Jharkhand State Electricity Regulatory Commission

Tariff Order
on
True up
for
FY 2011-12 & FY 2012-13
and
ARR for Multi-Year Tariff Period
from
FY 2013-14 to FY 2015-16
and
Tariff for FY 2013-14
for
Tata Steel Limited (TSL)

Ranchi

June 2014

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List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
ARR	Annual Revenue Requirement
CWIP	Capital Work in Progress
DPS	Delayed Payment Surcharge
DS	Domestic Service
DS HT	Domestic Service High Tension
DVC	Damodar Valley Corporation
FAS	Financial Accounting System
FOR	Forum of Regulators
FY	Financial Year
GFA	Gross Fixed Assets
GoI	Government of India
HT	High Tension
JSERC	Jharkhand State Electricity Regulatory Commission
JUSCO	Jamshedpur Utilities and Services Company Limited
LT	Low Tension
kV	Kilovolt
kVA	Kilovolt-ampere
kW	Kilowatt
kWh	Kilowatt-hour
MMC	Monthly Minimum Charges
MU	Million Units
NTI	Non Tariff Income
O&M	Operations and Maintenance
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
PBD	Power Business Division
R&M	Repair and Maintenance
RoE	Return on Equity
Rs	Rupees
SAP	System, Application and Production
SBI	State Bank of India
TPCL	Tata Power Company Limited
TPTCL	Tata Power Trading Company Limited
SLM	Straight Line Method
TSL	Tata Steel Limited

A1: INTRODUCTION

Jharkhand State Electricity Regulatory Commission (JSERC)

1.1 The Jharkhand State Electricity Regulatory Commission (herein after referred to as the "JSERC" or "the Commission") was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commission Act, 1998 on August 22, 2002. The Commission became operational w.e.f. April 24, 2003. The Electricity Act, 2003 (hereinafter referred to as "the Act" or "EA, 2003") came into force w.e.f. June 10, 2003; and the Commission is now deemed to have been constituted and functioning under the provisions of the Act.

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

(a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in Section 29;

(b) to determine the tariff payable for the use of the transmission facilities in the manner provided in Section 29;

(c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;

(d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.

1.3 With the Electricity Act, 2003 being brought into force, the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the functions of JSERC are now defined as per Section 86 of the Act.

1.4 In accordance with 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 advises the State Government 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 guided by the National Tariff Policy as brought out by GoI in compliance to Section 3 of the Act. The objectives of the National Tariff Policy are to:

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

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

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

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

Tata Steel Limited (TSL)

1.8 Tata Steel Limited (hereinafter referred to as 'TSL' or the 'Petitioner'), formerly known as Tata Iron and Steel Company Limited (TISCO), is a company incorporated under the provisions of the Companies Act, 1956. It is distributing electricity in Jamshedpur under the license granted u/s 14 of the Electricity Act 2003.

1.9 The Petitioner has been distributing electricity in Jamshedpur township since 1923 through a sanction/license granted under section 28(1) of the erstwhile Indian Electricity Act, 1910. Post enactment of the EA, 2003, the Petitioner filed an application for a distribution license for Jamshedpur township on December 24, 2003 u/s 15 of the Act. In the absence of the final regulations and in view of the provisions of Section 14, proviso one and Section 172(b) of the Act, JSERC vide order dated March 24, 2004 permitted Tata Steel 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) Regulation, 2004, action for issue of license for Jamshedpur town was initiated and subsequently the license was issued to Tata Steel Limited (TSL) on January 12, 2006 w.e.f. March 24, 2004.

1.11 The area of the Petitioner is bounded as under:

(a) **North**: River Subarnarekha

(b) **South**: Tracks of South Eastern Railways

(c) **East**: Eastern boundaries of Mouza Jojobera and Nildhand.

(d) **West**: River Kharkai

Scope of the Present Order

1.12 In accordance with the provisions of the JSERC (Multi Year Distribution Tariff) Regulations, 2010, the Petitioner filed the Petition for approval on Business Plan for Multi Year Tariff (MYT) Control Period FY 2013-14 to FY 2015-16 on 1st August 2012 and Petition for True-up for FY 2011-12, Revised Estimates for FY 2012-13, Annual Revenue Requirement for MYT Control Period from FY 2013-14 till FY 2015-16 and Tariff Proposal for FY 2013-14 on 31st December 2012 for its licensed area. The Petitioner in the above-mentioned petitions filed before the Commission has prayed for:

(a) To approve the Business plan for the MYT period from FY 2013-14 to FY 2015-16;

(b) To approve the true-up of ARR for FY 2011-12;

(c) To approve the revised estimates of ARR for FY 2012-13;

(d) To approve the ARR for each year of the MYT Control Period from FY 2013-14 to FY 2015-16; &

(e) To pass suitable orders with respect to the cumulative revenue gap till FY 2013-14.

1.13 Since the submission of the tariff petition, the following difficulties were faced, due to which the finalisation of the Tariff Order has taken considerable time.

1.14 The Commission was unable to conduct the public hearing for the above Petition filed by the Petitioner as the Hon'ble Chairperson of the Commission had retired on 15th December, 2012. Further the Member (Finance) post was vacant since 2008 and the the Commission was functioning with only one Member i.e. Member (Technical).

1.15 As per JSERC (Conduct of Business) Regulations, 2011 the quorum should be two members among the three members of the Commission for issue of any effective orders, such as issue of tariff orders, issue of judgments for the cases filled in the Commission and for any important policy matters. The extract of the Regulation is as follows:

"Quorum:

For all initial procedural issues, the quorum may be one Member.

Except for initial procedural issues like notices, filing of copies and documents, the quorum of the Commission shall be two among the three Members."

1.16 As there was only one member in the Commission, even though the ARR pertains to all the generation companies and licensees in the Jharkhand State were received, the Tariff Orders could not be finalized due to lack of quorum.

1.17 Subsequently, the Member (Finance) was appointed in January 2014. Also, as per the directions of the APTEL in this regard, the Commission has amended the JSERC (Conduct of Business Regulations), 2011 and has modified the quorum to one member which shall facilitate the working of the Commission in the future even in the presence of only a single member. The Commission is now in the process of scrutinising the above-mentioned petition and determine ARR for the MYT period.

1.18 In this regards, it is pertinent to mention that due to delay in processing of the petition, the data submitted for FY 2012-13 and FY 2013-14 has changed considerably as these years have been completed. However, the Petitioner has made several submissions to the Commission for review of the Petition and issue of Tariff order due to increase in its power purchase costs. The power purchase costs form approximately 80% of total annual revenue requirement (ARR) of the Petitioner and any increase in these costs has an adverse impact on financial viability of the utilities. While there has been no revision in tariffs for over a year, the rising power purchase costs have increased the financial burden on the Petitioner. To meet the gap due to rising power purchase costs, the Petitioner also filed separate petitions for approval and pass through of increase in power purchase costs through levy of Fuel Price and Power Purchase Adjustment (FPPPA) charge for its licensed area for the following periods as follows:

(a) April 2012 to October 2012 [Petition No. PBD/663/59/12 dated 21.12.2012]

(b) November 2012 to January 2013 [Petition No. PBD/103/59/13 dated 20.03.2013]

(c) February 2013 to March 2013 [Petition No. PBD/311/59/13 dated 11.07.2013]

(d) April 2013 to September 2013 [Petition No. PBD/466/59/13 dated 25.11.2013]

1.19 In view of above, the Commission observes that these costs are beyond control of the Petitioner and any variation in power purchase costs should be reviewed and pass through in accordance with the provisions of the JSERC (Multi Year Distribution Tariff) Regulations, 2010. Furthermore, the Petitioner also filed the Petition for True up for FY 2012-13 based on the audited accounts of the year on 15th November 2013. Moreover, as the present Petition pertains to the MYT period from FY 2013-14 to FY 2015-16, projections for the ARR submitted by the Petitioner need to be reviewed for prudence check. Thus, the Commission finds merit in reviewing the ARR petition filed for MYT period for FY 2013-14 to FY 2015-16 on provisional basis along with true up for FY 2011-12 and FY 2012-13 based on audited accounts.

1.20 Accordingly, the scope of the Present Tariff Order has been summarised as follows:

(a) True up of ARR for FY 2011-12 based on audited data;

(b) True up of ARR for FY 2012-13 based on audited data;

(c) Determination of ARR for MYT period from FY 2013-14 to FY 2015-16 on provisional basis; &

(d) Approval of provisional tariff for FY 2013-14.

1.21 While processing the above petition, the Commission has taken into consideration the following:

(a) Provisions of the Electricity Act, 2003,

(b) Provisions of the National Electricity Policy,

(c) Provisions of the Tariff Policy;

(d) Principles laid down in the JSERC (Multi Year Distribution Tariff) Regulations, 2010 (hereinafter referred to as ‘Distribution Tariff Regulations, 2010’).

1.22 The Commission shall approve the final ARR for MYT period in its next tariff order on basis of updated data for FY 2013-14 and remainder period of control period i.e. FY 2014-15 & FY 2015-16.

1.23 Accordingly, the Commission has scrutinized the MYT petition in detail and hereby issues the Tariff order for MYT period from FY 2013-14 to FY 2015-16 along with True up of ARR for FY 2011-12 and FY 2012-13.

A2: PROCEDURAL HISTORY

Background

2.1 The Commission had issued its last Tariff Order for the Petitioner in June 2012 for True up for FY 2010-11, revised estimation of ARR for FY 2011-12 and determination of ARR & retail tariffs for FY 2012-13.

2.2 As per the 'Distribution Tariff Regulations, 2010', the distribution licensees have to file the Business Plan for wheeling and retail supply business of the licensee for the entire control period by the 1st of June 2012. In accordance with the Regulation 5.8 of the Distribution Tariff Regulations 2010, the business plan shall be for the entire Control Period and shall inter-alia contain;

a) Capital Investment Plan for the entire Control Period commensurate with load growth, distribution loss reduction trajectory and quality improvement measures proposed in the Business Plan;

b) Sales/Demand Forecast for each customer category and sub-categories for each year of the Control Period;

c) Power Procurement Plan based on the sales forecast and distribution loss trajectory for each year of the Control Period. The power procurement plan should also include energy efficiency and demand side management measures;

d) A set of targets proposed for other controllable items such as distribution losses, collection efficiency, working capital requirement, quality of supply targets, etc. The targets shall be consistent with the capital investment plan proposed by the Licensee;

e) Business Plan shall also contain the requisite information for the preceding five years.

2.3 Subsequently the distribution licensee has to file the MYT petition for the control period FY 2013-14 to FY 2015-16 by the 1st of November 2012.

2.4 The Petitioner filed the petition for approval of Business Plan for MYT control period from FY 2013-14 to FY 2015-16 on 1st August 2012 and the petition for True-up for FY 2011-12, Revised Estimates for FY 2012-13 and Multi Year Tariff Petition for Control Period from FY 2013-14 to FY 2015-16 and Tariff Proposal for FY 2013-14 for its licensed area on 31st December 2012. Further, the Petitioner also filed Petition for True up for FY 2012-13 based on audited accounts for the year on 15th November 2013.

2.5 In addition, to above, the Petitioner also filed three separate Petitions for claim of Fuel Price and Power Purchase Adjustment (FPPPA) of its licensed area for the FY 2012-13 which have been processed along with this Tariff Order. The first petition for claim of FPPPA for the period of April 2012 to October 2012 was filed on the 21st December 2012, the second petition for claim of FPPPA for the period of November 2012 to January 2013 was filed on the 22nd March 2013 and the third Petition for claim of FPPPA for the period of February 2013 to March 2013 was filed on the 11th July 2013.

Information Gaps

2.6 During the course of scrutiny of Business Plan, ARR and MYT petition and the FPPPA claim, numerous deficiencies were observed in the petitions submitted by the Petitioner. These deficiencies were communicated to the Petitioner vide letter no. JSERC/Legal/09/2012 /460 dated 23rd August 2012, letter no. JSERC/34 of 2012 dated 30th March 2013 and letter no. JSERC/Legal/09 of 2012/41 dated 26th April 2013.

2.7 The Petitioner subsequently submitted its response to the aforesaid letters and provided the requisite additional data/information vide letter no. PBD/646/59/12 dated 09th December 2012, PBD/205/59/2013 dated 03rd June 2013 and PBD/343/59/2013 dated 13th September 2013.

Delay in issuance of order

2.8 The Petitioner filed the petition for True-up of ARR for FY 2011-12, Annual Performance Review for FY 2012-13, ARR for the MYT control period from FY 2013-14 to FY 2015-16 and determination of retail supply tariff for FY 2013-14 on 31st December, 2012.

2.9 The Commission was unable to conduct the hearing for the above Petition filed by the Petitioner as the Hon'ble Chairperson of the Commission had retired on 15th December, 2012. Further the Member (Finance) post was vacant since 2008 and the Commission was functioning with only one Member i.e. Member (Technical).

2.10 As per JSERC (Conduct of Business) Regulations, 2011 the quorum should be two members among the three members of the Commission for issue of any effective orders, such as issue of tariff orders, issue of judgments for the cases filled in the Commission and for any important policy matters. The extract of the Regulation is as follows:

"Quorum:

For all initial procedural issues, the quorum may be one Member.

Except for initial procedural issues like notices, filing of copies and documents, the quorum of the Commission shall be two among the three Members."

2.11 As there was only one member in the Commission, even though the ARR pertains to all the Distribution licensees and Generators existing in the Jharkhand State were received, the tariff orders could not be finalized due to lack of quorum.

2.12 Subsequently, the Member (Finance) was appointed in January 2014. Also, as per the directions of the APTEL in this regard the Commission has amended the JSERC (Conduct of Business Regulations), 2011 and has modified the quorum to one member which shall facilitate the working of the Commission in the future even in the presence of only a single member.

Inviting Public Response

2.13 After the initial scrutiny of MYT petition filed by the Petitioner, the Commission directed the Petitioner to issue public notice for inviting comments/suggestions from public and to make available copies of the MYT petition to the general public. The public notice was subsequently issued by the Petitioner in various newspapers, as detailed hereunder:

Table 1: List of newspapers and dates on which the public notice appeared

Newspaper (Jamshedpur Editions)	Date
The Avenue Mail	11.02.2014 & 12.02.2014
Prabhat Khabar	11.02.2014 & 12.02.2014
Danik Bhaskar	11.02.2014 & 12.02.2014
Dainik Jagran	11.02.2014 & 12.02.2014
New Ispat Mail	11.02.2014 & 12.02.2014

2.14 A period of 21 (twenty one) days was provided for submitting the comments/suggestions. The Commission subsequently issued advertisement on its website www.jserc.org and in various newspapers for conducting the public hearing on the MYT petition filed by the Petitioner for control period FY 2013-14 to FY 2015-16. The newspapers wherein the advertisement for public hearing was issued by the Commission are detailed hereunder:

Table 2: List of newspapers and dates in which the public notice by JSERC appeared

Newspaper (Jamshedpur Editions)	Date
Hindustan (Hindi)	13.03.2014
Prabhat Khabar	13.03.2014
Dainik Bhaskar	13.03.2014
The Pioneer	13.03.2014
Farooqui Tanzeem (Urdu Daily)	13.03.2014
Dainik Jagran	14.03.2014
UditVani	14.03.2014
Ranchi Express	14.03.2014
The Hindustan Times (English)	14.03.2014

2.15 The public hearing was held on March 14th, 2014 at The Grand, United Club, Boulevard Road, Jamshedpur and many respondents gave their comments and suggestions on the MYT Petition by the Petitioner. The comments/suggestions of the public as well as the Petitioner's response to them are detailed in the section on the public consultation process in this Order.

A3: SUMMARY OF ARR & TARIFF PETITION

Overview

3.1 Tata Steel Limited (TSL) is an integrated steel manufacturing company which is also managing the electricity distribution system in its licensed area, through its wholly owned subsidiary- Jamshedpur Utilities and Service Company Limited (JUSCO), which was earlier a division of Tata Steel Limited. The Petitioner has outsourced the maintenance of power distribution services to Power Business Division (PBD) of JUSCO. The Petitioner submitted that the majority of the operation and maintenance activities related to the power distribution are carried out by the PBD and the costs of these activities are charged by JUSCO to the Petitioner.

3.2 The Petitioner submitted that in the previous Tariff Order for FY 2012-13, the Commission had approved the figures for FY 2011-12 considering the provisional data/information provided by the Petitioner. The Petitioner has now requested the Commission to revisit the figures for FY 2011-12 based on the audited accounts. The Petitioner also submitted the latest data/information for FY 2012-13 and requested the Commission to review the ARR for FY 2012-13 based on the actual data for first half year and estimated for second half year.

3.3 The figures for the MYT Control Period from FY 2013-14 to FY 2015-16 are based on the past performance and expected growth in each element of cost and revenue of the distribution business of the Petitioner.

3.4 The Petitioner submitted that the present petition addresses the true-up of ARR for FY 2011-12, revised estimates of ARR for FY 2012-13, projection of ARR for Control Period from FY 2013-14 to FY 2015-16 and tariff determination for FY 2013-14 after taking into account the revenue gap/surplus for the following:

(a) FY 2011-12 on the basis of audited accounts; and

(b) FY 2012-13 on the basis of the six months actual information submitted by the Petitioner.

(c) FY 2013-14 to FY 2015-16 on the basis of the projections made by the Petitioner

3.5 A summary of the Business plan and ARR & Tariff Petition for the MYT control period from FY 2013-14 to FY 2015-16 as submitted by the Petitioner has been summarised in following sub-sections.

Energy sales, losses and energy balance

3.6 The consumer category-wise energy sales proposed by TSL have been summarized in following table.

Table 3: Energy Sales for FY 2011-12, FY 2012-13 and MYT Control Period (MU)

Consumer Category	FY 2011-12 (Actual)	FY 2012-13 (Revised)	FY 2013-14 (Proj)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
Domestic	163	194	184	208	235
Domestic –DS HT	80	82	96	114	137
Commercial	50	58	52	54	55
High Tension –I	19	22	23	25	28
High Tension –II	102	95	103	119	134
High Tension –III	1,509	1,626	1,834	1,843	1,731
High Tension –IV	-	100	409	645	1,004
Utilities / Street Light	82	88	90	95	99
Sales to other licensee	199	187	235	55	35
Temporary supply	5	7	3	3	4
Total	**2,208**	**2,459**	**3,029**	**3,160**	**3,463**

3.7 The projected distribution losses and energy balance for TSL for FY 2011-12 (Actual), FY 2012-13 (Revised Estimates) and projected for MYT period from FY 2013-14 to FY 2015-16 has been summarized in following table.

Table 4: Energy Balance for FY 2011-12, FY 2012-13 and MYT Control Period

Particulars	FY 2011-12 (Actual)	FY 2012-13 (Revised)	FY 2013-14 (Proj)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
Energy Requirement					
Sales to LT Consumers (MU)	300	346	329	360	393
Sales to HT Consumers (MU)	1,710	1826	2,056	2,101	2,030
Sales to HT - IV Consumers (MU)	-	100	409	645	1,004
Sales to Other Licensees (MU)	199	187	235	55	35
Total Energy Sales (MU)	**2,208**	**2,459**	**3,029**	**3,160**	**3,463**
Overall Distribution Losses (%)	4.88%	5.79%	4.78%	4.53%	3.91%
Overall Distribution Losses (MU)	113	151	152	150	141
Total Energy Requirement	**2,322**	**2,610**	**3,182**	**3,310**	**3,604**
Energy Availability					
- From Tata Power Company Ltd.					
Unit –I	720	805	804	804	806
Unit –II	744	825	804	804	806
- From DVC at 132 kV	349	369	438	438	438
- From DVC at 400 kV	-	445	1,111	1,240	1,529

Particulars	FY 2011-12 (Actual)	FY 2012-13 (Revised)	FY 2013-14 (Proj)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
- From TSW Captive	509	166	-	-	-
- RPO	0	-	-	-	-
- From Open access / other sources	-	-	24	24	24
Total Pooled Energy Availability	**2,322**	**2,610**	**3,182**	**3,310**	**3,604**

Capital investment and capitalisation plan

3.8 For determination of ARR and tariff for projected MYT period, the petitioner also submitted detailed capital expenditure and capitalisation plan for the MYT period in the petition for approval of Business Plan for the MYT control period. This forms the basis for future projections for ARR. The following table summarizes the scheme-wise details of proposed capital expenditure:

Table 5: Scheme-wise capital expenditure and capitalization proposed by TSL for the MYT Period (Rs Cr)

Description	Original Scheme Value	Revised Scheme Value	FY 11 (Actual)	FY 12 (Actual)	FY 13 (Revised)	Projection for Control Period			
						FY 14	FY 15	FY 16	FY 17
2*10MVA, 33/6.6KV Substation at Farm Area & CP power supply to Vidyapati Nagar and & Uliyan Bastee	5.00	5.00	1.27	2.73	1.00	-	-	-	-
Installation of SCADA for power distribution in Township – Jamshedpur	8.50	8.55	-	-	2.00	6.55	-	-	-
Installation of Fire Fighting System for 132kV, 2x56 MVA Bara Substation and 132kV,1x56 MVA Sonari Substation.	1.50	1.65	-	0.50	1.15	-	-	-	-
Strengthening of Testing and Maintenance Facility for power distribution equipment	1.00	0.71	-	0.53	0.18	-	-	-	-
Augmentation of Power supply in Marine Drive, Circuit House Area, and Bistupur	16.00	19.75	-	-	1.00	7.35	7.00	4.40	
Installation of 2nd, 45/56 MVA Power Transformer at Sonari 132kV Substation with 132kV bay extension.	9.50	9.80	-	-	1.00	7.00	1.80	-	-
132kV 2nd source for Bara and Sonari Substation from MRSS	8.00	18.00	-	-	1.00	12.00	5.00	-	-
Installation of 2x15 MVA, 33/6.6kV Substation at Baridih Area with 33kV feeders from Golmuri Substation.	15.00	16.75	-	-	-	2.50	5.25	6.00	3.00
Installation of 33kV tie between Bara Substation Tinplate Area substation	2.75	2.75	-	-	-	0.55	2.20	-	-
Installation of 2x10 MVA , 33/6.6kV Substation at Jojobera / Govindpur / Rahargora Area with 33kV feeders from Tata Power	8.00	18.30	-	-	1.00	5.50	6.00	3.50	2.30
Other Assets through contribution from consumers (Self Financing Scheme)	11.92	22.92	6.52	5.40	3.00	2.00	2.00	2.00	2.00
400 KV Substation Cost									

Description	Original Scheme Value	Revised Scheme Value	FY 11 (Actual)	FY 12 (Actual)	FY 13 (Revised)	Projection for Control Period			
						FY 14	FY 15	FY 16	FY 17
400 KV Switchyard including LA	34.43	21.00		21.00	-				
132 KV Substation Cost									
132 KV GIS Board	11.32	10.12		9.56	0.56				
2x315 MVA Transformers	18.20	18.05		16.22	1.83				
Common Cost for 132 & 400 kV S/s									
Land Development & Boundary Wall Cost	9.37	5.67		5.52	0.15				
Sub Station Building and other civil & Structural job	35.62	35.27		28.56	6.71				
Design & Engineering/ Consultancy Cost	3.01	3.87		3.60	0.27				
HVAC, Fire fighting System Including FDA, Battery Charger, CRP, SCADA, 6.6 kV Switch gear, 6.6 kV Cable, 1 MVA trfs X 2 nos, Lighting, 132 kV Transformer Cable, Erection of these equipments	23.79	22.93		22.93	-				
Cost of four lines from 132 kV S/s									
Cable Cost	59.77	59.84		59.82	0.02				
Service Charges for Cable Laying and termination	23.48	16.49		9.75	6.74				
Civil Work and Structural	6.80	10.78		7.30	3.48				
Cost of two lines from 132 kV S/s to Existing Golmuri S/s									
Cable Cost	17.65	29.23		29.23					
Service Charges for Cable Laying	1.92								
Civil Work and Structural	0.15								
Switchgear equipment supply & erection at Golmuri end					-				
Cost of Infrastructure setup for Industrial Consumers									
132 KV Bays	15.24	15.04		15.04	-				
33 KV Bays	1.92	1.90		1.90	-				
Transformer Cost	8.97	7.82		7.82	-				
132 KV Feeders - 2 Nos	8.27	14.02		14.02					
Metering Panel with ABT Meter	-	0.16		0.16	-				
Apportioned Supply & erection of s/s electrics		4.50		4.50					
Apportioned civil and structural cost	-	3.51		3.51	-				
Network Development Scheme for meeting Demand Growth		37.00		25.97	11.03				
TCE consultancy services		3.04		2.49	0.55				
Railway clearance, Power block, ROW charge & other charges for 400 kV Transmission line		7.09		2.45	4.64				
Change order for Piling job at BPRS and order for misc civil job		0.85			0.85				
Communication equipment for Data		0.30				0.30			

Description	Original Scheme Value	Revised Scheme Value	FY 11 (Actual)	FY 12 (Actual)	FY 13 (Revised)	Projection for Control Period			
						FY 14	FY 15	FY 16	FY 17
transfer to ERLDC and DVC									
Telephone connectivity at BPRS		0.05				0.05			
Total Capital expenditure	**367.08**	**452.71**	**7.79**	**300.51**	**48.16**	**43.80**	**29.25**	**15.90**	**7.30**
Proposed Capitalization Schedule	-	-	-	-	**321.76**	**10.90**	**32.55**	**21.75**	**37.05**

Annual Revenue Requirement (ARR) projections

3.9 In its petition, the Petitioner requested for approval of ARR for first MYT Control Period from FY 2013-14 to FY 2015-16 based on the actual data for FY 2011-12 & half yearly actual for FY 2012-13, projections for MYT period based on actual performance for previous years, business plan for capital investment and capitalisation schedule for the MYT period.

3.10 The following table summarizes ARR as submitted for True up for FY 2011-12, Revised estimates for FY 2012-13 and ARR for FY 2013-14 till FY 2015-16:

Table 6: Proposed ARR for FY 2011-12, FY 2012-13 and Projections for MYT Period (Rs Cr)

Description	FY 2011-12 (Actual)	FY 2012-13 (Revised)	FY 2013-14 (Proj.)	FY 2014-15 (Proj.)	FY 2015-16 (Proj.)
Power Purchase Cost	711.38	1,007.98	1,308.60	1,412.04	1,606.95
Operation & Maintenance Expenses	56.32	63.69	135.03	142.89	154.97
Depreciation	8.74	18.28	27.68	28.95	30.47
Net Interest & Finance Charges	12.82	28.36	56.38	55.73	56.79
DSM & CGRF Expenses	0.10	0.50	0.60	0.65	0.70
Total Costs	**789.37**	**1,118.81**	**1,528.28**	**1,640.25**	**1,849.88**
Add: Reasonable Return	*8.44*	*19.61*	*30.90*	*30.90*	*30.90*
Less: Non-tariff Income	*2.48*	*4.01*	*4.00*	*4.00*	*4.00*
Annual Revenue Requirement	**795.33**	**1,134.41**	**1,555.18**	**1,667.15**	**1,876.78**
Energy Sales (in MU)	**2,208**	**2,459**	**3,029**	**3,160**	**3,463**
Average Cost of Supply	**3.60**	**4.61**	**5.13**	**5.28**	**5.42**
Revenue @ Existing Tariff	**766.92**	**871.02**	**1,100.58**	-	-
Add: Sharing of Gains till FY 2011-12	6.97	-	-	-	-
Add: Income Tax on sharing of gains	2.26	-	-	-	-
Revenue Gap/ (Surplus) for the year	**37.65**	**263.39**	**454.60**	-	-
Add: Past recoveries & Other Gaps	-	45.98	328.40	-	-
Total Revenue Gap / (Surplus) including past periods	**37.65**	**309.36**	**783.00**	-	-

Proposed tariff for FY 2013-14

3.11 In its tariff petition for FY 2013-14, the Petitioner has proposed an average tariff hike of approx. 70% to reduce the revenue gap by Rs.783 Cr during FY 2013-14. Average revenue from proposed tariff for FY 2013-14 comes out to be Rs. 6.19/kWh as compared to Rs. 3.63/kWh computed from the existing tariff for FY 2013-14. The consumer category-wise tariff proposal by TSL for FY 2013-14 has been summarized in Table 7:

Table 7: Tariff proposed by the Petitioner for FY 2013-14

Consumer Category	Fixed Charges (Rs/month or Rs/kVA/month or part thereof)			Energy Charges (Rs/kWh)		
	Slab	Existing	Proposed	Slab	Existing	Proposed
Domestic						
Domestic DS-I	220 V single phase up to 5 kW	10	15	0-100	1.75	2.20
Domestic DS-II	415 V three phase above 5 kW	20	25	101-400	2.95	3.70
Domestic DS-III				401 & Beyond units	3.25	4.10
Domestic DS HT	For all units	275	345	For all units	3.10	4.20
Commercial	220 V single phase up to 5 kW	25	50	For all units	4.60	7.35
	415 V three phase above 5 kW	75	150	For all units		
High Tension -1	For all units (Rs/kVA/month)	220	375	For all units	3.70	6.30
High Tension –II	For all units (Rs/kVA/month)	220	375	For all units	3.60	6.30
High Tension -III	For all units (Rs/kVA/month)	200	375	For all units	3.50	6.30
High Tension –IV	For all units (Rs/kVA/month)	200	375	For all units	3.50	6.30
Utilities / Street Light	For all units	22	30	For all units	3.10	3.70
Temporary supply	-	-	-	For all units	5.50	6.60

A4: PUBLIC CONSULTATION PROCESS

4.1 The tariff petition evoked response from several consumers. A public hearing was held on March 14th, 2014 in Jamshedpur to ensure the maximum public participation wherein the Petitioner presented a summary of the Petition filed by it to the Commission as well as to the public.

4.2 The members of the public put forth their comments and suggestions before the Commission in the presence of the Petitioner. One hundred and six persons took part in the public hearing process. The list of the attendees is attached in **Annexure 1**. The Commission also received written suggestions/ comments by the public on the tariff petition filed by the Petitioner.

4.3 During the course of public hearing, the Commission allowed persons/ representatives of entities, who had not submitted prior written representations but attended the public hearing, to express their views regarding the MYT petition filed by the Petitioner for the control period FY 2013-14 to FY 2015-16.

4.4 The issues raised in the written submissions, by the participants in the hearing and the reply of the Petitioner have been summarised below. The Commission views have also been presented in detail below.

Delay in consideration of petition for fixation of tariff for FY 2013-14

Public Comments/Suggestions

4.5 The objectors expressed concern regarding the tariff determination exercise for FY 2013-14 on the basis of MYT Petition for the control period FY 2013-14 to FY 2015-16 which was based on provisional data for FY 2012-13 whereas actual audited data for the said year is now available with the Licensee. The objectors also enquired about the status of filing of True up Petition for FY 2012-13.

Petitioner's Response

4.6 The Petitioner submitted the True up petition for ARR of FY 2012-13 to the Commission vide its letter No. PBD /464 / 59 / 2013 dated 15th November 2013.

Views of the Commission

4.7 The Commission agrees that considerable delay has happened in finalisation of this Tariff Order. The reasons for delay in processing of the MYT Petition have been outlined in paragraphs 1.13 to 1.17 and 2.9 to 2.12 of this Order. Further, the Petitioner filed the audited data for FY 2012-13 for scrutiny of the Commission on 15th November 2013 and has also made several submissions on account of rising costs due to increase in power purchase costs.

4.8 On account of increasing power purchase costs, the Petitioner has also submitted separate petitions for pass through of variation in power purchase costs during FY 2012-13 and FY 2013-14 (upto September 2013).

4.9 In this regards, it is pertinent to mention that the Petitioner has been operating for over a year without any revision of its tariffs, while its costs (specifically power purchase costs) have been rising over the year. As the power purchase costs form approximately 80% of total ARR of the Petitioner, any increase in these costs has an adverse impact on financial viability of the utilities. The Commission observes that long term power procurement costs are beyond control of the Petitioner and any variation in this cost should be reviewed and pass through in accordance with the provisions of the JSERC (Multi Year Distribution Tariff) Regulations, 2010.

4.10 Moreover, as the present Petition pertains to the MYT period from FY 2013-14 to FY 2015-16, projections for the ARR submitted by the Petitioner need to be reviewed for prudence check. Thus, the Commission finds merit in reviewing the ARR petition filed for MYT period for FY 2013-14 to FY 2015-16 on provisional basis along with true up for FY 2011-12 and FY 2012-13 based on audited accounts.

Allocation of assets and cost

Public Comments/Suggestions

4.11 The objector enquired whether allocation statement in accordance with Regulation 6.51 of the Distribution Tariff Regulations, 2010 as approved by Board of Directors had been submitted to the Commission.

Petitioner’s Response

4.12 The Petitioner submitted that the Allocation statements form part of Audited Accounts which is signed by Chief (Financial Transaction Center) who has been authorized by the management to sign and approve. Being multinational and multi locations Company, the management has delegated the power to different level of officers at different locations.

Views of the Commission

4.13 The Commission has dealt with the issue of allocation of costs in previous years Tariff Orders and also while Truing up the O&M expenses for FY 2011-12 & FY 2012-13 in this Order. The Commission has already directed the Petitioner to complete the segregation of accounts for power service division. The Petitioner has previously submitted that from 1st April 2013, the actual cost of support functions would be captured by creating separate cost centres for different support functions. The Commission directs the Petitioner to file the next tariff petition along with the complete segregated accounts for power business division.

Adjustments in power purchase cost by prior period figures

Public Comments/Suggestions

4.14 The objector stated that credit notes of Rs 0.13 Cr for FY 2009-10 and Rs 3.09 Cr for FY 2010-11 were added by JUSCO in its ARR after the audited figures of FY 2011-12 to its power purchase cost from TSL. The objector asked whether such debit notes have been taken by TSL in its accounts and if these were raised after the audit of FY 2011-12 then where have such figures been shown in the ARR.

Petitioner's Response

4.15 The Petitioner submitted that the above amount was paid to JUSCO as per directive 14.14 of Tariff Order of Tata Steel for the year 2011-12 dated 27th August 2011. The Petitioner further submitted that the above amount was reflected in the respective year of ARR of Tata Steel.

Views of the Commission

4.16 The Commission has approved power purchase costs based on actual bills, tariffs approved by it in previous tariff orders, and as such no additional burden have been allowed as pass through.

Typographical Errors

Public Comments/Suggestions

4.17 The objectors had noticed several typographical errors in the Petition and also data submitted was not consistent throughout the Petition.

Petitioner's Response

4.18 The Petitioner admitted that there was a typographical error and has submitted revised numbers and also submitted such errors will not be repeated in subsequent petitions.

Views of the Commission

4.19 The Commission appreciates the observation of the objector. The Petitioner should ensure that there are no typographical errors / mistakes in the subsequent Petitions.

Consumer contribution

Public Comments/Suggestions

4.20 The objector states that the Petitioner is taking contributions from its prospective customers for providing connections to individual consumers. In this regard, the objectors have pointed out that the Petitioner should specify the regulation/Clause of JSERC under which the consumer contribution has been taken from the consumers and how is this contribution reflected in accounts vis-à-vis assets are kept and reconciled.

Petitioner's Response

4.21 The Petitioner submitted that it has collected the consumer contribution in accordance with the JSERC Supply code Regulations 2004 Chapter 3 and as per Electricity Act 2003 Section 46.

4.22 The Petitioner submitted that the general guideline of recovering the installation charges is recovery of all reasonable costs involved in providing the connections to the consumers

4.23 The Petitioner also submitted that as soon as any assets are created out of capital contribution, the same is capitalized in its books. The amount of capital contribution is transferred to Capital Reserve. Capital contribution is accounted for in the audited accounts on annual basis. The Petitioner clarified that it does not get any kind of interest on normative loan, Return on Equity or Depreciation from the amount of capital asset created out of Capital contributions from customers.

4.24 The Petitioner also clarified that it does not get any kind of interest on normative loan, Return on Equity or Depreciation from the amount of capital asset created out of capital contributions from customers.

4.25 The Petitioner further submitted that the projection of capital contribution is made on estimated basis by discussing the prospective consumers.

Views of the Commission

4.26 The Commission does not allow pass through of depreciation costs, interest and finance charges and return on equity for assets created out of consumer contribution in accordance with the Distribution Tariff Regulations 2010.

GFA and Depreciation

Public Comments/Suggestions

4.27 The objector stated that the working of depreciation figures for the Transformers (incl. Foundation)>= 100 kV amp and Underground cable, joint/ disconnection boxes to match the figures of the corresponding table should be given. Further, the objector stated that the capital investment plan as approved by the Commission in terms of Para 5.9 of the Distribution Tariff Regulations 2010 may be submitted for study.

4.28 The Objectors also asked the Petitioner to provide basis of calculation of depreciation amount as rates and amounts of GFA as provided in Tables 35 and 37 of the Petition.

Petitioner's Response

4.29 The Petitioner submitted separate details of depreciation claimed on following assets as desired by the objectors.

Table 8: Specific asset-wise details of Depreciation

Assets	Depreciation Rate	Opening GFA	Additions	Depreciated	Depreciation
Transformers	7.81%	42.58	5	2.38	3.24
UG Cables	5.27%	39.69	4.84	6.28	1.82

4.30 The petitioner stated that depreciation is not charged on fully depreciated assets and depreciation on assets added during the year is charged for period of utilization. The Petitioner submitted that the Depreciation amount for a year is calculated on the basis of period of existence of each asset (i.e. either for full year of part of the year) multiplied by its value and the relevant depreciation rate notified in the regulation. This calculation is done for each asset and the total depreciation amount is arrived at by adding the individual depreciation amounts of each asset. Also assets fully depreciated are not considered for depreciation although these assets form part of GFA.

4.31 Further, the Petitioner submitted that in tables 35 & 37 of the Petition, GFA includes Rs 12 Cr worth of fully depreciated assets and additional depreciation for assets added during the FY 2012- 13.

Views of the Commission

4.32 The Commission is of the view that the Petitioner should carefully prepare the petition and review it thoroughly before submitting it to the Commission in order to minimize the errors. Further, regarding the methodology and basis of arriving at the depreciation, the Commission in its previous Orders has specified detailed methodology and same has been considered in this Order.

Reasonable Rate of Return

Public Comments/Suggestions

4.33 The objector stated that the Petitioner has grossed up the Return on Equity of 15.50% by 22.95% to make it pre-tax rate by taking the flat Income Tax rate of 32.45%. In this regard, the objector further stated that there are many adjustments/factors for arriving at taxable profit on which this flat rate of income tax is applicable. Thus, a true and correct income tax payable on normative return should be found out by taking into account depreciation and other applicable provisions of the Income Tax Act, 1961.

Petitioner's Response

4.34 The petitioner submitted that Income Tax liability is determined for the company as a whole. It is very difficult to compute the actual tax liability for a division of a company. The Petitioner also stated that for the sake of simplicity it had claimed tax only on the ROE.

Views of the Commission

4.35 The Commission states that the issue of rate of return and income tax has been dealt in the relevant sections of this Order related to true-up of ARR for FY 2011-12 & FY 2012-13 and ARR for MYT period from FY 2013-14 to FY 2015-16.

Distribution Loss

Public Comments/Suggestions

4.36 The objector stated that analysis should be carried out on the power given to thirteen consumers in the HT-III category and that comparison with other licensees is useful only when compared to the same consumer base such as semi urban, urban or rural network of Distribution. The objectors also stated that the incentive for reduction in losses is not justified considering the overall distribution network of the Petitioner.

Petitioner's Response

4.37 The petitioner submitted that the Utilities having a larger consumer base have higher O&M expense and that it has put in efforts to reduce T&D losses as well as O&M expenses and hence the claim for incentives is justified. The Petitioner further stated that in the absence of such incentive the distribution companies may not take sufficient initiatives to control and reduce T&D Losses. The Petitioner also submitted the contract demand of thirteen HT-III category consumers.

Views of the Commission

4.38 The Commission has taken a view on passing on the incentive in relevant section of this Order related to true up of FY 2011-12 and FY 2012-13.

Power Purchase Cost

Public Comments/Suggestions

4.39 The objector gave a reference to paragraph 3.3.2 of the MYT Petition and stated that the Petitioner has shown the cost of power has gone up from the actual audited cost from Rs 704.52 Cr to Rs 711.38 Cr because it has followed the methodology of Commission. The objector stated that the Petitioner was being allowed a normative profit of Rs 6.86 Cr due to such a policy of JSERC and suggested that the Commission should revisit the policy / methodology in this regard.

Petitioner's Response

4.40 The petitioner stated that the Commission had determined the rate for Tata Steel captive supply at lowest cost of purchase power source. The Petitioner further stated that it has two approved sources DVC and Tata Power. As the tariff of Tata Power is the lowest tariff, the same is considered for TSL captive supply in transparent manner

Views of the Commission

4.41 The Commission appreciates the concern of the objector and shall consider making appropriate amendment to the methodology as required while determining the tariffs for FY 2014-15. However in the case of true up for FY 2011-12 & FY 2012-13, the Petitioner has followed the approved methodology and as such the methodology shall not be revisited post facto.

Tariff Proposal for FY 2013-14

Public Comments/Suggestions

4.42 The objector stated that as per the tariff hike proposal, domestic consumers as well HT consumers were worst hit and that tariff hike in the range of 47% to 80% in a single year was not justified.

Petitioner's Response

4.43 The petitioner stated that the tariff hike has been proposed in the Revenue Requirement as per terms and conditions of the Regulations.

4.44 The petitioner further stated that it was evident from table -28 (in the MYT petition) that power cost has gone up by 21% in FY 2012-13, and 39% in FY 2013-14 over the approved rate of FY 2012-13. Being uncontrollable, power purchase cost is pass-through cost. If it is not recovered, it will be converted into regulatory assets and will attract 14.75% as carrying cost which will be recovered from tariff of subsequent year

Views of the Commission

4.45 The Commission has analysed the projections submitted for MYT period and accordingly dealt with this issue in the section on revenue from existing tariff and treatment of revenue gap of this Order.

Voltage Rebate and Power Factor Rebate

Public Comments/Suggestions

4.46 The objector stated that the Petitioner had proposed voltage and power factor rebates. In the case of voltage rebates the Petitioner, the eligible consumers included consumers who had outstanding dues but such dues had been stayed by the appropriate authority / courts. However in case of power factor rebates such consumers (with dues but stay order by appropriate authority / courts) shall not be eligible for any rebates.

Petitioner's Response

4.47 The Petitioner submitted that the rebate on power factor is as per approved clauses of the JSERC Regulations.

Views of the Commission

4.48 The Commission in its previous tariff order had clarified that voltage rebate will be available only on monthly basis and consumer with arrears shall not be eligible for this rebate. However, the applicable voltage rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.

4.49 Further, in case of power factor rebate, the Commission clarifies that all consumers will be eligible for power factor rebate and liable for power factor penalty regardless of any arrears or outstanding due amounts.

Re-categorisation of Consumer category

Public Comments/Suggestions

4.50 The objector submitted that the Council of Scientific & Industrial Research (CSIR) - National Metallurgical Laboratory (NML) has been categorised as Industrial consumers since its inception. However as it is purely a non-profit organisation utilizing the electricity for Research & Development (R&D) purposes alone, hence such organisations should be re-categorised as either DS-HT category or form a new separate category with lower tariff than industrial consumers.

Petitioner's Response

4.51 The Petitioner submitted that as per the National Tariff Policy, it has been suggested that the electricity tariff should be in line with the cost of supply and subsidised tariff may be given to a consumer who has low paying capacity and the difference should be cross subsidised by other consumers who have higher paying capacity. Further the Petitioner adds that charging a subsidised tariff for one particular consumer shall not be reasonable.

Views of the Commission

4.52 The Commission views that it is against the provisions of the National Tariff Policy to charge a lower tariff for a particular category having similar load to an industrial unit on grounds of it being a research institute. Hence no separate category has been carved out for NML or any one particular consumer.

A5: TRUE-UP FOR FY 2011-12

5.1 The Commission has approved the revised estimates of ARR for FY 2011-12 in its Order dated 15th June 2012 after taking in to consideration the provisional accounts and other relevant additional information submitted by the Petitioner during the review exercise of ARR for FY 2011-12.

5.2 The Petitioner has now sought approval for the truing-up of expenditure and revenue based on the audited accounts for FY 2011-12.

5.3 Based on the audited accounts and other information made available by the Petitioner, the Commission has analysed all the components of revenue and expenditure for FY 2011-12 and has undertaken the truing-up exercise of various components after a prudence check. The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

Energy Balance

Petitioner's Submission

5.4 The Petitioner submitted the actual energy sales, distribution losses and power purchase as per its audited annual accounts for FY 2011-12.

5.5 Accordingly, the Petitioner submitted the actual energy available and energy sales (including sales to steel works) for FY 2011-12 as 2322.00 MU and 2208.00 MU, respectively. Further, the actual distribution losses achieved by TSL for FY 2011-12 are 4.88% which are 0.16% less than the loss approved by the Commission in the previous Tariff Order.

Commission's analysis

5.6 During FY 2011-12, the Petitioner has procured power from Tata Power Company Ltd (TPCL), Damodar Valley Corporation (DVC) and Tata Steel Works - captive (TSW-Captive) for meeting energy requirements of its steel works and consumption in its licensed area.

5.7 The Commission has considered 1469.86 MU as the total quantum of power purchased from TPCL's Unit II and Unit III during FY 2011-12 as approved by Commission for FY 2011-12 in the Annual Performance Review (APR) Order for TPCL for FY 2012-13 (including truing-up for FY 2011-12) dated 28th April, 2014.

5.8 With respect to the power purchased from DVC, the Commission has approved 349.14 MU for FY 2011-12 after scrutinizing the power purchase bills issued by DVC to the Petitioner.

5.9 In addition, the Commission approves 508.94 MU as energy transferred from Tata Steel Works (TSW) to TSL during FY 2011-12 after scrutinizing the energy accounting statement submitted by the Petitioner. The quantum of 508.94 MU as transferred from TSW is also reflected in the audited annual accounts of TSL for FY 2011-12.

5.10 Thus, the Commission approves the total energy available to TSL during FY 2011-12 from TPCL, DVC & TSW to be 2327.94 MU.

5.11 Based on audited annual accounts, the Commission now approves the energy sales for FY 2011-12 at 2208.49 MU including 198.84 MU on account of sales to other licensee/ JUSCO. The Commission also verified the sales to JUSCO at 198.84 MU from the power purchase bills of TSL to JUSCO for FY 2011-12.

5.12 The Petitioner had submitted the overall T&D loss of 4.88% for FY 2011-12. However on scrutiny of the power purchase bills, the Commission observed that the overall purchase from TPCL works out to be 1469.86 MU as opposed to the Petitioners submission of 1464.00 MUs, leading to overall T&D loss to be 5.13% for FY 2011-12. Thus, the Commission approves the overall T&D losses at 5.13% for FY 2011-12.

5.13 The following table details the energy sales, distribution losses and power purchase as approved by Commission in previous Tariff Order, actual now submitted by the Petitioner and approved by the Commission for FY 2011-12.

Table 9: Energy Balance (MUs) for FY 2011-12

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
A. ENERGY REQUIREMENT			
Sales to Other Licensee	198.85	199.00	198.84
Dist. Losses on Sales to Other Licensee	0.00%	0.00%	0.00%
Units Lost on Sales to Other Licensee	-	-	-
Energy Req. for Sales to Other Licensee	198.85	199.00	198.84
Sales to Other Consumers	2,011.70	2,010.00	2,009.65
Dist. Losses on Sales to Other Consumers	5.51%	5.34%	5.61%
Units Lost on Sales to Other Consumers	117.39	113.00	119.45
Energy Req. for Sales to Other Consumers	**2,129.09**	**2,123.00**	**2,129.10**
Overall Sales	2,210.55	2,208.00	2,208.49
Overall Distribution Losses %	5.04%	4.88%	5.13%
Overall Distribution Losses	117.39	113.00	119.45
TOTAL ENERGY REQUIREMENT	**2,327.94**	**2,322.00**	**2,327.94**

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
B. ENERGY AVAILABILITY			
- TPCL	1,469.86	1,464.00	1,469.86
- Damodar Valley Corporation 132kV	349.14	349.00	349.14
- TSW - Captive	-	-	-
- Transfer from steel works	508.94	509.00	508.94
Total Pooled Energy Availability	**2,327.94**	**2,322.00**	**2,327.94**

Power Purchase Cost

Petitioner's Submission

5.14 As mentioned above, the petitioner is procuring power from TPCL, DVC and TSW for its steel works and consumption in its licensed area, which is apportioned by it on the basis of share of Steel Works and power distribution business.

5.15 The Petitioner submitted that it had achieved the RPO target on an overall basis for FY 2011-12. The Petitioner also submitted that the Commission in previous Tariff Orders had allowed the petitioner to interchange the RPO obligations for FY 2011-12 due to shortage of solar power in market and certificates being traded in power exchange. The Petitioner submitted that it purchased 46.88 MUs worth of RECs at cost of Rs. 14.25 Cr.

5.16 The Petitioner submitted that the total power purchase cost for FY 2011-12 worked out to be Rs 711.38 Cr. However the power purchase cost as per audited accounts was Rs 704.52 Cr. The difference in power purchase cost was on account of the methodology adopted by the Commission for treatment of TSL works wherein the lowest cost of power purchase source to be considered. The Petitioner had accordingly considered the rate of Tata Power for TSL works on an annualised basis.

Commission's Analysis

5.17 The Commission approves the power purchase cost of TSL from TPCL based on the quantum of power purchased and the rate as approved by the Commission for FY 2011-12 in the Annual Performance Review (APR) Order for TPCL for FY 2012-13 (including truing-up for FY 2011-12) dated 28th of April 2014.

5.18 Accordingly Commission approves power purchase cost of Rs. 204.03 Cr at the rate of Rs.2.82 per unit from TPCL-Unit II and Rs. 206.43 Cr at the rate of Rs.2.76 per unit from TPCL-Unit III. The total power purchase cost from TPCL-Unit II and Unit III works out to Rs.410.46 Cr at an average rate of Rs.2.79 per unit.

5.19 The power purchase cost from DVC has been approved by the Commission to be Rs. 134.08 Cr based on scrutiny of actual power purchase bills issued by DVC to the Petitioner. Same has also been verified from the audited accounts for FY 2011-12.

5.20 As per the methodology set by the Commission in previous Tariff Order, the Petitioner has projected the power purchase cost from TSW – captive to be Rs.145.27 Cr based on the old rate of power purchase from TPCL for FY 2011-12 i.e. Rs. 2.85 per unit as approved by the Commission in previous Tariff Order. The Commission, on the other hand, has determined the new rate of power purchase from TSW – Captive to be Rs. 2.79/kWh after adjusting for final true up of generation cost of TPCL, which is the lowest rate of power sourced from any source during FY 2011-12 as approved by the Commission now. Accordingly, the Commission approves Rs. 142.12 Cr as the power purchase cost from TSW – Captive for FY 2011-12.

5.21 The Renewable Purchase Obligation (RPO) of the Petitioner for FY 2011-12 based on the actual energy requirement works out to 46.56 MU which includes solar RPO of 5.82 MU and non-solar RPO of 40.74 MU. As per the details submitted by the Petitioner along with previous Tariff petition and the bills submitted for purchase of RECs from Indian Energy Exchange (IEX), the Petitioner had purchased actual non-solar RECs totalling 46.88 MU. As there were no solar RECs available in the market at the time, the Petitioner had not purchased any solar RECs to meet its solar RPO target and had requested the Commission to set-off excess non-solar RECs purchased against the solar RPO targets.

5.22 The Commission notes that the Petitioner has purchased its entire RPO target through non-solar RECs and as this was the first year of meeting RPO as well as Solar RECs were not easily available in the market, the Commission agrees to set off the Solar RPO target for the year against the non-solar RECs purchased. However, in future the Commission makes it mandatory to meet solar RPO only through purchase of solar power or solar RECs from power exchange. The cost of purchase of total 46.88 MU equivalent RECs as per the supporting bills was Rs.14.25 Cr for FY 2011-12 and same has been approved by the Commission. However, the excess RPO met equivalent to 0.32 MU shall be set off against the target for FY 2012-13 so as not to burden state consumers with higher RPO.

5.23 Thus, the Commission has approved the total power purchase cost for FY 2011-12 at Rs. 700.91 Cr. Following table summarizes the power purchase cost for FY 2011-12 as approved by the Commission in the previous Tariff Order for FY 2012-13, the actual power purchase cost submitted by the Petitioner in the present petition and now approved by the Commission.

Table 10 : Power Purchase Cost for FY 2011-12 (Rs Cr)

Particulars		Approved in Tariff Order for FY 2012-13	Actual submitted by Petitioner	Approved now by the Commission
A. Tata Power Company Ltd				
Units Purchased (MU's)	*Unit II*	722.28	720.00	722.28
	Unit III	747.58	744.00	747.58

Particulars		Approved in Tariff Order for FY 2012-13	Actual submitted by Petitioner	Approved now by the Commission
	Total	**1,469.86**	**1,464.00**	**1,469.86**
Per Unit Price (Rs. / kWh)	*Unit II*	2.80	2.89	2.82
	Unit III	2.76	2.82	2.76
	Total	**2.78**	**2.85**	**2.79**
Power Purchase Cost (Rs. Cr)	*Unit II*	202.38	207.80	204.03
	Unit III	206.05	209.98	206.43
	Total	**408.43**	**417.78**	**410.46**
B. Damodar Valley Corporation				
Units Purchased (MU's)		349.14	349.00	349.14
Per Unit Price (Rs. / kWh)		3.81	3.84	3.84
Power Purchase Cost (Rs. Cr)		**133.02**	**134.08**	**134.08**
C. Purchase of RECs				
Cost (Rs Cr)		**14.25**	**14.25**	**14.25**
D. Net transfers from Steel Works				
Units Purchased (MU's)		508.94	509.00	508.94
Per Unit Price (Rs. / kWh)		2.78	2.85	2.79
Power Purchase Cost (Rs. Cr)		**141.42**	**145.27**	**142.12**
E. Net Power Purchase cost (A+B+C)				
Units Purchased (MU's)		2,327.94	2,322.00	2,327.94
Power Purchase Cost (Rs. Cr)		**697.12**	**711.38**	**700.91**
Per Unit Price (Rs. / kWh)		2.99	3.06	3.01

Operation and Maintenance expenses

Petitioner's Submission

5.24 The Petitioner submitted that it has outsourced its power distribution operations to JUSCO and majority of the O&M activities are undertaken by JUSCO.

5.25 The Petitioner has further submitted that the actual O&M expenses incurred for FY 2011-12 are higher primarily due to increase in expenditure incurred on substations (Common Infrastructure) and slight increase in A&G expenses and direct employee cost.

Commission's Analysis

5.26 The Commission has trued up the O&M expenses for FY 2011-12 on the basis of the audited accounts. However, the Commission notes that even after repeated directives, the audited accounts still do not provide the break-up of Employee costs & R&M costs separately, which are clubbed under the head of '*O&M expenses paid to JUSCO*'. The Commission again directs the Petitioner to segregate the amount pertaining to employee costs and R&M costs as it would help in recognising the costs under the appropriate heads and submit the same with the next petition.

5.27 The Commission considers the aforesaid principles as a temporary measure till March' 13 for the purposes of approving the ARR for FY 2011-12 & FY 2012-13. However, the Commission is of the view that separate accounting of regulated businesses is necessary to be able to identify the legitimate costs of the Petitioner. Further with the shift towards preparation of Regulatory Accounts, such segregation would become imperative.

5.28 In order to approve the Annual performance review/ True up of ARR for the MYT period from FY 2013-14 to FY 2015-16 based on provisional/ audited accounts, the Commission shall only considered fully segregated audited accounts of the Petitioner and in absence of same, the Commission may attract penalty by the Petitioner. Accordingly, the Commission again directs that w.e.f. 1st April 2013; the Petitioner should submit fully segregated detailed accounts along with the attached schedules as per the Companies Act 1956 for its Power Business Division. Further, the Audited accounts should have separate details of employee costs, R&M costs and A&G costs for the power business division.

5.29 In view of the above, for the purposes of approving the True up for FY 2011-12, the Commission has decided to allow the O&M costs in this Tariff Order as per the audited accounts and other information submitted by the Petitioner, after a prudence check.

5.30 The Commission has approved the direct A&G, R&M and employee costs in accordance with the audited accounts for FY 2011-12.

5.31 With respect to the O&M cost of common infrastructure, the Commission in its previous Tariff Orders had observed that the allocation ratio of common expenses submitted by the Petitioner was vague and high in comparison of average allocation ratio of previous years. The Commission had analyzed the past data and found that on an average 27% of total Golmuri substation expenses had been allocated to power business division. The Petitioner has once again allocated the O&M expenditure towards common infrastructure to power business division on the basis of two cost centres wherein expenditure booked under 1st cost centre is allocated in ratio of 70:30 and from 2nd cost centre in 30:70. Thus, the Petitioner has allocated approx. 36.6% of the total expenditure of common infrastructure in FY 2011-12 to Power business Division. However, the Commission has continued with the methodology adopted in the Tariff Order for FY 2012-13 and allocated 27% of the O&M expenditure of common infrastructure towards the Power Business Division. For FY 2011-12, the Commission approves the expense of Rs 8.32 Cr towards O&M of common infrastructure as against the Petitioners submission of Rs 11.30 Cr.

5.32 Further, the Petitioner also claimed expenses of Rs 0.10 Cr towards DSM and CGRF and submitted that these expenses had not been included in the O&M expenses head. The Commission has scrutinized the audited accounts and allowed the DSM and CGRF expenses of Rs 0.10 Cr under A&G expenses.

5.33 The total O&M expenses approved by the Commission for FY 2011-12 works out to Rs.53.44 Cr (including Rs. 0.10 Cr of CGRF expenses) compared to Rs.56.42 Cr submitted by the Petitioner. The following table summarizes the O&M expenses for FY 2011-12 as approved by the Commission in previous Tariff Order, actual submitted by the Petitioner and approved now by the Commission.

Table 11: O&M Expenses (Rs Cr) for FY 2011-12

Particulars	Approved in Tariff Order for FY 2012-13	Actual submitted by the Petitioner	Approved now by the Commission
A. A&G Costs			
General A&G Expenses	8.85	7.67	7.67
Miscellaneous Expenses	0.34	0.25	0.25
Billing & Collection Expenses - JUSCO	2.14	2.14	2.14
Electricity Surcharge	1.00	1.00	1.00
Rates and Taxes	0.24	0.24	0.24
Consultancy Fees	-	0.31	0.32
CGRF Expenses	-	0.10*	0.10
A&G Costs – JUSCO	-	1.30	1.30
Sub-Total - (A)	**12.56**	**13.00**	**13.02**
B. R&M Costs			
Direct Expenses	18.13	18.54	18.53
Indirect Expenses	-	-	-
Expenses towards common infrastructure	8.37	11.30	8.32
Sub-Total - (B)	**26.50**	**29.84**	**26.85**
C. Employee Costs			
Direct Expenses	11.39	12.19	12.19
Indirect Expenses	0.74	1.39	1.39
Arrears	-	-	-
Sub-Total - (C)	**12.12**	**13.58**	**13.58**
TOTAL O&M COSTS	**51.18**	**56.42**	**53.45**

** Submitted as separate head by the Petitioner under CGRF head. As it forms part of the A&G expenses, the Commission has included CGRF expenses in A&G costs and not separately.*

Capital Works In Progress (CWIP) & Gross Fixed Asset (GFA)

Petitioner's submission

5.34 The Petitioner submitted the CWIP and GFA for FY 2011-12 as per the audited accounts. The Petitioner further submitted that the closing CWIP approved by the Commission in the previous Tariff Order was in variation with the audited accounts due to the capital expenditure which was now submitted to be as Rs 300.51 Cr.

Commission's analysis

5.35 The Commission scrutinised the audited information provided by the Petitioner for actual additions to GFA, CWIP & capital expenditure during FY 2011-12. The actual capital expenditure as per the audited accounts works out to Rs.300.20 Cr during FY 2011-12.

5.36 Accordingly, the Commission has approved the GFA, CWIP and capital expenditure incurred during the year as per the audited accounts for FY 2011-12.

5.37 Following table summarises the GFA & CWIP as approved by the Commission in the previous Tariff Order for FY 2012-13, the actual submitted by the Petitioner in present petition and now approved by the Commission for FY 2011-12.

Table 12: CWIP and GFA for FY 2011-12 (Rs. Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Capital Works in Progress (CWIP)			
Opening CWIP	5.64	5.64	5.64
Add: Additions (Capex during FY)	236.09	300.51	300.20
Total CWIP	**241.73**	**306.15**	**305.84**
Less: T/fed to GFA during FY	19.30	19.15	18.85
Closing CWIP	**222.43**	**325.30**	**287.00**
Gross Fixed Assets (GFA)			
Opening GFA	141.51	141.51	141.51
Add: T/fed from CWIP	19.30	19.15	18.85
Closing GFA	**160.81**	**160.35**	**160.35**

Depreciation

Petitioner's Submission

5.38 The Petitioner submitted that the computation of depreciation was based on Straight Line Method depreciation rates provided in Appendix I of the Distribution Tariff Regulations 2010. The depreciation costs proportionate to the extent of fixed assets being funded through Consumer Contribution amounting to Rs. 0.58 Cr had been deducted from the total depreciation in order to arrive at the net depreciation allowable to be charged in the ARR.

5.39 The Petitioner submitted that the net depreciation allowable to be charged to the ARR of FY 2011-12 was Rs. 8.74 Cr as against Rs. 7.34 Cr allowed by the Commission in its previous Tariff Order.

Commission's Analysis

5.40 The Commission has estimated the gross depreciation amount as per the opening and closing GFA in the audited accounts and the depreciation rates as per the relevant regulations. Further the depreciation has been considered as net of depreciation on account of consumer contribution.

5.41 The depreciation on account of consumer contribution has been calculated as per the methodology adopted in the previous year's Tarff Order, as per the ratio of actual consumer contribution during the year and closing GFA for FY 2011-12.

5.42 Following table summarizes the gross and net depreciation as approved by the Commission in previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2011-12.

Table 13: Depreciation for FY 2011-12 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Gross Depreciation	9.36	9.32	9.32
Less: Dep. on account of Consumer Contri.	2.02	0.58	2.02
Net Depreciation	**7.34**	**8.74**	**7.30**

Interest and Other Finance Charges

Interest on Loan

Petitioner's Submission

5.43 The Petitioner submitted normative interest on loan at Rs. 3.67 Cr for FY 2011-12 as per the methodology prescribed by the Commission in previous Tariff Orders and considering interest rate of 13.00 % p.a.

Commission's Analysis

5.44 In accordance with the Distribution Tariff Regulations, 2010 and the principles adopted in the previous tariff orders, the Commission has computed the normative loan for the year equal to 70% of the closing GFA. The GFA has been considered at net of consumer contribution while the normative repayment is deemed to be equal to the depreciation charge during the year.

1.2 Further, in accordance with the Tariff Regulations, 2010, interest on normative loan has been calculated on the average normative loan outstanding during the year at the interest rate of 13.00% per annum which corresponds to SBI PLR as on 1st April 2011. Accordingly, the Commission approves interest on loan of Rs. 2.44 Cr. for FY 2011-12.

5.45 The following table summarises the interest on loan as approved in the previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2011-12.

Table 14: Interest on Loan for FY 2011-12 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Opening Balance of Normative Loan	20.39	30.55	20.39
Deemed Addition during the year	4.46	4.13	4.14
Deemed Repayment	7.34	8.74	7.30
Closing Balance of Deemed Loan	17.50	25.94	17.22
Average balance during the Year	**18.94**	**28.24**	**18.80**
Interest Rate	13.00%	13.00%	13.00%
Interest Payment	**2.46**	**3.67**	**2.44**

Interest on Security Deposits

Petitioner's Submission

5.46 The Petitioner has provided for interest on security deposits at an interest rate of 6% p.a. till 13th Feb 2012 and at 9.50% from 14th Feb 2012 to 31st March 2012 due to change in RBI Bank rate effective from 14th Feb 2012. Accordingly for FY 2011-12, the Petitioner has estimated the interest on security deposit to Rs.0.43 Cr.

Commission's Analysis

5.47 The Commission has approved interest on security deposit as per the audited accounts for FY 2011-12. The following table summarizes the interest on security deposits as approved in the previous tariff order, actual now submitted by the Petitioner and approved now by the Commission for FY 2011-12.

Table 15: Interest on Security Deposits for FY 2011-12 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Opening Security Deposit	6.00	6.00	6.00
Security Deposit received during FY	1.72	3.13	3.13
Closing Security Deposit	**7.72**	**9.13**	**9.13**
Interest on Security Deposit	**0.41**	**0.43**	**0.45**

Interest on Working Capital

Petitioner's Submission

5.48 The Petitioner submitted normative interest on working capital at Rs 8.72 Cr for FY 2011-12 as per the methodology prescribed by the Commission and considering an interest rate of 13.00%.

Commission's Analysis

5.49 The Commission has allowed interest on working capital for FY 2011-12 as per the methodology specified in the Distribution Tariff Regulations 2010. The interest rate of 13% p.a. as already approved in the Tariff Order for FY 2012-13 has been considered for the purposes of estimating interest on normative working capital. Accordingly, the Commission has approved a total of Rs 8.86 Cr as interest on working capital for FY 2011-12.

5.50 Following table summarizes the interest on working capital as approved in the previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2011-12.

Table 16: Interest on Working Capital for FY 2011-12 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Receivables for 2 months' sale @ existing tariff	128.92	127.82	128.25
O&M expenses for 1 month of power purchase	4.27	4.69	4.45
Maintenance spares @ 1% of Op. GFA	1.42	1.42	1.42
Sub-total	**134.60**	**133.93**	**134.12**
Less: Sundry creditors & security deposit	6.86	7.56	7.56
Less: Power Purchase Cost for 1 Month	58.09	59.28	58.41
Total Working Capital	**69.65**	**67.08**	**68.15**
Interest Rate (%)	13.00%	13.00%	13.00%
Interest on Working Capital	**9.05**	**8.72**	**8.86**

5.51 Following table summarises the total interest and other finance charges as approved in the previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2011-12.

Table 17: Interest and Other Finance Charges for FY 2011-12 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Interest on Debt	2.46	3.67	2.44
Interest on Security Deposit	0.41	0.43	0.45
Interest on Working Capital	9.05	8.72	8.86
Total Interest and Finance Charges	**11.93**	**12.82**	**11.75**

Return on Equity (RoE)

Petitioner's Submission

5.52 The Petitioner submitted that, the normative equity had been taken at 30% of the total CWIP capitalised during the FY 2011-12 net of Consumer Contribution being transferred to Capital Reserve. Accordingly, Petitioner submitted RoE for FY 2011-12 to Rs 8.44 Cr.

Commission's Analysis

5.53 In accordance with the Tariff Regulations, 2010, the Commission has considered the equity base to be equal to 30% of GFA. The GFA has been considered net of consumer contribution.

5.54 The Commission has also allowed a rate of return of 15.5% (post tax) on equity for FY 2011-12, which is as specified in the Clause 6.20 of the Distribution Tariff Regulations, 2010. Further, as per the audited accounts for FY 2011-12 the Power Business Division of the Petitioner has reported a negative Profit before tax (PBT) of Rs. 3.58 Cr. Thus, there is no assessable income for income tax purposes pertaining to the Power Business Division of the Petitioner for FY 2011-12. Accordingly, the Commission approves the RoE for FY 2011-12 @ post tax return of 15.5% only, which is in line with the methodology followed by the Commission in previous Tariff Orders. Thus, the Commission has approved ROE as Rs. 5.70 Cr for FY 2011-12.

5.55 The following table summarizes the return on equity as approved in the previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2011-12.

Table 18: Return on Equity for FY 2011-12 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Opening Balance of Normative Equity	35.91	35.91	35.91
Deemed Additions	1.77	1.77	1.77
Closing Balance of Normative Equity	37.68	37.68	37.68
Average Equity	**36.80**	**36.80**	**36.80**
Rate of Return (%)	22.94%	22.94%	15.50%
RoE	**8.46**	**8.44**	**5.70**

Incentive on loss reduction

Petitioner's Submission

5.56 The Petitioner has submitted claim of sharing of efficiency of gains on savings of power purchase cost due to loss reduction. Accordingly, petitioner has estimated incentive for loss reduction as Rs. 6.97 Cr and income tax on savings of Rs. 2.26 Cr for FY 2011-12.

Commission's Analysis

5.57 In the Tariff Order for FY 2012-13, the Commission had approved the distribution losses at 5.51% for FY 2011-12. While, as per the audited accounts the actual distribution losses of the petitioner for FY 2011-12 have been estimated at 5.61%. As the actual loss is higher than that approved by the Commission in previous Tariff Order for FY 2012-13, there is no incentive for loss reduction. It is pertinent to mention here that the Commission has not computed any penalty for increase in losses than that approved in previous tariff order as the overall losses achieved by the Petitioner are less than the target ceiling as prescribed in the Distribution Tariff Regulations 2010.

Non Tariff Income (NTI)

Petitioner's Submission

5.58 The Petitioner submitted actual non tariff income for FY 2011-12 to be Rs 2.48 Cr as per the audited annual accounts for FY 2011-12.

Commission's Analysis

5.59 The Non tariff income includes meter rent, equipment charges, hire charges from electrical installations and supervision charges.

5.60 The Commission in its previous tariff order for FY 2012-13 had approved Rs 3.67 Cr as the non tariff income for FY 2011-12 subject to revision based on the actual as per the audited annual accounts for FY 2011-12.

5.61 It is to be noted that the Petitioner has reported incorrect figures for non-tariff income, as the audited accounts for the year reflect a higher non-tariff income of Rs.3.53 Cr. Thus, the Commission approves Rs 3.53 Cr as non tariff income for FY 2011-12 as per the audited annual accounts for FY 2011-12.

Revenue from Existing Tariff

Petitioner's Submission

5.62 The Petitioner submitted the total revenue from sales during FY 2011-12 was Rs 766.92 Cr as per the audited annual accounts for FY 2011-12.

Commission's Analysis

5.63 The Commission in its previous Tariff Order for FY 2012-13 had approved the revenue from sale of power for consumers (excluding sales to other licensee/JUSCO) for FY 2011-12 to be Rs 709.98 Cr based on provisional accounts and subject to revision based on the actual as per the audited annual accounts for FY 2011-12. As per the audited annual accounts for FY 2011-12, the revenue from consumers (excluding sales to other licensee/JUSCO) is Rs.709.66 Cr and same has been approved now by the Commission.

5.64 The revenue from sale to other licensee/JUSCO has been considered as per the average power purchase rate now approved by Commission for FY 2011-12 as Rs. 3.01 per unit which work out to Rs. 59.87 Cr [*198.84 MU X 3.01 Rs/kWh*].

5.65 Accordingly, the Commission approves the total revenue from sales (including sales to other licensee/JUSCO) for FY 2011-12 at 769.53 Cr.

Summary of ARR for FY 2011-12

5.66 Following table contains a summary of ARR as approved in the previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2011-12.

Table 19: Summary of ARR for FY 2011-12 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Power Purchase Cost	697.12	711.38	700.91
O&M Expenses	51.18	56.42 *	53.45
Interest & Other Finance Charges	11.93	12.82	11.75
Depreciation	7.34	8.74	7.30
Total Costs	**767.57**	**789.37**	**773.41**
Add: Return on Equity	8.46	8.44	5.70
Less: Non-tariff income	3.67	2.48	3.53
Annual Revenue Requirement	**772.36**	**795.33**	**775.58**
Revenue @ Existing tariff	773.54	766.92	769.53
Revenue Gap / (Surplus)	**(1.18)**	**28.41**	**6.05**
Add: Sharing of gains on account of loss reduction	-	6.97	-
Add: Income tax on sharing of gains	-	2.26	-
Net Revenue Gap/ (surplus)	**(1.18)**	**37.65**	**6.05**

** Includes Rs. 0.10 Cr of expenditure claimed under DSM/CGRF expenses*

5.67 Accordingly, the Commission approves a revenue gap of Rs. 6.05 Cr for FY 2011-12 against the proposed gap of Rs. 37.65 Cr.

A6: TRUE UP FOR FY 2012-13

6.1 The Petitioner, in the ARR and Tariff petition for MYT Period from FY 2013-14 to FY 2015-16, submitted revised estimates of ARR for FY 2012-13 based on provisional estimations and figures available in its records and books of accounts for first six months (H1) of FY 2012-13. However, due to delay in the processing of the MYT petition, the data submitted for FY 2012-13 has become obsolete as the audited data for the year was now available. Accordingly, the Petitioner filed the petition for True up of ARR for FY 2012-13 based on audited accounts for the year on 15th November 2013.

6.2 Thus, based on the audited accounts and other information made available by the Petitioner, the Commission has analysed all the components of revenue and expenditure for FY 2012-13 and has undertaken the truing-up exercise of various components after a prudence check.

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

Energy Balance

Petitioner’s Submission

6.4 The Petitioner projected the energy sales, distribution losses and power purchase for FY 2012-13 on basis of actual data for first half of the year (H1) and projections for remaining half of the year (H2).

6.5 Accordingly, the Petitioner submitted the energy available and energy sales (including sales to steel works) for FY 2012-13 as 2610.00 MU and 2459.00 MU, respectively. Further, the overall distribution loss projected by TSL for FY 2012-13 was 5.79%.

Commission’s analysis

6.6 During FY 2012-13, the Petitioner has procured power from TPCL-Unit II & III, DVC-132 kV, DVC-400 kV and TSW- Captive for meeting energy requirements of its steel works and consumption in its licensed area.

6.7 The Commission has considered total purchase of power from TPCL – Unit II & III at 1589.53 MU as per the audited accounts for the year as against 1608 MU approved by the Commission in previous Tariff Order. The actual purchase of power from TPCL-Unit II and TPCL-Unit III during FY 2012-13 approved now is 785.35 MU and 804.18 MU, respectively.

6.8 With respect to power purchased from DVC during FY 2012-13, the Commission approves power purchase of 339.10 MU from DVC at 132 kV and 428.68 MU from DVC at 400 kV as per audited accounts and also verified from power purchase bills.

6.9 In addition, the Commission also approves 168.64 MU as energy transferred from TSW-Captive to TSL during FY 2012-13 after scrutinizing the energy accounting statement submitted by the Petitioner and verified with the audited annual accounts of TSL for FY 2012-13.

6.10 Thus, the Commission approves total energy available to TSL during FY 2012-13 from TPCL-Unit II & III, DVC-132 kV, DVC-400 kV and TSW-Captive to be 2525.95 MU based on audited annual accounts for the year.

6.11 Based on audited annual accounts, the Commission now approves the energy sales for FY 2012-13 at 2415.25 MU including 177.44 MU on account of sales to other licensee/ JUSCO and 74 MU on account of sales to HT –IV (Steel works) consumer category.

6.12 The Commission has approved the T&D loss for FY 2012-13 as 6.50% in previous Tariff Order based on the prescribed ceiling target as provided in JSERC Distribution Tariff Regulations 2010, and same is projected by the Petitioner. However, based on audited data for entire FY 2012-13 and on scrutiny of the power purchase bills, the actual T&D loss during FY 2012-13 is 4.87%. Thus, the Commission approves the actual T&D losses at 4.87% for FY 2012-13.

6.13 The following table details the energy sales, distribution losses and power purchase as approved by Commission in previous Tariff Order, submitted by the Petitioner and approved by the Commission now for FY 2012-13.

Table 20: Energy Balance (MUs) for FY 2012-13

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
A. ENERGY REQUIREMENT			
Sales to Other Licensee	195.11	187.00	177.44
Dist. Losses on Sales to Other Licensee	0.00%	0.00%	0.00%
Units Lost on Sales to Other Licensee	-	-	-
Energy Req. for Sales to Other Licensee	195.11	187.00	177.44
Sales to HT IV (Steel Works)	305.14	100.00	74.00
Dist. Losses on Sales to HT IV (Steel works)	0.00%	0.00%	0.00%
Units Lost on Sales to HT IV (Steel works)	-	-	-
Energy Req. for Sales to HT IV (Steel works)	305.14	100.00	74.00
Sales to Other Consumers	2,517.72	2,172.00	2163.81
Dist. Losses on Sales to Other Consumers	6.50%	6.50%	4.87%
Units Lost on Sales to Other Consumers	175.03	151.00	110.70
Energy Req. for Sales to Other Consumers	**2,692.75**	**2,323.00**	**2,274.51**

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Overall Sales	3,017.97	2,459.00	2,415.25
Overall Distribution Losses %	5.48%	5.79%	4.38%
Overall Distribution Losses	175.03	151.00	110.70
TOTAL ENERGY REQUIREMENT	**3,193.00**	**2,610.00**	**2,525.95**
B. ENERGY AVAILABILITY			
- TPCL	1,608.34	1,630.00	1,589.53
- Damodar Valley Corporation 132 kV	376.65	369.00	339.10
- Damodar Valley Corporation 400 kV	681.66	445.00	428.68
- TSW - Captive	426.28	166.00	168.64
- RPO	100.07	-	-
Total Pooled Energy Availability	**3,193.00**	**2,610.00**	**2,525.95**

Power Purchase Cost

Petitioner's Submission

6.14 As mentioned above, the petitioner is procuring power from TPCL-Unit II & III, DVC-132 kV, DVC-400 kV and TSW- Captive for its steel works and consumption in its licensed area, which is apportioned by it on the basis of share of Steel Works and power distribution business during FY 2012-13.

6.15 The Petitioner submitted that based on actual power purchase from TPCL Unit-II and Unit-III in first half of FY 2012-13 and expected power purchase in next half, the estimated power purchase cost is estimated at Rs. 529.75 Crs and the average power purchase rate works out to Rs. 3.26 /kWh.

6.16 In case of power purchase from DVC-132 kV, the Petitioner projected the cost of power purchase at Rs. 150.98 Cr at an average rate of Rs. 4.09 /kWh on the basis of actual data for first six months of FY 2012-13. While, the total power purchase cost payable for power procurement from DVC-400 kV for FY 2012-13 has been projected at Rs. 244.31 Cr as compared to Rs 254.26 Cr approved by the Commission in previous tariff order.

6.17 The Petitioner has projected the power purchase cost from TSW-captive as per the weighted average cost of power purchase of other sources having lowest cost per unit during FY 2012-13. The actual power purchase from TSL-Captive during FY 2012-13 is projected to be 166 MU at a cost of Rs. 54.02 Cr based on the methodology adopted by the Commission in the previous tariff orders i.e. power purchase rate of lowest source.

6.18 Further, the Petitioner also submitted that there has been an increase in fuel and power purchase costs during the FY 2012-13 vis-a-vis cost approved by the Commission in previous Tariff Order. Accordingly, the Petitioner also filed three separate Petitions for claim of Fuel Price and Power Purchase Adjustment (FPPPA) of its licensed area for the FY 2012-13 along with actual power purchase bills. The first petition for claim of FPPPA for the period of April 2012 to October 2012 was filed on the 21st December 2012, the second petition for claim of FPPPA for the period of November 2012 to January 2013 was filed on the 22nd March 2013 and the third Petition for claim of FPPPA for the period of February 2013 to March 2013 was filed on the 11th July 2013.

6.19 With respect to the RPO for FY 2012-13, the Petitioner submitted that it has to meet 3% of its total energy requirement of 2610 MU i.e. 78 MU through RE sources. As in the past, the Petitioner submitted that it would meet its entire RPO through purchase of RECs. Upto November 2012 the Petitioner has purchased total non-solar RECs equivalent to 62.40 MU and solar RECs equivalent to 0.99 MU. While, the total cost of RECs purchased was Rs. 13.06 Cr till Nov 2012. The Petitioner has projected that it will purchase balance RECs during the remaining period of FY 2012-13. The total cost of purchase of RECs to meet RPO during FY 2012-13 has been projected at Rs. 28.91 Cr as summarised in following table.

Table 21: REC Costing Details for FY 2012-13 as submitted by Petitioner

Particulars		Quantum	Cost
Total Energy Requirement	MUs	2,610	
RPO Quantum	3.00%	**78**	
Non-Solar	*2.50%*	*65*	
Solar	*0.50%*	*13*	
Equivalent RECs to be purchased (1 MU = 1000 REC)		**78,292**	
Non-Solar		*65,244*	
Solar		*13,049*	
RECs purchased till Nov'12			
Non-Solar		*62,400*	*11.79*
Solar		*999*	*1.27*
Balance RECs to be purchased			
Non-Solar		*2,844*	*0.54*
Solar		*12,050*	*15.32*
Total RECs for FY 2012-13			
Non-Solar		*65,244*	*12.32*
Solar		*13,049*	*16.59*
TOTAL		**78,292**	**28.91**

6.20 Thus, the Petitioner has requested the Commission to approve the total power purchase cost for FY 2012-13 at Rs. 1,007.98 Cr.

Commission's Analysis

6.21 The Commission scrutinised the actual power purchase bills from all sources as submitted by the Petitioner along with the FPPPA petitions for FY 2012-13, the audited accounts for the year and the information submitted as part of the True up Petition for FY 2012-13 on 15th November 2013.

6.22 In case of power purchase from TPCL – Unit II and Unit III, the Commission approves the cost of power purchase on the basis of audited annual accounts for the year. Accordingly, the approved power purchase cost from TPCL – Unit II and Unit III is Rs. 259.29 Cr and Rs. 261.69 Cr, respectively. The approved power purchase cost from TPCL for FY 2012-13 works out to Rs. 520.98 Cr at an average rate of Rs. 3.28 per unit.

6.23 Similarly, the power purchase cost from DVC at 132 kV and at 400 kV has been approved on basis of audited annual accounts. In case of purchase of power from DVC-132 kV, the Commission approves total cost of Rs. 137.79 Cr at an average rate of Rs. 4.06 per unit.

6.24 While, in case of power purchase from DVC- 400 kV, the Commission approves total cost of Rs. 228.58 Cr at an actual average rate of Rs. 5.33 per unit. The Commission also notes with concern that the rate of power procurement from DVC-400 kV is substantially higher than that approved by the Commission in previous Tariff Order at Rs. 3.73 per unit. The Commission vide letter No. JSERC/34 of 2012 dated 30th March 2013 asked the Petitioner to explain the reasons for the huge increase in per unit costs of power procurement from 400 kV source and also the reasons for which the Petitioner had not procured power from alternate sources in view of the high cost of power purchase from this source.

6.25 The Petitioner in its reply vide letter no. PBD/205/59/2013 dated 3rd June 2013 and subsequently in the meeting held at the Commission's Office on 10th March 2014 stated that at the time of filing of Petition for approval of power purchase from DVC 400 kV, it was anticipated that the power procured from DVC 400 kV would be cheaper than DVC 132 kV as the same was being procured at a higher voltage level, however to procure power at high voltage, the Petitioner also has to incur transmission charges, ERLDC charges, UI and PGCIL charges. The Petitioner further stated that the procurement cost in the initial months was higher due to capacity charges being levied on lower quantum of power generated.

6.26 The Petitioner also stated that the present tariff is provisional cost of power procurement as per the Petition submitted by DVC to CERC which may be subsequently revised once the CERC releases the Order of the concerned stations. Further, after the stabilization of the power stations and with the anticipated growth in consumers in its licensed area, the Petitioner expects that the per unit power procurement cost from DVC 400 kV shall be reasonable and competitive.

6.27 The Commission is concerned that a detailed feasibility study of power procurement options was either not undertaken by the Petitioner or alternatively the study undertaken did not provide adequate indication of the costs involved with the power procurement from DVC 400 kV before the Petitioner submitted the same to the Commission for approval. Keeping in mind that the actual cost incurred on power procurement from DVC-400 kV during FY 2012-13 is being approved by the Commission, it directs the Petitioner to carry out a detailed feasibility study of probable cost escalations from the proposed power source along with a detailed comparison with respect to merits and demerits of power procurement from other / alternate sources and should submit the same to the Commission along with next tariff petition. The Commission also directs the Petitioner to schedule power using merit order principles and take advantage of lower rates available in short term markets when feasible and accordingly submit plan for purchase of power on long term and short term basis along with next tariff petition.

6.28 As per the methodology set by the Commission in previous Tariff Order, the Commission approves the rate of power purchase from TSW-Captive to be Rs. 3.28 per unit for FY 2012-13 based on lowest rate of power sourced from any source during the year. Accordingly, cost of power purchase from TSW-Captive works out to Rs. 55.27 Cr for FY 2012-13.

6.29 In case of RPO compliance, the Commission again notes that the Petitioner has over-achieved its non-solar RPO target, while solar RPO targets are still unmet. Based on the revised energy requirement for FY 2012-13, the RPO target for the Petitioner's licensed area works out to 75.78 MU which includes non-solar RPO target of 63.15 MU and solar RPO target of 12.63 MU. Further, due to overachievement of RPO target for non-solar sources during FY 2011-12 by 0.32 MU, the Commission has now revised the non-solar target for FY 2012-13 to be 62.83 MU and total target is 75.46 MU.

6.30 The Petitioner, during FY 2012-13 has purchased total non-solar RECs equivalent to 127.40 MU and solar RECs equivalent to 2.17 MU. Thus, again the Commission notes that the non-solar RPO target has been over-achieved by 64.57 MU, while the solar RPO target is under-achieved by 10.46 MU. The Commission in its previous section had also observed that setting off Solar RPO targets against non-solar RPO targets should not be made a practice, as in such a case real objective of increasing deployment of solar power will not be achieved. Thus, the Commission is of the view that the unmet solar RPO shall be added to solar RPO target for FY 2013-14 and the Petitioner should make all out efforts to meet the above target. In case of non-solar RPO, the higher achievement is allowed to be set off against the non-solar RPO target for FY 2013-14 so as not to pass on any additional burden on consumers. Accordingly, the Commission approves the cost of RECs purchased during FY 2012-13 as Rs. 28.68 Cr.

6.31 Thus, the Commission has approved the total power purchase cost for FY 2012-13 at Rs. 971.31 Cr. Following table summarizes the power purchase cost for FY 2012-13 as approved by the Commission in the previous Tariff Order for FY 2012-13, the actual power purchase cost submitted by the Petitioner in the present petition and now approved by the Commission.

Table 22 : Power Purchase Cost for FY 2012-13 (Rs Cr)

Particulars		Approved in Tariff Order for FY 2012-13	Actual submitted by Petitioner	Approved now by the Commission
A. Tata Power Company Ltd				
Units Purchased (MU's)	*Unit II*	804.17	805.00	785.35
	Unit III	804.17	825.00	804.18
	Total	**1,608.34**	**1,630.00**	**1,589.53**
Per Unit Price (Rs. / kWh)	*Unit II*	2.78	3.27	3.30
	Unit III	2.74	3.25	3.26
	Total	**2.76**	**3.26**	**3.28**
Power Purchase Cost (Rs. Cr)	*Unit II*	223.75	261.32	259.29
	Unit III	220.32	268.43	261.69
	Total	**444.07**	**529.75**	**520.98**
B. Damodar Valley Corporation – 132 kV				
Units Purchased (MU's)		376.65	369.00	339.10
Per Unit Price (Rs. / kWh)		3.93	4.09	4.06
Power Purchase Cost (Rs. Cr)		**148.07**	**150.98**	**137.79**
C. Damodar Valley Corporation – 400 kV				
Units Purchased (MU's)		681.66	445.00	428.68
Per Unit Price (Rs. / kWh)		3.73	5.49	5.33
Power Purchase Cost (Rs. Cr)		**254.57**	**244.31**	**228.58**
D. RPO cost/ RECs				
Units Purchased (MU's)		100.07	-	-
Per Unit Price (Rs. / kWh)		5.48	-	-
Power Purchase Cost (Rs. Cr)		**54.84**	**28.91**	**28.68**
E. Net transfers from Steel Works				
Units Purchased (MU's)		426.28	166.00	168.64
Per Unit Price (Rs. / kWh)		2.76	3.25	3.28
Power Purchase Cost (Rs. Cr)		**117.70**	**54.02**	**55.27**
F. Net Power Purchase cost (A+B+C)				
Units Purchased (MU's)		3,193.00	2,610.00	2,525.95
Power Purchase Cost (Rs. Cr)		**1019.24**	**1007.98**	**971.31**
Per Unit Price (Rs. / kWh)		3.19	3.86	3.85

Operation and Maintenance expenses

Petitioner's Submission

6.32 The Petitioner has submitted projections for O&M cost comprising of employee costs, A&G costs and R&M costs based on actual costs incurred during first half of FY 2012-13 and projections for remaining period.

6.33 ***Employee cost*** – Based on the indexation formula approved by the Commission during previous Tariff Order, the Petitioner based on the same methodology has projected the direct employee costs for FY 2012-13 as Rs. 14.84 Cr for 173 numbers of direct employees and cost of indirect employee costs as Rs. 1.51 Cr for 143 numbers of indirect employees.

6.34 ***R&M cost* –** The R&M cost has been projected on the basis of actual ratio of R&M costs for FY 2011-12 to opening GFA. The ratio of R&M to Opening GFA for FY 2011-12 based on audited accounts works out to 13.10%. The same is levied on the opening GFA of FY 2012-13 i.e. 13.10% x Rs. 160.35 Cr and accordingly the direct R&M expenses projected by Petitioner is Rs. 21.01 Cr. In addition, the Petitioner has also projected R&M costs on maintenance of Bulk Power Receiving Sub-station (BPRS) of 400 kV at approx. Rs. 1.17 Cr during FY 2012-13. Further, the cost of common O&M infrastructure for FY 2012-13 has been projected as Rs. 12.25 Cr based on the methodology approved by the Commission in previous Tariff Order.

6.35 ***A&G cost* –** The petitioner has estimated an amount Rs. 12.91 Cr towards A&G expenses for FY 2012-13 which is in line with the methodology and expenses approved by the Commission in previous Tariff Order.

6.36 In addition to above, the Petitioner has also submitted that it would incur Rs.0.50 Cr as CGRF expenses during FY 2012-13 as separate head. However, as CGRF form part of A&G expenses the Commission has considered this expenditure under O&M costs.

6.37 Thus, the Petitioner has projected total O&M costs for FY 2012-13 as Rs. 64.19 Cr (including Rs.0.50 Cr of CGRF expenses) based on actual data for first half of FY 2012-13 and projections for remaining period.

Commission's Analysis

6.38 The Commission has trued up the O&M expenses for FY 2012-13 on the basis of the audited accounts. Further, as directed in paragraphs 5.24 to 5.29 that w.e.f. 1st April 2013, the Petitioner should submit fully segregated detailed accounts along with the attached schedules as per the Companies Act 1956 for its Power Business Division. Further, the Audited accounts should have separate details of employee costs, R&M costs and A&G costs for the power business division. However, for the purposes of approving the True up for FY 2012-13, the Commission has decided to allow the O&M costs in this Tariff Order as per the audited accounts and other information submitted by the Petitioner, after a prudence check.

6.39 The Commission has approved the direct A&G, R&M and employee costs in accordance with the audited accounts for FY 2012-13.

6.40 With respect to the O&M cost of common infrastructure, the Commission has continued with the methodology adopted in the Tariff Order for FY 2012-13 and accordingly approved Rs. 7.92 Cr towards O&M of common infrastructure.

6.41 Further, the Petitioner also incurred expenses of Rs 0.05 Cr towards DSM and CGRF as per the audited accounts and same has been approved by the Commission.

6.42 Thus, the total O&M expenses approved by the Commission for FY 2012-13 works out to Rs. 59.51 Cr. The following table summarizes the O&M expenses for FY 2012-13 as approved by the Commission in previous Tariff Order, actual submitted by the Petitioner and approved now by the Commission.

Table 23: O&M Expenses (Rs Cr) for FY 2012-13

Particulars	Approved in Tariff Order for FY 2012-13	Actual submitted by the Petitioner	Approved now by the Commission
D. A&G Costs			
General A&G Expenses (incl. JUSCO)	9.42	9.72	9.93
Miscellaneous Expenses	0.61	0.28	0.08
Billing & Collection Expenses - JUSCO	2.43	2.32	2.50
Rates and Taxes	0.07	0.26	0.34
Consultancy Fees	-	0.34	0.13
CGRF Expenses	-	0.50*	0.05
Sub-Total - (A)	**12.53**	**13.41**	**13.04**
E. R&M Costs			
Direct Expenses	20.60	21.01	20.90
400 kV BPRS Substation	-	1.17	2.15
Expenses towards common infrastructure	9.08	12.25	7.92
Sub-Total - (B)	**29.68**	**34.43**	**30.98**
F. Employee Costs			
Direct Expenses	12.70	14.84	13.93
Indirect Expenses	0.80	1.51	1.57
Sub-Total - (C)	**13.50**	**16.35**	**15.50**
TOTAL O&M COSTS	**55.72**	**64.19**	**59.51**

** Submitted as separate head by the Petitioner under CGRF head. As it forms part of the A&G expenses, the Commission has included CGRF expenses in A&G costs and not separately.*

Capital Works In Progress (CWIP) & Gross Fixed Asset (GFA)

Petitioner's submission

6.43 The Petitioner submitted that the capital expenditure planned during FY 2012-13 was Rs. 48.16 Cr and the additions to gross fixed assets are projected at Rs. 321.76 Cr based on actual for first half of FY 2012-13 and projections for remaining period. It is submitted that out of the above 80% of the amount has already been capitalised in H1 i.e. 400 kV systems has already been commissioned during first half of FY 2012-13.

Commission's analysis

6.44 The Commission scrutinised the audited accounts for FY 2012-13 and has accordingly approved the closing GFA, closing CWIP and additions to GFA during the year. The actual addition to GFA during FY 2012-13 has been Rs. 207.07 Cr, while the CWIP and GFA at end of FY 2012-13 stood at Rs. 17.29 Cr and Rs.367.43 Cr, respectively as per the audited accounts for FY 2012-13.

6.45 Following table summarises the GFA & CWIP as approved by the Commission in the previous Tariff Order for FY 2012-13, the actual submitted by the Petitioner in present petition and now approved by the Commission for FY 2011-12.

Table 24: CWIP and GFA for FY 2012-13 (Rs. Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Capital works in progress as on 31.03.13	136.59	13.40	17.29
Gross fixed Assets as on 31.03.13	290.69	482.11	367.43
Transfer/Additions to GFA during FY 2012-13	**129.88**	**321.76**	**207.07**

Depreciation

Petitioner's Submission

6.46 The Petitioner submitted that the computation of depreciation is based on Straight Line Method and depreciation rates provided in Appendix I of the Distribution Tariff Regulations 2010. The depreciation costs proportionate to the extent of fixed assets being funded through Consumer Contribution amounting to Rs. 1.55 Cr had been deducted from the total depreciation in order to arrive at net depreciation allowable to be charged in ARR.

6.47 The Petitioner submitted that the net depreciation allowable to be charged to the ARR of FY 2011-12 was Rs. 18.28 Cr as against Rs. 9.79 Cr allowed by the Commission in its previous Tariff Order.

Commission's Analysis

6.48 The Commission has estimated the gross depreciation amount as per the opening and closing GFA in the audited accounts and the depreciation rates as per the relevant regulations. Further the depreciation has been considered as net of depreciation on account of consumer contribution.

6.49 The depreciation on account of consumer contribution has been calculated as per the methodology adopted in the previous year's Tariff Order, as per the ratio of actual consumer contribution during the year and closing GFA for FY 2012-13.

6.50 Following table summarizes the gross and net depreciation as approved by the Commission in previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2012-13.

Table 25: Depreciation for FY 2012-13 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Gross Depreciation	12.64	19.83	16.29
Less: Dep. on account of Consumer Contri.	2.85	1.55	1.79
Net Depreciation	**9.79**	**18.28**	**14.51**

Interest and Other Finance Charges

Interest on Loan

Petitioner's Submission

6.51 The Petitioner submitted normative interest on loan at Rs. 18.93 Cr for FY 2012-13 as per the methodology prescribed by the Commission in previous Tariff Orders and considering interest rate of 14.75% p.a.

Commission's Analysis

6.52 In accordance with the Distribution Tariff Regulations, 2010 and the principles adopted in the previous tariff orders, the Commission has computed the normative loan for the year equal to 70% of the closing GFA. The GFA has been considered at net of consumer contribution while the normative repayment is deemed to be equal to the depreciation charge during the year.

1.3 Further, in accordance with the Distribution Tariff Regulations, 2010, interest on normative loan has been calculated on the average normative loan outstanding during the year at the interest rate of 14.75% per annum which corresponds to SBI PLR as on 1st April 2012. Accordingly, the Commission approves interest on loan of Rs. 11.87 Cr. for FY 2012-13.

6.53 The following table summarises the interest on loan as approved in the previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2012-13.

Table 26: Interest on Loan for FY 2012-13 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Opening Balance of Normative Loan	17.50	25.94	17.22
Deemed Addition during the year	69.34	223.13	141.04

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Deemed Repayment	9.79	18.28	14.51
Closing Balance of Deemed Loan	77.05	230.79	143.76
Average balance during the Year	**47.27**	**128.36**	**80.49**
Interest Rate	14.75%	14.75%	14.75%
Interest Payment	**6.97**	**18.93**	**11.87**

Interest on Security Deposits

Petitioner's Submission

6.54 The Petitioner has submitted that the provision for Interest on Security Deposit for FY 2012-13 has been estimated @ 9.00% per annum in line with the regulations and methodology as approved by the Commission in previous tariff orders. The Interest on Security Deposit works out to Rs. 0.96 Cr for FY 2012-13 on expected average security balance of Rs. 10.71 Cr.

Commission's Analysis

6.55 The Commission has approved interest on security deposit as per the audited accounts for FY 2012-13. The following table summarizes the interest on security deposits as approved in the previous tariff order, actual now submitted by the Petitioner and approved now by the Commission for FY 2012-13.

Table 27: Interest on Security Deposits for FY 2012-13 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Opening Security Deposit	7.72	9.13	9.13
Security Deposit received during FY	1.76	3.17	3.24
Closing Security Deposit	**9.48**	**12.30**	**12.37**
Interest on Security Deposit	**0.52**	**0.96**	**0.83**

Interest on Working Capital

Petitioner's Submission

6.56 The Petitioner submitted normative interest on working capital at Rs 8.46 Cr for FY 2012-13 as per the methodology prescribed by the Commission and considering an interest rate of 14.75%.

Commission's Analysis

6.57 The Commission has allowed interest on working capital for FY 2012-13 as per the methodology specified in the Distribution Tariff Regulations 2010. The interest rate of 14.75% p.a. as already approved in the Tariff Order for FY 2012-13 has been considered for the purposes of estimating interest on normative working capital. Accordingly, the Commission has approved a total of Rs 8.33 Cr as interest on normative working capital for FY 2012-13.

6.58 Following table summarizes the interest on normative working capital as approved in the previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2012-13.

Table 28: Interest on Working Capital for FY 2012-13 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Receivables for 2 months' sale @ existing tariff	174.15	145.17	141.61
O&M expenses for 1 month of power purchase	4.64	5.31	4.96
Maintenance spares @ 1% of Op. GFA	1.61	1.60	1.60
Sub-total	**180.40**	**152.08**	**148.17**
Less: Sundry creditors & security deposit	8.60	10.71	10.75
Less: Power Purchase Cost for 1 Month	84.94	84.00	80.94
Total Working Capital	**86.87**	**57.37**	**56.46**
Interest Rate (%)	14.75%	14.75%	14.75%
Interest on Working Capital	**12.81**	**8.46**	**8.33**

6.59 Following table summarises the total interest and other finance charges as approved in the previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2012-13.

Table 29: Interest and Other Finance Charges for FY 2012-13 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Interest on normative Debt	6.97	18.93	11.87
Interest on Security Deposit	0.52	0.96	0.83
Interest on normative Working Capital	12.81	8.46	8.33
Total Interest and Finance Charges	**20.30**	**28.36**	**21.03**

Return on Equity (RoE)

Petitioner's Submission

6.60 The Petitioner submitted that the deemed addition to the normative equity had been considered at 30% of the total CWIP capitalised during the FY 2012-13 net of Consumer Contribution being transferred to Capital Reserve. Further, the Petitioner has grossed up the rate of return on equity as per the Distribution Tariff Regulations 2010 by the applicable tax rate and accordingly estimated the normative return on equity @ 22.94% on the average balance of normative equity for FY 2012-13. Thus, the Petitioner has requested to approve the Return on Equity of Rs. 19.61 Cr for FY 2012-13.

Commission's Analysis

6.61 In accordance with the Distribution Tariff Regulations, 2010, the Commission has considered the equity base to be equal to 30% of GFA as on 31st March 2012 as per the audited accounts of the year. Further, the GFA has been considered net of consumer contribution.

6.62 The Commission has also allowed a rate of return of 15.50% (post tax) on equity for FY 2012-13, which is as specified in the Clause 6.20 of the Distribution Tariff Regulations, 2010. Further, as per the audited accounts for FY 2012-13 the Power Business Division of the Petitioner has reported a negative Profit before tax (PBT) of Rs. 202 Cr. Thus, there is no assessable income for income tax purposes pertaining to the Power Business Division of the Petitioner for FY 2012-13. Accordingly, the Commission approves the RoE for FY 2012-13 @ post tax return of 15.50% only, which is in line with the methodology followed by the Commission in previous Tariff Orders. Thus, the Commission has approved ROE as Rs. 10.53 Cr for FY 2012-13.

6.63 The following table summarizes the return on equity as approved in the previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2012-13.

Table 30: Return on Equity for FY 2012-13 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Opening Balance of Normative Equity	37.82	37.68	37.68
Deemed Additions	29.72	95.63	60.45
Closing Balance of Normative Equity	67.54	133.31	98.13
Average Equity	**52.68**	**85.50**	**67.91**
Rate of Return (%)	22.94%	22.94%	15.50%
RoE	**12.09**	**19.61**	**10.53**

Non Tariff Income (NTI)

Petitioner's Submission

6.64 The Petitioner submitted actual non tariff income for FY 2012-13 to be Rs. 4.01 Cr as per actual for first half of FY 2012-13 and projections for remaining period of the year.

Commission's Analysis

6.65 The Non tariff income includes meter rent, equipment charges, hire charges from electrical installations and supervision charges.

6.66 The Commission in its previous tariff order had approved Rs 4.01 Cr as the non tariff income for FY 2012-13 subject to revision based on the actual as per the audited annual accounts for FY 2012-13. The non tariff income as per the audited accounts for the year is Rs.3.50 Cr and same is approved by the Commission.

Revenue from Existing Tariff

Petitioner's Submission

6.67 The Petitioner projected the total revenue from existing tariff during FY 2012-13 as Rs. 871.02 Cr based on projected energy sales for FY 2012-13 and existing approved tariff as per Tariff Order for FY 2012-13.

Commission's Analysis

6.68 The Commission in its previous Tariff Order had approved the revenue from sale of power for consumers (excluding sales to other licensee/JUSCO) for FY 2012-13 to be Rs 1130.98 Cr. As per the audited annual accounts for FY 2012-13, the revenue from consumers (excluding sales to other licensee/JUSCO) is Rs. 791.48 Cr and same has been approved now by the Commission.

6.69 The revenue from sales to other licensee/JUSCO has been considered as per the average power purchase rate from all sources during FY 2012-13 now approved by the Commission i.e. Rs. 3.28 per unit and work out to Rs. 58.16 Cr [177.44 MU X 3.28 Rs/kWh].

6.70 Accordingly, the Commission approves the total revenue from sales (including sales to other licensee/JUSCO) for FY 2012-13 as 849.64 Cr.

Incentive on loss reduction

Petitioner's Submission

6.71 In addition to the ARR projections made by the Petitioner in the present petition, the Petitioner in the True up petition for FY 2012-13 submitted on 15th November 2013, has also claimed sharing of efficiency of gains on savings of power purchase cost due to loss reduction. Accordingly, petitioner has estimated incentive for loss reduction as Rs. 10.20 Cr and income tax on savings of Rs. 3.31 Cr for FY 2012-13.

Commission's Analysis

6.72 In the Tariff Order for FY 2012-13, the Commission had approved the distribution losses at 6.50% for FY 2012-13 as per the Distribution Tariff Regulations 2010. The actual overall losses achieved during FY 2012-13 as per audited accounts are 4.87%. It is pertinent to mention here that projected losses are approved on the basis of assumption of sales growth and increase in service area, while during the year the Petitioner was unable to achieve projected increase in sales – actual energy sales was less by approx. 20% than the projected energy sales in previous Tariff Order. In addition, of the total energy sales excluding sales to other licensee/JUSCO, approx. 85% of the sales are to HT consumers which have low associated losses. Further, even after repeated directives to extend its service area to domestic and rural consumers, the Petitioner has been unable to do so.

6.73 In the previous Tariff Order, the Commission had specified that the distribution loss reduction targets are only ceiling target as the Petitioner is still in pre-stabilisation stage and has a favourable LT:HT ratio. The relevant extract of the Order is summarised below:

"However the Commission notes that the approved distribution loss of the Petitioner for FY 2011-12 at 5.51% is substantially lower than the target for the year i.e. 7% as the Petitioner is still in the pre-stabilization stage of network planning and strengthening and has a favourable LT:HT ratio. In such a case the Commission expects that the Petitioner should be able to maintain minimum distribution losses. Thus even though the Commission is approving the distribution loss for FY 2012-13 at 6.50% provisionally, it would only be a ceiling target subject to true up on the basis of actual losses."

6.74 Thus, in view of above, the Commission does not find any merit in approving claim of the Petitioner for pass through of efficiency gains on account of loss reduction.

Summary of ARR for FY 2012-13

6.75 Following table contains a summary of ARR as approved in the previous tariff order, actual now submitted by the Petitioner and approved by the Commission for FY 2012-13.

Table 31: Summary of ARR for FY 2012-13 (Rs Cr)

Particulars	Approved in Tariff Order for FY 2012-13	Submitted by the Petitioner	Approved now by the Commission
Power Purchase Cost	1019.24	1007.98	971.31
O&M Expenses	55.72	64.19*	59.51
Interest & Other Finance Charges	20.30	28.36	21.03
Depreciation	9.79	18.28	14.51
Total Costs	**1,105.05**	**1,118.81**	**1,066.36**
Add: Return on Equity	12.09	19.61	10.53
Less: Non-tariff income	4.01	4.01	3.50
Gross Annual Revenue Requirement	**1,113.12**	**1,134.41**	**1,073.39**
Add: Revenue gap/ (surplus) for previous years	17.86	45.98	6.05**
Net ARR for the year	**1,130.98**	**1,180.39**	**1079.44**
Less: Revenue from Sale of power	1,130.98	871.02	849.64
Revenue Gap / (Surplus)	**0.00**	**309.36**	**229.80**

** Includes Rs. 0.50 Cr of expenditure claimed under DSM/CGRF expenses; ** The Commission in previous Tariff Order had liquidated the entire past gaps through tariff hike, thus only revenue gap for FY 2011-12 as approved now has been considered for pass through.*

6.76 Accordingly, the Commission approves a revenue gap of Rs. 229.80 Cr for FY 2012-13 against the proposed gap of Rs. 309.36 Cr.

A7: ARR FOR MYT PERIOD FROM FY 2013-14 TO FY 2015-16

7.1 This section contains a summary of the projections for various cost components of the ARR for the MYT period from FY 2013-14 to FY 2015-16 as submitted by the Petitioner and approved by the Commission.

Energy Sales

Petitioner's Submission

7.2 The Petitioner submitted that it is expected that the energy sales for FY 2013-14 will increase by maximum 20% over sales projected for FY 2012-13, while for remaining period of MYT period i.e. FY 2014-15 and FY 2015-15, nominal increase of 4% and 10%, respectively over previous year sales has been estimated. Accordingly, the Petitioner has projected energy sales of 3029 MU, 3160 MU and 3463 MU during FY 2013-14, FY 2014-15 and FY 2015-16, respectively.

Commission's Analysis

7.3 As the provisional data for energy sales during FY 2013-14 was available, the Commission sought additional information from the Petitioner for energy sales during the FY 2013-14. Accordingly, the Petitioner submitted month-wise actual energy sales (including energy sales to other licensee/JUSCO) during FY 2013-14 which was 2,560 MU and same has been approved by the Commission on provisional basis subject to true up based on audited accounts. In order to project the overall energy sales for remaining years of MYT Control period, the Commission has considered the actual trend in increase in monthly sales during FY 2013-14 over previous year. Accordingly, the Commission has estimated the total energy sales for FY 2014-15 and FY 2015-16 as 2721 MU and 2904 MU, respectively. Further, the Commission also sought information from the Petitioner related to consumer category-wise actual energy sales during FY 2013-14. The Petitioner informed the Commission that the desired information is under finalisation and would be submitted to the Commission once the same is finalised. In absence of actual consumer-category wise sales, the Commission has bi-furcated the approved sales to all consumer categories (except sales to other licensee/ JUSCO) proportionately in the ratio of actual sales during FY 2012-13.

7.4 The sales to other licensee/ JUSCO have been determined as per the projections made by the JUSCO in its MYT Petition for FY 2013-14 to FY 2015-16 for purchase of power from TSL. Accordingly, the Commission has approved the energy sales to other licensee/ JUSCO as 235 MU, 55 MU and 35 MU for FY 2013-14, FY 2014-15 and FY 2015-16, respectively.

7.5 The following table summarizes the energy sales submitted by the Petitioner and approved by Commission for MYT period.

Table 32: Energy Sales for MYT Period (MUs)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Domestic LT	184	208	235	194	222	238
Domestic - DS HT	96	114	137	81	93	99
Commercial	52	54	55	56	64	69
High Tension I	23	25	28	24	27	29
High Tension II	103	119	134	93	107	115
High Tension III	1,834	1,843	1,731	1,704	1,954	2,097
High Tension IV	409	645	1,004	85	98	113
Street Lights	90	95	99	86	99	106
Other Licensee/ JUSCO	235	55	35	235	55	35
Temporary Supply	3	3	4	2	2	3
Total	**3,029**	**3,160**	**3,463**	**2,560**	**2,721**	**2,904**

Energy Balance and Distribution Losses

Petitioner's Submission

7.6 The Petitioner projected the net energy requirement for MYT Period by grossing up the energy sales projections with distribution loss trajectory provided by the Commission in Distribution Tariff Regulations 2010. Further, the above losses are applied on consumers excluding sale to other licensee and HT-IV consumer category as per Commission's approval in previous Tariff Order.

7.7 To meet the projected energy requirement for the MYT period, power would be sourced from various sources and include TPCL (total from Unit II & Unit III), DVC at 132 kV, DVC at 400 kV and open access/ other sources. The Petitioner has not projected any energy requirement from TSW-Captive for its power business division.

Commission's Analysis

7.8 The Commission has projected the energy requirement for MYT period after grossing up the approved energy sales by the normative distribution loss target of 6.00%, 5.75% and 5.50% for FY 2013-14, FY 2014-15 and FY 2015-16, respectively in accordance with the Distribution Tariff Regulations, 2010. However, the Commission notes that the actual distribution loss of the Petitioner for FY 2012-13 at 4.87% is substantially lower than the target for the year i.e. 6.50% as the Petitioner is still in the pre-stabilization stage of network planning and strengthening and has a favourable LT:HT ratio. In such a case the Commission expects that the Petitioner should be able to maintain minimum distribution losses. Thus, even though for projection purposes, the Commission is approving the distribution loss for MYT period as per the targets provided in Distribution Tariff Regulation 2010 provisionally, it would only be a ceiling target subject to true up on the basis of actual losses and increase in sales & consumers.

7.9 Accordingly, the total power requirement has been approved to be 2703 MU, 2877 MU and 3064 MU during FY 2013-14, FY 2014-15 and FY 2015-16, respectively.

7.10 The approved energy requirement shall be met through power sourced from TPCL-Unit II & III, DVC at 132 kV and 400 kV, others including TSW – Captive and renewable sources as per following approval:

(a) The Commission has approved the expected availability of power from TPCL's Unit II & Unit III during FY 2013-14 to FY 2015-16 as approved by the Commission in the Tariff Order for TPCL for FY 2012-13 to FY 2015-16 dated 31st May 2012.

(b) The Petitioner has not projected any power purchase from TSW – captive as it expects to purchase additional power from DVC at 400 kV. However the Commission is of the opinion that since the power available from TSW – captive would be cheaper than the power available from DVC at 400 kV, the Petitioner is directed to first utilise the entire power available from this source and only purchase balance energy requirement from other sources of power. For projecting purchase of power from TSW- captive, the Commission has approved the actual power availability from TSW-captive during FY 2012-13 for the MYT Period.

(c) In case of power purchase from DVC at 132 kV, the Commission has approved the projected energy availability of 438 MU during the MYT period subject to True up on the basis of audited data.

(d) Further, the Petitioner is mandated to purchase power from renewable energy (RE) sources to meet its RPO obligation. It is required to purchase 4% of total energy requirement in its licensed area from RE sources during the MYT period from FY 2013-14 to FY 2015-16. Out of which 3.0% should be procured from non-solar RE sources while 1.0% should be procured from solar power. Based on the approved energy requirement and the overall RPO, the target power available from RE sources is projected to be 108 MU, 115 MU and 123 MU for FY 2013-14, FY 2014-15 and FY 2015-16, respectively.

During FY 2012-13, the Petitioner had over-achieved the non-solar RPO target by 65 MU, thus same is set off against non-solar target for FY 2013-14. While, the Petitioner had under-achieved solar RPO target by 10 MU during FY 2012-13 and same is being carried forward to target for FY 2013-14. Accordingly, the revised overall RPO target for FY 2013-14 is 54 MU which includes solar RPO of 37 MU and non-solar RPO of 17 MU.

(e) In addition to above sources of power, the Petitioner can also purchase power from DVC at 400 kV from FY 2012-13 onwards. Thus, the Commission approves power availability from this source at 434 MU, 547 MU and 722 MU during FY 2013-14, FY 2014-15 and FY 2015-16, respectively on provisional basis. The Commission is of the view that owing to high cost of purchase of power from DVC at 400 kV, the Petitioner should carry out a detailed feasibility study of probable cost escalations from the proposed power source along with a detailed comparison with respect to merits and demerits of power procurement from other / alternate sources and should submit the same to the Commission along with next tariff petition. Accordingly, the Commission directs the Petitioner to schedule power using merit order principles and take advantage of lower rates available in short term markets when feasible and accordingly submit plan for purchase of power on long term and short term basis along with next tariff petition. Accordingly, the Commission will review the purchase of power from DVC at 400 kV keeping in mind the principles of merit order along with next tariff petition.

7.11 Based on the above, the energy balance for the MYT period as submitted by the Petitioner and approved by the Commission has been summarised in following table.

Table 33: Energy Balance for MYT Period (MUs)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
A. ENERGY REQUIREMENT						
Sales to Other Licensee	235	55	35	235	55	35
Dist. Losses on Sales to Other Licensee	*0.0%*	*0.0%*	*0.0%*	*0.0%*	0.0%	*0.0%*
Units Lost on Sales to Other Licensee	-	-	-	-	-	-
Energy Req. for Sales to Other Licensee	**235**	**55**	**35**	**235**	**55**	**35**
Sales to Steel Works (HT IV)	409	645	1,004	85	98	113

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Dist. Losses on Steel Works	*0.0%*	*0.0%*	*0.0%*	0.0%	0.0%	0.0%
Units Lost on Sales to Steel Works	-	-	-	-	-	-
Energy Req. for Steel Works	**409**	**645**	**1,004**	**85**	**98**	**113**
Sales to LT consumers	*329*	*360*	*393*	337	387	416
Sales to HT consumers (other than HT-IV)	*2,056*	*2,101*	*2,030*	1,902	2,181	2,340
Sales to Other Consumers	2,385	2,461	2,423	2,239	2,568	2,756
Dist. Losses on Sales to Other Consumers	*6.00%*	*5.75%*	*5.50%*	6.00%	5.75%	5.50%
Units Lost on Sales to Other Consumers	152	150	141	143	156	160
Energy Req. for Sales to Other Consumers	**2,537**	**2,611**	**2,564**	**2,382**	**2,724**	**2,916**
Overall Sales	3,029	3,161	3,462	2,560	2,721	2,904
Overall Distribution Losses %	*4.79%*	*4.50%*	*3.91%*	5.29%	5.47%	5.27%
Overall Distribution Losses (MU)	152	149.00	141.00	143	156	160
TOTAL ENERGY REQUIREMENT	**3,181**	**3,310**	**3,603**	**2,703**	**2,877**	**3,064**
B. ENERGY AVAILABILITY						
- TPCL – Unit II & III	1,608	1,608	1,612	1,608	1,608	1,612
- Damodar Valley Corporation 132 kV	438	438	438	438	438	438
- Damodar Valley Corporation 400 kV	1,111	1,240	1,529	434	547	722
- TSW – Captive	-	-	-	169	169	169
- RPO	-	-	-	54	115	123
- Others/ Open access	24	24	24	-	-	-
TOTAL ENERGY AVAILABILITY	**3,181**	**3,310**	**3,603**	**2,703**	**2,877**	**3,064**

Power Purchase Cost

Petitioner's Submission

7.12 The Petitioner projected power purchase cost from TPCL during MYT period as per the approved rates by the Commission in TPCL Tariff Order for FY 2012-13 to FY 2015-16 dated 31st May 2012. Accordingly, total power purchase cost for procuring power from TPCL is projected at Rs. 450.95 Cr, Rs. 459.27 Cr and Rs. 467.00 Cr for FY 2013-14, FY 2014-15 and FY 2015-16, respectively.

7.13 The Petitioner had projected the cost of power purchase from DVC at 132 kV at the rate of Rs.4.97 per unit during FY 2013-14 and thereafter considered a 5.00% p.a. increase for projections of power purchase rate for FY 2014-15 and FY 2015-16. Thus power purchase cost from DVC at 132 kV has been projected as Rs. 217.90 Cr, Rs. 228.80 Cr and Rs. 240.24 Cr for FY 2013-14, FY 2014-15 and FY 2015-16, respectively.

7.14 In case of power projected from DVC at 400 kV, the rate of power purchase projected for 132 kV supply is proposed to be Rs.4.96 per unit during FY 2013-14 which includes charges for transmission, UI, PGCIL and ERLDC. Further, for projecting power purchase cost for FY 2014-15 and FY 2015-16, the Petitioner has projected an increase of 3.0% per annum over previous year rate. Accordingly, the projected power purchase cost from DVC at 400 kV during FY 2013-14, FY 2014-15 and FY 2015-16 is Rs. 551.21 Cr, Rs. 632.44 Cr and Rs. 801.34 Cr, respectively.

7.15 The Petitioner has also projected to meet balance energy requirement through other sources/ open access/ etc at an average rate of Rs. 6.00 per unit during the MYT period. Accordingly, the cost of power procured from open access/ other sources has been projected as Rs. 14.40 Cr per annum during the MYT period.

7.16 In addition to above, the Petitioner proposes to meet its RPO obligation through purchase of RECs from market. Accordingly, cost of meeting RPO during FY 2013-14, FY 2014-15 and FY 2015-16 is projected as Rs. 74.13 Cr, Rs. 77.13 Cr and Rs. 83.97 Cr, respectively.

Commission's Analysis

7.17 The Commission has projected that the approved energy requirement shall be met through power available from TPCL – Unit II and III, DVC at 132 kV, TSW-Captive, DVC at 400 kV and renewable energy sources.

7.18 The Commission has approved the power purchase cost from TPCL – Unit II & III for the MYT period in accordance with the approved tariffs in the Tariff Order for TPCL for FY 2012-13 to FY 2015-16 dated May 31st, 2012. Accordingly, total power purchase cost for procuring power from TPCL is projected at Rs. 450.95 Cr, Rs. 459.27 Cr and Rs. 467.00 Cr for FY 2013-14, FY 2014-15 and FY 2015-16, respectively which is same as proposed by the Petitioner. Further, any increase in cost due to increase in fuel price will be allowed to be pass through on the basis of actual power purchase costs in accordance with the FPPPA claim submitted by the Petitioner.

7.19 The power purchase cost from TSW – captive has been projected at the rate equivalent to the lowest rate of power sourced from any source during the MYT period as approved by the Commission, which is the average power purchase rate sourced from TPCL. Thus the cost of power purchase from TSW-Captive during FY 2013-14, FY 2014-15 and FY 2015-16 is approved at Rs. 47.28 Cr, Rs. 48.16 Cr and Rs. 48.83 Cr, respectively.

7.20 The power purchase cost from DVC at 132 kV for the MYT period has been approved at the average rate of actual power purchase rate during FY 2012-13 i.e. Rs.4.06 per unit subject to FPPPA claim as and when required. Accordingly, the approved cost of power purchase from DVC at 132 kV during MYT period is Rs. 177.98 Cr per annum.

7.21 Further in case of power purchase cost from DVC at 400 kV, the Commission has provisionally approved the power purchase rate as Rs. 4.96 per unit for the MYT period subject to FPPPA claim/ true up on basis of actual data. Accordingly, the power purchase cost from DVC at 400 kV has been approved as Rs. 215.12 Cr, Rs. 271.54 Cr and Rs. 358.28 Cr for FY 2013-14, FY 2014-15 and FY 2015-16, respectively.

7.22 The cost of purchase of power from RES to meet RPO has been estimated based on the projected energy availability based on target RPO and the approved rates of solar/ non-solar power by Central Electricity Regulatory Commission (CERC) during FY 2013-14 and FY 2014-15. Accordingly, the power purchase cost to meet RPO has been approved as Rs. 43.30 Cr, Rs. 51.73 Cr and Rs. 55.09 Cr for FY 2013-14, FY 2014-15 and FY 2015-16, respectively.

7.23 The following table summarises the power purchase cost as submitted by the Petitioner and approved by the Commission for MYT period.

Table 34: Power Purchase Cost for MYT Period (Rs Cr)

Particulars		Submitted by Petitioner			Approved by Commission		
		FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
A. TPCL							
Units Purchased (MU's)	Unit II	804	804	806	804	804	806
	Unit III	804	804	806	804	804	806
	Total	**1,608**	**1,608**	**1,612**	**1,608**	**1,608**	**1,612**
Per Unit Price (Rs. / kWh)	Unit II	*2.83*	*2.89*	*2.94*	*2.83*	*2.89*	*2.94*
	Unit III	*2.77*	*2.82*	*2.86*	*2.77*	*2.82*	*2.86*
	Total	***2.80***	***2.86***	***2.90***	***2.80***	***2.86***	***2.90***
Power Purchase Cost (Rs. Cr)	Unit II	227.90	232.67	236.75	227.90	232.67	236.75
	Unit III	223.05	226.60	230.25	223.05	226.60	230.25
	Total	**450.95**	**459.27**	**467.00**	**450.95**	**459.27**	**467.00**
B. DVC at 132 kV							
Units Purchased (MU's)		438	438	438	438	438	438
Per Unit Price (Rs. / kWh)		*4.97*	*5.22*	*5.48*	*4.06*	*4.06*	*4.06*
Power Purchase Cost (Rs. Cr)		**217.90**	**228.80**	**240.24**	**177.98**	**177.98**	**177.98**
C. DVC at 400 kV							
Units Purchased (MU's)		1,111	1,240	1,529	434	547	722
Per Unit Price (Rs. / kWh)		*4.96*	*5.10*	*5.24*	*4.96*	*4.96*	*4.96*
Power Purchase Cost (Rs. Cr)		**551.21**	**632.44**	**801.34**	**215.12**	**271.54**	**358.28**
D. TSW - Captive							
Units Purchased (MU's)		-	-	-	169	169	169
Per Unit Price (Rs. / kWh)		-	-	-	*2.80*	*2.86*	*2.90*
Power Purchase Cost (Rs. Cr)		**-**	**-**	**-**	**47.28**	**48.16**	**48.83**

Particulars		Submitted by Petitioner			Approved by Commission		
		FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
E. RPO / RECs							
Units Purchased (MU's)		-	-	-	54	115	123
Per Unit Price (Rs. / kWh)		-	-	-	*8.02**	*4.49***	*4.49***
Power Purchase Cost (Rs. Cr)		**74.13**	**77.13**	**83.97**	**43.30**	**51.73**	**55.09**
F. Others/ Open access							
Units Purchased (MU's)		24	24	24	-	-	-
Per Unit Price (Rs. / kWh)		*6.00*	*6.00*	*6.00*	-	-	-
Power Purchase Cost (Rs. Cr)		**14.40**	**14.40**	**14.40**	**-**	**-**	**-**
G. Total Power Purchased							
Units Purchased (MU's)		**3,181**	**3,310**	**3,603**	**2,703**	**2,877**	**3,064**
Per Unit Price (Rs. / kWh)		***4.11***	***4.27***	***4.46***	***3.46***	***3.51***	***3.61***
Power Purchase Cost (Rs. Cr)		**1,308.60**	**1,412.04**	**1,606.95**	**934.63**	**1,008.68**	**1,107.18**

Note: * The rate of purchase for solar power is considered as Rs. 9.35 per unit which is the levellised tariff for Solar PV as determined by CERC as per its Order dated 27th March 2012 for FY 2013-14 and the rate of non-solar power has been considered at Rs. 5.00 per unit; ** The rate of purchase of solar power is considered as Rs. 8.08 per unit as per CERC provisional tariff Order for FY 2014-15 dated 7th January 2014 and rate of power for non-solar power is considered at Rs. 3.30 per unit.

Operation and Maintenance Expenses

Petitioner's Submission

7.24 The Petitioner has projected O&M expenses based on the methodology approved by the Commission in previous Tariff Order. In case of employee costs and A&G costs, the Petitioner has increased the base costs on the basis of inflation factor per annum to project costs for MYT period. While in case of R&M costs, the ratio of actual R&M costs to opening GFA based on audited accounts has been considered for projecting R&M costs for MYT period.

7.25 Thus, the Petitioner has projected total O&M other than CGRF/DSM expenses as Rs. 135.03 Cr, Rs. 142.89 Cr and Rs. 154.97 Cr for FY 2013-14, FY 2014-15 and FY 2015-16, respectively.

7.26 In addition to above, the Petitioner has also projected expenditure to be incurred during MYT period on CGRF/ DSM, as these expenses form part of A&G costs, it has been considered as part of O&M expenses. The CGRF Expenses are proposed to be Rs. 0.10 Cr in each year of the control period. Further, the petitioner proposed that DSM expenditure shall be incurred to promote energy efficiency measures to monitor and control consumer demand and reduce losses. The petitioner proposed to incur approx Rs.0.50 Cr in FY 2013-14, Rs. 0.55 Cr in FY 2014-15 and Rs.0.60 Cr in FY 2015-16 of MYT control period.

Commission's Analysis

7.27 For the MYT period, the Commission has projected the O&M expenses separately for each component of O&M expenses as per the methodology approved by it in the previous Tariff Order. The Commission is approving the component-wise O&M costs only provisionally and these estimates will be subject to true up during the Annual Performance Review/ True up during next year based on the actual break-up of O&M cost provided by the Petitioner in its audited accounts.

7.28 The Commission has approved the R&M costs for MYT Period as ratio of the opening GFA for the year. The ratio has been estimated on the basis of approved R&M cost for FY 2012-13 and opening GFA for FY 2012-13 and works out to 13%.

7.29 However, the Golmuri Substation expenditure for MYT period has been approved by escalating the approved expenditure for FY 2012-13 by the weighted average inflation factor i.e. 7.75% p.a. (i.e. weighted average of WPI & CPI for past 5 years in the ratio of 80:20, respectively).

7.30 The Commission has provisionally approved the A&G cost and employee cost for the MYT period by escalating the actual A&G cost including the cost incurred on CGRF/ DSM and the employee costs for FY 2012-13 by the weighted average inflation factor of 7.75% p.a.

7.31 Accordingly, the total O&M costs approved by the Commission for MYT period is approved as Rs. 87.18 Cr, Rs. 91.64 Cr and Rs. 97.11 Cr for FY 2013-14, FY 2014-15 and FY 2015-16, respectively.

7.32 The following table summarises the O&M expenses as submitted by the Petitioner and approved by the Commission for MYT Period.

Table 35: O&M Expenses for MYT Period (Rs Cr)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
A. A&G Costs *	14.62	15.88	17.25	14.05	15.13	16.31
B. R&M Costs	101.25	103.54	110.38	56.43	58.51	61.42

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
C. Employee costs	19.75	24.11	28.04	16.70	18.00	19.38
Total O&M Expenses (A + B + C)	**135.63**	**143.54**	**155.67**	**87.18**	**91.64**	**97.11**

* Includes projected CGRF/ DSM expenditure proposed to be incurred during MYT period of Rs. 0.60 Cr in FY 2013-14, Rs. 0.65 Cr during FY 2014-15 and Rs. 0.70 Cr during FY 2015-16.

Capital Expenditure Plan

Petitioner's Submission

7.33 The Petitioner, in its Petition for approval of Business Plan for MYT Period had submitted the capital expenditure and capitalisation plan for FY 2013-14 to FY 2015-16. Subsequently, the Petitioner filed the Petition for approval of ARR for FY 2013-14 to FY 2015-16 on 31st December 2012. The Petitioner submitted that due to revision in actual expenditure during FY 2011-12 and FY 2012-13, the base data for capital expenditure as submitted in Business Plan petition had undergone change and accordingly, the Petitioner submitted revised data in the ARR Petition. The total projected capital expenditure during FY 2013-14, FY 2014-15 and FY 2015-16 is Rs. 43.80 Cr, Rs. 29.25 Cr and Rs. 15.90 Cr, respectively.

Commission's Analysis

7.34 The Commission observes that as per the past trends, the Petitioner usually incurs only 50-70% of proposed expenditure during the year, while balance is phased out to ensuing year. Considering phasing of capital expenditure, the Commission has considered that approx. 50% of proposed capital expenditure will be incurred during year 1, 30% will be incurred during year 2 and remaining will be incurred during year 3.

7.35 Accordingly, the capital expenditure approved for FY 2013-14, FY 2014-15 and FY 2015-16 is Rs. 21.90 Cr, Rs. 27.77 Cr and Rs. 25.49 Cr, respectively subject to true up on the basis of audited accounts.

CWIP and Gross Fixed Asset

Petitioner's Submission

7.36 As per the ARR petition for MYT period, the Petitioner has proposed that the assets capitalised during FY 2013-14, FY 2014-15 and FY 2015-16 is Rs. 10.90 Cr, Rs. 32.55 Cr and Rs. 21.75 Cr, respectively.

Commission's Analysis

7.37 During FY 2013-14, the Commission has approved the assets addition proposed by the Petitioner i.e. Rs. 10.90 Cr, while for the remainder years of the MYT period, the Commission has approved assets capitalised equivalent to 30% of sum of opening CWIP & approved capex during the year, subject to true up on the basis of audited accounts for relevant years.

7.38 The following table summarises the GFA and CWIP as submitted by the Petitioner and approved by the Commission for MYT period.

Table 36: GFA and CWIP for MYT period (Rs Cr)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
A. Capital Works in Progress (CWIP)						
Opening CWIP	13.40	46.30	43.00	17.29	28.29	39.24
Add: Additions (Capex during FY)	43.80	29.25	15.90	21.90	27.77	25.49
Sub-total	**57.20**	**75.55**	**58.90**	**39.19**	**56.06**	**64.73**
Less: T/fed to GFA during FY	10.90	32.55	21.75	10.90	16.82	19.42
Closing CWIP	**46.30**	**43.00**	**37.15**	**28.29**	**39.24**	**45.31**
B. Gross Fixed Assets (GFA)						
Opening GFA	482.11	493.01	525.56	367.43	378.33	395.14
Add: T/fed from CWIP	10.90	32.55	21.75	10.90	16.82	19.42
Closing GFA	**493.01**	**525.56**	**547.31**	**378.33**	**395.15**	**414.56**

Depreciation

Petitioner's Submission

7.39 The Petitioner submitted that its computation of depreciation is based on projected GFA and utilising the rates as provided in Appendix I to the Distribution Tariff Regulations 2010 as per the Straight Line Method of computation. Further, the depreciation on assets created of consumer contribution has been removed while considering net depreciation charged to ARR.

Commission's Analysis

7.40 The Commission estimated the gross depreciation as per the depreciation rates in the Appendix I of the Distribution Tariff Regulations 2010 and the average GFA for the year. Further depreciation is reduced to the extent of depreciation on account of consumer contribution.

7.41 Following table summarizes the gross and net depreciation as submitted by the Petitioner and approved by the Commission for MYT period.

Table 37: Depreciation for MYT Period (Rs Cr)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Gross Depreciation	30.10	31.44	33.12	23.02	23.88	25.00
Depreciation on Account of Consumer Contribution	2.43	2.50	2.65	2.70	2.95	3.24
Net Depreciation	**27.68**	**28.95**	**30.47**	**20.32**	**20.93**	**21.76**

Interest and Other Finance Charges

Interest on Loan

Petitioner's Submission

7.42 The Petitioner has projected normative loan as per the methodology prescribed by the Commission. The deemed repayments for normative loans has been considered equivalent to the net depreciation cost of the financial year and the deemed additions during the year are the balancing figure. The interest rate for licensed operations of TSL has been taken at 14.75% and the normative interest is being computed on the average balance of deemed loans for each year of the MYT period.

Commission's Analysis

7.43 In accordance with the Distribution Tariff Regulations, 2010, the Commission has computed the normative loan for each year of the MYT period equal to 70% of the closing GFA. The GFA has been considered at net of consumer contribution. Normative repayment is deemed to be equal to the depreciation charge during the year. Further, in accordance with the Distribution Tariff Regulations, 2010, the interest on normative loan has been calculated on the average normative loan as outstanding during the year. The rate of interest for FY 2013-14 is considered as applicable SBI PLR as on April 1st, 2013 i.e. 14.45%, while for remaining years of the MYT period it is considered equivalent to applicable SBI PLR as on April 1st, 2014 i.e. 14.75%.

7.44 The following table summarises the interest on loan as submitted by the Petitioner and approved by the Commission for MYT period.

Table 38: Interest on Loan for MYT Period (Rs Cr)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Opening Balance of Normative Loan	230.79	209.34	201.78	143.76	128.24	115.98
Deemed Addition during the year	6.23	21.38	13.83	4.81	8.67	10.18
Deemed Repayments	27.68	28.95	30.47	20.32	20.93	21.76
Closing Balance of Deemed Loan	209.34	201.78	185.13	128.25	115.98	104.40

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Average balance during the Year	**220.06**	**205.56**	**193.45**	**136.00**	**122.11**	**110.19**
Interest Rate (%)	*14.75%*	*14.75%*	*14.75%*	*14.45%*	*14.75%*	*14.75%*
Interest Payment	**32.46**	**30.32**	**28.53**	**19.65**	**18.01**	**16.25**

Interest on Security Deposits

Petitioner's Submission

7.45 The Petitioner has provided for interest on projected security deposits for the MYT period at an interest rate of 9% p.a.

Commission's Analysis

7.46 The Petitioner is mandated to pay interest on consumer security deposit as per bank rates prescribed by Reserve Bank of India (RBI) from time to time. Thus the Commission has approved the interest on security deposit at 9% p.a. for the MYT period as submitted by the Petitioner; however the same is subject to true up based on the prevailing bank rate prescribed by RBI and the actual audited accounts.

7.47 The following table summarises the interest on security deposits as submitted by the Petitioner and approved by the Commission for MYT period.

Table 39: Interest on Security Deposits for MYT period (Rs Cr)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Opening security deposit	9.48	11.29	13.18	12.37	15.94	19.86
Security deposit received during FY	1.81	1.89	1.97	3.57	3.92	4.32
Closing security deposit	11.29	13.18	15.15	15.94	19.86	24.18
Average security deposit	**10.39**	**12.24**	**14.17**	**14.16**	**17.90**	**22.02**
Interest Rate (%)	*9.00%*	*9.00%*	*9.00%*	*9.00%*	*9.00%*	*9.00%*
Interest on security deposit	**0.93**	**1.10**	**1.28**	**1.27**	**1.61**	**1.98**

Interest on Working Capital

Petitioner's Submission

7.48 The Petitioner submitted normative interest on working capital for the MYT period as per the methodology prescribed by the Commission in previous Tariff Order considering an interest rate of 14.75%.

Commission's Analysis

7.49 In accordance with the Distribution Tariff Regulations, 2010, the normative working capital for the MYT period from FY 2013-14 to FY 2014-15 has been computed based on the following formula:

(a) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; plus

(b) One-twelfth of the amount of Operation and Maintenance expenses for such financial year; plus

(c) Maintenance spares @ 1% of opening GFA; minus

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

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

7.50 The rate of interest for FY 2013-14 is considered as applicable SBI PLR as on April 1st, 2013 i.e. 14.45%, while for remaining years of the MYT period it is considered equivalent to applicable SBI PLR as on April 1st, 2014 i.e. 14.75%. The following table summarises the calculation of working capital as submitted by the petitioner and as approved by the Commission for the MYT period.

Table 40: Interest on Working Capital for MYT Period (Rs Cr)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Receivables for 2 months' sale @ existing tariff	259.2	277.86	312.79	162.56	172.79	184.41
O&M expenses for 1 month	11.26	11.91	12.91	7.26	7.64	8.09
Maintenance spares @ 1% of Op. GFA	4.82	4.93	5.26	3.67	3.78	3.95
Sub-total	**275.28**	**294.7**	**330.96**	**173.49**	**184.21**	**196.45**
Less: Security deposit	10.39	12.24	14.17	14.16	17.90	22.02
Less: Power purchase cost for 1 month	109.05	117.67	133.91	77.89	84.06	92.27
Total Working Capital	**155.84**	**164.79**	**182.88**	**81.44**	**82.25**	**82.16**
Interest Rate (%)	*14.75%*	*14.75%*	*14.75%*	14.45%	14.75%	14.75%
Interest on Working Capital	**22.98**	**24.31**	**26.97**	**11.77**	**12.13**	**12.12**

7.51 The following table summarises the total interest and other finance charges as submitted by the Petitioner and approved by the Commission for MYT Period.

Table 41: Interest and Other Finance Charges for MYT Period (Rs Cr)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Interest on normative debt	32.46	30.32	28.53	19.65	18.01	16.25
Interest on security deposit	0.93	1.10	1.28	1.27	1.61	1.98
Interest on Working Capital	22.98	24.31	26.97	11.77	12.13	12.12
Total Interest & Finance charges	**56.38**	**55.73**	**56.79**	**32.69**	**31.75**	**30.35**

Return on Equity (RoE)

Petitioner's Submission

7.52 The Petitioner has projected RoE for MYT period based on normative equity of 30% of GFA net of consumer contribution and considering a pre-tax rate of return at 22.95% as per the 'Distribution Tariff Regulations, 2010'.

Commission's Analysis

7.53 As per the Distribution Tariff Regulations, 2010, the equity base has been considered equal to 30% of GFA. The GFA has been considered net of consumer contribution. Further, as per the above mentioned regulations, the rate of return on equity for the transition period shall be considered at post-tax rate of 15.50% p.a. However, the Commission notes that as per audited accounts for FY 2012-13, there is no assessable income for tax purposes for the Power Business Division of the Petitioner. Also the audited accounts for the Power Business Division for FY 2011-12 and FY 2012-13 do not include any cost attributable to income tax payable pertaining to the Power Business division. Thus, as there is no income tax chargeable to the power business division, the Commission has not grossed up the post-tax rate by income tax rate for projections for MYT period. However, this is subject to true up based on audited accounts and income tax liability for power business division in subsequent years during MYT period.

7.54 The detailed calculation of RoE projected by the Petitioner and as approved by the Commission for MYT period has been summarised in following table.

Table 42: Return on Equity for MYT Period (Rs Cr)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Opening normative equity	133.31	135.98	145.15	98.13	100.19	103.91
Deemed additions during FY	2.67	9.16	5.93	2.06	3.71	4.36
Closing normative equity	135.98	145.15	151.07	100.19	103.90	108.27
Average normative equity	**134.65**	**140.57**	**148.11**	**99.16**	**102.05**	**106.09**
Rate of ROE (%)	*22.95%*	*22.95%*	*22.95%*	*15.50%*	*15.50%*	*15.50%*
Return on equity	**30.90**	**32.25**	**33.99**	**15.37**	**15.82**	**16.44**

Non Tariff Income (NTI)

Petitioner's Submission

7.55 The Non-Tariff Income includes Meter Rent, Delayed Payment Surcharge and Supervision Charges etc. The Petitioner has projected Non-Tariff Income for the MYT Control Period at Rs. 4 Cr per annum.

Commission's Analysis

7.56 The Commission has approved NTI based on audited accounts for FY 2012-13 and escalating the same at the weighted average inflation rate of 7.75% per annum for the MYT period. Accordingly, the Commission has approved non tariff income of Rs. 3.77 Cr for FY 2013-14, Rs. 4.06 Cr for FY 2014-15 and Rs. 4.37 Cr for FY 2015-16.

Summary of ARR for MYT Period

7.57 The following table summarises the ARR for MYT period as submitted by the Petitioner and approved by the Commission.

Table 43: Summary of ARR for MYT Period (Rs Cr)

Particulars	Submitted by Petitioner			Approved by Commission		
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Power Purchase Cost	1,308.60	1,412.04	1,606.95	934.63	1,008.68	1,107.18
O&M Expenses *	135.63	143.54	155.67	87.18	91.64	97.11
Interest & Other Finance Charges	56.38	55.73	56.79	32.69	31.75	30.35
Depreciation	27.68	28.95	30.47	20.32	20.93	21.76
Total Costs	**1,528.29**	**1,640.26**	**1,849.88**	**1,074.82**	**1,153.00**	**1,256.40**
Add: Return on Equity	30.90	32.25 **	33.99 **	15.37	15.82	16.44
Less: Non-tariff income	4.00	4.00	4.00	3.77	4.06	4.37
Annual Revenue Requirement	**1,555.18**	**1,668.51**	**1,879.87**	**1,086.42**	**1,164.76**	**1,268.47**

* Includes CGRF/DSM expenses projected by Petitioner for MYT period of Rs. 0.60 Cr for FY 2013-14, Rs. 0.65 Cr during FY 2014-15 and Rs. 0.70 Cr during FY 2015-16. ** The Petitioner has wrongly submitted as Rs. 30.90 Cr instead of projections made for the year as shown in table above.

A8: REVENUE FROM EXISTING TARIFF AND TREATMENT OF REVENUE GAP

Revenue from existing tariff for FY 2013-14

Petitioner's submission

8.1 While the ARR has been projected for the entire MYT period, the Petitioner has estimated revenue from existing tariff and revenue gap at existing tariffs for first year of the MYT period i.e. FY 2013-14. Accordingly, based on the projected energy sales for FY 2013-14 and the prevailing retail tariffs as approved in Tariff Order dated 15th June 2012, the Petitioner has estimated revenue from existing tariff for FY 2013-14 as Rs. 1,100.58 Cr.

Commission's Analysis

8.2 The Commission has also estimated the revenue from existing tariff based on projected energy sales for FY 2013-14 and prevailing retail tariffs. The approved energy sale for FY 2013-14 is 2560 MU. Accordingly, the approved revenue from sale of power at existing tariff works out to Rs 975.33 Cr.

Revenue Gap for FY 2013-14

Petitioner's submission

8.3 Based on the projected ARR for FY 2013-14 of Rs.1,555.18 Cr and the estimated revenue from existing tariffs at Rs. 1,100.58 Cr, the Petitioner has submitted that the revenue gap at existing tariffs for FY 2013-14 works out to Rs. 454.60 Cr.

8.4 Further, the Petitioner has also submitted that after considering previous years gaps upto FY 2012-13, the cumulative revenue gap/ (surplus) for FY 2013-14 has been estimated at Rs. 783 Cr.

Commission's Analysis

8.5 The approved revenue gap for FY 2013-14 is Rs. 111.09 Cr based on the approved ARR of Rs. 1,086.42 Cr and estimated revenue from existing tariffs as Rs. 975.33 Cr. However, this gap is provisional and subject to true up on the basis of audited accounts for the year. Further, considering previous year approved revenue gaps for FY 2011-12 and FY 2012-13 i.e. Rs. 229.80 Cr based on the audited accounts for the year, the cumulative revenue gap for FY 2013-14 is approved at Rs. 340.89 Cr against projected gap of Rs. 783 Cr by the Petitioner.

Treatment of Revenue gap

Petitioner's submission

8.6 The Petitioner has proposed an average increase of 70%, which is expected to generate additional revenue of Rs 775.85 Cr. The Petitioner has requested the Commission to approve the proposed increase in tariff and revenue gap recovery proposal.

Views of the Commission

8.7 In order to meet the entire revenue gap of Rs. 340.89 Cr which includes final revenue gap of Rs. 229.80 Cr for FY 2011-12 and FY 2012-13 based on true up of these years and provisional revenue gap of Rs. 111.09 Cr for FY 2013-14, a tariff hike of approx. 35% would be required. The Commission is of the view that passing through of this steep increase in tariffs would result in tariff shock to the consumers.

8.8 The Distribution Tariff Regulations 2010 provide that the Commission allow variations on account of true up of uncontrollable expenses in the ARR. However, Regulation 11.5 of the above-mentioned regulations also stipulates that in case variations are large, the recovery can be phased out by creating regulatory assets in accordance with the National Tariff Policy (NTP). The relevant extract has been summarised below:

> *"11.5* ***Provided that if such variations are large, and it is not feasible to recover in one year alone, the Commission may take a view to create a regulatory asset****, as per the guidelines provided in clause 8.2.2 of the National Tariff Policy;*
>
> *...*
>
> *The Commission, to ensure tariff stability, may include the trued-up costs in the subsequent Control Period's ARR instead of including in the year succeeding the relevant year of the Control Period."* **Emphasis added**.

8.9 The Clause 8.2.2 of the National Tariff Policy (NTP) provides that Regulatory Commissions can adopt the facility of creation of Regulatory Assets in case same is clearly defined in State Tariff Regulations. As per Regulation 11.5 of Distribution Tariff Regulations, allow the Commission to create regulatory assets, the Commission is of the view that it will meet the approved revenue gap as follows:

(a) The final revenue gap approved for FY 2011-12 and FY 2012-13 based on the true up of ARR for these years as per the audited data of Rs. 229.80 Cr shall be met partly through tariff hike and partly shall be created as a Regulatory Asset.

(b) The provisional revenue gap for FY 2013-14 i.e. Rs. 111.09 Cr is subject to true up in next tariff order as per the audited data for the year and shall be adjusted in the next Tariff Order by the Commission.

8.10 In order to approve an appropriate tariff hike to meet a portion of final revenue gap for FY 2011-12 and FY 2012-13, the Commission has taken into consideration the following facts:

(a) There has been an increase of approx. 27% in the per unit cost of power purchase related to long term sources of power purchase during FY 2012-13 over previous year on account of increase in fuel costs. The Petitioner owing to increasing costs had also made several petitions during the year for recovery of FPPPA claim as pass through in accordance with the JSERC Distribution Tariff Regulations 2010. The Commission is of the view that as the power purchase cost form approx. 80% of the total ARR of the Petitioner and as the power purchase costs from long term tied up sources (excluding any increase due to short term power purchase) are considered uncontrollable, impact of increase in these costs need to be pass through to ensure that the utility is not rendered unviable.

(b) Further, the Petitioner during FY 2012-13 has also incurred substantial capital expenditure to increase its network and operational efficiency. The distribution losses have been kept below the prescribed targets, while further efforts need to be made to increase service area. Thus, the increase in capital expenditure towards providing reliable and quality 24x7 continuous supply to consumers of Jamshedpur has also resulted in increase in the financing and depreciation costs of the Petitioner.

(c) In addition to above, the inflation has also been rising – during past five years the inflation has increased at a weighted average index of approx. 7.75% (weighted average of increase in WPI and CPI linked inflation in ratio of 80:20, respectively during last five years). While the economic slowdown resulted in decrease in demand vis-a-vis the projections, inflation still accounted for increase in costs of the Petitioner.

(d) Also in past seven years, the retail tariffs for the Petitioner have been increased only once in FY 2012-13 and since then there has been no tariff hike for two years even though the power purchase and other costs have increased substantially during this period.

8.11 In view of above, the Commission is of the opinion that hike to meet at least the impact of inflationary increase in costs and interest rates and some portion of increase in power purchase costs needs to be pass through so as to ensure that the Petitioner is able to operate efficiently, while at the same time, the consumers are not impacted by a tariff shock.

8.12 Thus, to safeguard the interests of consumers and to provide adequate tariff hike to the Petitioner to at least meet increase in costs due to inflation & rise in power purchase costs partially, the Commission approves an average increase in tariff by 14.5%. This increase is expected to generate additional revenue of approx. Rs. 141.36 Cr and reduce the final revenue gap for FY 2011-12 and FY 2012-13. The balance revenue gap for FY 2011-12 and FY 2012-13 i.e. Rs. 88.44 Cr is to be carried forward as regulatory asset and the Commission shall allow carrying cost on approved regulatory assets.

8.13 Further, as per the provisions of the NTP, the regulatory assets along with the unmet revenue gap for FY 2013-14 i.e. Rs. 199.53 Cr [Rs. 111.09 Cr + Rs. 88.44 Cr] has to be liquidated in a time-bound manner. Accordingly, the Commission directs the Petitioner to submit a revised plan for liquidation of approved regulatory assets & unmet gap along with next tariff petition for consideration of the Commission.

8.14 The applicable tariff schedule for the Petitioner as proposed by the Petitioner and as approved by the Commission is shown in table below.

Table 44: Category-wise Existing, Proposed and Approved Tariff Rates for FY 2013-14

Consumer Category	Fixed Charges (Rs/month or Rs/kVA/month or part thereof)				Energy Charges (Rs/kWh)			
	Slab	Existing	Proposed	Approved*	Slab	Existing	Proposed	Approved*
Domestic								
Domestic DS-I	220 V single phase up to 5 kW	10	15	11	0-100	1.75	2.20	1.90
Domestic DS-II	415 V three phase above 5 kW	20	25	22	101-400	2.95	3.70	3.20
Domestic DS-III					401 & above	3.25	4.10	3.50
Domestic DS HT	For all uits	275	345	300	For all units	3.10	4.20	3.40
Commercial	220 V single phase up to 5 kW	25	50	30	For all units	4.60	7.35	5.00
	415 V three phase above 5 kW	75	150	80	For all units			
High Tension - 1	For all units (Rs/kVA/mnth)	220	375	225	For all units	3.70	6.30	4.50
High Tension – II	For all units (Rs/kVA/mnth)	220	375	225	For all units	3.60	6.30	4.35
High Tension - III	For all units (Rs/kVA/mnth)	200	375	210	For all units	3.50	6.30	4.15

High Tension – IV	For all units (Rs/kVA/mnth)	200	375	210	For all units	3.50	6.30	4.15
Utilities/Street Light	For all units	22	30	25	For all units	3.10	3.70	3.40
Temporary supply	For all units	33	50	35	For all units	5.50	6.60	6.00

Note: * As FY 2013-14 is already completed, the approved tariffs are applicable with effect from 1st June 2014 and shall remain in effect till the next tariff schedule is issued by the Commission.

8.15 Based on the above, the consumer category-wise comparison of average cost of supply and average revenue at existing and proposed tariff as submitted by the Petitioner and approved by the Commission is summarised in following table.

Table 45: Average CoS, Average Revenue & Tariff hike for FY 2013-14

Consumer Categories	Submitted by Petitioner				Approved by the Commission			
	Average Cost of Supply incl. past gaps (Rs/kWh)	Average Revenue @ Existing Tariff (Rs/kWh)	Average Revenue @ Proposed Tariff (Rs/kWh)	Proposed tariff hike (%)	Average Cost of Supply incl. past gaps (Rs/kWh)	Average Revenue @ Existing Tariff (Rs/kWh)	Average Revenue @ Approved Tariff (Rs/kWh)	Approved tariff hike (%)
Total Domestic LT	6.22	2.88	3.63	26%	5.15	3.00	3.24	8%
Domestic - DS HT	6.22	3.10	4.20	35%	5.15	3.10	3.40	10%
Commercial	6.22	4.69	7.48	60%	5.15	4.66	5.06	9%
High Tension I	6.22	4.65	7.92	70%	5.15	4.93	5.75	17%
High Tension II	6.22	4.04	7.04	74%	5.15	4.39	5.16	18%
High Tension III	6.22	3.75	6.78	81%	5.15	3.85	4.52	17%
High Tension IV	6.22	3.64	6.46	78%	5.15	5.66	6.41	13%
Street Lights	6.22	3.10	3.70	19%	5.15	3.10	3.40	10%
Temporary supply	6.22	5.50	6.60	20%	5.15	5.50	6.00	9%
Total	**6.22**	**3.63**	**6.19**	**70%**	**5.15**	**3.81**	**4.36**	**14.5%**

A9: TARIFF RELATED OTHER ISSUES

Tariff Rationalization

Petitioner's submission

9.1 The petitioner submitted that the categorisation of HT Industry and benefit of voltage rebate etc should be aligned with other licensees in the State. Similarly, the Petitioner has also submitted to realign categorisation for domestic and commercial consumers are also aligned with other state licensees.

View of the Commission

9.2 The consumer categorisation has been done for each licensee on the basis of the existing consumer profile for each licensee. In case of other state licensees also separate categories for HT industry (HTS and HTSS) with different voltages (11kV, 33kV and 132 kV & above) has been done by the Commission. Further, in case of Petitioner an additional category of HT-IV was carved in previous Tariff Order considering supply to Tata Steel Works, while the fixed and energy charges for this category were kept same as that for HT-III category itself. Further all HT consumers in the State are passed on the benefits of voltage and load factor rebate and no differentiation is done by the Commission in this regards.

9.3 In case of domestic and commercial categories, the categorisation is done on the basis of existing consumer profile in the licensed area of the Petitioner and there is no case to change the same. In case the Petitioner wants to suggest re-categorisation of any consumer category, it is directed that it submits a detailed proposal including reasons for re-categorisation along with impact of such re-categorisation i.e. details of existing tariff, proposed tariffs due to re-categorisation, financial impact on consumer and overall impact on revenue of the Petitioner.

9.4 Thus, the Commission finds no merit in above proposal of the Petitioner and directs the Petitioner to submit detailed proposal for re-categorisation along with next tariff petition.

A10: TARIFF SCHEDULE

APPLICABLE FROM 1ST JUNE 2014[1]

This tariff will come into effect from June 1st, 2014 and apply to all consumers availing power supply from Tata Steel within its licensed area.

The consumers classified under different categories will be charged different tariff for energy supplied to them as given below, based on the nature of use of energy, supply voltage and demand of power.

Low & Medium Tension (LT & MT) Supply:

The tariff for LT & MT Supply will be charged under following categories:

Demand in kVA	Voltage of supply to be provided by Tata Steel	Consumer Category	Nature of use of energy
Upto 100 kVA	415 V or 220 V as per availability and discretion of Tata Steel	DS Domestic Category	Domestic & Households, Educational Institutions and Hostels, Charitable & Social Welfare Institutions, Hospitals, municipal Services etc.
Upto 100 kVA	415 V or 220 V as per availability and discretion of Tata Steel	CS Commercial Category	Trade, Business, Shops, Cinemas, Clubs, Hotels, Public Offices, Private Hospital. Business establishments in the premises of Educational Institutions, Hostels, Religious Institutions & Other Commercial or business establishments.

High Tension (HT) Supply:

The tariff for HT Supply will be charged under following categories:

Demand in kVA	Voltage of supply to be provided by Tata Steel	Consumer Category
For demand more than 100 kVA upto 500 kVA	6.6 kV/11 kV as per availability and discretion of Tata Steel	HT-1
For demand more than 500 kVA but less than 5000 kVA	6.6 kV/11kV/33kV as per availability and discretion of Tata Steel	HT-2
For demand 5000 kVA or more	33kV/132kV	HT-3
For power supplied to Steel Works of the Tata Steel	For power supplied to Steel Works of the Tata Steel	HT-4

[1] This schedule shall remain in force till the next tariff schedule is issued by the Commission.

A. Domestic Supply, (DS Category)

1. Applicability:

This schedule is applicable to Domestic & Households, Educational Institutions and Hostels, Charitable & Social Welfare Institutions and Govt & Industrial Hospitals.

2. Character of Service:

AC 50 Hz three phase at 415V or 220V at single phase within the specified variation limits as far as practicable.

3. Tariff

Energy Charge

Description (Units/month)	Energy Charges
	Rs/unit
0-100	1.90
101-400	3.20
Above 400	3.50

Fixed Charges

Description	Fixed Charges
	(Rs/month or part thereof)
220V single phase up to 5 kW	11
415 V three phase above 5 kW	22

4. Meter Hire Charges

Description	Meter Hire Charge
	Rs/month
220 V single phase upto 5 kW	15
415 V three phase above 5 kW	35

Note: The meter hire charge is applicable only in case the meter is purchased and installed by the licensee. No meter hire charges applicable in case of consumer purchased meters.

5. **Interest on delayed payment:** In accordance with Clause IV as provided in section on Terms and Conditions of Supply of the present Tariff Order.

B. Domestic Supply, HT category (DSHT Category)

1. Applicability:

This schedule is applicable to Domestic & Households and Housing Co-operative societies.

2. **Character of Service:**

   AC 50 Hz three phase at 6.6 KV/11KV within the specified variation limits as far as practicable in line with the IE Rules 1956 and grid constraints.

3. **Tariff**

Energy Charge:

Description (Units/month)	*Rs/unit*
Energy Charge	3.40

Fixed Charge

Description	*Rs/Consumer/month*
Fixed Charge	300

4. **Meter Hire Charges per month:** Rs 35

   Note: The meter hire charge is applicable only in case the meter is purchased and installed by the licensee. No meter hire charges applicable in case of consumer purchased meters.

5. **Interest on delayed payment:** In accordance with Clause IV as provided in section on Terms and Conditions of Supply of the present Tariff Order.

C. Commercial Supply (CS category)

1. **Applicability:**
   This schedule applicable for Trade, Business, Shops, Cinemas, Clubs, Hotels, Public Offices, Private Nursing Homes and Hospitals, Business establishments in the premises of Educational Institutions, Hostels, Religious Institutions, and any other Commercial or business establishments

2. **Character of Service:**
   AC 50 Hz three phase at 415V or 220V at single phase within the specified variation limits as far as practicable in line with the IE Rules 1956 and grid constraints.

3. **Tariff**

Energy Charge

Description (units/month)	*Rs/unit*
Energy Charges	5.00

Fixed Charge

Description	Fixed Charges
220 V single phase upto 5kW	Rs 30/Consumer/month
415 V three phase above 5kW	Rs 80/Consumer/month

4. **Meter Hire Charges**

Description	Meter Hire Charge *Rs/consumer/month*
220 V single phase upto 5kW	15
415 V three phase above 5kW	75

Note: The meter hire charge is applicable only in case the meter is purchased and installed by the licensee. No meter hire charges applicable in case of consumer purchased meters.

5. **Interest on delayed payment:** In accordance with Clause IV as provided in section on Terms and Conditions of Supply of the present Tariff Order.

D. High Tension Supply, (HT category)

I. HT-1 Category

1. **Applicability:**
This schedule is applicable to Industrial and Commercial establishments and where contract demand agreement is more than 100 kVA but less than 500 kVA.

2. **Character of Service:**
AC 50 Hz three phase at 6.6 kV/11 kV within the specified variation limits as far as practicable, in line with IE rules 1956 and grid constraints.

3. **Tariff**

Energy charge

Description (Units/month)	*Rs/unit*
Energy Charges	4.50

Demand charge

Description	*Rs/kVA/month*
Demand Charge	225

Note: The billing demand shall be as per Clause I, as provided in section on Terms and Conditions of Supply of the present Tariff Order.

4. **Meter Hire Charges**: Rs 500 per month

   Note: The meter hire charge is applicable only in case the meter is purchased and installed by the licensee. No meter hire charges applicable in case of consumer purchased meters.

6. **Power Factor Penalty/Rebate:** In accordance with Clause II as provided in section on Terms and Conditions of Supply of the present Tariff Order.

7. **Electricity Duty:** In accordance with Clause III as provided in section on Terms and Conditions of Supply of the present Tariff Order.

5. **Interest on delayed payment:** In accordance with Clause IV as provided in section on Terms and Conditions of Supply of the present Tariff Order.

6. **Voltage Rebate:** In accordance with Clause VI as provided in section on Terms and Conditions of Supply of the present Tariff Order.

II. HT-2 Category

1. Applicability

This schedule is applicable to Industrial and Commercial establishments and where contract demand agreement is more than 500 kVA but less than 5000 kVA.

2. Character of Service

AC 50 Hz three phase at 6.6KV/11kV/33kV within the specified variation limits as far as practicable, in line with IE rules 1956 and grid constraints**.**

3. Tariff

Energy charge

Description (Units/month)	*Rs/unit*
Energy Charges	4.35

Demand charge

Description	*Rs/kVA/month*
Demand charge	225

Note: The billing demand shall be as per Clause I, as provided in section on Terms and Conditions of Supply of the present Tariff Order.

4. Load factor Rebate

Description	Rebate %
For all Energy consumption above 65% and upto 70% load factor	5%
For all Energy consumption above 70% load factor	7.5%

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

5. Meter Hire Charges: Rs 500 per month

Note: The meter hire charge is applicable only in case the meter is purchased and installed by the licensee. No meter hire charges applicable in case of consumer purchased meters.

6. Power Factor Penalty/Rebate: In accordance with Clause II as provided in section on Terms and Conditions of Supply of the present Tariff Order.

7. Electricity Duty: In accordance with Clause III as provided in section on Terms and Conditions of Supply of the present Tariff Order.

8. Interest on delayed payment: In accordance with Clause IV as provided in section on Terms and Conditions of Supply of the present Tariff Order.

9. Voltage Rebate: In accordance with Clause VI as provided in section on Terms and Conditions of Supply of the present Tariff Order.

III. HT-3 Category

1. Applicability

This schedule is applicable to Industrial establishments and where contract demand agreement is more than 5000 kVA or more.

2. Character of Service

AC 50 Hz three phase at 33kV / 132kV within the specified variation limits as far as practicable.

3. Tariff

Energy charge

Description (Units/month)	*Rs/unit*
Energy Charges	4.15

Demand charge

Description	*Rs/kVA/month*
Maximum demand charge	210

Note: The billing demand shall be as per Clause I, as provided in section on Terms and Conditions of Supply of the present Tariff Order.

4. **Load factor Rebate**

Description	Rebate
For all Energy consumption above 70% load factor	7.5%

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

5. **Meter Hire Charges:** Rs 500 per month

Note: The meter hire charge is applicable only in case the meter is purchased and installed by the licensee. No meter hire charges applicable in case of consumer purchased meters.

6. **Power Factor Penalty/Rebate:** In accordance with Clause II as provided in section on Terms and Conditions of Supply of the present Tariff Order.

7. **Electricity Duty:** In accordance with Clause III as provided in section on Terms and Conditions of Supply of the present Tariff Order.

8. **Interest on delayed payment:** In accordance with Clause IV as provided in section on Terms and Conditions of Supply of the present Tariff Order.

9. **Voltage Rebate:** In accordance with Clause VI as provided in section on Terms and Conditions of Supply of the present Tariff Order.

IV. HT-4 Category

1. **Applicability**

   This schedule is applicable for consumption of Steel Works of Tata Steel.

2. **Character of Service**

   AC 50 Hz three phase at 132kV/220kV/ 400kV within the specified variation limits as far as practicable.

3. Tariff

Energy charge

Description (Units/month)	*Rs/unit*
Energy Charges	4.15

Demand charge

Description	*Rs/kVA/month*
Maximum demand charge	210

The billing demand shall be as per Clause I, as provided in section on Terms and Conditions of Supply of the present Tariff Order.

4. Load factor Rebate

Description	Rebate
For all Energy consumption above 70% load factor	7.5%

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

5. **Meter Hire Charges:** Rs 500 per month

Note: The meter hire charge is applicable only in case the meter is purchased and installed by the licensee. No meter hire charges applicable in case of consumer purchased meters.

6. **Power Factor Penalty/Rebate:** In accordance with Clause II as provided in section on Terms and Conditions of Supply of the present Tariff Order.

7. **Electricity Duty:** In accordance with Clause III as provided in section on Terms and Conditions of Supply of the present Tariff Order.

8. **Interest on delayed payment:** In accordance with Clause IV as provided in section on Terms and Conditions of Supply of the present Tariff Order.

9. **Voltage Rebate:** In accordance with Clause VI as provided in section on Terms and Conditions of Supply of the present Tariff Order.

E. Utilities/Street Light Category

1. Applicability:

The schedule is applicable to all utilities and municipal services like water and waste water, sewage treatment, street lights etc.

2. Character of Service

AC 50 Hz three phase at 415V or 220V within the specified variation limits as far as practicable.

3. Tariff

Energy charge

Description (Units/month)	*Rs/unit*
Energy Charges	3.40

Fixed charge

Description (Units/month)	*Rs/month or part thereof*
Fixed Charge	25

Meter Hire charge

Description (Units/month)	Meter Hire Charges
	Rs/month
220V Single phase upto 5kW	15
415V three phase above 5 kW	35

Note: The meter hire charge is applicable only in case the meter is purchased and installed by the licensee. No meter hire charges applicable in case of consumer purchased meters.

4. Interest on delayed payment: In accordance with Clause IV as provided in section on Terms and Conditions of Supply of the present Tariff Order.

F. Temporary Supply

1. Applicability

Temporary supply connections are to be provided on request for an initial period of 3 (three) months maximum from the date of payment of estimated amount in advance and thereafter on discretion of the petitioner. Temporary Connection shall be provided on request for an initial period of 3 (three) months maximum from the date of payment of estimated amount in advance and thereafter on discretion of Tata Steel.

2. Tariff Rates

Fixed Charge

Description	*Rs/month*
Fixed Charges	35

Energy Charge

Description (Units/month)	*Rs/unit*
Energy Charges	6.00

Note: However for Durga Puja and other religious functions energy charge for temporary connections will be the highest slab of the prevailing domestic tariff i.e. Rs 3.50/kWh.

Schedule for Miscellaneous Charges

S.No.	Purpose	Scale of Charges	Manner in which payment will be realized
1	**Application fee**		
	Agriculture	10	Application should be given in standard requisition form of the Licensee which will be provided free of cost. Payable in cash in advance along with the intimation
	Street light	20	
	Domestic	15 (Kutir Jyoti) 20 (Others)	
	Commercial	20	
	Other LT categories	50	
	HTS	100	
	HTSS, EHTS, RTS	100	
2	**Revision of estimate when a consumer intimates changes in his requirement subsequent to the preparation of service connection estimate based on his original application**		
	Agriculture	10	Payable in cash in advance along with the intimation for revision
	Domestic	30	
	Commercial	30	
	Other LT categories	50	
	HT Supply	150	
3	**Testing of consumers Installation**		
	First test and 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	100	(Payable in cash in advance along with the request for testing)
4	**Meter test when accuracy disputed by consumer**		
	Single phase	40	To be deposited in cash in advance. If the meter is found defective within the meaning of the Indian Electricity Rules 1956, the amount of advance will be refunded and if it is proved to be correct within the permissible limits laid down in the Rules, the amount will not be refunded.
	Three phase	100	
	Trivector of special type meter	650	
5	**Removing/ Refixing of meter**		
	Single phase	50	Payable in cash in advance along with the intimation for revision
	Three phase	100	
	Trivector of special type meter	300	
6	**Changing of meter /meter equipment/fixing of sub meter on the request of the consumer/fixing of sub meter**		
	Single phase	50	Payable in cash in advance along with the intimation for revision
	Three phase	100	
	Trivector of special type meter	300	
7	**Resealing of meter when seals are found broken**		
	Single phase	25	Payable with energy bill

S.No.	Purpose	Scale of Charges	Manner in which payment will be realized
	Three phase	50	
	Trivector of special type meter	100	
8	**Replacement of meter card, if lost or damaged by consumer**	**10**	Payable with energy bill
9	**Fuse call - Replacement**		
	Board fuse due to fault of consumer	15	Payable with energy bill
	Consumer fuse	15	
10	**Disconnection/ Reconnection**		
	Single phase	30	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	75	
	LT Industrial Supply	300	
	HT Supply	500	
11	**Security Deposit**		**As per clause 10.0 of the JSERC (Electricity Supply code) Regulations, 2005**

A11: TERMS AND CONDITIONS OF SUPPLY

Besides the terms & conditions provided in the JSERC (Electricity Supply Code), Regulations, 2005, the Commission approves the following additional terms & conditions of supply:

Clause I: Billing Demand

The billing demand shall be the maximum demand recorded during the month or 75% of contract demand whichever is higher. In case of the actual demand exceeding 110% of the contract demand, the consumer shall pay penal charges for the exceeded demand. The penal charges would be charged as follows:

If the recorded demand exceeds 110% of Contract Demand, then the demand charge upto 110% of contract demand will be charged as per the normal tariff rate. The remaining recorded demand over and above 110% will be charged @ 1.5 times the normal tariff rate.

In case actual demand is higher than the contract demand for three continuous months, the same 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 for the revised contract demand with the licensee.

Once the actual demand is recorded to be higher than contract demand for two continuous months, the licensee would serve notice to the consumer after the end of the second month for enhancement of the contract demand. The consumer would be liable to respond within 15 days of receipt of such notice and submit application for enhancement of contract demand to the licensee. The licensee would, within 15 days of receipt of response from the consumer, finalise the new agreement after making necessary changes at consumer's installations.

In case the consumer fails to respond within 15 days, the licensee would have the right to initiate enhancement of load as per the last recorded contract demand. While, in case the consumer provides an undertaking that the actual demand shall not exceed the contract demand again for a period of atleast six months from the last billing, the licensee shall continue to bill the consumer as per the existing contract demand and billing demand.

Provided that if the consumer fails to adhere to the undertaking and the actual demand exceeds the contract demand within the subsequent six months of the undertaking, the consumer shall have to pay a penal charge of 2 times the normal tariff for a period of three consecutive months and the licensee shall, after serving 7 days notice to the consumer, enhance the contract demand of the consumer as per the last recorded actual demand.

Clause II: Power factor Penalty/Rebate

Power Factor Penalty:

Power Factor Penalty will be applicable in case of maximum demand meters.

In case average power factor in a month for a consumer falls below 0.85, a penalty @ 1% for every 0.01 fall in power factor from 0.85 to 0.60; plus 2% for every 0.01 fall below 0.60 to 0.30 (up to and including 0.30) shall be levied on demand and energy charges; plus 3% for every 0.01 fall below 0.30.

Further, all consumers having aggregate inductive load greater than 3 HP (2.2 kW) and above (except domestic and street lights), shall install capacitors of required KVAR rating provided in the following table:

Rating of individual Inductive Load in HP	kVAR rating of LT capacitors
3 to 5	1
5 to7.5	2
7.5 to10	3
10 to 15	4
15 to 20	6
20 to 30	7
30 to 40	10
40 to 50	10 – 15
50 to 100	20 – 30

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 does 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.

No connection shall be released for any consumer having aggregate inductive load greater than 3 HP (2.2 kW) unless the capacitors of suitable rating are installed.

Power Factor Rebate:

Power Factor rebate will be applicable in case of maximum demand meters.

In case average power factor as maintained by the consumer is more than 85%, a rebate of 1% and if power factor is more than 95%, a rebate of 2% on demand and energy charges shall be applicable.

Clause III: Jharkhand Electricity Duty

The charges in this tariff schedule do not include charges on account of Electricity Duty/ Surcharge to the consumers under the Jharkhand Electricity Duty Act, 1948 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 after making corrections for the loss in the distribution system.

Clause IV: Interest on Delayed payment

The Delayed Payment Surcharge will be levied for all consumers at the rate of 1.5% per month and part thereof for all consumer categories. The due date for making payment of energy bills or other charges shall be fifteen days from the date of serving 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, DPS will not be charged for the period of default by licensee.

Clause V: Electricity Supply Code

The Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulation 2005 as amended from time to time will be followed wherever applicable.

Clause VI: Voltage Rebate

Voltage rebate to the High Tension consumers will be applicable as given below:

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

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

Clause VII: Other Terms & Conditions

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 the event of dishonored cheque for payment against a particular bill, the Licensee shall charge a minimum of 300 Rs or 0.5% of the billed amount, whichever is higher. The DPS shall be levied extra as per the applicable terms and conditions of DPS for the respective category.

Stopped/ defective meters

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued on the basis of average of previous twelve months consumption.

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/ contract load on following load factor applicable to respective categories, as shown below:

Category	Load Factor
Domestic Supply	0.10
Commercial Supply	0.20
Domestic Supply HT	0.15
High Tension Supply	
11 KV	0.25
33 KV	0.30
132/220/400 KV	0.50

Sale of energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/ entity.

Release of new connections

No new connections shall be provided without appropriate meter. The tariff for un-metered connections shall be applicable only to the existing un-metered connections, until they are metered.

Conversion factors

The following shall be the conversion factors, as and where applicable

(PF=0.85):

1 Kilowatt (KW) = 1.176 Kilovolt ampere (kVA)

1 Kilowatt (KW) = 1 / 0.746 Horse Power (HP)

1 Horse Power (1 HP) = 0.878 Kilovolt ampere (KVA)

Fuel Price & Power Purchase Adjustment (FPPPA)

Applicable as per the Clause 6.59 to 6.65 of the Distribution Tariff Regulations, 2010 and as amended by the Commission from time to time

A12: STATUS OF EARLIER DIRECTIVES

12.1 The following table summarizes the status of compliance of earlier directives by the Commission and the views of the Commission.

Directives as per TO 2011-12	Status submitted by the Petitioner	Views of the Commission
Separation of Accounts The Commission directed the Petitioner to segregate the accounts in full and submit with the tariff petition for FY 2013-14. The Commission also re-iterated that the Petitioner must work out an expansion plan for its licensed area along with the time schedules and submit the same within three months of the issue of Order. The Commission has also directed the Petitioner to submit quarterly report to the Commission the status of consumer applications pending and the reasons thereof.	The petitioner submitted that it has deployed maximum efforts to separate accounts of power business division from the main company accounts. The Petitioner also submitted that the breakup of expenses to the extent possible is provided in the petition. The Petitioner further submitted that audited accounts are separately provided for Power Business Division along with the petition.	The Commission has noted that despite repeated directives for separation of accounts in full and giving break up of O&M and other common costs, the breakup of many cost elements such as O&M expenses, Depreciation, Golmuri station expenses etc are not shown Separately for Power Business Division in the accounts submitted by the petitioner. This shows that the Separation of Accounts have not been done in full. Thus, the Commission makes it clear that from FY 2013-14 onwards for purposes of true up, it would not accept accounts which are not fully segregated. Accordingly, the Commission again directs the Petitioner to segregate its accounts in full and submit the same with the next tariff petition.
Sales Estimates and Projections The Commission directed the Petitioner to get the a detailed study for load research and demand forecast study completed within three months of the issue of the Tariff Order for FY 2012-13and submit the report to the Commission within one month thereafter.	The petitioner had submitted that the study report will be submitted by the technical consultants to the Petitioner during February/ March 2013 and the same shall be submitted to Hon'ble Commission immediately.	The Commission notes that the said report has not been submitted by the Petitioner, even after completion of over a year after the finalisation of the report. The Commission directs that the completed study report for load research and demand forecast be submitted to the Commission within two months of issue of this Order.
Status of CGRF & DSM Initiatives The Commission notes that the Petitioner is not submitting the quarterly reports regularly. Hence the petitioner is directed to submit quarterly reports.	The petitioner submitted that it had been timely submitting the reports to the Commission.	The Commission directs the Petitioner to timely submit the quarterly reports.
Adjustments of Bills The Commission directs the Petitioner to reconcile the payment due/receipts with TPCL, in lieu of the revised Generation tariffs determined by the Commission for	The petitioner submitted that adjustments of the bills have been carried out by the petitioner as per directives of the tariff order. The annual reconciliation statement for Tata Power Company Limited and JUSCO had been carried out.	The Petitioner has compiled with the Directive. However as it is a recurring process, the Petitioner is again directed to submit status of adjustment of bills for future period.

Directives as per TO 2011-12	Status submitted by the Petitioner	Views of the Commission
FY 2010-11, FY 2011-12 & FY 2012-13 in comparison to the Commission's Tariff Order for TPCL for FY 2010-11 & FY 2012-13, within three month of the issue of this Order.		
O&M Expenses Commission directed the Petitioner to submit the detailed break-up of O&M expenses in the next petition as per the forms annexed in 'Distribution Tariff Regulations, 2010', as amended from time to time for past five years from the tariff year under consideration along with the tariff petition for next year also duly reflected in the audited accounts for Power Business division, failing which the expenses on O&M expenses will be disallowed.	The petitioner submitted that its major O&M activities are outsourced to M/s.JUSCO and the petitioner has from time to time provided break-up of O&M expenses to the extent possible manner. The petitioner submitted that its case be treated separately from other utilities and allow O&M expenses as per the format being maintained by the petitioner. The Petitioner requested the Hon'ble Commission to kindly consider the details as submitted in the petition and allow the O&M expenses as claimed in the petition.	The Commission is concerned that the Petitioner has not been able to segregate the O&M expenses as per the forms annexed in' Distribution Tariff Regulations, 2010' as amended from time to time. The Commission makes it clear that from FY 2013-14 onwards for purposes of true up, it would not accept O&M expenses unless account head wise information is submitted as per the fully segregated accounts. The Commission again directs the Petitioner to submit the detailed break up of O&M expenses in the Audited accounts of power business division along with next petition failing which O&M expenses may be disallowed.
Technical Study for Service Area (Prospective Consumers) The Commission directs the Petitioner to submit a timeframe for releasing all pending connections as per the relevant provisions of JSERC (Distribution Licensees' Standards of Performance), Regulations 2005. The Petitioner should also submit quarterly report to the Commission the status of consumer applications pending and the reasons thereof.	The petitioner submitted that the study report will be submitted by the technical consultants around February/ March 2013 and the same shall be submitted to Hon'ble Commission immediately.	The Petitioner has not submitted the Report even one year after the mentioned date of submission of the Report. The Petitioner is directed to submit the Report along with the next tariff petition.
Data adequacy in the next Tariff Petition The Commission is concerned at the inadequacies and discrepancies found in the tariff petition which delays the finalization of the Tariff Order. The Commission directs the Petitioner to ensure that the next tariff petition should be complete in all respect leaving no room for data inconsistencies and discrepancies.	The petitioner submits that it has made all efforts to ensure maximum, proper & necessary required data/ information is provided along with this petition. However, due to some unavoidable reasons petitioner has sought for time extension and the same was approved by the Commission.	The Petitioner is again directed to ensure that the next tariff petition should be complete in all respect leaving no room for data inconsistencies and discrepancies
Report on Distribution Loss The Petitioner is directed to proactively	The petitioner submitted that it had been timely submitting the reports to the Commission.	The Commission appreciates the efforts undertaken by the Petitioner for reduction of distribution losses.

Directives as per TO 2011-12	Status submitted by the Petitioner	Views of the Commission
take measures for reduction of distribution losses and controlling theft in its licensed area and quarterly report on the same should be submitted to the Commission from the next quarter. The Petitioner should also report the distribution losses to the Commission on a quarterly basis.	The various measures taken to control thefts and reduce losses are: a. Changing of old Electromagnetic Meter by Electronics Meter; b. Improving and rectification metering connection of Bulk LT Consumers; c. Replacement of bare overhead LT distribution line by Arial brunch Conductor; d. Remote Meter Reading for HT Consumers; e. Cluster Metering for Flat complex; f. Conversion of three single phase meter by one single three phase meter; g. Installation HT metering cubicle for HT consumer having LT side Metering	The Petitioner is directed to compile and submit all the reports FY 2012-13 and FY 2013-14 along with the next tariff petition.

A13: DIRECTIVES

Timely submission of the reply to the data gaps / discrepancy notes

13.1 The Commission has observed that the Petitioner did not submit the reply / responses to the data gaps / discrepancy notes raised by the Commission within the stipulated time. It is pertinent to mention that delay in filing of ARR or the additional information not only impacts the revenues of the Petitioner but is also is a hindrance in regulatory stability from the consumer's perspective. The Commission directs the Petitioner to adhere to the timelines in the future.

Typographical mistakes in the Petition

13.2 The Commission has observed that in the MYT tariff petition filed on 31st December 2012, various typographical errors were found. The Commission is concerned about the mistakes being committed by the Petitioner in the Petition as this increases the possibility of errors while reviewing the petition. The Commission thus directs the Petitioner to take extreme care in the future in order to avoid such mistakes.

Separation of accounts

13.3 The Commission has noted that despite repeated directives for separation of accounts in full and giving break up of O&M and other common costs, the breakup of many cost elements such as O&M expenses, Depreciation, Golmuri station expenses etc are not shown separately for Power Business Division in the accounts submitted by the petitioner. This shows that the Separation of Accounts have not been done in full. The Commission makes it clear that from FY 2013-14 onwards for purposes of true up, it would not accept accounts which are not fully segregated.

13.4 Thus, the Commission again directs the Petitioner to segregate its accounts in full and submit the same with the next tariff petition.

Sales Estimates and Projections

13.5 The Petitioner is directed to submit the Report prepared by the technical consultants for sales estimates and projections along with the next tariff petition.

O&M Expenses

13.6 The Commission makes it clear that from FY 2013-14 onwards for purposes of true up, it would not accept O&M expenses unless account head wise information is submitted as per the fully segregated accounts.

13.7 Thus, the Commission again directs the Petitioner to submit the detailed break up of O&M expenses in the Audited accounts of power business division along with next petition failing which O&M expenses may be disallowed.

Power purchase cost

13.8 The Petitioner in its previous tariff petition had submitted that the power purchase cost from DVC at 400 kV would be lesser as compared to that at 132 kV level as the rate of power purchase projected for 132 kV supply is proposed to be discounted by 5%. However, the actual power purchase rate from DVC for FY 2012-13 at 400 kV voltage level was quite high as compared to 132 kV level. The Petitioner submitted that to source power at 400 kV level, it also has to incur transmission charges, ERLDC charges, UI and PGCIL charges. The Petitioner further stated that the procurement cost in the initial months was higher due to capacity charges being levied on lower quantum of power generated. However, the Petitioner also submitted that after the stabilization of the power stations and with the anticipated growth in consumers in its licensed area, the Petitioner expects that the per unit power procurement cost from DVC 400 kV shall be reasonable and competitive. In view of the above the Commission opined that such variation in power purchase cost is not desirable and thus, in order to optimise power purchase costs, the Commission directs the Petitioner to carry out a detailed feasibility study of probable cost escalations from the proposed power source along with a detailed comparison with respect to merits and demerits of power procurement from other / alternate sources and should submit the same to the Commission along with next tariff petition. The Commission also directs the Petitioner to schedule power using merit order principles and take advantage of lower rates available in short term markets when feasible and accordingly submit plan for purchase of power on long term and short term basis along with next tariff petition.

13.9 In accordance with the Commission’s Regulations in this regard, the Petitioner must, invariably, submit all power purchase agreements to the Commission for its approval.

Service Area

13.10 The Commission directs the Petitioner to submit a detailed year wise progress report on expansion of network undertaken for the period from FY 2011-12 to FY 2013-14 along with next tariff petition.

Technical Study for Service Area (Prospective Consumers)

13.11 The Petitioner has not submitted the Report even one year after the mentioned date of submission of the Report. The Petitioner is directed to submit the Report along with the next tariff petition.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on this the 4th day of June, 2014.

Date: 4th June, 2014
Place: Ranchi

Sd/-	Sd/-
(T.MUNIKRISHNAIAH)	(SUNIL VERMA)
MEMBER (E)	MEMBER (F)

ANNEXURE

Annexure-I

List of participating members of public in the public hearing

S No.	Name	Address/ Organization if any
1.	Rajesh Kumar	Sonari
2.	Ashok Kumar	Govindpur
3.	S.Shah	Govindpur
4.	Ramesh Agnihotri	Govindpur
5.	Chinta Mani Dubey	Shastrinagar
6.	A.K. Singh	TSL
7.	A.K. Sinha	TSL
8.	Z.A. Khan	Golmuri
9.	S.Kumar	190,H16. South Park
10.	Brajesh Singh	Prabhat Khabar
11.	Santosh Kumar	TSL
12.	S.K. Basu Mallick	TSL
13.	Dilip	Sonari
14.	Banti Sharma	Sonari
15.	Ashok Singh	Sonari
16.	Puspa Tirki	Sonari
17.	Subir	Sonari
18.	Lakshmi Devi	Sonari
19.	Dulari Tirki	Sonari
20.	Janhobi Paul	Sonari
21.	Nirmala	Sonari
22.	Gayatri Devi	Sonari
23.	Meena Devi	Jhabri Basti
24.	Sudmiya Devi	Jhabri Basti
25.	S. Tigga	Jhabri Basti
26.	Gayatri Pandey	Jhabri Basti
27.	Suraj Harpal	P.N.B. Colony
28.	Subhdra Devi	Jhabri Basti
29.	Lilavati Devi	Jhabri Basti
30.	Kanta Devi	Jhabri Basti
31.	Md. Shekh Iqbal	Salim Market
32	Md. Abaas Ansari	Salim Market
33.	Rashid Iqbal	Salim Market
34.	Jarnail Singh	Golmuri
35.	Sanjay Singh	Golmuri
36.	Rakesh Kumar	Jhabri Basti
37.	Surendra Sah	Jhabri Basti
38.	D.K. Sarkar	East Bengal Col.
39.	Awtar Singh	Sidhgora
40.	Shibu Kumar	Sonari

S No.	Name	Address/ Organization if any
41.	Ajay Singh	Jusco
42.	Satveer Singh	Jusco
43.	Santosh Kumar	Jusco
44.	Md. Tanveer Alam	Dhathedih
45.	Uday Kr. Yadav	-Vceuse
46.	Krishna Singh	Jusco
47.	Rahul Kr. Singh	Jusco
48.	Pradeep Kumar	Jusco
49.	Kush Kumar	Tata Steel
50.	K.K. Paul	CSIR-NML
51.	U.K. Jha	SCIR-NML
52.	Brabma Singh	CSIR-NML
53.	Parvesh Kumar	CSIR-NML
54.	Vinay Kr. Singh	Golmuri
55.	Mukesh Sinha	Tavget Seut
56.	U.K. Mishra	Jusco
57.	Suman Mandal	Jusco
58.	K. Banerjee	Jusco
59.	U.K. Pandey	Kadma
60.	S.N. Tiwari	Jusco
61.	Yugal Kishor	Prabhat Khabar
62.	Sharad Kumar	Jusco
63.	V.P.Singh	Jusco
64.	Raju Bose	Sitarampur
65.	Prabhat	Jusco
66.	Shyam Sankar	Mango
67.	A.N. Choudhary	Jusco
68.	Ajit Kr.	Tata Steel
69.	Nagendra Kr.	CGRF, TSL
70.	S.C.Jha	CGRF, TSL
71.	Capt. Dhananjay	Jusco
72.	Nirmal Kumar Singh	Jusco
73.	S.S. Chawla	Golmuri
74.	N.S. Walia	C.B. Path
75.	D. Mahto	Golmuri
76.	Bittu Kr. Sow	Sakchi
77.	Deepak Kumar	Sonari
78.	Mukesh Verma	Tata Steel
79.	Awanish Arun	Tata Steel
80.	Piyush jain	Tata Steel
81.	Ashok Ghosh	Tata Steel
82.	Nalin	Sakchi
83.	Nagendra Kr.	Sakchi
84.	S. Upadhayay	Sonari
85.	R.C. Upadhayay	Golmuri
86.	R.K. Pathak	Sonari

S No.	Name	Address/ Organization if any
87.	S. Jay	Jusco
88.	U.S. Ojha	Jusco
89.	A.K. Ravi	Sakchi
90.	Amarnath	Jusco
91.	D.K. Dutta Ray	Swarn Vihar
92.	A.K. Choudhary	Jusco
93.	Sourav banerjee	TSFS
94.	Ajay Kr. Singh	TSFS
95.	Inder Singh	Hindustan Press
96.	B.Kasoni	Singhbhum Chamber
97.	A. Mathur	Jusco
98.	Rajan Kr.	Jusco
99.	A.Kumar	Jusco
100.	Rajesh	Jusco
101.	Suresh Santhalia	Prsident Singhbhum Chamber of Commerce
102.	Sudhir	SCCI
103.	N. Leena	Jusco
104.	A. Sengupta	The Teleghaph
105.	Anup Mishra	Inent Jagran
106.	Jayesh Chauhan	Consultant, Feedback