5.87 The Commission has approved the treatment of the Gap/(Surplus) in **Section A 8** of this Order.



## A 6 ANNUAL PERFORMANCE REVIEW FOR FY 2019-20

6.1 As per Clause 9.2 of the Tariff Regulations, 2015:

*“9.2 The Licensee shall submit the Annual Performance Review report as part of annual review on actual performance as per the timelines specified in the Section 11 of these Regulations to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including audited/ authenticated accounts and the tariff worked out in accordance with these Regulations;”*

6.2 The Petitioner submitted the Annual Performance Review (APR) for FY 2019-20 based on the actual for first six months (H1) and estimated for the balance six months (H2).

6.3 The Commission has approved the APR for FY 2019-20 taking into consideration:

- Tariff Regulations, 2015;
- Information made available by the Petitioner;
- Methodology adopted by the Commission in its previous Orders.

6.4 The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

### **Consumers, Connected Load and Energy Sales**

#### ***Petitioner's Submission***

6.5 The Petitioner has submitted category-wise detail of number of consumers, Connected Load and Energy Sales for FY 2019-20.

6.6 The Petitioner further submitted that several consumers have optimised their Contract Demand and that the energy consumption is lower than that approved in MYT Order dated February 28, 2017, due to proliferation of energy efficient appliances and devices across all categories of consumers.

#### ***Commission's Analysis***

6.7 The Commission observed that the Petitioner has projected no increase in number of consumers and connected load in the second half (H2) of FY 2019-20 and directed the Petitioner to justify the same.



- 6.8 The Petitioner vide its reply dated March 11, 2020, submitted that no significant consumer addition is expected in H2 of FY 2019-20 and also, any small addition in Domestic Category Consumers would be outweighed by reduction in Contract Demand by Industrial Units due to optimisation of load pattern. In view of the same, for the purpose of projections, data on expected number of consumers and Connected Load were projected to remain at similar levels as H1 of FY 2019-20.
- 6.9 The Commission has scrutinized the projections made by the Petitioner. The Commission after prudence check approves the number of consumers, connected load and energy sales as proposed by the Petitioner for FY 2019-20 as shown below:

**Table 50: Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission**

Consumer Category	FY 2019-20					
	Petition			Approved		
	No. of Consumers	Connected Load (kVA/kW/HP)	Consumption (MU)	No. of Consumers	Connected Load (kVA/kW/HP)	Consumption (MU)
Domestic	36972	199928	224.31	36972	199928	224.31
Domestic - DSHT	139	59311	84.84	139	59311	84.84
Commercial	10011	63354	77.35	10011	63354	77.35
High Tension	134	426504	1896.07	134	426504	1896.07
Utilities/Street Light	398	18575	84.44	398	18575	84.44
Temporary Supply	114	129	1.12	114	129	1.12
Sale to JUSCO	1	70000	348.95	1	70000	348.95
<b>Total Consumers</b>	<b>47769</b>	<b>837801</b>	<b>2717.10</b>	<b>47769</b>	<b>837801</b>	<b>2717.10</b>

## Energy Balance

### *Petitioner's Submission*

- 6.10 The Petitioner submitted that in order to meet its energy requirement, it is planning to procure power from Tata Power Jojobera plant (Unit-II & Unit-III), DVC 132 kV source and DVC 400 kV source. In addition to above, the Petitioner has also planned to procure power from Open Market and TSL captive plant during the outage of DVC 400 kV source.
- 6.11 The Petitioner has considered H1 performance and estimated the energy requirement for the remaining six months of FY 2019-20. The power purchase quantum for H2 is assumed in line with H1 power purchase from same source. The Petitioner has projected the loss at 2.50% for FY 2019-20 and proposed the Energy Balance as summarised below:

**Table 51: Energy Balance for FY 2019-20 as submitted by the Petitioner (MU)**

Particulars	FY 2019-20	
	MYT Order	Petition
<b>Energy Requirement</b>		
Sales to Other Licensee	337.95	348.95
Dist. Loss on Sales to Other Licensee (%)	0.00%	0.00%
Dist. Loss on Sales to Other Licensee	0.00	0.00
Energy Req. for Sales to Other Licensee	337.95	348.95
Sales to Steel Works	100.00	121.35
Dist. Loss on Sales to Steel Works (%)	0.00%	0.00%
Dist. Loss on Sales to Steel Works	0.00	0.00
Energy Req. for Sales to Steel Works	100.00	121.35
Sale-Surplus in PX	-	25.09
Sales to LT consumers	434.44	387.23
Sales to Other HT consumers	2410.45	1859.57
Total Sales to Other Consumers	2844.90	2246.80
Dist. Loss on Sales to Other Consumers (%)	4.00%	3.03%
Dist. Loss on Sales to Other Consumers	118.54	70.20
Energy Req. for Sales to Other Consumers	2963.43	2317.00
Overall Sales including Surplus	3282.85	2742.19
Overall Distribution Loss (%)	3.48%	2.50%
Overall Distribution Loss	118.54	70.20
<b>Total Energy Requirement</b>	<b>3401.38</b>	<b>2812.39</b>
<b>Energy Available</b>		
TPCL (Unit-II and Unit-III)	1608.34	1404.58
Damodar Valley Corporation (132 kV)	373.20	341.92
Damodar Valley Corporation (400 kV)	1399.85	994.75
TSW – Captive	20.00	9.59
Renewable Energy	-	-
Open Access/Other sources	0.00	61.55
<b>Total Pooled Energy Availability</b>	<b>3401.38</b>	<b>2812.39</b>

**Commission's Analysis**

- 6.12 The Commission has scrutinized the details submitted by the Petitioner. The Commission observed that the projected Sales for FY 2019-20 are significantly lower than the value approved in the MYT Order dated February 28, 2017.
- 6.13 The Petitioner has estimated the distribution loss as 3.79% in second half of FY 2019-20 against the actual value of 2.51% for first half of FY 2019-20. The Commission directed the Petitioner to provide the reason for projecting higher distribution loss in H2.
- 6.14 The Petitioner in its reply dated March 11, 2020, submitted that the overall loss for FY 2019-20 is expected to be between 2.50% to 3.00% and requested the Commission to consider the same value as projected for the purpose of APR subject to final true-up.

- 6.15 The Commission has approved the Distribution loss at the level approved for FY 2018-19 based on actuals in this Order, subject to prudence check at the time of truing up.
- 6.16 The Commission observes that the Petitioner has proposed to sell the surplus power in the Open Market. The Commission is of the view that the Power Purchase Cost is one of the major cost components in the ARR. Further, in case of Petitioner, Power Purchase Cost has increase drastically over the past 2-3 Financial Years. Hence, the Commission directs the Petitioner to ensure optimal power procurement considering its purchase cost. For APR, the Commission is not approving sale of any surplus power and has proportionally reduced quantum purchased from the costliest source.
- 6.17 The following table details the Energy Sales, Distribution Loss and power purchase quantum as submitted by the Petitioner and approved by the Commission:

**Table 52: Energy Balance for FY 2019-20 as approved by the Commission (MU)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
<b>Energy Requirement</b>			
Sales to Other Licensee	337.95	348.95	348.95
Dist. Loss on Sales to Other Licensee (%)	0.00%	0.00%	0.00%
Dist. Loss on Sales to Other Licensee	-	-	-
Energy Req. for Sales to Other Licensee	337.95	348.95	348.95
Sales to Steel Works	100.00	121.35	121.35
Dist. Loss on Sales to Steel Works (%)	0.00%	0.00%	0.00%
Dist. Loss on Sales to Steel Works	-	-	-
Energy Req. for Sales to Steel Works	100.00	121.35	121.35
Sale-Surplus in PX	-	25.09	-
Sales to LT consumers	434.44	387.23	387.23
Sales to Other HT consumers	2410.45	1859.57	1859.57
Total Sales to Other Consumers	2844.90	2246.80	2246.80
Dist. Loss on Sales to Other Consumers (%)	4.00%	3.03%	3.02%
Dist. Loss on Sales to Other Consumers	118.54	70.20	69.93
Energy Req. for Sales to Other Consumers	2963.43	2317.00	2316.73
Overall Sales	3282.85	2742.19	2717.10
Overall Distribution Loss (%)	3.48%	2.50%*	2.51%
Overall Distribution Loss	118.54	70.20	69.93
<b>Total Energy Requirement</b>	<b>3401.38</b>	<b>2812.39</b>	<b>2787.03</b>
<b>Energy Available</b>			
TPCL (Unit II and Unit III)	1608.34	1404.58	1404.58
Damodar Valley Corporation (132 kV)	373.20	341.92	316.56
Damodar Valley Corporation (400 kV)	1399.85	994.75	994.75
TSW - Captive	20.00	9.59	9.59
Renewable Energy	-	-	-
Open Access/Other Sources	0.00	61.55	61.55
<b>Total Pooled Energy Availability</b>	<b>3401.38</b>	<b>2812.39</b>	<b>2787.03</b>

\* Wrongly calculated by the Petitioner



## Power Purchase Cost

### Petitioner's Submission

- 6.18 The Petitioner submitted that it has projected the Power Purchase Cost from TPCL (Unit-II & Unit-III) and DVC 400 kV based on the actuals for the period from April 2019-September 2019 (H1) and estimated for the balance six months, i.e., October 2019-March 2020 (H2). The power purchase cost from each source for H2 of FY 2019-20 has been considered in line with actuals of H1 FY 2019-20 except for DVC 132 kV source. For DVC 132 kV source, the Petitioner has estimated the same based on actual available with the Petitioner and projected for the remaining months.
- 6.19 The Petitioner has estimated energy requirement of ~9.59 MU from TSW Captive plant with power procurement cost of Rs. 4.50 Crore, which works out to be ~Rs. 4.68/kWh. The Petitioner further stated that the rate in this Petition has been assumed based on actual of H1 and the lowest cost of all the sources would be considered at the time of true up.
- 6.20 In compliance with JSERC (Renewable Purchase Obligation and its Compliance) Regulations, 2016, the Petitioner submitted that it has purchased Renewable Energy Certificates (RECs) amounting to Rs. 28.79 Crore for Solar and Non-Solar Categories in H1 of FY 2019-20 and plans to procure the balance RECs required during H2 of FY 2019-20. Based on prevailing REC prices and balance RPO to be met, the Petitioner has estimated to incur Rs. 52.21 Crore for procurement of RECs in H2 of FY 2019-20.
- 6.21 In addition to the above power procurement, the Petitioner has also projected to procure 61.55 MU of energy from Open Market at an average per unit rate of Rs. 3.39/kWh.
- 6.22 The Petitioner requested the Commission to approve Rs. 1433.13 Crore as power purchase cost (excluding revenue from Sale of Surplus Power) for FY 2019-20 as summarised below:

**Table 53: Power Procurement Cost as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Petition
<b>TPCL Unit-II</b>		
Power Purchased (MU)	804.17	689.70
Rate of Power Purchased (Rs./kWh)	4.03	4.94
Power Purchase Cost (Rs. Crore)	324.12	341.01
Prior Period Adjustments (Rs. Crore)	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>324.12</b>	<b>341.01</b>
<b>TPCL Unit-III</b>		





Particulars	FY 2019-20	
	MYT Order	Petition
Power Purchased (MU)	804.17	714.88
Rate of Power Purchased (Rs./kWh)	3.92	4.78
Power Purchase Cost (Rs. Crore)	315.25	341.38
Prior Period Adjustments (Rs. Crore)	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>315.25</b>	<b>341.38</b>
<b>DVC 132 kV</b>		
Power Purchased (MU)	373.20	341.92
Rate of Power Purchased (Rs./kWh)	4.91	5.49
Power Purchase Cost (Rs. Crore)	183.08	187.82
Prior Period Adjustments (Rs. Crore)	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>183.08</b>	<b>187.82</b>
<b>DVC 400 kV</b>		
Power Purchased (MU)	1399.85	994.75
Rate of Power Purchased (Rs./kWh)	3.87	4.59
Power Purchase Cost (Rs. Crore)	541.78	456.59
Prior Period Adjustments (Rs. Crore)	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>541.78</b>	<b>456.59</b>
<b>TSW (Captive)</b>		
Power Purchased (MU)	20.00	9.59
Rate of Power Purchased (Rs./kWh)	7.74	4.68
<b>Power Purchase Cost (Rs. Crore)</b>	<b>3.87</b>	<b>4.49</b>
<b>Open Access/UI</b>		
Power Purchased (MU)	-	61.55
Rate of Power Purchased (Rs./kWh)	-	3.39
<b>Power Purchase Cost (Rs. Crore)</b>	<b>-</b>	<b>20.84</b>
<b>REC Purchased (Rs. Crore)</b>	<b>92.13</b>	<b>81.00</b>
<b>Sales of Surplus Power</b>		
Power Sold (MU)	-	<b>25.09</b>
Rate of Power Sold (Rs./kWh)	-	3.86
<b>Revenue from Surplus Sales (Rs. Crore)</b>	<b>-</b>	<b>9.68</b>
<b>Total Power Purchase</b>		
Power Purchased (MU)	3401.38	2812.39
Rate of Power Purchased (Rs./kWh)	4.30	5.06
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1464.11</b>	<b>1423.45</b>

### Commission's Analysis

- 6.23 The Commission has scrutinized the details submitted by the Petitioner regarding the source-wise Power Purchase Cost and Quantum. The Commission has carried out the APR of Tata Power Company Limited (TPCL) for FY 2019-20 vide its Order dated September 09, 2020. The Commission has considered the tariff for electricity supplied by TPCL Units as approved in APR Order for FY 2019-20.
- 6.24 As regards purchase from DVC 132 kV, the Commission observed that the Petitioner while projecting the power purchase cost has also included provision of Rs. 10.65 Crore



- made in books. The Commission has reassessed the per unit rate cost based on the actual bill for the first six months without considering the provision of Rs. 10.65 Crore made by the Petitioner and provisionally approves the Power Purchase cost from DVC 132 kV for FY 2019-20, subject to truing up based on the actuals.
- 6.25 The Commission has scrutinized the power procurement cost from DVC 400 kV and approves the cost as proposed by the Petitioner subject to prudence check at the time of truing up.
- 6.26 In line with the methodology adopted by the Commission in its earlier Orders, the Commission has approved the power procurement from TSW Captive plant at the lowest rate among all the other approved sources.
- 6.27 Further, the Commission observed that the tariff claimed by the Petitioner for power procured from Open Market is on higher side and approves the tariff at weighted average price discovered in Indian Energy Exchange (IEX) applicable for Jharkhand region in FY 2019-20, subject to prudence check at the time of truing up. Since, the Commission has not approved any sale of surplus power for FY 2019-20, there shall be no Revenue from Sale of Surplus Power in the Open Market.
- 6.28 The Commission has scrutinized the actual RECs and invoice submitted by the Petitioner and approves the cost for purchase of REC based on actual available invoice/bills at ~Rs. 1900 per REC (including GST and other associated charges) subject to prudence check at the time of truing up.

**Table 54: Summary of RPO compliance as approved by the Commission (MUs)**

Particulars	FY 2019-20				
	RPO (%)	Obligation for FY 2019-20 (MU)	Carry forward from Previous Year (MU)	Net for FY 2019-20 (MU)	REC Purchase Cost (Rs. Crore)
Non-Solar	5.00%	123.52	0.95	124.48	-
Solar	6.55%	161.82	9.62	171.43	
<b>Net RPO</b>	<b>-</b>	<b>285.34</b>	<b>-</b>	<b>295.91</b>	<b>56.22</b>

- 6.29 In view of the above, the Power Procurement Cost from each source as submitted by the Petitioner and approved by the Commission for FY 2019-20 is tabulated below:

**Table 55: Power Procurement Cost for FY 2019-20 as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
<b>TPCL Unit-II</b>			
Power Purchased (MU)	804.17	689.70	689.70



Particulars	FY 2019-20		
	MYT Order	Petition	Approved
Rate of Power Purchased (Rs./kWh)	4.03	4.94	4.67
Power Purchase Cost (Rs. Crore)	324.12	341.01	322.19
Prior Period Adjustments (Rs. Crore)	-	-	3.01
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>324.12</b>	<b>341.01</b>	<b>325.20</b>
<b>TPCL Unit-III</b>			
Power Purchased (MU)	804.17	714.88	714.88
Rate of Power Purchased (Rs./kWh)	3.92	4.78	4.51
Power Purchase Cost (Rs. Crore)	315.25	341.38	322.65
Prior Period Adjustments (Rs. Crore)	-	-	3.08
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>315.25</b>	<b>341.38</b>	<b>325.74</b>
<b>DVC 132 kV</b>			
Power Purchased (MU)	373.20	341.92	316.56
Rate of Power Purchased (Rs./kWh)	4.91	5.49	5.13
Power Purchase Cost (Rs. Crore)	183.08	187.82	162.33
Prior Period Adjustments (Rs. Crore)	-	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>183.08</b>	<b>187.82</b>	<b>162.33</b>
<b>DVC 400 kV</b>			
Power Purchased (MU)	1399.85	994.75	994.75
Rate of Power Purchased (Rs./kWh)	3.87	4.59	4.59
Power Purchase Cost (Rs. Crore)	541.78	456.59	456.59
Prior Period Adjustments (Rs. Crore)	-	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>541.78</b>	<b>456.59</b>	<b>456.59</b>
<b>TSW (Captive)</b>			
Power Purchased (MU)	20.00	9.59	9.59
Rate of Power Purchased (Rs./kWh)	7.74	4.68	4.51
<b>Power Purchase Cost (Rs. Crore)</b>	<b>3.87</b>	<b>4.49</b>	<b>4.33</b>
<b>Open Market/UI</b>			
Power Purchased (MU)	-	61.55	61.55
Rate of Power Purchased (Rs./kWh)	-	3.39	3.00
<b>Power Purchase Cost (Rs. Crore)</b>	<b>-</b>	<b>20.84</b>	<b>18.49</b>
<b>REC Purchased (Rs. Crore)</b>	<b>92.13</b>	<b>81.00</b>	<b>56.22</b>
<b>Sales of Surplus Power</b>			
Power Sold (MU)	-	25.09	-
Rate of Power Sold (Rs./kWh)	-	3.86	-
<b>Revenue from Surplus Sales (Rs. Crore)</b>	<b>-</b>	<b>9.68</b>	<b>-</b>
<b>Total Power Purchase</b>			
Power Purchased (MU)	3401.38	2812.39	2787.03
Rate of Power Purchased (Rs./kWh)	4.30	5.06	4.84
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1464.11</b>	<b>1423.45</b>	<b>1348.89</b>

## Operation and Maintenance (O&M) Expenses

### Petitioner's Submission

6.30 The Petitioner requested the Commission to revise the normative figures of O&M Expenses for FY 2019-20 based on the following parameters:



- Employee Expenses considering Load Growth & Inflation;
- A&G Expenses considering Load Growth & Inflation;
- R&M Expenses considering the 'k' factor and inflation;

**Table 56: Normative O&M Expenses as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Petition
Employee Expenses	24.03	25.86
A&G Expenses	24.19	29.00
R&M Expenses	27.01	27.72
<b>O&amp;M Expenses</b>	<b>75.23</b>	<b>82.58</b>

**Commission's Analysis**

- 6.31 The Commission in this Order has approved the normative Employee Expenses for FY 2019-20 based on approved normative Employee Expenses for FY 2018-19, inflation factor calculated for FY 2019-20 as per Tariff Regulations, 2015 and approved load growth for FY 2019-20. The Petitioner had submitted the Employee Expenses including the terminal benefits in the past Petitions and the Commission had approved the Employee Expenses including terminal benefits in the past and also in the MYT Order dated February 28, 2017 while approving the Base value. Hence, adopting the same methodology, the Commission has approved the Employee Expenses including terminal benefits for FY 2019-20.
- 6.32 The Commission has considered the multiplying factor as 0.85 for conversion of Connected Load from kW to kVA.

**Table 57: Normative Employee Expenses as approved by the Commission (Rs. Crore)**

Particulars	UoM	FY 2019-20
		Approved
Employee Cost of Previous Year	Rs. Cr.	23.21
Connected Load of Previous Year	kVA	883881
Employee Cost/kVA	Rs./kVA	262.55
Inflation Factor	%	4.90%
Employee Cost/kVA including Inflation	Rs./kVA	275.40
Connected Load (kVA) for Current Year	kVA	887563
<b>Normative Employee Cost</b>	<b>Rs. Cr.</b>	<b>24.44</b>

- 6.33 The Commission has approved the normative A&G Expenses (excluding Petition Filing Fees and CGRF Expenses) based on the normative approved value of A&G Expenses (excluding Petition Filing Fee and CGRF Expenses) for FY 2018-19 in this Order and inflation rate calculated for FY 2019-20.

6.34 The Commission has approved the Petition Filing Fee and CGRF Expenses for FY 2019-20 at the same level as approved for FY 2018-19, based on actuals in this Order, subject to truing up.

6.35 For the purpose of evaluating the normative R&M Expenses, the Commission has considered the approved opening value of GFA for FY 2019-20 and multiplied it with the 'k' factor of 4.80% as approved in the MYT Order dated February 28, 2017. The table below summarizes the O&M Expenses as approved by the Commission for FY 2019-20:

**Table 58: Normative O&M Expenses for FY 2019-20 as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20
	Approved
Employee Expenses	24.44
A&G Expenses (excluding filing & CGRF Expenses)	27.78
R&M Expenses	26.40
<b>Normative O&amp;M Expenses</b>	<b>78.62</b>
Petition Filing Fee	0.05
CGRF Expenses (Rent & Remuneration)	0.32
<b>Normative O&amp;M Expenses including Filing Fee &amp; CGRF Expenses</b>	<b>78.99</b>

### Capital Work in Progress (CWIP) and Gross Fixed Asset (GFA)

#### *Petitioner's Submission*

6.36 The Petitioner submitted that it has considered the Opening CWIP for FY 2019-20 as Closing CWIP of FY 2018-19 from the Balance Sheet of FY 2018-19. The Capital Expenditure and Capitalization for FY 2019-20 have been considered by the Petitioner as per actual performance of first six months and projected for the remaining six months. The Petitioner further submitted the scheme-wise details of Capital Expenditure and Capitalisation along with the Petition.

6.37 The Petitioner requested the Commission to approve the Capital Expenditure and Capitalization for FY 2019-20 as proposed by the Petitioner for APR, subject to truing up based on actuals.

**Table 59: CWIP and GFA for FY 2019-20 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Petition
<i>Capital Works in Progress</i>		
<b>Opening CWIP</b>	<b>11.48</b>	<b>6.80</b>
Additional Capex	42.00	71.72
Less: Capitalisation	27.60	51.26
<b>Closing CWIP</b>	<b>25.88</b>	<b>27.26</b>



Particulars	FY 2019-20	
	MYT Order	Petition
<b>Gross Fixed Assets</b>		
<b>Opening GFA</b>	<b>562.30</b>	<b>550.49</b>
Net Addition	27.60	51.26
<b>Closing GFA</b>	<b>589.90</b>	<b>601.75</b>

### Commission's Analysis

- 6.38 The Commission directed the Petitioner to provide the scheme-wise physical and financial status of projected capitalisation of Rs. 51.26 Crore for FY 2019-20. In compliance to the Commission's direction, based on the actual status, the Petitioner has revised the value to Rs. 42.76 Crore, citing the reasons of paucity of funds and regulatory assets.
- 6.39 The Commission in the truing up Section for FY 2018-19 has observed that the Petitioner in its additional submission dated July 22, 2020, revised the Capitalisation for FY 2018-19 to Rs. 6.80 Crore from Rs. 7.13 Crore, however, the Petitioner did not update the CWIP calculation for FY 2019-20. The Commission has recalculated the CWIP based on the revised Capitalisation submitted by the Petitioner for FY 2018-19.
- 6.40 The Commission has carried out prudence check of the revised submission made by the Petitioner and approves the CWIP and GFA for FY 2019-20 as shown below, subject to truing up:

**Table 60: CWIP and GFA for FY 2019-20 as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
<b>Capital Works in Progress</b>			
<b>Opening CWIP</b>	<b>11.48</b>	<b>6.80</b>	<b>7.13</b>
Additional Capex	42.00	71.72	71.72
Less: Capitalisation	27.60	42.76*	42.76
<b>Closing CWIP</b>	<b>25.88</b>	<b>35.76</b>	<b>36.09</b>
<b>Gross Fixed Assets</b>			
<b>Opening GFA</b>	<b>562.30</b>	<b>550.49</b>	<b>550.04</b>
Net Addition	27.60	42.76*	42.76
<b>Closing GFA</b>	<b>589.90</b>	<b>593.25</b>	<b>592.80</b>

\* Revised in reply dated March 11, 2020

### Consumer Contribution

#### Petitioner's Submission

- 6.41 The Petitioner submitted that it has adopted similar approach as adopted for the previous financial years to calculate the CC. The Petitioner has projected the addition in CC capitalized for FY 2019-20 as Rs. 4.05 Crore.

**Table 61: Consumer Contribution for FY 2019-20 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20
	Petition
CC capitalized during the Year	4.05

**Commission's Analysis**

6.42 The Petitioner vide its reply dated July 22, 2020 revised the CC received during the financial year as Rs. 2.24 Crore and CC capitalized during the financial year as Rs. 9.86 Crore based on the latest available data.

6.43 The Commission after scrutinizing the revised submission made by the Petitioner approves the addition in CC as Rs. 2.24 Crore as per the methodology adopted by the Commission in the previous Orders subject to prudence check at the time of truing up.

**Table 62: Consumer Contribution as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20	
	Petition	Approved
Addition in CC during the Year	2.24*	2.24

\* Revised in reply dated July 22, 2020

**Depreciation****Petitioner's Submission**

6.44 The Petitioner has projected the Gross Depreciation based on weighted average rate of previous year, i.e., FY 2018-19, subject to truing up based on actuals and Tariff Regulations, 2015.

**Table 63: Depreciation on assets created out of CC for FY 2019-20 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20
	Petition
Closing GFA (A)	601.75
Closing Consumer Contribution capitalised (B)	68.38
Gross Depreciation (C)	32.79
Depreciation on Consumer Contribution (D=C/A*B)	3.73

**Table 64: Depreciation as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Petition
Gross Depreciation	37.44	32.79
Depreciation on Account of CC	3.81	3.73
<b>Net Depreciation</b>	<b>33.62</b>	<b>29.06</b>





### Commission's Analysis

- 6.45 The Commission directed the Petitioner to provide the detailed excel calculation of depreciation on GFA and assets created out of CC for FY 2019-20. In compliance to the Commission's query, the Petitioner in its reply July 22, 2020, submitted that the depreciation on asset created out of CC is calculated in proportion of Gross depreciation and in the ratio of closing CC capitalised out of total Closing GFA for FY 2019-20.
- 6.46 The Commission has carried out prudence check of the reply submitted by the Petitioner and approves the Gross Depreciation based on weighted average rate of depreciation trued up in this Order for FY 2018-19.
- 6.47 The Commission has recalculated the value of depreciation on asset created out of CC in proportion of Gross depreciation and in the ratio of average CC received out of average GFA for FY 2019-20.
- 6.48 The following table summarizes the depreciation as submitted by the Petitioner and as approved by the Commission for FY 2019-20:

**Table 65: Depreciation for FY 2019-20 as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
Gross Depreciation	37.44	32.79	32.54
Depreciation on asset created out of CC	3.81	3.73	3.74
<b>Net Depreciation</b>	<b>33.62</b>	<b>29.06</b>	<b>28.79</b>

### Interest and Finance Charges

#### Petitioner's Submission

- 6.49 The Petitioner submitted that it has considered the same methodology as approved by the Commission in its previous Orders for computing the Interest and Finance Charges. The deemed addition to the loan has been considered at 70% of GFA addition after reducing assets created from CC.

**Table 66: Normative Loan & Normative Equity added during FY 2019-20 (Rs. Crore)**

Particulars	FY 2019-20
	Petition
Assets added during the Year	51.26
Less: CC received during the Year	4.05
Normative Amount Added during the Year	47.21
Equity Addition during the Financial Year @ 30%	14.16
Debt Addition during the Financial Year @ 70%	33.05



6.50 Further, in accordance with Clause 6.24 and Clause 6.25 of the Tariff Regulations, 2015, the interest on normative loan has been calculated by the Petitioner on the average normative loan outstanding during FY 2019-20. The rate of interest for the year has been considered as SBI Base Rate as applicable on April 01, 2019 plus 200 basis points.

**Table 67: Interest and Finance Charges as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Petition
Opening Loan (Normative)	88.22	74.87
Add: Deemed Addition during the FY	17.92	33.05
Less: Deemed Repayment	33.62	29.06
Closing Loan (Normative)	72.51	78.85
Average Loan	80.37	76.86
SBI Base Rate plus 200 bp	11.30%	10.95%
<b>Interest and Finance Charges</b>	<b>9.08</b>	<b>8.42</b>

### *Commission's Analysis*

6.51 In accordance with the Tariff Regulations, 2015 and the principles adopted in the previous Tariff Orders, the Commission has computed the normative loan addition during the year as 70% of the approved capitalization during FY 2019-20 after deducting assets funded out of CC as shown below:

**Table 68: Normative Loan & Normative Equity added during the Year (Rs. Crore)**

Particulars	FY 2019-20	
	Petition	Approved
Assets added during the Year	51.26	42.76
Less: CC received during the Year	4.05	2.24
Assets added net of CC	47.21	40.52
Equity addition during the Financial Year @ 30%	14.16	12.16
Debt addition during the Financial Year @ 70%	33.05	28.37

6.52 The Commission observed that the rate of Interest claimed by the Petitioner is not matching with the interest rate of SBI Base Rate as on April 01, 2019 plus 200 basis points, as claimed by the Petitioner. Hence, in accordance with the Tariff Regulations, 2015, the Commission has approved interest on normative loan based on the average normative loan outstanding during the Financial Year at the interest rate of SBI Base Rate as on April 01, 2019 plus 200 basis points. The normative repayment is deemed to be equal to the approved net depreciation during the Financial Year.

6.53 The following table summarises the Interest and Finance Charges (IFC) as submitted by the Petitioner and approved by the Commission for FY 2019-20:

**Table 69: Interest and Finance Charges for FY 2019-20 as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
Opening Loan (Normative)	88.22	74.87	74.06
Add: Deemed Addition during the FY	17.92	33.05	28.37
Less: Deemed Repayment	33.62	29.06	28.79
Closing Loan (Normative)	72.51	78.85	73.63
Average Loan	80.37	76.86	73.85
SBI Base Rate plus 200bp	11.30%	10.95%	11.05%*
<b>Interest and Finance Charges</b>	<b>9.08</b>	<b>8.42</b>	<b>8.16</b>

\* Higher interest rate due to considering the Base Rate as on 01.04.2019 as per the Regulations

## Interest on Consumer Security Deposit

### Petitioner's Submission

6.54 The Petitioner submitted that it has estimated the addition to CSD for FY 2019-20 as Rs. 1.00 Crore. The table below provides the details of Interest on CSD claimed by the Petitioner based on SBI Base Rate as on April 01, 2019:

**Table 70: Interest on CSD for FY 2019-20 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Petition
Opening Consumer Security Deposit	19.04	22.64
Consumer Security Deposit Addition	1.17	1.00
Closing Consumer Security Deposit	20.21	23.64
<b>Interest on Consumer Security Deposit</b>	<b>1.83</b>	<b>2.53</b>

### Commission's Analysis

6.55 The Petitioner in its additional submission vide dated July 22, 2020, revised the projected CSD addition during FY 2019-20 as Rs. 3.05 Crore from Rs. 1.00 Crore.

6.56 The Commission has considered the revised submission of the Petitioner and the reasoning that Interest on CSD is calculated based on the opening balance of CSD, amount of CSD expected to be received during FY 2019-20 and the applicable interest rate, i.e., SBI Base Rate.

6.57 The Commission has provisionally approved the Interest on CSD for FY 2019-20 as shown below subject to truing up based on actuals:

**Table 71: Interest on CSD for FY 2019-20 as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
Opening Consumer Security Deposit	19.04	26.74	26.74



Particulars	FY 2019-20		
	MYT Order	Petition	Approved
Consumer Security Deposit Addition during the FY	1.17	3.05*	3.05
Closing Consumer Security Deposit	20.21	29.79	29.79
<b>Interest on Consumer Security Deposit</b>	<b>1.83</b>	<b>2.53</b>	<b>2.56</b>

\* Revised in reply dated July 22, 2020

## Return on Equity

### Petitioner's Submission

- 6.58 The Petitioner submitted that it has considered the same methodology for computing equity addition as approved by the Commission in its earlier Orders. The deemed addition to the equity has been considered at 30% of total fixed asset addition after reducing the assets expected to be funded from CC.
- 6.59 The Petitioner also submitted that it has considered the Income Tax at Minimum Alternate Tax (MAT) rate for grossing up RoE for FY 2019-20 as shown below:

**Table 72: Return on Equity as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Petition
Opening Equity (Normative)	151.26	146.08
Equity Addition	7.68	14.16
Closing Equity (Normative)	158.94	160.24
Average Equity	155.10	153.16
Rate of Return	15.50%	15.50%
Return on Equity	<b>24.04</b>	<b>23.74</b>
Income Tax Rate	-	25.17%
Income Tax	-	7.98
<b>Return on Equity including Income Tax</b>	<b>24.04</b>	<b>31.72</b>

### Commission's Analysis

- 6.60 In accordance with the Tariff Regulations, 2015, the Commission has considered the Opening Equity base for FY 2019-20 as closing base of FY 2018-19. The Commission has considered the approved normative Equity addition approved for FY 2019-20 to calculate the Closing Equity base for FY 2019-20.
- 6.61 The Commission has considered the IT at the rate of 25.17% (based on the prevailing Corporate IT Rate u/S 115BAA of the IT Act) for grossing up the RoE for FY 2019-20 subject to prudence check at the time of Truing up.

6.62 The table below details the RoE as submitted by the Petitioner and approved by the Commission for FY 2019-20:

**Table 73: Return on Equity for FY 2019-20 as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
Opening Equity (Normative)	151.26	146.08	145.63
Equity Addition	7.68	14.16	12.16
Closing Equity (Normative)	158.94	160.24	157.79
Average Equity	155.10	153.16	151.71
Rate of Return	15.50%	15.50%	15.50%
Return on Equity	24.04	23.74	23.52
Income Tax Rate	-	25.17%	25.17%
Income Tax	-	7.98	7.91
<b>Return on Equity including Income Tax</b>	<b>24.04</b>	<b>31.72</b>	<b>31.42</b>

### Interest on Working Capital

#### *Petitioner's Submission*

6.63 The Petitioner submitted that it has arrived at Working Capital requirement based on the Tariff Regulations, 2015. The SBI Base Rate as on April 1<sup>st</sup> of respective financial year plus 350 basis points has been considered for computation of IoWC as given below:

**Table 74: Interest on Working Capital for FY 2019-20 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Petition
Receivables (2 months)	270.00	301.95
O&M Expenses (1 month)	6.27	6.88
Maintenance Spares (1% of Opening GFA)	5.62	5.50
Less: Security Deposit	19.63	23.14
Less: Power Purchase Cost (1 month)	122.01	119.43
Total Working Capital	150.29	171.76
Interest Rate	12.80%	12.45%
<b>Interest on Working Capital</b>	<b>17.95</b>	<b>21.39</b>

#### *Commission's Analysis*

6.64 The Commission observed that the rate of Interest claimed by the Petitioner is not matching with the interest rate of SBI Base Rate plus 350 basis points as on April 01, 2019 as claimed by the Petitioner. Hence, the Commission in accordance with the Tariff Regulations, 2015, approves the Interest rate as SBI Base Rate as on April 01, 2019 plus 350 basis points.

6.65 The Commission has scrutinized the details submitted by the Petitioner and approved the IoWC on normative basis as shown below:

**Table 75: Interest on Working Capital for FY 2019-20 as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
Receivables (2 months)	270.00	301.95	251.24
O&M Expenses (1 month)	6.27	6.88	6.58
Maintenance Spares (1% of Opening GFA)	5.62	5.50	5.50
Less: Security Deposit	19.63	23.14	28.26
Less: Power Purchase Cost (1 month)	122.01	119.43	112.41
Working Capital	150.29	171.76	122.66
Interest Rate	12.80%	12.45%	12.55%*
<b>Interest on Working Capital</b>	<b>17.95</b>	<b>21.39</b>	<b>15.39</b>

\* Higher interest rate due to considering the Base Rate as on 01.04.2019 as per the Regulations

## Non-Tariff Income

### Petitioner's Submission

6.66 The Petitioner requested the Commission to consider the NTI for FY 2019-20 as Rs. 5.00 Crore against the value of Rs. 5.86 Crore approved in the MYT Order dated February 28, 2017.

**Table 76: Non-Tariff Income for FY 2019-20 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Petition
Non-Tariff Income	5.86	5.00

### Commission's Analysis

6.67 The Commission observed that the Petitioner has claimed income of Rs. 1.76 Crore from Meter Rent and considered the same in Revenue from Operations. However, as per the Tariff Regulations, 2015, the income from Meter Rent should be part of NTI and therefore the Commission has considered the same while approving the NTI for FY 2019-20.

6.68 The Commission has provisionally approved the NTI for FY 2019-20 as Rs. 6.76 Crore including Meter Rent, subject to truing up based on actuals.

**Table 77: Non-Tariff Income for FY 2019-20 as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
Non-Tariff Income	5.86	5.00	6.76



## Revenue

### *Petitioner's Submission*

6.69 The Petitioner submitted that it has claimed the revenue from Sale of energy for first six months (H1) of FY 2019-20 based on actuals. The Petitioner further stated that the Tariff Petition for FY 2019-20 was submitted before the Commission for scrutiny. Considering that the Proposed Tariff shall be effective for at least two months in FY 2019-20, the Petitioner has projected the revenue for balance six months (H2) higher by 0.67% over H1 revenue. The revenue from sale of energy as projected by the Petitioner for FY 2019-20 is shown below:

**Table 78: Revenue for FY 2019-20 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2019-20	
	MYT Order	Petition
Revenue	-	1811.67

### *Commission's Analysis*

6.70 The Commission observed that the Petitioner has considered the income from Meter Rent (Rs. 1.76 Crore) in Revenue from Operations. The same should be part of Non-Tariff Income as per the Tariff Regulations, 2015. Hence, the Commission has considered the Meter Rent as NTI instead of Revenue from Operations.

6.71 The Petitioner's projection that due to issuance of Tariff Order for FY 2019-20, the Petitioner will realise additional revenue of Rs. 5.88 Crore in two months due to implementation of revised tariff does not hold good as the tariff was not revised in FY 2019-20. Hence, the Commission has not considered the additional revenue of Rs. 5.88 Crore while considering the revenue for FY 2019-20. Hence, the Commission accordingly approves the Revenue as shown below:

**Table 79: Revenue as approved by the Commission (Rs. Crore)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
Revenue	-	1811.67	1804.03

## Summary of ARR and Gap/(Surplus)

### *Petitioner's Submission*

6.72 The Petitioner has projected surplus of Rs. 207.54 Crore for FY 2019-20 based on the projected ARR of Rs. 1604.13 Crore and expected revenue of Rs. 1811.67 Crore for FY 2019-20.

### Commission's Analysis

6.73 The Commission has approved the Gap/(Surplus) based on the approved value of ARR and Revenue for FY 2019-20. The following table summarises the ARR for FY 2019-20 as submitted by the Petitioner vis-à-vis approved by the Commission:

**Table 80: Summary of ARR as approved by the Commission for FY 2019-20 (Rs. Crore)**

Particulars	FY 2019-20		
	MYT Order	Petition	Approved
Power Purchase Cost	1464.11	1433.13	1348.89
O&M Expenses	75.23	82.58	78.99
Depreciation	33.62	29.06	28.79
Interest and Finance Charges	9.08	8.72	8.16
Interest on Consumer Security Deposit	1.83	2.53	2.56
Interest on Working Capital	17.95	21.39	15.39
Return on Equity	24.04	31.72	31.42
Less: Non-Tariff Income	5.86	5.00	6.76
<b>Annual Revenue Requirement</b>	<b>1620.01</b>	<b>1604.13</b>	<b>1507.45</b>
Revenue from Sales	-	1811.67	1804.03
<b>Gap/(Surplus)</b>	<b>-</b>	<b>(207.54)</b>	<b>(296.58)</b>

6.74 The Commission has approved the treatment of the Gap/(Surplus) in **Section A 8** of this Order.





## **A 7 ANNUAL REVENUE REQUIREMENT & TARIFF FOR FY 2020-21**

- 7.1 The Petitioner submitted the projection of ARR for FY 2020-21 based on the Truing up for FY 2018-19 and APR for FY 2019-20. While projecting the ARR for FY 2020-21, the Petitioner has revised the Energy Sales forecast based on actuals during the first half of FY 2019-20 as against the values approved in the MYT Order. Due to this revised sales estimates, the Petitioner submitted that the revenue and power purchase cost would undergo change as the same constitutes ~88% of the ARR.
- 7.2 The Commission has approved the ARR and Tariff for FY 2020-21 taking into consideration:
- Tariff Regulations, 2015;
  - Information placed on record.
  - Methodology adopted by the Commission in its earlier Orders.

### **Consumers, Connected Load and Energy Sales**

#### ***Petitioner's Submission***

- 7.3 The Petitioner submitted that as per latest information available with the Licensee, no additional industrial Unit is planning to come up within the Licensed Area and also the existing industries are optimising their power demand by various energy saving initiatives and installation of solar rooftops. Hence, the Energy Sales for all the categories have been retained at same level as in FY 2019-20 except for Domestic-HT and HT Industrial Services.
- 7.4 The Petitioner submitted that it has projected minimal increase in number of consumers and Connected Load of Domestic HT category consumer.
- 7.5 For HT Industrial Services, the Petitioner submitted that it has estimated that sales would pick-up and Sales may increase by 5% over previous Financial Year, i.e., ~94.80 MU.
- 7.6 The Petitioner submitted that it has projected the number of consumers and Connected Load to be constant at the previous year's level.

#### ***Commission's Analysis***

- 7.7 The Commission has scrutinized the projections made by the Petitioner. The Commission is of the view that the Petitioner has projected minimal increase in the aforesaid



parameters as compared to FY 2019-20.

- 7.8 The Petitioner, during the Public Hearing has submitted a value of 2250 MU as projected sales for FY 2020-21 after factoring in the impact of COVID-19. However, the Petitioner has not provided the detailed submission and its impact regarding the same in the ARR. Hence, the Commission has considered the Sales as projected in the Petition as the revised details were not available for comments from the Stakeholders. The Petitioner may approach the Commission with the revised Sales while APR/Truing up Petition for FY 2020-21.
- 7.9 The Commission at this stage has considered the projection as made by the Petitioner in the Petition, and approves the number of Consumers, Connected Load and sales as shown below, subject to truing up based on actuals:

**Table 81: Consumers, Connected Load and Sales for FY 2020-21 as submitted by the Petitioner and approved by the Commission**

Consumer Category	FY 2020-21					
	Petition			Approved		
	No. of Consumers	Connected Load (kVA/kW/HP)	Consumption (MU)	No. of Consumers	Connected Load (kVA/kW/HP)	Consumption (MU)
Domestic	36972	199928	224.31	36972	199928	224.31
Domestic - DSHT	144	60311	85.84	144	60311	85.84
Commercial	10011	63354	77.35	10011	63354	77.35
High Tension	134	426504	1990.88	134	426504	1990.88
Utilities/Street Light	398	18575	84.44	398	18575	84.44
Temporary Supply	114	129	1.12	114	129	1.12
Sale to JUSCO	1	70000	348.95	1	70000	348.95
<b>Total Consumers</b>	<b>47774</b>	<b>838801</b>	<b>2812.89</b>	<b>47774</b>	<b>838801</b>	<b>2812.89</b>

## Energy Balance

### *Petitioner's Submission*

- 7.10 The Petitioner submitted that it is planning to fulfil its energy requirement from Tata Power Jojobera plant (Unit-II & Unit-III), DVC 132 kV source and DVC 400 kV source. In addition to the above proposed sources of power purchase, the Petitioner submitted that it has also planned to procure power from Open Market and TSL captive plant during the outage of DVC 400 kV source.
- 7.11 The Petitioner submitted that it shall maintain the overall Distribution Loss at 3.00% and within the approved level of 3.50% in the MYT Order.

- 7.12 The Petitioner also submitted that it tries to optimise its power purchase cost based on incremental cost analysis on real-time basis. However, at the same time, reliability and availability of power is also to be ensured. Therefore, during the outage, the Petitioner has projected to meet the energy requirement from Power Exchange/Open Market.
- 7.13 The Petitioner further submitted that in compliance with the Commission's advice to optimise its power purchase cost, the Petitioner also plans to sell surplus power in Open Market subject to load flows and technical considerations. The Energy Balance as submitted by the Petitioner is summarised below:

**Table 82: Energy Balance for FY 2020-21 as submitted by the Petitioner (MU)**

Particulars	FY 2020-21	
	MYT Order	Petition
<b>Energy Requirement</b>		
Sales to Other Licensee	337.95	348.95
Dist. Loss on Sales to Other Licensee (%)	0.00%	0.00%
Dist. Loss on Sales to Other Licensee	-	-
Energy Req. for Sales to Other Licensee	337.95	348.95
Sales to Steel Works	100.00	121.35
Dist. Loss on Sales to Steel Works (%)	0.00%	0.00%
Dist. Loss on Sales to Steel Works	-	-
Energy Req. for Sales to Steel Works	100.00	121.35
Sales-Surplus in PX	-	25.09
Sales to LT consumers	445.55	387.23
Sales to Other HT consumers	2481.94	1955.37
Total Sales to Other Consumers	2927.49	2342.60
Dist. Loss on Sales to Other Consumers (%)	4.00%	3.75%
Dist. Loss on Sales to Other Consumers	121.98	87.77
Energy Req. for Sales to Other Consumers	3049.46	2430.37
Overall Sales	3365.43	2837.99
Overall Distribution Loss (%)	3.50%	3.00%
Overall Distribution Loss	121.98	87.77
<b>Total Energy Requirement</b>	<b>3487.41</b>	<b>2925.77</b>
<b>Energy Available</b>		
TPCL (Unit II and Unit III)	1608.34	1404.58
Damodar Valley Corporation 132 kV	459.23	341.92
Damodar Valley Corporation 400 kV	1399.85	994.75
TSW – Captive	20.00	9.59
Renewable Energy	-	-
Open Access/Other sources	-	174.93
<b>Total Pooled Energy Availability</b>	<b>3487.42</b>	<b>2925.77</b>

**Commission's Analysis**

- 7.14 The Commission has scrutinized the details submitted by the Petitioner. The Commission observed that the Sales for FY 2020-21 are projected to reduce significantly when



- compared to the value approved in the MYT Order dated February 28, 2017.
- 7.15 The Commission observed that the Petitioner has estimated the Distribution Loss (excluding sales to Steel Works and JUSCO) at 3.75% when compared to actual Loss of 3.02% for FY 2018-19 and estimated Loss of 3.03% for FY 2019-20. Hence, the Commission directed the Petitioner to provide the basis for projecting higher Distribution Loss for FY 2020-21.
- 7.16 The Petitioner in its reply dated March 11, 2020, submitted that the overall Transmission & Distribution (T&D) loss for FY 2020-21 is expected to be ~3%. However, 3.75% loss level is excluding sale to steel works and JUSCO. The Petitioner further added that it tries to keep the T&D losses at lowest possible level subject to social, administrative and technical constraints and requested the Commission to consider the same value subject to final true-up.
- 7.17 The Commission has approved the Distribution Loss as approved for FY 2018-19 based on actuals, subject to prudence check at the time of truing up.
- 7.18 The Commission has noted that the Petitioner has proposed to sell the surplus power in the Open Market. The Commission in its Order is not approving any surplus for FY 2020-21 and has reduced the proportional quantum of power purchase from the costliest source at this juncture. However, the Petitioner is encouraged to sell surplus power provided that the same results in reducing the fixed charge burden on the consumers.
- 7.19 The following table summarises the Energy Sales, Distribution Loss and power purchase quantum as submitted by the Petitioner and that approved by the Commission.

**Table 83: Energy Requirement for FY 2020-21 as approved by the Commission (MU)**

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
<b>Energy Requirement</b>			
Sales to Other Licensee	337.95	348.95	348.95
Dist. Loss on Sales to Other Licensee (%)	0.00%	0.00%	0.00%
Dist. Loss on Sales to Other Licensee	-	-	-
Energy Req. for Sales to Other Licensee	337.95	348.95	348.95
Sales to Steel Works	100.00	121.35	121.35
Dist. Loss on Sales to Steel Works (%)	0.00%	0.00%	0.00%
Dist. Loss on Sales to Steel Works	-	-	-
Energy Req. for Sales to Steel Works	100.00	121.35	121.35
Sale-Surplus in PX	-	25.09	-
Sales to LT consumers	445.55	387.23	387.22



Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Sales to Other HT consumers	2481.94	1955.37	1955.37
Total Sales to Other Consumers	2927.49	2342.60	2342.59
Dist. Loss on Sales to Other Consumers (%)	4.00%	3.75%	3.02%
Dist. Loss on Sales to Other Consumers	121.98	87.77	72.91
Energy Req. for Sales to Other Consumers	3049.46	2430.37	2415.50
Overall Sales	3365.43	2837.99	2812.89
Overall Distribution Loss (%)	3.50%	3.00%	2.53%
Overall Distribution Loss	121.98	87.77	72.91
<b>Total Energy Requirement</b>	<b>3487.41</b>	<b>2925.77</b>	<b>2885.80</b>
<b>Energy Available</b>			
TPCL (Unit II and Unit III)	1608.34	1404.58	1404.58
Damodar Valley Corporation 132 kV	459.23	341.92	301.95
Damodar Valley Corporation 400 kV	1399.85	994.75	994.75
TSW - Captive	20.00	9.59	9.59
Renewable Energy	-	-	-
Open Access/ Other Sources	-	174.93	174.93
<b>Total Pooled Energy Availability</b>	<b>3487.42</b>	<b>2925.77</b>	<b>2885.80</b>

## Power Purchase Cost

### Petitioner's Submission

- 7.20 The Petitioner submitted that it has projected the power purchase rate for FY 2020-21 at the same level as estimated for FY 2019-20 except for Open Market/Power Exchange.
- 7.21 For TSW Captive plant, the Petitioner submitted that it has adopted the same methodology as approved by the Commission in its earlier Orders and considered the power procurement rate as lowest among the other source.
- 7.22 The Petitioner submitted that the power purchase rate for Open Market/Power Exchange is assumed as Rs. 4.00/kWh based on trend of last 18-20 months.
- 7.23 The Petitioner projected cost of Rs. 92.13 Crore for purchase of RECs for meeting the RPO for FY 2020-21.

**Table 84: Power Procurement Cost for FY 2020-21 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21	
	MYT Order	Petition
<b>TPCL Unit-II</b>		
Power Purchased (MU)	804.17	689.70
Rate of Power Purchased (Rs./kWh)	4.07	4.94
Power Purchase Cost (Rs. Crore)	326.94	341.01
Prior Period Adjustments (Rs. Crore)	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>326.94</b>	<b>341.01</b>
<b>TPCL Unit-III</b>		



Particulars	FY 2020-21	
	MYT Order	Petition
Power Purchased (MU)	804.17	714.88
Rate of Power Purchased (Rs./kWh)	3.95	4.78
Power Purchase Cost (Rs. Crore)	317.83	341.38
Prior Period Adjustments (Rs. Crore)	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>317.83</b>	<b>341.38</b>
<b>DVC 132 kV</b>		
Power Purchased (MU)	459.23	341.92
Rate of Power Purchased (Rs./kWh)	4.67	5.49
Power Purchase Cost (Rs. Crore)	214.60	187.82
Prior Period Adjustments (Rs. Crore)	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>214.60</b>	<b>187.82</b>
<b>DVC 400 kV</b>		
Power Purchased (MU)	1399.85	994.75
Rate of Power Purchased (Rs./kWh)	3.91	4.59
Power Purchase Cost (Rs. Crore)	547.69	456.59
Prior Period Adjustments (Rs. Crore)	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>547.69</b>	<b>456.59</b>
<b>TSW (Captive)</b>		
Power Purchased (MU)	20.00	9.59
Rate of Power Purchased (Rs./kWh)	3.92	4.59
<b>Power Purchase Cost (Rs. Crore)</b>	<b>7.83</b>	<b>4.40</b>
<b>Open Access/UI</b>		
Power Purchased (MU)	-	174.93
Rate of Power Purchased (Rs./kWh)	-	4.00
<b>Power Purchase Cost (Rs. Crore)</b>	<b>-</b>	<b>69.97</b>
<b>REC Purchased (Rs. Crore)</b>	<b>92.13</b>	<b>92.13</b>
<b>Sales of Surplus Power</b>		
Power Sold (MU)	-	<b>25.09</b>
Rate of Power Sold (Rs./kWh)	-	4.00
<b>Revenue from Surplus Sales (Rs. Crore)</b>	<b>-</b>	<b>10.04</b>
<b>Total Power Purchase</b>		
Power Purchased (MU)	3487.42	2925.77
Rate of Power Purchased (Rs./kWh)	4.32	5.07
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1507.02</b>	<b>1483.26</b>

### Commission's Analysis

- 7.24 The Commission has considered the power procurement rate from TPCL Jojobera Plant (Unit-II & Unit-III), DVC 132kV and DVC 400kV source at the same rate as approved in this Order for FY 2019-20, subject to final truing up based on actuals.
- 7.25 The power procurement from TSW Captive plant is approved at the lowest rate among all the other approved sources.
- 7.26 The Commission has considered RPO rate as Rs. 1000/MWh for both Non-Solar and



- Solar REC based on Forbearance Price approved by CERC vide its Order dated March 31, 2020 (Case No. 05/SM/2020), subject to truing up after prudence check.
- 7.27 The Commission directed the Petitioner to provide the justification for projecting a high rate of Rs. 4.00/kWh for power procurement from Open Market/Power Exchange. In reply to the Commission's query, the Petitioner submitted that assuming power to be available at daily/weekly/monthly average price would not be correct. The price in Power Exchange (PX) is purely depending on the matter of demand and supply at the particular time in the Open Market.
- 7.28 The Petitioner submitted that it has projected power from Open Market, only when there is any breakdown/shutdown in long-term sources. There were fifty-four instances when there were restrictions in power supply from DVC 400 kV source during FY 2018-19. The Petitioner submitted that in these cases, power is sourced from Power Exchange in Term Ahead Market (TAM), which have price generally 25% higher than that in Day Ahead Market (DAM).
- 7.29 The Commission has gone through the submissions of the Petitioner and **directs the Petitioner to carry out a detailed study to expand its existing infrastructure and steps to interconnect its upstream transmission network to improve its power availability and submit the Detailed Project Report (DPR) within 3 months from the date of this Order.** Such interlinking will increase the reliability of power supply for the Petitioner, and access to other power sources available in the Open Market within and outside the State, and also help in optimizing its power procurement cost. The Commission approves the power procurement from UI/Open Market at the average Power Exchange price for FY 2020-21 (Jan'20-Sep'20), subject to prudence check at the time of truing up.
- 7.30 As regards the Petitioner's proposal to sell the surplus power, the Commission has not approved any surplus power for FY 2020-21 in this Order and reduced proportionally the Energy Purchase from the costliest source, in line with the Energy Requirement.
- 7.31 The Commission has approved the Cost of REC's at Rs. 1000/REC as per the prevalent Forbearance Price for FY 2020-21.
- 7.32 The power purchase cost approved for FY 2020-21 is provisional based on the details submitted by the Petitioner and prudence check carried out by the Commission, subject to truing up.



7.33 The Power Procurement Cost from each source as submitted by the Petitioner and approved by the Commission for FY 2020-21 is tabulated below:

**Table 85: Power Procurement Cost for FY 2020-21 as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
<b>TPCL Unit-II</b>			
Power Purchased (MU)	804.17	689.70	689.70
Rate of Power Purchased (Rs./kWh)	4.07	4.94	4.67
Power Purchase Cost (Rs. Crore)	326.94	341.01	322.19
Prior Period Adjustments (Rs. Crore)	-	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>326.94</b>	<b>341.01</b>	<b>322.19</b>
<b>TPCL Unit-III</b>			
Power Purchased (MU)	804.17	714.88	714.88
Rate of Power Purchased (Rs./kWh)	3.95	4.78	4.51
Power Purchase Cost (Rs. Crore)	317.83	341.38	322.65
Prior Period Adjustments (Rs. Crore)	-	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>317.83</b>	<b>341.38</b>	<b>322.65</b>
<b>DVC 132 kV</b>			
Power Purchased (MU)	459.23	341.92	301.95
Rate of Power Purchased (Rs./kWh)	4.67	5.49	5.13
Power Purchase Cost (Rs. Crore)	214.60	187.82	154.83
Prior Period Adjustments (Rs. Crore)	-	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>214.60</b>	<b>187.82</b>	<b>154.83</b>
<b>DVC 400 kV</b>			
Power Purchased (MU)	1399.85	994.75	994.75
Rate of Power Purchased (Rs./kWh)	3.91	4.59	4.59
Power Purchase Cost (Rs. Crore)	547.69	456.59	456.59
Prior Period Adjustments (Rs. Crore)	-	-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>547.69</b>	<b>456.59</b>	<b>456.59</b>
<b>TSW (Captive)</b>			
Power Purchased (MU)	20.00	9.59	9.59
Rate of Power Purchased (Rs./kWh)	3.92	4.59	4.51
<b>Power Purchase Cost (Rs. Crore)</b>	<b>7.83</b>	<b>4.40</b>	<b>4.33</b>
<b>Open Market/UI</b>			
Power Purchased (MU)	-	174.93	174.93
Rate of Power Purchased (Rs./kWh)	-	4.00	2.55
<b>Power Purchase Cost (Rs. Crore)</b>	<b>-</b>	<b>69.97</b>	<b>44.67</b>
<b>REC Purchased (Rs. Crore)</b>	<b>92.13</b>	<b>92.13</b>	<b>34.31</b>
<b>Sales of Surplus Power</b>			
Power Sold (MU)	-	25.09	-
Rate of Power Sold (Rs./kWh)	-	4.00	-
<b>Revenue from Surplus Sales (Rs. Crore)</b>	<b>-</b>	<b>10.04</b>	<b>-</b>
<b>Total Power Purchase</b>			
Power Purchased (MU)	3487.42	2925.77	2885.80
Rate of Power Purchased (Rs./kWh)	4.32	5.07	4.64
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1507.02</b>	<b>1483.26</b>	<b>1339.56</b>

## O&M Expenses

### Petitioner's Submission

7.34 The Petitioner submitted that the Inflation factor of 4.92% (actual for FY 2018-19) has been considered as escalation factor while projecting the O&M Expenses for FY 2020-21.

7.35 The Petitioner requested the Commission to revise the normative figures of O&M Expenses for FY 2020-21 based on the following parameters:

- Employee Expenses considering Load Growth & Inflation;
- A&G Expenses considering Load Growth & Inflation;
- R&M Expenses considering the 'k' factor and Inflation.

**Table 86: Normative O&M Expenses for FY 2020-21 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21	
	MYT Order	Petition
Employee Expenses	25.33	27.16
A&G Expenses	25.24	30.46
R&M Expenses	28.34	30.31
<b>O&amp;M Expenses</b>	<b>78.91</b>	<b>87.92</b>

### Commission's Analysis

7.36 The Commission has approved the normative Employee Expenses for FY 2020-21 based on approved value of Employee Expenses for FY 2019-20, inflation factor calculated for FY 2019-20 subject to truing up based on actual inflation for FY 2020-21, and approved load growth for FY 2020-21. The Petitioner had submitted the Employee Expenses including the terminal benefits in the past Petitions and the Commission had approved the Employee Expenses including terminal benefits in the past and also in the MYT Order dated February 28, 2017 while approving the Base value. Hence, adopting the same methodology, the Commission has approved the Employee Expenses including terminal benefits for FY 2020-21.

7.37 The Commission has considered the multiplying factor as 0.85 for conversion of Connected Load from kW to kVA.

**Table 87: Normative Employee Expenses for FY 2020-21 as approved by the Commission (Rs. Crore)**

Particulars	UoM	FY 2020-21
		Approved
Employee Cost of Previous Year	Rs. Cr.	24.44
Connected Load of Previous Year	kVA	887563
Employee Cost/kVA	Rs./kVA	275.40



Particulars	UoM	FY 2020-21
		Approved
Inflation Factor	%	4.90%
Employee Cost/kVA including Inflation	Rs./kVA	288.89
Connected Load (kVA) for Current Year	kVA	888563
Normative Employee Cost	Rs. Cr.	<b>25.67</b>

- 7.38 The Commission has approved the normative A&G Expenses (excluding Petition Filing Fees and CGRF Expenses) based on the normative approved value of A&G Expenses (excluding Petition Filing Fees and CGRF Expenses) for FY 2019-20 in this Order and inflation rate calculated for FY 2019-20, subject to truing up based on actual inflation for FY 2020-21.
- 7.39 The Commission has approved the Petition Filing Fees and CGRF Expenses for FY 2020-21 based on actuals for FY 2018-19, subject to truing up.
- 7.40 For the purpose of evaluating the normative R&M Expenses, the Commission has considered the approved opening value of GFA for FY 2020-21 and multiplied it with the 'k' factor of 4.80% as approved in the MYT Order dated February 28, 2017.

**Table 88: Normative O&M Expenses as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21
	Approved
Employee Expenses	25.67
A&G Expenses (excluding Petition Filing Fee & CGRF Expenses)	29.14
R&M Expenses	28.45
<b>Normative O&amp;M Expenses</b>	<b>83.26</b>
Petition Filing Fee	0.05
CGRF Expenses (Rent & Remuneration)	0.32
<b>Normative O&amp;M Expenses including Filing Fee and CGRF Expenses</b>	<b>83.63</b>

### Capital Work in Progress (CWIP) & Gross Fixed Asset (GFA)

#### *Petitioner's Submission*

- 7.41 The Petitioner has submitted the projected scheme-wise Capital Expenditure and Capitalisation planned for FY 2020-21 along with the Petition. Based on the estimated Closing CWIP and closing GFA for FY 2019-20, the Petitioner has estimated the Capital Expenditure of Rs. 37.52 Crore and Capitalization of Rs. 64.00 Crore for FY 2020-21.

Table 89: CWIP and GFA for FY 2020-21 as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2020-21	
	MYT Order	Petition
<i>Capital Works in Progress</i>		
Opening CWIP	25.88	27.26
Additional Capex	34.50	37.52
Less: Capitalisation	33.85	64.00
Closing CWIP	26.53	0.78
<i>Gross Fixed Assets</i>		
Opening GFA	589.90	601.75
Net Addition	33.85	64.00
Closing GFA	623.75	665.75

*Commission's Analysis*

- 7.42 The Commission has carried out prudence check of the submission made by the Petitioner and found that some of the schemes are yet to be approved by the Petitioner's Board. Hence, the Commission has disallowed such schemes in this Order and directs the Petitioner to submit the detail along with Board approval at the time of APR/Truing up.
- 7.43 The Commission after prudence check has provisionally approved the CWIP and GFA for FY 2020-21 as summarised below, subject to truing up:

Table 90: Scheme-wise Capitalization for FY 2020-21 as approved by the Commission (Rs. Crore)

Particulars	Approved Project Cost	FY 2020-21			Reason
		MYT Order	Petition	Approved	
BPRS- 33 KV (Enhancement of Telco Area SS)	58.00	20.00	35.00	26.00	Due to timely completion of work, there is early Capitalization of Rs. 9.00 Cr.
Upgradation of Tinsplate Area SS	17.50	1.85	12.50	12.50	-
Augmentation- 132 kV Line 6 for Bara / Sonari SS	20.00	7.50	10.00	-	Board Approval still Pending
6.6 kV Network Extension for power supply in fringe Areas	8.00	2.00	4.00	-	Board Approval still Pending
Consumer Self Finance Schemes	10.00	2.00	2.50	2.50	-
<b>Net Capitalization</b>	<b>137.57</b>	<b>33.85</b>	<b>64.00</b>	<b>41.00</b>	

Table 91: CWIP and GFA for FY 2020-21 as approved by the Commission (Rs. Crore)

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
<i>Capital Works in Progress</i>			
Opening CWIP	25.88	27.26	36.09
Additional Capex	34.50	37.52	37.52
Less: Capitalisation	33.85	64.00	41.00
Closing CWIP	26.53	0.78	32.61



Particulars	FY 2020-21		
	MYT Order	Petition	Approved
<b>Gross Fixed Assets</b>			
Opening GFA	589.90	601.75	592.80
Net Addition	33.85	64.00	41.00
Closing GFA	623.75	665.75	633.80

## Consumer Contribution

### Petitioner's Submission

7.44 The Petitioner submitted that it has applied similar approach as adopted in previous years to calculate the CC for FY 2020-21. The Petitioner has projected the CC capitalization during FY 2020-21 as Rs. 2.50 Crore, as shown below:

**Table 92: CC Capitalisation for FY 2020-21 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21
	Petition
CC capitalized during the Year	2.50

### Commission's Analysis

7.45 The Petitioner in its reply dated July 22, 2020, submitted that the CC projected to be received during FY 2020-21 is Rs. 1.50 Crore and CC proposed to be capitalized during the FY is Rs. 2.50 Crore.

7.46 The Commission considered the submission made by the Petitioner and approves the addition in CC Received as Rs. 1.50 Crore as per the Methodology adopted by the Commission in the previous Orders, subject to truing up.

**Table 93: Consumer Contribution as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21	
	Petition*	Approved
Addition in CC during the Year	1.50	1.50

\* Revised in reply dated July 22, 2020

## Depreciation

### Petitioner's Submission

7.47 The Petitioner submitted that it has computed the Gross Depreciation for FY 2020-21 based on weighted average depreciation rate for FY 2018-19 (latest audited figure available) subject to truing up.



7.48 The Net Depreciation is computed by reducing Depreciation on assets created out of CC amount as shown below:

**Table 94: Depreciation on assets created out of CC as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21
	Petition
Closing GFA (A)	665.75
Closing Consumer Contribution capitalised (B)	70.88
Gross Depreciation (C)	36.07
Depreciation on Consumer Contribution (D=C/A*B)	3.84

**Table 95: Depreciation as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21	
	MYT Order	Petition
Gross Depreciation	37.44	36.07
Depreciation on Account of CC	3.81	3.84
<b>Net Depreciation</b>	<b>33.62</b>	<b>32.23</b>

### **Commission's Analysis**

- 7.49 The Commission directed the Petitioner to provide the detailed excel calculation of depreciation on GFA and assets created out of CC for FY 2020-21. In compliance to the Commission's query, the Petitioner in its reply July 22, 2020, submitted that the actual depreciation rate for FY 2018-19 is considered for calculation of Gross depreciation for FY 2020-21. The Petitioner further added that the depreciation on assets to be created out of CC is calculated as a proportion of Gross depreciation and in the ratio of closing CC capitalised out of total Closing GFA for FY 2020-21.
- 7.50 The Commission has recalculated the value of depreciation on assets created out of CC in proportion of Gross depreciation and in the ratio of average CC capitalised out of average GFA for FY 2020-21.
- 7.51 The Commission has carried out prudence check of the reply submitted by the Petitioner and has approved the Gross Depreciation based on weighted average rate of depreciation trued up for FY 2018-19.
- 7.52 The following table summarizes the depreciation submitted by the Petitioner and as approved by the Commission for FY 2020-21, subject to truing up:

**Table 96: Depreciation for FY 2020-21 as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Gross Depreciation	37.44	36.07	34.92

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Depreciation on Account of CC	3.81	3.84	3.85
<b>Net Depreciation</b>	<b>33.62</b>	<b>32.23</b>	<b>31.07</b>

## Interest and Finance Charges (IFC)

### Petitioner's Submission

- 7.53 The Petitioner submitted that it has considered the same methodology as approved by the Commission in its previous Orders for computing the Interest and Finance Charges. The deemed addition to the loan has been considered at 70% of GFA addition after reducing the assets created from CC.

**Table 97: Normative Loan & Normative Equity added during FY 2020-21 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21
	Petition
Assets added during the Year	64.00
Less: CC Capitalised during the Year	2.50
Normative Amount Added during the Year	61.50
Equity Addition during the Financial Year @ 30%	18.45
Debt Addition during the Financial Year @ 70%	43.05

- 7.54 Further, in accordance with Clause 6.24 and Clause 6.25 of the Tariff Regulations, 2015, the interest on normative loan has been calculated by the Petitioner on the average normative loan outstanding during the year. The rate of interest for the year has been considered as SBI Base Rate as applicable on April 01, 2019 plus 200 basis points.

**Table 98: Interest and Finance Charges as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21	
	MYT Order	Petition
Opening Loan (Normative)	72.51	78.85
Add: Deemed Addition during the FY	22.30	43.05
Less: Deemed Repayment	35.51	32.23
Closing Loan (Normative)	59.30	89.67
Average Loan	65.91	84.26
SBI Base Rate plus 200 basis points	11.30%	10.95%
<b>Interest and Finance Charges</b>	<b>7.45</b>	<b>9.23</b>

### Commission's Analysis

- 7.55 In accordance with the Tariff Regulations, 2015 and the principles adopted in the previous Tariff Orders, the Commission has computed the normative loan addition during



the year equal to 70% of the approved capitalization after deducting assets funded out of CC. The normative repayment is deemed to be equal to the approved net depreciation during the FY.

- 7.56 Further, in accordance with the Tariff Regulations, 2015, interest on normative loan has been approved based on the average normative loan outstanding during the FY at the interest rate of SBI Base Rate as on April 01, 2020 plus 200 basis points.

**Table 99: Normative Loan & Normative Equity added during FY 2020-21 as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21	
	Petition	Approved
Assets added during the Year	64.00	41.00
Less: CC received during the Year	2.50*	1.50
Assets Added Less CC	61.50	39.50
Equity Addition during the Financial Year @ 30%	18.45	11.85
Debt Addition during the Financial Year @ 70%	43.05	27.65

\* Petitioner has considered the CC capitalised during the Financial Year

- 7.57 The following table summarises the Interest and Finance Charges (IFC) as submitted by the Petitioner and approved by the Commission for FY 2020-21:

**Table 100: Interest and Finance Charges for FY 2020-21 as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Opening Loan (Normative)	72.51	78.85	73.63
Add: Deemed Addition during the FY	22.30	43.05	27.65
Less: Deemed Repayment	35.51	32.23	31.07
Closing Loan (Normative)	59.30	89.67	70.21
Average Loan	65.91	84.26	71.92
SBI Base Rate plus 200bp	11.30%	10.95%	10.15%
<b>Interest and Finance Charges</b>	<b>7.45</b>	<b>9.23</b>	<b>7.30</b>

## Interest on Consumer Security Deposit

### *Petitioner's Submission*

- 7.58 The Petitioner submitted that it has estimated the addition to CSD for FY 2020-21 as Rs. 0.50 Crore based on the growth expected. The Petitioner has estimated the Interest on CSD as Rs. 2.62 Crore for FY 2020-21 based on amount and period for which the CSD has been deposited.

**Table 101: Interest on CSD as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21	
	MYT Order	Petition
Opening CSD	20.21	23.64
CSD Addition	1.11	0.50
Closing CSD	21.32	24.14
<b>Interest on CSD</b>	<b>1.93</b>	<b>2.62</b>

**Commission's Analysis**

- 7.59 The Petitioner in its additional submission vide letter dated July 22, 2020, revised the CSD addition for FY 2018-19 and FY 2019-20, which led to change in the Opening and Closing CSD for FY 2020-21. The Commission has also approved the same considering that reduced addition in consumers for FY 2020-21 as compared to FY 2019-20 and reduced consumption due to COVID-19 pandemic may lead to reduced consumer security addition. Based on the revised submission, the Commission has calculated the estimated Interest on CSD on actual Base Rate of SBI as on April 01, 2020.
- 7.60 The Commission has provisionally approved the Interest on CSD as shown below, subject to truing up based on actuals:

**Table 102: Interest on CSD as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Opening CSD	20.21	23.64	29.79
CSD Addition	1.11	0.50	0.50
Closing CSD	21.32	24.14	30.29
<b>Interest on CSD</b>	<b>1.93</b>	<b>2.62</b>	<b>2.45</b>

**Return on Equity****Petitioner's Submission**

- 7.61 The Petitioner submitted that it has considered the same methodology for computing Equity addition as approved by the Commission in its earlier Orders. The deemed additions to the equity have been considered at 30% of total GFA addition after reducing assets expected to be funded from CC. The Petitioner has considered the IT at MAT rate of 25.17% for grossing up RoE for FY 2020-21 as shown below:

**Table 103: Return on Equity for FY 2020-21 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21	
	MYT Order	Petition
Opening Equity (Normative)	158.94	160.24
Equity Addition	9.56	18.45



Particulars	FY 2020-21	
	MYT Order	Petition
Closing Equity (Normative)	168.50	178.69
Average Equity	163.72	169.47
Rate of Return	15.50%	15.50%
Return on Equity	<b>25.38</b>	<b>26.27</b>
Income Tax Rate	-	25.17%
Income Tax	-	<b>8.83</b>
Return on Equity including Income Tax	<b>25.38</b>	<b>35.10</b>

### Commission's Analysis

- 7.62 In accordance with the Tariff Regulations, 2015, the Commission has considered the Opening Equity base for FY 2020-21 as the closing base approved for FY 2019-20. The Commission has considered the approved normative Equity addition approved for FY 2020-21 to calculate the closing Equity base for FY 2020-21. The Commission has considered the submission of the Petitioner and approves the Corporate IT rate at 25.17% (based on the prevailing IT Rate u/s 115BAA of the IT Act) applicable for FY 2020-21, subject to prudence check at the time of truing up.
- 7.63 The table below summarises the RoE as submitted by the Petitioner and as approved by the Commission for FY 2020-21:

**Table 104: Return on Equity for FY 2020-21 as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Opening Equity (Normative)	158.94	160.24	157.79
Equity Addition (Normative)	9.56	18.45	11.85
Closing Equity (Normative)	168.50	178.69	169.64
Average Equity	163.72	169.47	163.71
Rate of Return	15.50%	15.50%	15.50%
<b>Return on Equity</b>	<b>25.38</b>	<b>26.27</b>	<b>25.38</b>
Income Tax Rate	-	25.17%	25.17%
Income Tax	-	8.83	8.53
<b>Return on Equity including Income Tax</b>	<b>25.38</b>	<b>35.10</b>	<b>33.91</b>

### Interest on Working Capital

#### Petitioner's Submission

- 7.64 The Petitioner submitted that it has arrived at the Working Capital requirement based on the Tariff Regulations, 2015. The SBI Base Rate as on April 01, 2019 plus 350 basis points has been considered by the Petitioner for computation of IoWC.

**Table 105: Interest on Working Capital for FY 2020-21 as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21	
	MYT Order	Petition
Receivables (2 months)		308.22
O&M Expenses (1 month)		7.33
Maintenance Spares (1% of Opening GFA)		6.02
Less: Security Deposit	-	23.89
Less: Power Purchase Cost (1 month)		124.44
Total Working Capital		173.24
Interest Rate		12.45%
<b>Interest on Working Capital</b>	<b>18.47</b>	<b>21.57</b>

**Commission's Analysis**

7.65 The Commission has scrutinized the details submitted by the Petitioner and has approved the IoWC on normative basis. The SBI Base Rate as on April 01, 2020 plus 350 basis points has been considered for computation of IoWC as shown below:

**Table 106: Interest on Working Capital as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Receivables (2 months)		308.22	250.90
O&M Expenses (1 month)		7.33	6.97
Maintenance Spares (1% of Opening GFA)		6.02	5.93
Less: Security Deposit	-	23.89	30.04
Less: Power Purchase Cost (1 month)		124.44	111.63
Total Working Capital		173.24	122.13
Interest Rate		12.45%	11.65%
<b>Interest on Working Capital</b>	<b>18.47</b>	<b>21.57</b>	<b>14.23</b>

**Non-Tariff Income****Petitioner's Submission**

7.66 The Petitioner requested the Commission to consider the NTI for FY 2020-21 as Rs. 5.00 Crore against the value of Rs. 5.86 Crore approved in the MYT Order dated February 28, 2017.

**Table 107: Non-Tariff Income as submitted by the Petitioner (Rs. Crore)**

Particulars	FY 2020-21	
	MYT Order	Petition
Non-Tariff Income	5.86	5.00

**Commission's Analysis**

7.67 The Commission observed that the Petitioner has projected income of Rs. 1.76 Crore from Meter Rent and has considered the same in Revenue from Operations. However, as

per the Tariff Regulations, 2015, the income from Meter Rent is part of NTI and the Commission has considered the same while approving the NTI for FY 2020-21, which shall later be trued up based on the actuals, as the Commission is doing away with Meter Rent in this Order.

- 7.68 The Commission has provisionally approved the NTI for FY 2020-21 as Rs. 6.76 Crore including Meter Rent subject to truing up based on actuals.

**Table 108: Non-Tariff Income as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Non-Tariff Income	5.86	5.00	6.76

## Revenue at Existing Tariff

### Commission's Analysis

- 7.69 The Commission has reassessed the Revenue from Sale of Energy at the prevailing applicable Tariff and approves the revenue for Sale of Energy at prevailing Tariff for FY 2020-21 as shown below. Further, the Commission has not considered the impact of rebate/penalty while calculating the revenue as it is difficult to precisely measure the same at this juncture. The Commission shall consider the same while carrying out the APR/True-up for FY 2020-21.

**Table 109: Revenue at existing tariff as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21
	Approved
Domestic	94.49
Domestic - DSHT	38.95
Commercial	49.55
High Tension	1407.50
Utilities/Street Light	41.39
Temporary Supply	0.93
Sale to JUSCO	165.05
<b>Revenue at Existing Tariff</b>	<b>1797.86</b>

## Summary of ARR and Gap/(Surplus) at Existing Tariff

### Commission's Analysis

- 7.70 The Commission has approved the ARR for FY 2020-21 based on the components approved in this Order. The following table summarises the ARR for FY 2020-21 as submitted by the Petitioner vis-à-vis that approved by the Commission:



Table 110: Summary of ARR as approved by the Commission for FY 2020-21 (Rs. Crore)

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Power Purchase Cost	1507.02	1493.31	1339.56
O&M Expenses	78.91	87.93	83.63
Depreciation	35.51	32.22	31.07
Interest and Finance Charges	7.45	9.53	7.30
Interest on Consumer Security Deposit	1.93	2.62	2.45
Interest on Working Capital Loan	18.47	21.57	14.23
Return on Equity	25.38	35.10	33.91
Less: Non-Tariff Income	5.86	5.00	6.76
<b>Annual Revenue Requirement</b>	<b>1668.81</b>	<b>1677.27</b>	<b>1505.39</b>
Revenue from Sales at Existing Tariff	-	-	1797.86
<b>Gap/(Surplus)</b>	-	-	<b>(292.47)</b>

7.71 The Commission has approved the treatment of the Gap/(Surplus) at existing tariff in **Section A 8** of this Order.



## A 8 REVENUE GAP AND ITS TREATMENT

### Revenue Gap/(Surplus)

#### *Petitioner's Submission*

- 8.1 The Petitioner has considered the Revenue Gap/(Surplus) till FY 2015-16 as approved by the Commission in Tariff Order dated May 18, 2018 as base for the subsequent years.
- 8.2 The carrying cost is assumed based on methodology adopted and approved by the Commission in previous Tariff Orders, i.e., Interest equivalent to prevailing SBI Base rate as on April 01 of the respective FY, plus 350 basis points.
- 8.3 Later, the Commission in its Review Order dated September 11, 2018 revised the O&M expenses for FY 2016-17 and FY 2017-18 and hence, there is change in resultant Revenue Gap/(Surplus) of these years.
- 8.4 Based on the submission in this Petition, the cumulative Revenue Gap/(Surplus) till FY 2020-21 as projected by the Petitioner at tariff proposed for FY 2019-20 in the previous Tariff Petition, is shown below:

**Table 111: Cumulative Gap/(Surplus) till FY 2020-21 as submitted by the Petitioner (Rs. Crore)**

Particulars		FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening Revenue Gap/(Surplus) as on 1 <sup>st</sup> April of FY	A	1269.38	1323.49	1157.84	1193.22	1121.31
Revenue Gap/(Surplus) created during the year	B	(101.76)	(312.88)	(99.79)	(207.54)	(285.78)
Incentives/Penalty on T&D Loss	C	(0.09)	0.17	-	-	-
Total additions during the year	D=B+C	-101.85	(312.71)	(99.79)	(207.54)	(285.78)
Rate of Interest	E	12.80%	12.60%	12.20%	12.45%	12.45%
Carrying Cost on Opening Balance	F=A*E	162.48	166.76	141.26	148.56	139.60
Carrying Cost on Add. Gap/(Surplus)	G=E*D	(6.52)	(19.70)	(6.09)	(12.92)	(17.79)
Total Carrying Cost	H=F+G	155.96	147.06	135.17	135.64	121.81
Gap/(Surplus) incl. Carrying Cost	I=A+D+H	1323.49	1157.84	1193.22	1121.31	957.35

- 8.5 The Petitioner requested the Commission to approve a cumulative Revenue Gap of Rs. 957.35 Crore till FY 2020-21. In order to liquidate this Revenue Gap, the Petitioner has proposed increase in the Fixed Charge as well as the Energy Charge, which will enable liquidation of Revenue Gap in next three years.

#### *Commission's Analysis*

- 8.6 The Commission has considered the Revenue Gap as Rs. 814.31 Crore till FY 2017-18 as approved in Tariff Order dated May 26, 2020.

- 8.7 Based on the approved value of Truing up for FY 2018-19, APR for FY 2019-20 and ARR for FY 2020-21, the cumulative Revenue Gap/(Surplus) approved by the Commission till FY 2019-20 is shown below:

**Table 112: Cumulative Gap/(Surplus) as approved by the Commission (Rs. Crore)**

Particulars	FY 2018-19	FY 2019-20
Opening Gap/(Surplus)	814.31	788.14
Gap/(Surplus) during FY	(118.30)	(296.58)
Rate of Carrying Cost (%)	12.20%	12.55%
Carrying Cost on Opening Gap/(Surplus)	99.35	98.91
Carrying Cost on Gap/(Surplus) during FY	(7.22)	(18.61)
<b>Closing Gap/(Surplus)</b>	<b>788.14</b>	<b>571.86</b>

### Treatment of Revenue Gap/(Surplus)

#### Commission's Analysis

- 8.8 Based on the approved ARR and revenue from existing tariff, the Commission has approved the Revenue Gap/(Surplus) for FY 2020-21 as shown below:

**Table 113: Gap/(Surplus) approved by the Commission for FY 2020-21 (Rs. Crore)**

Particulars	FY 2020-21
	Approved
<b>ARR for FY 2020-21</b>	<b>1505.39</b>
Revenue from Sales at Existing Tariff	1797.86
<b>Gap/(Surplus) for FY 2020-21</b>	<b>(292.47)</b>

- 8.9 Further, taking into account the Trued-up value for FY 2018-19, APR for FY 2019-20 and above surplus for FY 2020-21, the Commission hereby approves the closing gap for FY 2020-21 as shown below:

**Table 114: ARR after incorporating the Gap as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21
	Approved
ARR for FY 2020-21	1505.39
Revenue from Sales at Approved Tariff	1800.94
Gap/(Surplus) for FY 2020-21	(295.55)
Closing Gap/(Surplus) till FY 2019-20	571.86
Interest on Closing Gap/(Surplus) till FY 2019-20	58.01
Interest on Gap/(Surplus) during FY 2020-21	(17.22)
<b>Net-Gap/(Surplus) till FY 2020-21</b>	<b>317.11</b>

- 8.10 The Commission is of the view that the existing tariff is not only adequate to recover the ARR for FY 2020-21 but also leaves Surplus to adjust the past Gap. As considerable amount of Gap can be adjusted with the prevailing tariff and considering the prevailing





pandemic of COVID-19, the Commission is of the view that any additional adjustment of Gap by increasing tariff will not be appropriate. Hence, the Commission in line with the Petitioner's proposal is of the view that the balance Gap can be recovered in a phased manner in the coming financial years.

- 8.11 The Commission therefore approves no overall tariff hike for FY 2020-21. However, the Commission has carried out the Tariff simplification and Rationalization. The Tariff Schedule approved by the Commission for FY 2020-21 is detailed in **Section A 13** of this Order.

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## A 9 OPEN ACCESS CHARGES

- 9.1 As per Clause 3.1 of the Tariff Regulations, 2015, the Commission shall determine wheeling tariff, cross-subsidy surcharge, additional surcharge and other Open Access (OA) related charges. The relevant extract of the Regulations has been reproduced below:

“3.1

..... Provided further that where the Commission has permitted open access to any category of consumers under Section 42 of the Act, the Commission shall determine the wheeling tariff, cross-subsidy surcharge, additional surcharge and other open access related charges in accordance with these Regulations and JSERC (Open Access in Intra-State Transmission and Distribution) Regulations, 2005 and as amended from time to time;”

- 9.2 As per the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016, the OA charges includes Wheeling Charges, Wheeling Losses, Cross Subsidy Surcharge, and Additional Surcharge.
- 9.3 The Petitioner has submitted its proposal for the determination of Wheeling Charge, Cross Subsidy Surcharge and Additional Surcharge for FY 2020-21. The following Sections summarize the Petitioner’s submission and Commission’s analysis thereof:

### Wheeling Charges

#### *Petitioner’s Submission*

- 9.4 The Petitioner submitted that it has considered the allocation ratio for Wheeling and Retail Supply business in line with Clause 5.5 of the Tariff Regulations, 2015, which has been approved by its Board of Directors.
- 9.5 Based on the allocation policy approved by the Commission in MYT Order dated February 28, 2017, the Petitioner has segregated each component of ARR into Wire and Supply Business for FY 2020-21. The Petitioner has proposed Wheeling Charge for FY 2020-21 as Rs. 0.46/kWh considering ARR for Wheeling Business as Rs. 131.62 Crore and sales as 2838 MU.



**Table 115: Segregation of ARR and Wheeling Charges for FY 2020-21 as submitted by the Petitioner (Rs. Crore)**

Particulars	Share of Wire Business (%)	Share of Supply Business (%)	ARR (Rs. Cr)	Wire Business ARR (Rs. Cr)	Supply Business ARR (Rs. Cr)
Power Purchase Cost	0%	100%	1493.31	0.00	1493.31
Employee Expenses	60%	40%	27.16	16.30	10.86
A&G Expenses	50%	50%	30.46	15.23	15.23
R&M Expenses	90%	10%	30.31	27.28	3.03
Depreciation	90%	10%	32.23	29.01	3.22
Interest and Finance Charges	90%	10%	9.53	8.42	1.04
Interest on Security Deposit	-	100%	2.62	0.00	2.62
Interest on Working Capital	10%	90%	21.57	4.30	17.27
Return on Equity	90%	10%	35.10	31.59	3.22
Non-Tariff Income	10%	90%	5.00	0.50	4.50
<b>Annual Revenue Requirement</b>	<b>-</b>	<b>-</b>	<b>1677.27</b>	<b>131.62</b>	<b>1545.60</b>
Projected Sales (MU)				2837.98	-
<b>Wheeling Tariff (Rs./kWh)</b>				<b>0.46</b>	<b>-</b>

### *Commission's Analysis*

9.6 According to Clause 5.4 and Clause 5.5 of the Tariff Regulations, 2015, the Petitioner is required to segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business. In absence of segregated accounts, the Petitioner is required to submit an allocation statement duly approved by the Board of Directors accompanied with an explanation of the basis and methodology used for segregation. The relevant extract of the Regulations has been reproduced hereunder:

*“5.4 The Licensee shall segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business. The ARR for Wheeling Business shall be used to determine Wheeling Tariff and the ARR for Retail Supply Business to determine Retail Supply Tariff;*

*5.5 For such period until accounts are segregated, the Licensees shall prepare an Allocation Statement to apportion costs and revenues to respective business. The Allocation Statement, approved by the Board of Directors of the Licensee, shall be accompanied with an explanation of the basis and methodology used for segregation which should be consistent over the Control Period.”*

9.7 The Commission vide its letter dated February 10, 2020, directed the Petitioner to submit the voltage-wise losses, GFA and sales details for calculation of voltage-wise Wheeling Charges and Cross Subsidy Surcharge.

9.8 The Petitioner in its reply dated March 11, 2020 submitted the voltage-wise Assets, sales and losses estimated for FY 2020-21. The Commission has considered the above detail submitted by the Petitioner while approving the voltage-wise Wheeling Charge and Cross Subsidy Surcharge.

9.9 The segregation of ARR into Wires and Supply Business as approved by the Commission for FY 2020-21 is shown below:

**Table 116: Segregation of ARR for FY 2020-21 as approved by the Commission (Rs. Crore)**

Particulars	Share of Wire Business (%)	Share of Supply Business (%)	ARR (Rs. Cr)	Wire Business ARR (Rs. Cr)	Supply Business ARR (Rs. Cr)
Power Purchase Cost	-	100%	1339.56	-	1339.56
Employee Expenses	60%	40%	25.67	15.40	10.27
A&G Expenses	50%	50%	29.51	14.75	14.75
R&M Expenses	90%	10%	28.45	25.61	2.85
Depreciation	90%	10%	31.07	27.96	3.11
Interest and Finance Charges	90%	10%	7.30	6.57	0.73
Interest on Security Deposit	-	100%	2.45	-	2.45
Interest on Working Capital	10%	90%	14.23	1.42	12.81
Return on Equity	90%	10%	33.91	30.52	3.39
Non-Tariff Income	10%	90%	6.76	0.68	6.08
<b>Annual Revenue Requirement</b>	-	-	<b>1505.39</b>	<b>121.57</b>	<b>1383.83</b>
Approved Sales (MU)	-	-	-	2812.89	-

9.10 In the absence of asset register, to estimate the ratio of fixed assets at various voltage levels, the Commission has considered the network details of the Petitioner as submitted on March 11, 2020. The 400 kV asset and common assets are distributed among the other voltage level assets based on the estimated sales for FY 2020-21.

**Table 117: Asset ratio and Sales ratio as approved by the Commission (Rs. Crore)**

Voltage Level	Asset Segregation	Asset Segregation (%)	Segregation of ARR	Sales (%)
LT	102.28	16.09%	19.56	11.06%
HT (upto 11kV)	125.70	19.77%	24.04	17.41%
HT (33Kv & above)	407.71	64.14%	77.97	71.53%
<b>Total</b>	<b>635.69</b>	<b>-</b>	<b>121.57</b>	

9.11 Based on the above, the Voltage-wise Wheeling Charges for FY 2020-21 as approved by the Commission has been tabulated below:

**Table 118: Cost Stacking for FY 2020-21 as approved by the Commission (Rs. Crore)**

Voltage level	Voltage-wise ARR Allocation	Cost Stacking on the basis of Energy Sales		
		LT	HT (up to 11 kV)	HT (33kV & above)
LT	19.56	19.56		

Voltage level	Voltage-wise ARR Allocation	Cost Stacking on the basis of Energy Sales		
		LT	HT (up to 11 kV)	HT (33kV & above)
HT (upto 11kV)	24.04	9.34	14.70	-
HT (33kV & above)	77.97	8.63	13.57	55.76
<b>Total</b>	<b>121.57</b>	<b>37.53</b>	<b>28.27</b>	<b>55.76</b>

**Table 119: Wheeling Tariff for FY 2020-21 as approved by the Commission (Rs. Crore)**

Voltage Category	ARR (Rs. Crore)	Sales (MU)	Wheeling Tariff (Rs./kWh)
LT	37.53	311.20	<b>1.21</b>
HT (up to 11kV)	28.27	489.60	<b>0.58</b>
HT (33kV & above)	55.77	2012.09	<b>0.28</b>

## Cross Subsidy Surcharge

### *Petitioner's Submission*

- 9.12 The Petitioner calculated the Cross-Subsidy Surcharge as per the methodology outlined in Tariff Policy, 2016. The methodology keeps the interest of Distribution Companies as well as consumers in mind while determining a mathematical formula, thus, ensuring that competition in electricity through OA is not constrained.

Surcharge formula:

$$S = T - [C / (1 - L/100) + D + R]$$

Where,

S is the surcharge;

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation;

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation;

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level;

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level;

R is the per unit cost of carrying regulatory assets:

Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access.

- 9.13 In line with the above formula and methodology adopted by the Commission in previous Tariff Orders, Cross-Subsidy Surcharge is calculated as per table below based on proposed tariff:

**Table 120: Cross Subsidy Surcharge for FY 2020-21 as submitted by the Petitioner (Rs./kWh)**

Consumer Category	Voltage Level	T-Tariff Payable ABR (Rs/kWh)	C-PPC (Rs/kWh)	L-System losses (%)	D-Wheeling Charge (Rs./kWh)	Cross Subsidy Surcharge (Rs/kWh)
Domestic	LT	5.46	5.10	11.00%	0.46	-
Commercial	LT	7.17	5.10	11.00%	0.46	1.60
Domestic - HT	HT	6.03	5.10	2.20%	0.46	0.46
Industrial- HTIS	6.6 KV HT	7.55	5.10	2.20%	0.46	1.98
	33 KV HT	7.55	5.10	1.95%	0.46	1.98
	132 KV HT	7.55	5.10	0.70%	0.46	1.98
Institutional-Street Lighting & Utilities	LT	5.47	5.10	3.00%	0.46	-
Railway Traction Services, MES	LT	5.47	5.10	11.00%	0.46	-
	6.6 KV HT	5.47	5.10	2.20%	0.46	-
	33 KV HT	5.47	5.10	1.95%	0.46	-

### **Commission's Analysis**

- 9.14 As per Clause 21.5 of the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016:

*“The Cross-subsidy surcharge shall be determined by the Commission in accordance with the principles and formula stipulated in the National Tariff Policy and shall be leviable at the rate as determined by the Commission from time to time.”*

- 9.15 The Commission has considered the JSERC (Terms and Conditions for Intra-State Open Access) Regulations, 2016 and Tariff Policy, 2016 while approving the Cross-Subsidy Surcharge (CSS). The Commission has also taken into account that the CSS shall not exceed 20% of the tariff applicable to the category of the consumers seeking OA.
- 9.16 The Commission has considered the Voltage-wise losses as submitted by the Petitioner. However, **the Commission also directs the Petitioner to carry out a detailed study and submit the actual voltage-wise loss in the next Tariff Petition.**
- 9.17 Weighted average purchase cost for CSS computation works out to Rs 4.64 per unit by considering the Power Purchase Cost of Rs. 1339.56 Crore and Power Purchase Quantum of 2,885.80 MU as approved by the Commission for FY 2020-21.



- 9.18 The Tariff Policy suggests that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking OA. Accordingly, the CSS approved by the Commission for FY 2020-21 is as follows:

**Table 121: Cross Subsidy Surcharge approved by the Commission for FY 2020-21 (Rs./kWh)**

Category	ABR (T)	APPC (C)	Losses (L) %	Charges (D)	Reg. Assets (R)	CSS
HT (up to 11 kV)	6.65	4.64	2.14%	0.58	0.00	<b>1.33</b>
HT (33kV & above )	6.59	4.64	1.63%	0.28	0.00	<b>1.32</b>

### **Additional Surcharge**

#### ***Petitioner's Submission***

- 9.19 The Petitioner submitted that Section 8.5 of the Tariff Policy 2016 deals with applicability of Additional Surcharge to be paid by OA consumers, as reproduced below:

*“8.5.4 The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges.”*

- 9.20 The Petitioner requested for determination of Additional Surcharge on case-to-case basis and requested permission to approach the Commission for the same at appropriate time within the given provisions of applicable Regulations.

#### ***Commission's Analysis***

- 9.21 Considering the plea of the Petitioner, the Commission has not approved any Additional Surcharge and directs the Petitioner to approach this Commission separately in this matter, if required.

### **Regulatory Surcharge for Open Access Consumers**

#### ***Petitioner's Submission***

- 9.22 The Petitioner submitted that a Regulatory Asset Surcharge ought to be levied on OA consumers to protect the interest of other consumers who shall continue to take power from the Licensee.



- 9.23 The Petitioner has proposed liquidation of meagre amount of Regulatory Assets. Therefore, the Petitioner has not calculated the category-wise Regulatory Asset Surcharge and requested the Commission to allow to charge the Regulatory Asset Surcharge as approved in the Order dated May 18, 2018 in case any OA consumer approaches the Petitioner or as may be determined by Commission in upcoming Tariff Orders.

***Commission's Analysis***

- 9.24 The Commission notes that there is a Revenue Gap to be recovered by the Petitioner. However, the Petitioner has not provided any details regarding the number of OA Consumers, financial impact and proposed surcharge on OA consumers. Hence, the Commission at this juncture is not approving any Regulatory Surcharge. The Petitioner is at liberty to approach the Commission with aforementioned details for determination of Regulatory Surcharge, if required.





## A 10 OTHER TARIFF RELATED ISSUES

### Tariff Rationalisation

#### *Petitioner's Submission*

- 10.1 The Petitioner submitted that the existing tariff is not aligned to the cost structure. The recovery of tariff from Fixed/Demand Charges is very minimal and needs to be aligned with the Petitioner's Fixed and Variable Cost. The Petitioner has requested the Commission for Tariff Rationalisation, i.e., Fixed/Demand Charge linked to Fixed Costs and Energy Charge linked to variable components of the ARR.
- 10.2 The Petitioner added that currently the Domestic Category consumers are highly cross-subsidized by other category of consumers and their Tariff is much lower than Average Cost of Supply (ACoS) and requested the Commission to bring the Domestic Category tariff close to ACoS. However, considering the interest of poor and weaker section of society only marginal increase has been proposed for the Domestic Consumers having consumption below 100 units per month.
- 10.3 The Petitioner stated that presently there is no Irrigation and Agriculture Services (IAS) category consumer and proposed to approve the tariff of IAS Consumers in line with ACoS.
- 10.4 Based on the study carried out on impact of conversion of kWh-based billing to kVAh billing for HT Consumer, the Petitioner submitted that downward adjustment of approximately 3%-3.5% needs to be carried out for kVAh based billing when compared to kWh-based billing.
- 10.5 The Petitioner has also proposed to increase the penalty for deviation from Maximum Sanctioned Demand to 200% for deviation in more than three months in a Financial Year in place of the existing penalty of 150%.

#### *Commission's Analysis*

- 10.6 The Commission has simplified the tariff and wherever necessary has rationalized the tariff structure in line with the Tariff Policy, 2016 with an intent to gradually move towards cost reflective tariff.
- 10.7 The Commission has rationalised the Fixed Charges of different Consumer Categories in such a way that it is more or less uniform with the Fixed Charges of the Other Licensees



- in the State. The Commission has also kept in mind that there is no/marginal increase/decrease in Average Billing Rate (ABR) for each category of consumers, while re-allocating recovery from Fixed and Energy Charges.
- 10.8 The Commission, in order to simplify the tariff, in the past Orders has been gradually reducing slabs in all consumer categories. The Commission in order to further simplify the Tariff, is of the view that all consumers (irrespective of the usage type except Streetlight and Agricultural Consumers) with Contracted Demand (CD) up to 5 kW shall be considered as Domestic Consumers. The Commission has considered this re-categorisation to enable financially challenged consumers to earn from their homes/workplaces without being levied commercial/LT tariffs. This would also do away with the necessity of having two separate connections for small economic activities to be done from home itself. However, considering the current pandemic situation of COVID-19, the Commission has retained the existing Domestic Tariff sub-category for consumers consuming 0-100 units for FY 2020-21.
- 10.9 As regards Fixed Charge billing of Non-Domestic Category, the Commission is of the view that levying Fixed Charges on per connection basis is not appropriate especially considering that the marginal consumers having load up to 5 kW will now be charged at Domestic Tariff. The Commission is therefore, of the view that consumers with load above 5 kW should be billed based on the Contracted Load/Demand rather than on per connection basis. Further, in order to protect the consumers from any hassles on Connected Load determination and minimise any dispute arising out of billing load, the Commission approves billing based on the Recorded Demand as done in LTIS category. Further, as Fixed Charges on per kW basis will lead to increase in recovery through Fixed Charges, in order to nullify the impact of such increase in Fixed Charges, the Commission has reduced the Energy Charges in a manner that there is no/marginal increase/reduction in the ABR for such consumers.
- 10.10 As regards the existing mechanism of charging Fixed Charges to Domestic HT consumers and Commercial consumers, some of the stakeholders during Public Hearing of Distribution Licensees requested that the Fixed Charge should not be billed for entire contracted capacity, instead the same should also take into consideration the maximum demand of such consumers similar to that of LTIS and HTS consumers. The Commission has gone through the submissions of the stakeholders and is of the view that for billing purposes, for all HT-Domestic Consumers and LT Commercial Consumers (CD > 5 kW) the Maximum Demand for such categories should also be considered along with



- Contracted Demand. The Commission has therefore made necessary amendment to Fixed Charge billing mechanism as discussed in detail in **Section A 14** of this Order.
- 10.11 The Commission observed that for LTIS (CD > 5 kW), HTS Consumers and HT Institutional Consumers, though the Demand is already measured in kVA and Fixed Charge billing is done on per kVA basis, the Energy Charge is billed on kWh basis. The Commission is of the view that in order to have better grid discipline, kVAh billing is more appropriate and also considering that the Tariff Structure should be consistent throughout the State, the Commission approves kVAh based billing for the above category of consumers.
- 10.12 The Commission observed that the Petitioner has proposed separate category for EV Charging Stations. The Commission is of the view that the ABR of the Commercial Category consumers is nearly close to ACoS. Hence, at this juncture, the EV Charging Station is considered under the Commercial Category and no separate category is created for the same.
- 10.13 For Streetlight category, the Commission is of the view that this specific category is highly subsidised and needs to be billed appropriately to reduce the cross-subsidy burden on other consumers. In addition, the Commission also observes that the historically, the category also includes other Utilities and municipal water and waste water, sewage treatment, etc., which neither seems appropriate nor is it as per the Tariff Structure of Other Distribution Licensees within the State. The Commission, to rationalise the same, has shifted such consumers except Streetlights to HTS in case such loads are connected at 6.6 kV and to LT Commercial Category if connected at LT Voltage Level.
- 10.14 The Commission has decided to do away with PF Rebate/Surcharge as the same is no longer relevant as metering is done in kWh only for LT Domestic, LT Commercial, LT IAS and LT Streetlight consumers. In addition, the LT Commercial consumers are to install capacitors to maintain Power Factor as per the Supply Code Regulations, hence, PF rebate is no more relevant and is thus, withdrawn.
- 10.15 Historically, the Commission has been allowing Load Factor Rebate which was allowed only on the incremental consumption above a specified load factor. However, taking into cognisance of the detrimental impact of pandemic situation and since energy cost being one of the major cost components of industries of the State, the Commission is of the view that in order to speed up the economic recovery process which is vital for general socio-economic development of the State there is need to modify the Load Factor Rebate



mechanism. The Commission has therefore enhanced the Load Factor rebates as stated in **Section A 14** of this Order.

- 10.16 In the wake of the COVID-19 pandemic and the sluggish market situation, the Commission has reduced the Delayed Payment Surcharges to be paid by the consumers from 1.50% per month or part thereof to 1.00% per month or part thereof.
- 10.17 The Commission has eliminated Meter Rent currently paid by consumers since the Meters bought by the Licensees are already included in the GFA and its servicing cost forms part of ARR, which in turn is recovered through tariff. Further, any Meter Rent collected as per current provisions are reduced from the ARR as part of Non-Tariff Income. The Commission is therefore, of the view that there is little rationale in collecting these rents from consumers, which is finally refunded to the consumers. The Commission has therefore, in order to simplify the process, eliminated the need to collect Meter Rent.
- 10.18 The Commission in order to implement transparent recovery of Fixed/Demand Charges based on the actual availability of power to the consumer has introduced recovery of Fixed/Demand Charges based on the actual Hours of Supply as recorded in the Consumer's meter. The Commission is of the view that the Distribution Licensees should be held accountable for round the clock availability of power to the Consumers. The Licensees should compensate the consumers for unavailability of power at least in terms of reduced Fixed/Demand Charges as per the mechanism approved in **Section A 14** of this Order.
- 10.19 It is observed that the Petitioner in its Tariff Proposal has not submitted any proposal with regard to Time of Day (ToD) Tariff. As regards ToD Tariff mechanism, the Commission is of the view that it is an important tool for Utilities to shift demand from peak hours to off-peak hours. In order to assess the necessity of such mechanism for the Petitioner, **the Commission directs the Petitioner to submit the load curves for days with maximum peak demand and minimum peak demand for each month of FY 2019-20 and April 2020 to September 2020 along with its technical preparedness for implementation of ToD Tariffs while submitting the Business Plan and MYT Petition for FY 2021-22 to FY 2025-26.** In the meanwhile, the Commission has introduced ToD uniformly to all Discoms as an Option for HTS and HT Institutional Consumers.



- 10.20 The Commission has introduced Rebate to Consumers on the Delayed billing by the Licensees to promote timely billing practices in the License Area.
- 10.21 The Commission has also introduced Prepaid Metering primarily to promote billing and collection efficiency of the Licensee. The target Consumers who shall be installed with Prepaid Meters on priority basis shall be the Consumers from whom the Collection/Billing Efficiency is the lowest, e.g., Government Utilities/offices/officials, Pockets where LT Domestic collection is very low, etc.
- 10.22 The Commission has modified the Rebate on Prompt Online Payment to promote transparent and immediate payment of Bills by the Consumers.
- 10.23 The Commission has approved Terms and Conditions of Supply consistent with JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.



## A 11 APPROVED RETAIL TARIFF FOR FY 2020-21

### Petitioner's Submission

11.1 The summary of Tariff proposed by the Petitioner is provided below:

**Table 122: Summary of Tariff Proposed by the Petitioner for FY 2020-21**

Consumer Category	Consumption Slab	Existing Tariff		Proposed Tariff	
		Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
Domestic (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
LT-Rural	0-100 units	13	2.60	30	3.00
	Above 100 units	30	4.55	70	6.00
LT-Urban	0-100 units	13	2.60	30	3.00
	Above 100 units	30	4.55	70	6.00
Domestic-HT (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
DS-HT	All units	40	4.20	90	5.50
Commercial Service (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
CS-Rural	All units	100	6.25	210	7.00
CS-Urban	All units	100	6.25	210	7.00
IAS (Fixed Charge: Rs./HP/Month, Energy Charge: Rs./kWh)					
IAS	All units	20	4.50	50	6.00
Industrial Services (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
LTIS	All units	100	5.00	165	5.60
Industrial Services (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
HTIS	All units	320	6.30	440	7.00/kWh/ 6.79/kVAh
Streetlight Services (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
Streetlight	All units	35	4.90	80	5.50
Institutional Services (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
RTS, MES and Other Distribution Licensees	All units	350	6.00	440	6.70
Public Electric Vehicle Charging Stations Proposed: (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
EV-Urban	All Units	-	-	150	6.25

**Commission's Analysis**

11.2 Based on the above discussions, the summary of Tariff approved by the Commission for FY 2020-21 is as below:

**Table 123: Summary of Tariff Approved by the Commission for FY 2020-21**

Consumer Category	Consumption Slab	Existing Tariff		Approved Tariff	
		Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
Domestic Existing: (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
Domestic Approved: (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
LT-Rural	0-100 units	13	2.60	20	2.60
	Above 100 units	30	4.55	50	4.55
LT-Urban	0-100 units	13	2.60	20	2.60
	Above 100 units	30	4.55	50	4.55
Domestic-HT Existing: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
Domestic-HT Approved: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
DS-HT	All units	40	4.20	60	4.20
Commercial Service Existing: (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
Commercial Service Approved: (Fixed Charge: Rs./kW/Month, Energy Charge: Rs./kWh)					
CS-Rural	All units	100	6.25	100	5.25
CS-Urban	All units	100	6.25	100	5.25
IAS Existing: (Fixed Charge: Rs./HP/Month, Energy Charge: Rs./kWh)					
IAS Approved: (Fixed Charge: Rs./HP/Month, Energy Charge: Rs./kWh)					
IAS	All units	20	4.50	20	4.50
Industrial Services Existing: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
Industrial Services Approved: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
LTIS	All units	100	5.00	130	5.00
Industrial Services Existing: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
Industrial Services Approved: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
HTS	All units	320	6.30	350	5.85
Streetlight Services Existing: (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
Streetlight Services Approved: (Fixed Charge: Rs./kW/Month, Energy Charge: Rs./kWh)					
Streetlight	All units	35	4.90	100	5.50
Institutional Services Existing (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
Institutional Services Approved (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
Railway Traction Services, MES and Other Distribution Licensees	All units	350	6.00	350	5.70





## A 12 SCHEDULE OF CHARGES

### *Petitioner's Submission*

12.1 The Petitioner has proposed minor changes in Disconnection/Reconnection charge. The reason cited for revision is frequent activities of disconnection/reconnection, which affect other consumers. The Schedule for Miscellaneous Charges as proposed by the Petitioner is tabulated below:

**Table 124: Miscellaneous Charges as proposed by the Petitioner for FY 2020-21**

S No.	Purpose	Scale of charges	Manner in which payment will be realised
<b>1</b>	<b>Application Fees</b>		
	Domestic	Rs. 15 (Kutir Jyoti), Others Rs. 20	Payable with energy bill
	Street Light	Rs. 20	
	Agriculture	Rs. 10	
	Commercial	Rs. 20	
	Other LT Categories	Rs. 50	
	HT Supply	Rs. 100	
	HTSS, EHTS, RTS	Rs. 100	
<b>2</b>	<b>Revision of estimate when a consumer intimates changes in his requirement subsequent to the preparation of service connection estimate based on his original application.</b>		
	Domestic	Rs. 30	Payable with energy bill
	Agriculture	Rs. 10	
	Commercial	Rs. 30	
	Other LT Categories	Rs. 50	
	HT Supply	Rs. 150	
<b>3</b>	<b>Testing of Consumer Installation</b>		
	First test & inspection free, subsequent test & inspection charges	Rs. 100	Payable with energy bill
<b>4</b>	<b>Meter test when accuracy disputed by consumer</b>		
	Single phase	Rs. 40	If the meter is found defective within the meaning of the IE Rules 1956, no charge shall be levied. If it is proved to be correct within the permissible limits laid down in the Rules, the amount will be charged in the next energy bill.
	Three phase	Rs. 100	
	Trivector/special type meter, HT, EHT metering equipment	Rs. 650	
<b>5</b>	<b>Removing/ Re-fixing of meter</b>		
	Single phase	Rs. 50	Payable with energy bill
	Three phase	Rs. 100	
	Trivector/special type meter, Three phase with CT/HT metering equipment	Rs. 300	
<b>6</b>	<b>Changing of meter/meter equipment/fixing of sub meter on the request of consumer</b>		
	Single phase	Rs. 50	Payable with energy bill





S No.	Purpose	Scale of charges	Manner in which payment will be realised
	Three Phase	Rs. 100	
	Trivector/Special Type Meter	Rs. 300	
<b>7</b>	<b>Resealing of meter when seals are found broken</b>		
	Single Phase	Rs. 25	Payable with energy bill
	Three Phase	Rs. 50	
	Trivector/Special Type Meter	Rs. 100	
<b>8</b>	<b>Fuse call- Replacement</b>		
	Board Fuse due to fault of Consumer	Rs. 15	Payable with energy bill
	Consumers Fuse	Rs. 15	
<b>9</b>	<b>Disconnection/ Reconnection</b>		
	Single Phase	Rs. 200	Payable in advance along with the request by the consumer. If the same consumer is reconnected/disconnected within 12 months of last disconnection/reconnection, 50% will be added to the charges
	Three Phase	Rs. 350	
	LT Industrial Supply	Rs. 700	
	HT Supply	Rs. 1000	
<b>10</b>	<b>Replacement of meter card, if lost/damaged by consumer</b>	Rs. 10	Payable with energy bill
<b>11</b>	<b>Security Deposit</b>	As per JSERC (Electricity Supply Code) Regulations, 2015	
<b>12</b>	<b>Meter Rent/Month</b>		
	Domestic Category Single Phase/Three Phase	Rs. 20/50	Payable with energy bill
	Domestic-HT	Rs. 50	
	Commercial Single Phase/Three phase	Rs. 20/105	
	LT Meter with CT	Rs. 250	
	HT	Rs. 700	

### Commission's Analysis

12.2 The Commission has analysed the various aspects of these charges and the Schedule of Miscellaneous Charges applicable to other Distribution Licensee in the State of Jharkhand. The Commission observes that the Schedule of Miscellaneous Charges are already specified in the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time. However, since the Commission has approved the Miscellaneous Charges in the previous Order, the Commission has not approved any change in Miscellaneous Charges in this Order as reiterated in **Section A 13** of this Order. The Commission is of the view that the Charges shall be revised in the amendment of the Supply Code Regulations that is under process.



## A 13 TARIFF SCHEDULE

APPLICABLE FROM 01.10.2020

### Consumer Tariff

#### Ceiling Tariff

The Tariffs approved below are Ceiling Tariffs and the Licensee is at liberty to Supply at lower and more competitive rates based on the requirement of the Consumers. However, this reduced recovery shall be attributable to the Licensee and shall not be recoverable in the ARR.

#### Domestic Service - Rural and Urban

##### Applicability:

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. and including motor pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

This rate is also applicable for supply to religious institutions such as Temples, Gurudwaras, Mosques, Church, Burial/Crematorium grounds, Rural Drinking Water Schemes and other recognised charitable institutions, where no rental/fees are charged for the energy needs and for its products and services.

This rate is also applicable for all consumers with contracted demand of up to 5 kW mixed, commercial, industrial, educational institutions, drinking water schemes or for any other purpose, except streetlight connections and agriculture/allied connections.

##### Category of Services:

Domestic Service-Rural areas not covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Domestic Service -Urban: areas covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

##### Service Character:

- (i) For Rural: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.
- (ii) For Urban: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.

**Tariff:**

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
<b>LT-Rural/Urban (0-100 Units)</b>	Rs./conn./month	20	2.60
<b>LT-Rural/Urban (&gt;100 Units)</b>	Rs./conn./month	50	4.55

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.



## Domestic Service - HT

### Applicability:

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. and including motor pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

### Category of Services:

Domestic Service- HT: This Schedule shall apply for domestic connection in Housing Colonies/ Housing Complex/Houses of multi storied buildings purely for residential use for single point metered supply, with power supply at 6.6 kV, 33kV or 11kV voltage level. DS-HT consumers, who supply power to individual households, the average per unit charges billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

### Service Character:

For HT: AC, 50 Cycles, at 6.6 kV, 11 kV or 33 kV

### Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
DS-HT	Rs./kVA/month	60	4.20

**Billing Demand:** The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Billing Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.



## Irrigation & Agriculture Service (IAS)

### Applicability:

This schedule shall apply to all consumers for use of electrical energy for Agriculture purposes including tube wells and processing of the agricultural produce, confined to Chaff-Cutter, Thresher, Cane crusher and Rice-Hauler, when operated by the agriculturist in the field or farm and does not include Rice mills, Flour mills, Oil mills, Dal mills.

### Service Character:

AC 50 Cycles, Single Phase at 230 Volts/Three Phase at 400 Volts

### Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
IAS	Rs./HP/month	20	4.50

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

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## **Commercial Services**

### **Applicability:**

This schedule shall apply to all consumers, using electrical energy for light, fan and power loads for non-domestic purposes like shops, hospitals (govt. or private), nursing homes, clinics, dispensaries, restaurants, hotels, clubs, guest houses, marriage houses, public halls, show rooms, workshops, central air-conditioning units, offices (govt. or private), commercial establishments, cinemas, X-ray plants, schools and colleges (govt. or private), boarding/ lodging houses, libraries (govt. or private), research institutes (govt. or private), railway stations, fuel-oil stations, service stations (including vehicle service stations), All India Radio / T.V. installations, printing presses, commercial trusts/societies, Museums, poultry farms, banks, theatres, common facilities in multi-storied commercial office/buildings, Dharmshalas, public Electric Vehicles Charging stations and such other installations not covered under any other tariff schedule whose Contracted Demand is greater than 5 kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

This schedule shall also be applicable to electricity supply availed through separate (independent) connections for the purpose of advertisements, hoardings and other conspicuous consumption such as external flood light, displays, neon signs at public places (roads, railway stations, airports, etc.), departmental stores, commercial establishments, malls, multiplexes, theatres, clubs, hotels and other such entertainment/leisure establishments whose Connected Load/Contracted Demand is greater than 5 kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

### **Service Category:**

Commercial Service-Rural: Areas not covered by area indicated for Commercial Service Urban.

Commercial Service-Urban: Areas covered by Nagar Nigam, Nagar Parishad, Nagar Panchayat.

### **Service Character:**

Rural: AC 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Urban: AC 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

**Tariff:**

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
CS-Rural/Urban	Rs./kW/month	100	5.25

**Billing Demand:** The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Installation of Shunt Capacitors:** In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

## Low Tension Industrial Services

### Applicability:

**Low Tension Industrial Service (LTIS):** This schedule shall apply to all industrial units having a Contracted Load more than 5 kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

### Service Character:

**Low Tension Industrial Service (LTIS):** AC, 50 Cycles, Single Phase supply at 230 Volts or Three Phase Supply at 400 Volts.

### Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
LTIS	Rs./kVA/month	130	5.00

**Billing Demand:** The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Installation of Shunt Capacitors:** In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.





## HT Services

### Applicability:

**High Tension Service (HTS):** All the consumers drawing power at voltage level at 6.6 kV and above except Domestic-HT and HT- Institutional Consumers.

### Service Character:

**High Tension Service (HTS):** 50 Cycles, Three Phase at 6.6 kV/11 kV/33 kV/132 kV/220 kV/400 kV

### Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs.kVAh)
HTS	Rs./kVA/month	350	5.85

**Billing Demand:** The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Load Factor Rebate:** In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Voltage Rebate:** In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**TOD Tariff:** In accordance with **Clause VII: ToD Tariff** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.



## Street Light

This tariff schedule shall apply for use of Street Lighting system.

### Applicability:

**Street Light Service (SS):** This tariff schedule shall apply for use of Street Lighting system, including single system in corporation, municipality, Notified Area Committee, panchayats, etc., and also in areas not covered by municipalities and Notified Area Committee provided the number of lamps served from a point of supply is not less than 5.

### Service Character:

**Street Light Service (SS):** AC, 50 cycles, Single phase at 230 Volts or Three phase at 400 Volts

### Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
Streetlight	Rs./kW/month	100	5.00

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.



## HT Institutional Services

This tariff schedule shall apply for use of Railway Traction, Military Engineering Services and Other Distribution Licensees.

### Applicability:

**Railway Traction (RTS) and Military Engineering Services (MES):** This tariff schedule shall apply for use of railway traction and Military Engineering Services (MES) for a mixed load in defence cantonment and related area.

**Other Distribution Licensees:** This tariff schedule shall apply to other distribution licensees procuring power from the Licensee (except JUSCO, which shall continue to procure power as per the prevailing arrangement) for the sole purpose of supplying it to its consumers. It is clarified that such tariff shall not be applicable for the quantum of power utilised in industrial units owned by it or its parent or affiliate company.

### Service Character:

**Railway Traction Service (RTS):** AC, 50 cycles, Single phase at 25 kV/132 kV.

**Military Engineering Services (MES):** AC, 50 cycles, three phase at 6.6 kV and above

**Other Distribution Licensees:** AC, 50 cycles, three phase at 6.6 kV and above.

### Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HT- Institutional Services	Rs./kVA/month	350	5.70

**Billing Demand:** The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Load Factor Rebate:** In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Voltage Rebate:** In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.



**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**TOD Tariff:** In accordance with **Clause VII: ToD Tariff** as provided in section on Terms & Conditions of Supply as provided in **Section A 14** of this Tariff Order.

**RPO Compliance:** RPO Compliance for Sale to Other Licensees, RTS and MES shall be made by the first Licensee which sells the power viz., in case TSL buys power from DVC then the onus to comply with RPO will be with DVC only.

## Temporary Connections

### Applicability:

The Temporary tariff shall be applicable as per the following conditions:

- (a) Temporary tariff shall be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.
- (b) Temporary connections may be given with normal meters with security deposit as per JSERC (Electricity Supply Code) Regulations, 2015 and amendment thereof.
- (c) Temporary connections may also be given with prepaid meters with minimum prepaid balance equivalent to 45 days of sale of power, which shall be based on the assessment formula as per JSERC (Electricity Supply Code) Regulations, 2015 and amendment thereof.

### Tariff:

Category	Fixed Charges	Energy Charges
	Rate	(Rs.)
All Units	1.5 times of the applicable fixed charges	1.5 times of the applicable energy charges



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**Tariff to be paid by the Licensee for Gross/Net Metering of rooftop Solar PV projects**

The Commission had notified the JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) Regulations, 2015, on November 10, 2015 and further notified its 1<sup>st</sup> amendment as JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) (1<sup>st</sup> Amendment) Regulations, 2019. The Tariff for sale of surplus power by Gross/Net metering of Rooftop Solar PV for FY 2020-21 for such eligible consumers of the Petitioner shall be as under:

Gross Metering: Rs. 4.16/kWh

Net Metering: Rs. 3.80/kWh

The tariff approved as above for FY 2020-21 shall remain effective till the issue of subsequent Tariff Order/Individual Order as the case may be.



## Schedule of Miscellaneous Charges

S. No.	Purpose	Scale of Charges	Manner in which payment will be realized
<b>1</b>	<b>Application fee</b>		
	Agriculture	10	Payable with Energy Bill
	Street light	20	
	Domestic	15 (Kutir Jyoti) 20 (Others)	
	Commercial	20	
	Other LT categories	50	
	HTS	100	
	HTSS, EHTS, RTS	100	
<b>2</b>	<b>Revision of estimate when a consumer intimates changes in his requirement subsequent to the preparation of service connection estimate based on his original application</b>		
	Agriculture	10	Payable with Energy Bill
	Domestic	30	
	Commercial	30	
	Other LT categories	50	
	HT Supply	150	
<b>3</b>	<b>Testing of consumers Installation<sup>(1)</sup></b>		
	Testing of Consumer Installation	100	Payable with Energy Bill
<b>4</b>	<b>Meter test when accuracy disputed by consumer<sup>(2)</sup></b>		
	Single phase	40	Payable with Energy Bill
	Three phase	100	
	Trivector/ special type meter	650	
<b>5</b>	<b>Removing/ Refixing of meter</b>		
	Single phase	50	Payable with Energy Bill
	Three phase	100	
	Trivector/ special type meter	300	
<b>6</b>	<b>Changing of meter /meter equipment/fixing of sub meter on the request of the consumer/fixing of sub meter</b>		
	Single phase	50	Payable with Energy Bill
	Three phase	100	
	Trivector/special type meter	300	
<b>7</b>	<b>Resealing of meter when seals are found broken</b>		
	Single phase	25	Payable with energy bill
	Three phase	50	
	Trivector/ special type meter	100	
<b>8</b>	<b>Replacement of meter card, if lost or damaged by consumer</b>	10	Payable with energy bill
<b>9</b>	<b>Fuse call - Replacement</b>		
	Board fuse due to fault of consumer	15	Payable with energy bill
	Consumer fuse	15	



S. No.	Purpose	Scale of Charges	Manner in which payment will be realized
10	Disconnection/Reconnection		
	Single phase	40	Payable in cash in advance along with the request by the consumer. If the same consumer is reconnected/ disconnected within 12 months of the last disconnection/ reconnection, 50% will be added to the charges
	Three phase	100	
	LT Industrial Supply	400	
	HT Supply	700	
11	Security Deposit	As per the JSERC (Electricity Supply Code) Regulations, 2015	
12	Transformer Rent <sup>(3)</sup>		
	Upto 200 kVA	5500/Month	Payable with energy bill
	Above 200 kVA	7500/Month	

<sup>1</sup>First test & Inspection free of charge, but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection.

<sup>2</sup>If the meter is found defective within the meaning of the Indian Electricity Rules 1956, no charge shall be levied. If it is proved to be correct within the permissible limits laid down in the Rules, the amount will be charged in the next energy bill.

<sup>3</sup>Applicable for 6 month duration from the date of taking the transformer on rent, thereafter monthly escalation of 10% would be applicable.

**\* Note: Meter Rent Deleted as the same is done away with in this Order.**





## A 14 TERMS AND CONDITIONS OF SUPPLY

### Clause I: Penalty for exceeding Billing/Contract Demand

In case the Recorded/Actual Demand exceeds 110% of the Contract Demand, the consumer shall pay penal charges. The penal charges would be charged as follows: if the Recorded Demand exceeds 110% of Contract Demand, then the Demand Charge up to Contract Demand will be charged as per the normal Tariff rate. The remaining Recorded Demand over and above the Contract Demand will be charged at 1.5 times the normal Tariff rate.

In case Recorded Demand is higher than the Contract Demand by the quantum and for the duration as specified in the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time, the Contract Demand shall be revised as per the procedure specified therein.

### Clause II: Jharkhand Electricity Duty

The charges in this tariff schedule do not include charges on account of State Electricity Duty/Surcharge to the consumers under the State Electricity Duty Act and the rules framed there under as amended from time to time and any other Statutory levy, which may take effect from time to time.

### Clause III: Delayed Payment Surcharge

The Delayed Payment Surcharge will be at the rate of 1.00% per month chargeable proportionately. The due date for making payment of energy bills or other charges shall be 21 days after issue date of bill. The bill should be generated and delivered on monthly basis. In case, the Licensee defaults in generating and delivering bills on monthly basis, Delayed Payment Surcharge will not be charged for the period of default by Licensee. The consumer should not be deprived of any subsidy/benefit, which could have been otherwise accrued to the consumers, i.e., energy units/amount (in case of unmetered) billed has to be apportioned on average monthly basis for the whole billing duration.

#### **Illustration:**

*In case the payment is made 10 days after the due date, the DPS shall be at:*

$$10/30 * 1\% = 0.33\%$$

### Clause IV: Voltage Rebate

Voltage Rebate\* will be applicable on Demand and Energy Charge as per the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time at the rate given below:

Consumer Category	Voltage Rebate
HTS/HT Institutional -33 kV	3.00%
HTS/ HT Institutional -132 kV	5.00%
HTS/ HT Institutional – 220 kV	5.50%
HTS/ HT Institutional – 400 kV	6.00%

\* **Note:** The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.

### Clause V: Load Factor Rebate

As also discussed in the Tariff Rationalisation section, the Commission is of the view that in order to speed up the economic recovery process which is vital for general socio-economic development of the State there is need to modify the Load Factor Rebate mechanism.

The Commission observed that the average actual Load Factor of HT Consumers of TSL for FY 2018-19 is in the range of 55%-57% and therefore in order to encourage consumption at higher Load Factor, incentive should be applicable for consumption over and above the average current Load Factor.

The Commission therefore taking in cognisance the existing Load Factor and necessity to revive the Industries approves the following rebate.

The Load factor rebate shall be allowed to all the consumers whose load factor exceeds 55%. For any 'X' % increase in the load factor over and above 55%, the rebate shall be allowed at the rate of 'X' % on the total energy charges corresponding to energy consumption of the consumer subject to a maximum ceiling rebate of 15%.

Illustration: If a consumer's load factor for a given billing month is 68.50% then the percentage rebate allowed to such consumer shall be (68.50%-55.00%) i.e., 13.50%. The percentage rebate thus calculated (13.50%) shall be multiplied with the total energy charges corresponding to the entire energy consumption of the consumers and the rebate amount shall be allowed.

The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.

### Clause VI: Installation of Shunt Capacitors

Connections with inductive load/motors as specified in Clauses 8.2.34 and 8.2.35 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time, shall be installed with Shunt Capacitors to meet the Power Factor requirements.



For existing consumer, the Petitioner should first serve one month's notice to all such consumers who do not have or have defective shunt capacitors. In case the consumers do not get the capacitor installed/replaced within the notice period, the consumer shall be levied a surcharge at 5% on the total billed amount charge (metered or flat), till they have installed the required capacitors.

#### **Clause VII: ToD Tariff**

TOD tariff shall be applicable as an option to HTS and HT Institutional Consumers as follows: -

- **Off Peak Hours: 10:00 PM to 06:00 AM:** 85% of normal rate of energy charge
- **Normal Hours: 10:00 AM to 06:00 PM:** 100% of normal rate of energy charge
- **Peak Hours: 06:00 AM to 10:00 AM and 06:00 PM to 10:00 PM:** 120% of normal rate of energy charge

#### **Clause VIII: Rebate for Online Payment and Due Date Payment**

The due date for making payment of energy bills or other charges shall be 21 days after issue date of the bill.

A rebate of 1.00% shall be allowed on the billed amount for payment within the due date of the entire billed amount made either through online or any digital mode or through cash.

Further, additional 1.00% rebate shall be allowed if the bills are paid in full within the due date through online web portal or any digital methods.

It is clarified that in accordance with the above, if a person pays the entire billed amount through online web portal or any digital mode, the consumer shall be entitled to 2.00% rebate on the total billed amount. Further no rebate shall be allowed after due date irrespective of the mode of payment.

#### **Clause IX: Rebate for Prepaid Metering**

The Commission has introduced rebate to prepaid meters at 3% of the Energy Charges for the respective Consumer Category. For such consumers, the Petitioner shall refund the entire Security Deposit within one month from the date of installation of such prepaid meters.

#### **Clause X: Rebate for Delayed Billing**

The Commission has introduced rebate in case of delayed billing to consumers to promote prompt billing by the Licensees. In case the bill is not received for two continuous billing cycles, a rebate at the rate of 1.00% on the bill amount per month for delay beyond two months or part

thereof shall be applicable subject to a ceiling of 3%. The Utility shall not be eligible to claim such Rebate as a part of ARR. The same shall be treated as a Compensation for the consumers out of the RoE of the Licensee. This clause shall be applicable for all consumers.

## **Clause XI: Other Terms and Conditions**

### **Reduction in Fixed Charges**

Recovery of Complete Fixed/Demand Charges from consumers shall be based on the availability of hours of supply recorded by meters installed in the consumer's premises. TSL to include the same in the consumer's bill and recover the Fixed Charges only in proportion to the hours of supply as per the meter. The cut off hours for complete recovery from Fixed/Demand Charges shall be 21 hours per day for LT consumers and 23 hours per day for HT Consumers.

Provided that the planned outages/Rostering in the network that are uploaded on its website seven days in advance with a copy to the Commission and intimation to the respective consumers shall be excluded while computing scheduled supply hours.

Provided that any reduction in recovery of Fixed/Demand Charges on account of lower than stipulated hours of supply shall not be claimed as a part of the ARR. Any reduction in the Fixed/Demand Charges shall be considered as a compensation to be paid to the Consumer by the Licensee.

The Commission directs the Petitioner to submit a report on implementation of the above, within 30 days of issue of this Order and implement the same from the subsequent billing cycle following the issuance of this Order.

### **Point of Supply**

The Power supply shall normally be provided at a single point for the entire premises. In certain categories like coal mines power may be supplied at more than one point on request of consumer subject to technical feasibility. But in such cases metering and billing shall be done separately for each point.

### **Dishonoured Cheques**

In terms of Clause 10.10.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time, in the event of dishonoured cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs. 300 or 0.5% of the billed amount, whichever is higher. In addition to the same, the Delayed Payment Surcharge shall be levied extra as per the applicable terms and conditions of Delayed Payment Surcharge.

## **Stopped/Defective Meters**

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued as per Clause 10.3.1 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of Sanctioned Load/Contract Load on following load factor applicable to respective categories:

<b>Consumer Category</b>	<b>Load Factor</b>
Domestic	0.15
Non-Domestic	0.20
LTIS	0.20
DS-HT	0.15
HT Consumers- Below 132kV	0.30
HT Consumers- 132kV & Above	0.50

## **Sale of Energy**

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/entity. In case of DS-HT consumers, who supply power to individual households, the average per unit charges billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

## **Release of New Connections**

No new connections shall be provided without appropriate meter.

## **Conversion Factors**

The following shall be the conversion factors, as and where applicable: (PF=0.85):

1 kilo Watt (kW) = 1.176 kilo Volt Ampere (kVA)

1 kilo Watt (kW) = 1/0.746 Horse Power (HP)

1 Horse Power (HP) = 0.878 kilo Volt Ampere (kVA)

## **Fuel & Power Purchase Cost Adjustment (FPPCA)**

Applicable as per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 and as amended by the Commission from time to time.



## **A 15 DIRECTIVES**

- 15.1 In addition to the compliance of existing directives as mentioned in the status of earlier directives, the Commission directs the Petitioner to comply with the following new directives.

### **Expansion of network and service area**

- 15.2 The Commission directs the Petitioner to make all out efforts to expand its network and service area for reaching rural consumers.

### **Redundancy in the Distribution Infrastructure**

- 15.3 The Commission directs the Petitioner to carry out a detailed study to expand its existing infrastructure and steps to interconnect its upstream transmission network to improve its power availability and submit its DPR within 3 months from the date of this Order.

### **Submission of ToD Data**

- 15.4 The Commission directs the Petitioner to submit the load curves for days with maximum peak demand and minimum peak demand for each month of FY 2019-20 and April 2020 to September 2020 along with its technical preparedness for implementation of ToD Tariffs while submitting the Business Plan and MYT Petition for FY 2021-22 to FY 2025-26.

### **Publicising Tariff Approved by the Commission**

- 15.5 The Commission directs the Petitioner to submit a draft Notice to the Commission on the Tariff Approved by the Commission along with the Terms and Conditions of Supply for approval and publishing in the newspapers within a week of issue of this Order for enhancing consumer awareness of the applicable Rate Schedule and salient features of the Order impacting general consumers in the Licensee area.

### **Reduction in Fixed Charges**

- 15.6 The Commission directs the Petitioner to submit a report on implementation of the above, within 30 days of issue of this Order and implement the same from the subsequent billing cycle following the issuance of this Order.



In addition to above, the Petitioner is further directed to comply with the directives issued by the Commission in earlier Orders.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on September 29, 2020.

It is made clear that the Order regarding revision of tariff shall come into effect from October 01, 2020 and shall remain in force till the next Order of the Commission in this regard.

**Date: 29.09.2020**

**Place: Ranchi**

**Sd/-**

**(Pravas Kumar Singh)**

**MEMBER (Legal)**

**Sd/-**

**(Rabindra Narayan Singh)**

**MEMBER (Engg.)**



## ANNEXURES

### Annexure-1: List of members of public who participated in the Public Hearing through video conferencing

Sr. no.	Name	Address/Organization
Date & Time: July 31, 2020, 02:30 PM		
1	Narendra Singh Walia	Kadma, Jamshedpur
2	Sanjay Pandey	Sonari, Jamshedpur
3	Tirath Singh	Golmuri, Jamshedpur
4	Rakesh Singh	Sakchi, Jamshedpur
5	Ashok Biyani	Ashiana Garden Owners Association, Sonari, Jamshedpur
6	Pawan Kumar	Kadma, Jamshedpur
7	Tushar Raj	Kadma, Jamshedpur
8	N. Leena	Sonari, Jamshedpur
9	Manmohan Singh	TSL
10	S Roy Choudhary	TSL
11	S N Banerjee	TSL
12	Sunil Kumar	TSL
13	Krishna Mohan Pandey	TSL
14	Subhashish Roy	TSL
15	Surajit Dey	TSL
16	Ranbir Mallick	TSL
17	Pramod Rathore	TSL
18	Sunil Kumar Singh	TSL
19	Y Prasad	TSL
20	Suman Mandal	TSL
21	Ritesh Gupta	TSL
22	Koustav Banerjee	TSL
23	Sameer Das	TSL
24	Sharad Kumar	Public/Stakeholder
25	Hari Krishna Budhia	Association of DVC HT Consumer of Jharkhand
26	Nirmal Prasad	Dainik Jagran
27	Digvijay Pathak	Public/Stakeholder
28	Saikat Samanta	Public/Stakeholder
29	Mahesh Sonthalia	Public/Stakeholder
30	BKD Agarwal	Public/Stakeholder