Jharkhand State Electricity Regulatory Commission

Order

on

Approval of Business Plan and MYT Petition for the Control Period from FY 2021-22 to FY 2025-26

and

Tariff Determination for FY 2021-22

for

Tata Steel Utilities and Infrastructure Services Limited

Ranchi

November 24, 2022

CONTENTS

List of Abbreviations

Abbreviation	Description
ABR	Average Billing Rate
ACS/ACoS	Average Cost of Supply
A&G	Administration and General
CAPEX	Capital Expenditure
CGRF	Consumer Grievance Redressal Forum
CWIP	Capital Works In Progress
DS	Domestic Service
DS HT	Domestic Service High Tension
DVC	Damodar Valley Corporation
FY	Financial Year
GFA	Gross Fixed Assets
HP	Horse Power
HT	High Tension
HTS	High Tension Service
HTSS	High Tension Special Service
IAS	Irrigation & Agriculture Service
JUSCO	Jamshedpur Utilities and Service Company Limited
KV	Kilo Volt
KVA	Kilo Volt Ampere
KW	Kilo Watt
KWh	Kilo Watt Hours
LF	Load Factor
LT	Low Tension
MD	Maximum Demand
MU	Million Units
MVA	Mega Volt Ampere
MW	Megawatt
MYT	Multi Year Tariff
NDS	Non-Domestic Service
O&M	Operation and Maintenance
PPA	Power Purchase Agreement
PSD	Power Services Division
RBI	Reserve Bank of India
REC	Renewable energy Certificate
R&M	Repairs and Maintenance
RoE	Return on Equity
RPO	Renewable energy Certificate
SBI	State Bank of India
STU	State Transmission Utility
T&D	Transmission & Distribution
TSL	Tata Steel Limited
WPI	Wholesale Price Index

List of Tables

BEFORE

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 12 of 2020

In the matter of:

Petition for

Approval of Business Plan and MYT Petition for the Control Period from FY 2021-22 to FY 2025-26

and

Tariff Determination for FY 2021-22

In the matter:

Tata Steel Utilities and Infrastructure Services Limited
Sakchi Boulevard Road, Northern Town, Bistupur,
Jamshedpur- 831001…………………………….………………….………**Petitioner**

PRESENT

Shri. Atul Kumar Member(Technical)
Shri. Mahendra Prasad Member (Legal)

Order dated November 24, 2022

Tata Steel Utilities and Infrastructure Services Limited (hereinafter referred to as 'TSUISL' or 'the Petitioner') has filed the Petition dated December 01, 2020 for approval of Business Plan, MYT Petition for the Control Period from FY 2021-22 to FY 2025-26 and Tariff determination for FY 2021-22.

A 1: INTRODUCTION

Jharkhand State Electricity Regulatory Commission

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

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

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

1.3 After the Electricity Act, 2003 (hereinafter referred to as the ‘Act’) came into force, the earlier Electricity Regulatory Commissions Act, 1998 stands repealed and the functions of SERCs are now defined under Section 86 of the Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) promotion of investment in electricity industry;

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

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

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

1.7 In discharge of its functions, the State Commission is also guided by the Tariff Policy notified by the Government of India under Section 3 of the Act. The objectives of the Tariff Policy are to:

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

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

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

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

Tata Steel Utilities and Infrastructure Services Limited (TSUISL)

1.8 Tata Steel Utilities and Infrastructure Services Limited formerly Jamshedpur Utilities and Services Company Limited (TSUISL) is a company incorporated in August 2003, under the provisions of the Companies Act, 1956. TSUISL was incorporated primarily to cater to the infrastructure and power distribution services in the city of Jamshedpur. In addition to Power services, the company's services encompass of water and waste management, public health & horticulture services and planning, engineering & construction.

1.9 The Electricity Act, 2003 opened up power distribution to the private sector and permitted more than one power distributor in a revenue region, vide proviso 6 of Section 14 of the said Act which states:

> *"Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements [relating to the capital adequacy, credit-worthiness, or code of conduct] as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose."*

1.10 In line with the above provision and in reference to the Commission's communication to the Petitioner with regard to filing a Petition for distribution license for one or more revenue districts (letter no. JSERC/06/2004-05/64), the Petitioner applied for a Second Distribution License vide application no**.:** PBD/176/69/06 dated May 05, 2006, for the revenue district of Saraikela-Kharsawan. The Saraikela-Kharsawan district is contiguous to the Petitioner's service area of Jamshedpur.

1.11 The Commission granted the Power Distribution License (No**.:** 03 of FY 2006-07) to the Petitioner on December 01, 2006, for the aforementioned revenue district.

1.12 Consequently, the Petitioner began its power distribution services in revenue district of Saraikela-Kharsawan in September 2007 as a second Distribution Licensee.

The Petitioner's Prayers

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

a) "Pass suitable orders with respect to the Cumulative Revenue Gap and proposed tariff as presented in this petition.

b) Pass Suitable orders on Business Plan and MYT petition, considering the revised capital expenditure cost and plan.

c) Condone any inadvertent omissions/errors/shortcomings and permit TSUISL to add/change/modify/alter this filing and make further submissions as may be required as a future date.

d) Pass such further orders, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case."

Scope of the Present Order

1.14 The Commission in this Order has approved the Business Plan, MYT Petition for the Control Period from FY 2021-22 to FY 2025-26 and has dealt with the Petitioner's Tariff proposal for FY 2021-22.

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

a) Material placed on record by the Petitioner;
b) Provisions of the Electricity Act, 2003;
c) Principles laid down in the National Electricity Policy;
d) Principles laid down in the Tariff Policy;
e) Provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 (hereinafter referred to as the Tariff Regulations, 2020 or the Regulations);

1.16 Accordingly, the Commission has scrutinized the Petition in detail and hereby issues the Order on approval of Business Plan, MYT Petition for the Control Period from FY 2021-22 to FY 2025-26 and Tariff determination for FY 2021-22 for Tata Steel Utilities and Infrastructure Services Limited.

A 2: PROCEDURAL HISTORY

Background

2.1 The Commission had issued Order on Truing-up for FY 2014-15, APR for FY 2015-16, Business Plan for FY 2016-17 to FY 2020-21 and ARR for Tata Steel Utilities and Infrastructure Services Limited and determine tariff for FY 2016-17 on February 28, 2017.

2.2 Later on, June 07, 2018, the Commission had issued Order for Tata Steel Utilities and Infrastructure Services Limited on Truing-up for FY 2015-16, APR for FY 2016-17 and determination of ARR and Tariff for FY 2017-18. The Petitioner had filed the review Petition against the Commission's Order dated June 07, 2018 before the Commission which was further reviewed and disposed on September 25, 2018.

2.3 The Commission had carried out the true up of Tata Steel Utilities and Infrastructure Services Limited for FY 2016-17 and FY 2017-18 vide its Order dated June 19, 2020.

2.4 The Commission had issued the Trued-up for FY 2018-19, APR for FY 2019-20, ARR for FY 2020-21 vide its Order dated September 29, 2020.

2.5 The Commission vide its Order dated November 24, 2022 carried out the True up for FY 2019-20.

2.6 The Petitioner in the current Petition filed on December 01, 2020 has sought approval of Business Plan, MYT Petition for the Control Period from FY 2021-22 to FY 2025-26 and Tariff determination for FY 2021-22.

Information Gaps in the Petition

2.7 As part of the Tariff determination exercise, several deficiencies/information gaps were observed in the Petition submitted by the Petitioner that were communicated to the Petitioner vide letter nos. JSERC/Case (Tariff) no**.:** 12 of 2020/415 dated February 01, 2021.

2.8 The Petitioner submitted its response to the aforesaid letters and furnished additional data/ information to the Commission vide letter nos**.:** PBD/106/59-J/09//2021 dated February 12, 2021.

2.9 The Petitioner submitted that it has inadvertently made error in computation of Opening Normative loan and equity and has missed to consider the tax component on return on equity while computing ARR for each year of the control period. Hence, the Petitioner has submitted revised computation of Interest & Finance Charges, Return on Equity and

Interest on Working capital and has revised the numbers of the overall ARR. This additional information was submitted to the Commission by the Petitioner in vide letter no**.:** PDB/126/09/59-J/2021 dated February 16, 2021.

2.10 Further, the Petitioner submitted revised Capex estimate proposed in Business Plan and MYT Petition for Control Period to the Commission vide letter nos**.:** PBD/JSR/776/2022 dated August 05, 2022

2.11 The Commission has scrutinized the Petition along with additional data/information and supporting documents as submitted by the Petitioner in response to the discrepancies identified and has considered the same while passing this Order.

Inviting Public Comments/Suggestions

2.12 The Commission directed the Petitioner to make available copies of the Petition to the members of the general public on request, and also issue a Public Notice inviting comments/suggestions on the Petition for approval of Business Plan, MYT Petition for the Control Period from FY 2021-22 to FY 2025-26 and Tariff determination for FY 2021-22.

2.13 The aforesaid Public Notice was issued by the Petitioner in the following newspapers and a period of twenty-one (21) days was given to the members of the general public for submitting their comments/suggestions:

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

Newspaper	Language	Date of Publication
Hindustan	Hindi	20.02.2021
Dainik Jagran	Hindi	20.02.2021
Times of India	English	20.02.2021
Hindustan Time	English	20.02.2021
Hindustan	Hindi	21.02.2021
Dainik Jagran	Hindi	21.02.2021
Times of India	English	21.02.2021
Hindustan Time	English	21.02.2021

2.14 The Commission issued a Public Notice on its website www.jserc.org and various newspapers giving time till March 15, 2021 to various Stakeholders to submit their comments/suggestions. Further, the Commission also organized a Public Hearing on August 24, 2022, where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above said Petition. The details of newspapers wherein the Notice was published by the Commission are as under:

Table 2: List of newspapers and dates of publication of Public Notice by the Commission

Newspaper	Language	Date of Publication
Prabhat Khabar	Hindi	31.07.2022
Dainik Jagran	Hindi	31.07.2022
The Times of India	English	31.07.2022
The Economics Times	English	31.07.2022
Prabhat Khabar	Hindi	17.08.2022
Dainik Bhaskar	Hindi	17.08.2022
The Times of India	English	17.08.2022
The Economics Times	English	17.08.2022

Submission of Comments/Suggestions and Conduct of Public Hearing

2.15 Comments/Suggestions on the Petition were received from various Stakeholders. The Comments/Suggestions of the Public, Petitioner's Responses and Commission's views thereon are detailed in **Section A4** of this Order.

A 3: BRIEF FACTS OF THE PETITION

3.1 The following Section summarises the Petition for Approval for Business Plan and MYT for the Control Period from FY 2021-22 to FY 2025-26 and Tariff Determination for FY 2021-22 as filed by the Petitioner before the Commission for approval.

MYT Business Plan

Demand & Sales Forecast

3.2 The following table summarises the number of consumer, Connected Load and Sales projected by the Petitioner for the Control Period.

Table 3: Number of Consumers as submitted by the Petitioner for the Control Period (Nos)

No. Of Consumers	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Domestic Services (DS)					
Domestic Services - Rural	785	935	1085	1235	1395
Domestic Services – Urban	5234	6049	6884	7685	8499
Domestic Services – HT	36	37	38	39	40
Commercial Services (Non-Domestic)					
Commercial Services - Rural	69	85	102	121	137
Commercial Services – Urban	1072	1178	1288	1398	1505
Low Tension Industrial Services (LTIS)	309	335	363	391	419
High Tension Services (HTS)					
HTS-11 KV	273	283	293	305	317
HTS-33 KV	50	52	54	56	58
Temporary Services	1	1	1	1	1
Total	**7829**	**8955**	**10108**	**11231**	**12371**

Table 4: Connected Load as submitted by the Petitioner for the Control Period (kVA)

Connected Load	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Domestic Services (DS)					
Domestic Services - Rural	1721	2050	2378	2707	3058
Domestic Services - Urban	41277	47835	54821	62331	72290
Domestic Services - HT	8908	9156	9403	9650	9898
Commercial Services (Non-Domestic)					
Commercial Services - Rural	487	600	720	854	967
Commercial Services – Urban	10691	11750	12850	13953	15028
Low Tension Industrial Services (LTIS)	16174	17539	19018	20498	21977
High Tension Services (HTS)					

Connected Load	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
HTS-11 KV	90716	93949	97182	101061	104940
HTS-33 KV	144954	151222	157489	163757	170025
Temporary Services	2.00	2.00	2.00	2.00	2.00
Total	**314931**	**334102**	**353862**	**374811**	**398183**

Table 5: Sales as submitted by the Petitioner for the Control Period (MUs)

Projected Sales (MUs)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Domestic Services (DS)					
Domestic Services - Rural	0.98	1.17	1.36	1.55	1.75
Domestic Services – Urban	22.68	26.29	30.15	34.34	39.97
Domestic Services – HT	9.49	9.76	10.02	10.29	10.55
Commercial Services (Non Domestic)					
Commercial Services - Rural	0.29	0.35	0.42	0.50	0.57
Commercial Services – Urban	8.57	9.42	10.30	11.19	12.06
Low Tension Industrial Services (LTIS)	14.28	15.28	16.37	17.37	18.25
High Tension Services (HTS)					
HTS-11 KV	225.34	233.18	241.03	250.44	259.85
HTS-33 KV	473.35	494.83	516.31	537.79	559.26
Temporary Services	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**
Total	**754.99**	**790.28**	**825.97**	**863.46**	**902.27**

Distribution Loss

3.3 The Petitioner has submitted that for the purpose of Business plan projection it has considered the distribution loss to increase from 2.35% in FY 2021-22 to 3.80% in FY 2025-26.

3.4 The Petitioner further submitted that the losses are highest in case of sales to consumers at LT level. The Petitioner has envisaged some increase in Distribution loss levels over the years due to significant increase in network and growth in LT consumer segment during the Control Period.

Energy Balance

3.5 Based on the sales projected, the Petitioner has projected the energy requirement as shown below for the Control Period.

Table 6: Energy Balance as projected by the Petitioner for the Control Period

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total Energy Sales (MU)	**754.99**	**790.28**	**825.97**	**863.46**	**902.27**

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Overall Distribution Losses (%)	2.35%	2.70%	3.06%	3.42%	3.80%
Overall Distribution Loss (MU)	18.14	21.93	26.07	30.58	35.64
Total Energy Requirement (MU)	**773.13**	**812.21**	**852.04**	**894.04**	**937.91**

Power Purchase Plan

3.6 In compliance to JSERC (Terms & Conditions for Determination of Distribution Tariff) Regulations, 2020, the Petitioner has submitted the Power Purchase Plan for the Control Period as shown below.

Table 7: Power Procurement Plan as submitted by the Petitioner for the Control Period

Energy Availability (MUs)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tata Steel Limited					
132 kV,66 kV, 6.6 kV	**400.00**	**400.00**	**400.00**	**400.00**	**400.00**
Damodar Valley Corporation`					
at 33 kV	120.00	120.00	120.00	120.00	120.00
at 132 kV	253.13	292.21	300.00	300.00	300.00
From Others/Traders		-	32.04	74.04	117.91
Total Energy Availability (MUs)	**773.13**	**812.21**	**852.04**	**894.04**	**937.91**

Capital Investment Plan

3.7 The following table summarises the Capital Investment Plan including Capitalisation for the 3rd Control Period i.e. FY 2021-22 to FY 2025-26 as submitted by the Petitioner.

Table 8: Capital Expenditure Plan as submitted by the Petitioner for the Control Period

Sr. No	Schemes	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
1	**Carry over schemes**	8.20	1.69	-	-	-
2	**New schemes**	31.61	48.40	52.34	39.59	19.49
3	**Consumer Contribution during the year**	3	3	3	3	3
Total Capital Expenditure Plan (Rs. Crore)		**42.81**	**53.09**	**55.34**	**42.59**	**22.49**

Table 9: Capitalisation Plan as submitted by the Petitioner for the Control Period

Sr. No	Schemes	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
1	**Carry over schemes**	22.68	2.73	-	-	-
2	**New schemes**	25	25	25	25	25
3	**Consumer Contribution during the year**	3	3	3	3	3
Total Capitalization (Rs. Crore)		**50.68**	**30.73**	**28**	**28**	**28**

Human Resource Plan

3.8 In compliance to JSERC (Terms & Conditions for Determination of Distribution Tariff) Regulations, 2020, the Petitioner has submitted the detail of additional manpower requirement and its yearly expenses for the Control Period as shown below.

3.9 **Table 10: Cumulative Manpower requirement as submitted by the Petitioner for the Control Period**

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total
Manpower Requirement	**35**	**51**	**17**	**9**	**7**	**119**

<u>MYT Tariff Petition</u>

Aggregate Revenue Requirement

3.10 The summary of Annual Revenue Requirement for each financial year of the Control Period as submitted by the Petitioner is shown below.

Table 11: ARR as submitted by the Petitioner for the Control Period (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Power Purchase Cost	364.07	386.55	417.39	447.28	480.11
O&M Expenses	35.89	44.58	50.86	57.09	63.97
Depreciation	12.72	14.76	16.31	17.80	19.30
Interest and Finance Charges*	5.51	6.66	6.93	6.97	6.87
Interest on Consumer Security Deposit	5.81	6.00	6.19	6.38	6.61
Interest on Working Capital*	1.13	1.35	1.50	1.64	1.78
Return on Equity*	11.83	14.02	15.55	17.01	18.46
Other Expenses	0.60	0.60	0.60	0.60	0.60
Less: Non Tariff Income	0.20	0.20	0.20	0.20	0.20
Annual Revenue Requirement*	**437.36**	**474.34**	**515.13**	**554.57**	**597.50**

** Petitioner Submission vide letter dated February 16, 2021*

3.11 The Petitioner has estimated the Cumulative Revenue Gap till FY 2021-22 at existing tariff if retained for FY 2021-22 would reach Rs 147.77 Crore.

3.12 Based on the projection and proposed tariff proposed, the Petitioner has estimated the cumulative Revenue Gap/(Surplus) of Rs. 25.56 Crore till FY 2021-22, as summarized below:

Table 12: Cumulative Revenue Gap till FY 2020-21 as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected
Opening Revenue Gap/(Surplus) as on 1st April of FY	(5.81)	18.37	67.50
Revenue Gap/(Surplus) created during the year	23.44	44.40	(45.63)*
Rate of Interest	12.55%	11.65%	10.50%

Particulars	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected
Carrying Cost on Opening Balance	(0.73)	2.14	7.09
Carrying Cost on Add. Gap/(Surplus)	1.47	2.59	(2.40)
Gap/(Surplus) including Carrying Cost	18.37	67.50	26.56*

** Petitioner Submission vide letter dated February 16, 2021*

3.13 The Petitioner has submitted that appropriate and immediate tariff hike is inevitable for sustainable operations and therefore proposed a tariff hike of approximately 30% in FY 2021-22 to bridge the accumulated revenue gap.

3.14 In order to cover the projected Revenue Gap for the Financial Year, the Petitioner has proposed revision in retail tariff for FY 2021-22 for various categories. The tariff schedule proposed by the Petitioner is summarised below:

Table 13: Tariff Proposed by the Petitioner for FY 2021-22 (Rs.)

Category/Sub-Category	Existing Tariff (Rs.)		Proposed Tariff (Rs.)	
	Fixed Charge/ Demand Charge	Energy Charge	Fixed Charge/ Demand Charge	Energy Charge
Domestic (LT-Rural)	15/Conn./Month	2.50/kWh	50/Conn./Month	3.25/kWh
Domestic (LT-Urban)	75/Conn./Month	3.00/kWh	200/Conn./Month	4.65/kWh
Domestic HT	75/kVA/Month	2.75/ kVAh	200/kVA/Month	4.40/ kVAh
Commercial (Rural)	25/kW/Month	2.50/kWh	100/kW/Month	4.00/kWh
Commercial (Urban)	150/kW/Month	3.85/kWh	200/kW/Month	5.60/kWh
IAS	20/HP/Month	3.70/kWh	25/HP/Month	4.65/kWh
LTIS	150/kVA/Month	4.05/ kVAh	150/kVA/Month	5.60/ kVAh
THIS	300/kVA/Month	4.45/ kVAh	350/kVA/Month	5.60/ kVAh
Street Light (SS)	50/kW/Month	5.00/kWh	60/kW/Month	5.20/kWh
RTS/MES/Other Distribution Licensees	160/kVA/Month	4.00/kVAh	245/kVA/Month	5.25/kVAh

A 4: PUBLIC CONSULTATION PROCESS

4.1 The Petition filed by the Petitioner evoked responses from several Stakeholders. The virtual Public Hearing was held on August 24, 2022, where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above said Petition to ensure maximum public participation and transparency wherein Stakeholders put forth their comments and suggestions before the Commission. The list of the attendees is attached as **Annexure-1** to this Order.

4.2 The written as well as oral comments and suggestions of the members of the Public expressed during the Public Hearing along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

Tariff Based on Estimated Data

Public Comments/Suggestions

4.3 The Stakeholder submitted that the Petitioner has taken actual data for 1st six months (April, 2020 to September, 2020) w.r.t power purchase, sales, O&M cost etc. and has re-estimated for the balance six months to arrive at APR figure for FY 2020-21. However, the Petitioner now has the access to the actual figures for the balanced six months and has already filed the subsequent Tariff Petition before the Commission. Therefore, there is no relevance to determine the tariff at the present on the basis of estimated data for the period which has already been passed.

Petitioner's Response

4.4 The Petitioner submitted that the APR for FY 2020-21 was filed in November, 2020 as per the provisions in the Regulation, the APR figures are derived based on first six months actuals and next six months projection. The Commission may take any reference from any subsequent filing, available information as appropriate while taking decision.

Views of the Commission

4.5 The Commission has noted the submission made by stakeholder and reply submitted by the Petitioner. The Commission has approved the Business Plan and MYT Petition as per the provision and principles laid down in its Tariff Regulations, 2020. Accordingly, the Commission approach in detail is discussed in **Section A5 and A6** of this order.

Proposed Tariff Increase

Public Comments/Suggestions

4.6 The Stakeholder submitted that the Petitioner has proposed hike of approx. 30% in FY 2021-22 over existing tariff which is not based on actual correct data and several material facts have been suppressed by the Petitioner to show abnormal loss. If facts and figures are to be analysed, the Petitioner would be found in gain and not in loss.

4.7 The Stakeholder further submitted that the Petitioner's demand will lead to considerable tariff shock and the excessive hike will make the objector unit unviable. The HTSS consumer category adds maximum revenue to the petitioner licensee and the abnormal proposed hike in tariff will ultimately lead to closure of all similarly situated industrial units.

4.8 Another Stakeholder submitted that the Petitioner has asked for 25% & 26% increase in LTIS & HTIS tariff. As, industries are still in recovering phase after Covid Pandemic and price rise of raw material, any increase in tariff will ruin MSME's health. Moreover, the Petitioner is regularly making profit in Power Business. The Commission is requested to inquire for audited accounts of FY 2021-22 and previous fiscal years as the Petitioner's 43% of revenue and most of the profit come from power business.

Petitioner's Response

4.9 The Petitioner submitted that the tariff increase is proposed to recover the reasonable cost incurred by the licensee to provide power supply to consumer. All Industrial and commercial consumer have option to charge the cost of electricity in the cost of their final goods or services. The Petitioner further added that the electricity tariff increase is essential for sustaining the operations and not increasing appropriate tariff not only puts financial stress to the DISCOM but also put the additional cost of carrying the Gap, which becomes recoverable in future years.

4.10 The Petitioner submitted that the tariff increase has been asked to meet the reasonable expense. Last effective tariff increase happened in 2017 and the benefit of lower tariff has already been availed by the industries. The Petitioner further added that not increasing the tariff will lead to revenue gap and hamper the sustainable operations, service levels and power availability arising due to financial constraint. Therefore, to sustain operations, tariff increase is required.

Views of the Commission

4.11 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission determines the tariff as per the provision of the Electricity Act, 2003, Tariff Policy issued from time to time and principles laid down in its Tariff Regulations, 2020. Accordingly, the Commission has dealt with the Petitioner's tariff proposal for FY 2021-22.

Load Factor Rebate

Public Comments/Suggestions

4.12 The Stakeholder submitted that due to the different rebate provided by the Commission, the load factor has been maintained at the highest level by the Stakeholder. The incentive provided by the Commission for prompt payment has resulted in clearance of energy bills within due date through online mode and all these efforts have also benefited the Petitioner. The Stakeholder further submitted that the DVC is also giving load factor rebate to the High Tension Consumers in the same manner as is being presently given by the Petitioner.

4.13 The Stakeholder submitted that the Petitioner needs to provide justification for giving load factor rebate to consumer having more than 60 % power factors. The minimum power factor should be 40%. As load factor depends on the consumption of electricity and the consumption is affected by the demand, therefore, the Petitioner for calculating Load factor rebate and setting the load factor should consider the consumption and demand.

4.14 Another Stakeholder submitted that the Petitioner has proposed to increase load factor criteria from 45% to slab of 60 - 70 % and 70 - 100%. As this is contradicting view of the Commission in past tariff order. The Commission is requested to continue the present system without any change.

Petitioner's Response

4.15 The Petitioner submitted that because of process, most of the induction furnace-based consumer always have high load factor and the DVC consumers are provided the load factor rebate only when load factor goes beyond 65% whereas in case of Tata Steel UISL Load factor rebate is given when load factor goes beyond 45% level. Such low level of LF for providing LF rebate is in-appropriate, as this effectively leads to cross-subsiding one set of industries by other set of industries. The Petitioner further added that, providing load factor rebate on full units rather incremental unit, leads to very less incremental realization for DISCOM which is even less than the fuel cost / variable cost of energy, which needs to be corrected.

4.16 The Commission is requested that load factor rebate is to be given only when load factor of the consumer goes above the average PLF of generating units, which is mostly above 65%.

Views of the Commission

4.17 The Commission has noted the submission made by stakeholder and reply submitted by the Petitioner. The Commission view on this matter is discussed in detail in **Section A9** of this order.

Increase in Energy Charges for HTS Category

Public Comments/Suggestions

4.18 The Stakeholder submitted that the Petitioner has claimed arbitrary hike of energy charges in HTS category based on the projected data and estimates. Hence, the Stakeholder requested the Commission to not allow any hike in energy charges for the said category.

Petitioner's Response

4.19 The Petitioner submitted that the rational for increase in charges of all category of consumers including HT consumers is provided in the Petition. The Petitioner further added that, because of the very high load factor rebate, average tariff (i.e. realization per unit) from some industries (mostly having induction furnace) is very low and need to be corrected by appropriate correction in LF clause and increase in energy Charge.

Views of the Commission

4.20 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission determines the tariff as per the provision of the Electricity Act, 2003, Tariff Policy issued from time to time and principles laid down in its Tariff Regulations, 2020. Accordingly, the Commission has dealt with the Petitioner's tariff proposal for FY 2021-22.

Reimbursement of Fixed Charges

Public Comments/Suggestions

4.21 The Stakeholder submitted that due to the Covid-19 pandemic and the resultant lockdown, the Commission in suo moto case no. 15/2020 ordered for the waiver of fixed charges for the month of April, 2020 to June, 2020 vide order dated 21st September, 2020. During the proceedings of the case the Petitioner had not opposed the waiver, rather the order dated 21st September, 2020 was implemented by the Petitioner, giving waiver of fixed charges. However, one of DISCOM i.e. DVC challenged the said order dated 21st September, 2020 before Hon'ble APTEL, wherein notice was issued to all other DISCOMs including the Petitioner. However, the Petitioner did not appear before the Hon'ble APTEL.

4.22 The Stakeholder further submitted that the Hon'ble APTEL after considering the particular facts and circumstances submitted by the DVC also considering their infrastructural setup, directed the consumers of DVC who has not paid the fixed charges at the strength of any order, to pay the same by 31st March, 2021. However, para 47 of the order clarifies that the result of the appeal instituted by one of the licensee does not necessarily result in the rollback of the benefits if accorded by other similarly placed distribution licensees operating in the State of Jharkhand. However, the Petitioner had ignored all the vital aspects of the judgment passed by the Hon'ble APTEL and had informed the consumers that the Hon'ble APTEL has ordered the consumers to refund the waved fixed charges by 31st March, 2021. Further, the Petitioner added the waived fixed charges for the period April, 2020 to June, 2020 in the current energy bill and thus rolled back and realized the waved fixed charge. As a result, all the industries have deposited the waved fixed charges under the impression that the Hon'ble APTEL has directed to deposit the waved fixed charges by 31st March, 2021.

4.23 It is submitted that the total amount of rollback fixed charges for April, 2020 to June, 2020 is more than Rs. 20 crores as per the Petitioner's own data. Further, other licensee operation in the same area i.e. JBVNL had also given waiver to its consumers in terms of the order passed by the Commission. However, have not rolled backed the waived fixed charge. Despite this, the Petitioner has also claimed exorbitant tariff hike by increasing the demand charge, energy charge and reducing the rebates.

4.24 It is further submitted that the relief was granted to the DVC by considering the particular facts submitted and infrastructure of DVC. Moreover, the Petitioner after implementing the order of the Commission, had no authority to roll back the waved fixed charges without any order in its favour.

Petitioner's Response

4.25 The Petitioner submitted that the fixed charges for the month of April'20 to June'20 were taken back based on the order of the Hon'ble APTEL. Para 47 of the order is reproduced below**:-**

"…We however, clarify that this result of the appeal instituted by one of the distribution licensees need not necessarily result in the rollback of benefit if accorded by other similarly placed distribution licensees operating in the State of Jharkhand. We leave the decisions in that regard to the discretion of the said other distribution licensees…"

In view of the above, Tata Steel UISL decided to recover the demand charges form April'20 to June'20 because-

- discretion to recover was given to other distribution licensee, &
- It is appropriate that respective consumer pays their share of charges rather than distributing it to all consumers in future.

Views of the Commission

4.26 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission observes that the matter pertains to FY 2020-21 which is not being dealt in this Order. The Commission shall consider the same while carrying out truing up for FY 2020-21.

Increase in Penalty on Contract Demand

Public Comments/Suggestions

4.27 The Stakeholder submitted that the Commission has prescribed a detailed procedure under clause 7.8 of the Supply Code Regulation for the enhancement of penalty in case of exceeding contract demand. Besides that, the Commission in all the tariff orders has made a provision for charging penalty of 150% in case the contract demand exceeds more than 110%. Hence proposal for enhancing penalty at 200% has not rational. However, the Commission is requested to provide notice to such consumer in case of exceeding the contract demand for three consecutive months so that it may restrict its load.

Petitioner's Response

4.28 The Petitioner submitted that there are consumers who are repeatedly exceeding the contract demand even though the penalty of 150% is being levied on the exceeded demand beyond 110% of the contract demand. Such over drawl poses threat to the reliable power supply. Moreover, 150% penal provision does not seem to be sufficient to act as a deterrent and therefore a penal provision of 200% is proposed.

Views of the Commission

4.29 The Commission has noted the submission made by stakeholder and reply submitted by the Petitioner. The Commission's view on this matter is discussed in detail in **Section A9** of this order.

Unsatisfactory Replies of the Queries

Public Comments/Suggestions

4.30 The Stakeholder submitted that the Petitioner has not given appropriate replies for the queries raised by the Commission. Moreover, the Commission has questioned the methodology adopted by the Petitioner in claiming R&M expenses and A&G expenses while deviating the methodology specified in the MYT Regulation and had further directed the Petitioner to compute the above expenses as per the specified methodology, however, neither the Petitioner has given the appropriate reply nor has submitted the computation of R&M expenses and A&G expenses in accordance with the methodology specified in MYT Regulation.

Petitioner's Response

4.31 The Petitioner submitted that it had replied to the queries of the Commission with all data and information to the best of his knowledge and information. Further, the computation of the R&M and A&G expense is already explained in MYT Petition in Table- 16 and Table-19 with detailed justification for considering connected load growth in A&G and inflation factor in R&M.

Views of the Commission

4.32 The Commission has noted the submission made by the stakeholder and reply submitted by the Petitioner. The Commission has approved the Business Plan and MYT Petition as per the provision and principles laid down in its Tariff Regulations, 2020. The Commission's approach in detail is discussed in **Section A5 and A6** of this order.

Power Purchase Plan

Public Comments/Suggestions

4.33 The Stakeholder submitted that the Petitioner has purchased power from Tata Steel Limited, DVC, etc. and is currently planning to purchase power from JBVNL and the cost of power purchased from JBVNL is costly as compared to Tata Power and DVC.

Petitioner's Response

4.34 The Petitioner submitted that power purchase decisions are based on connectivity, reliability, and cost considerations prevailing at that point of time. As there is no other grid in Seraikela Block Town, and Tata Steel UISL feeder is almost 30 kms long, Tata Steel UISL has approached JBVNL for power connection (of only 200kVA) which will ensure that at least some emergency power may be provided during breakdown, outage and stoppage of the existing line. The same is already explained in the section 1.5.3 and 1.5.4 of the MYT petition.

Views of the Commission

4.35 The Commission has noted the submission made by the stakeholder and reply submitted by the Petitioner. The Commission has approved the Power Purchase Plan as per the provision and principles laid down in its Tariff Regulations, 2020. The Commission's approach in detail is discussed in **Section A5** of this order.

Billing in kVA and kVAh

Public Comments/Suggestions

4.36 The Stakeholder submitted that the Petitioner has increased fixed charges calculated on the basis of kVA. Also, most of the State don't consider kVA charges for fixed charge calculation. Moreover, in the Tariff order for FY 2002-04 it was decided that fixed charges will be neutralized year by year. The consumer has to pay the fixed charges irrespective of energy consumed.

4.37 The Stakeholder submitted that the Petitioner is earing extra profit on its energy bills on account of kVAh Billing which has resulted in increase in revenue by about 10%.

Petitioner's Response

4.38 The Petitioner submitted that the demand charges are levied per kVA per month to help in the recovery of fixed charges incurred in supply of electricity consumer. DISCOM needs to maintain the infrastructure, people and resources on 24x7 hours basis. Also, DISCOM needs to pay the fixed charges to power suppliers to ensure that power is available whenever required for consumption. Therefore, fixed charges in distribution tariff is essential and it is for this reason electricity tariff is a two-part tariff.

4.39 The Petitioner further submitted that all the revenue which comes from any component of tariff gets accounted towards recovery of ARR and therefore there is no extra profit due to kVAh billing,

Views of the Commission

4.40 The Commission has noted the submission made by the stakeholder and reply submitted by the Petitioner. The Commission is of the view that to have better grid discipline, kVAh billing is more appropriate and the tariff Structure should be more or less consistent throughout the State. Therefore, the Commission had approved kVAh based billing in its tariff order dated September 29, 2020.

Cross-Subsidy

Public Comments/Suggestions

4.41 The Stakeholder submitted that the Petitioner is supplying electricity to rural area as per cross subsidy and the cost of electricity supplied to rural area has been charged to consumers, however such electricity has not been consumed by the consumers. Therefore, while charging fixed charge to consumers the Petitioner should compare the fixed charges from the neighbouring States and consider the geographical position of the consumers.

Petitioner's Response

4.42 The Petitioner submitted that the level of cross subsidy should be gradually reduced to reflect the cost of supply to all consumers.

Views of the Commission

4.43 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission determines the Cross Subsidy as per the provision of the Electricity Act, 2003 and Tariff Policy, 2016. Accordingly, the Commission has dealt with the Petitioner's tariff proposal for FY 2021-22.

Consumer Oriented Tariff

Public Comments/Suggestions

4.44 The Stakeholder submitted that the tariff should be attractive as it is a consumer oriented tariff and efforts should be made to fix the tariff in such a way so that consumers can pay easily. However, this tariff is not viable for business which solely depends on electricity.

Petitioner's Response

4.45 The Petitioner submitted that the tariff should recover all component of the ARR. The tariff philosophy is already explained in the Petition. Not providing timely and commensurate tariff increase not only puts financial stress to the distribution company, but also put additional burden of carrying cost to the consumers.

Views of the Commission

4.46 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission determines the tariff as per the provision of the Electricity Act, 2003, Tariff Policy issued from time to time and principles laid down in its Tariff Regulations, 2020. Accordingly, the Commission has dealt with the Petitioner's tariff proposal for FY 2021-22.

FPPPA Charges and Merger of HTSS in HTS service

Public Comments/Suggestions

4.47 The Stakeholder submitted that the Petitioner is earing extra profit on its energy bills on account of FPPPA Charges which is an extra burden to the consumers and should be withdrawn. Further, the stakeholder submitted that merger of HTSS & HTS service category has resulted in the revenue and net profit of the Petitioner.

Petitioner's Response

4.48 The Petitioner submitted that the statement that "...Tata Steel UISL is earning extra profit ..." is not reasonable and misleading. The Petitioner only claims and earns reasonable return as per the Regulations.

4.49 The Petitioner further submitted that all the revenue which comes from any component of tariff gets accounted towards recovery of ARR and therefore there is no extra profit due to FPPPA Charges or Merger of HTSS in HTS service. Further, FPPPA charges are levied for timely recovery of power purchase cost variations. To ensure sustainable operations, it is important that all costs are recovered in a timely manner.

Views of the Commission

4.50 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission approves FPPPA as per the principles laid down in its Tariff Regulations, 2020.

4.51 With regards to HTSS and HTS service merger, the Commission in order to rationalise the tariff category in its order dated September 29, 2020 merged the categories. Further, the Commission determines the tariff as per the provision of the Electricity Act, 2003, Tariff Policy issued from time to time and principles laid down in its Tariff Regulations, 2020.

Existing Consumers and Load

Public Comments/Suggestions

4.52 The Stakeholder submitted that the Petitioner is not interested in providing new connection with additional load. as its employees publicly tells applicant to approach another service provider as their capacity is exhausted. The Petitioner has stated that for increasing capacity, infrastructure enhancement and capital infusion, the Commission's permission is required and it is not possible as the Commission's posts are vacant. Further, in case any consumer submits application for the Petitioner power connection, there is no time limit for sanctioning power and when a consumer got sanctioned order and made payment against the same, the Petitioner didn't not have stock of Metering Unit, RMU and Transformer for providing connection. Moreover, if a consumer makes payment for it, TSUISL issue purchase order to concerned supplier for procurement of Metering Unit, RMU and transformer. Till the material reaches, applicant connection is kept pending. The Stakeholder further submitted that the Petitioner is not investing in capital and infrastructure, they are dependent on consumer for finance on account of this.

Petitioner's Response

4.53 The Petitioner submitted that new connections are provided based on technical feasibility and RoW. Wherever if RoW for laying the line is not available, extending power connections gets difficult and the same gets delayed till such RoW consent is received. The Petitioner further submitted that due to the difference in tariff and service, several industrial units have shifted to Tata Steel UISL network. During FY20 to FY22 more than 150 new industrial connections & 80 load enhancements totalling to 56000KVA were provided. Such high demand and subsequent addition of load has led to loading of the network to its capacity in several areas. To provide further power supply in those area new lines/substations are required to be constructed, but RoW / Land is becoming a constraint. Moreover, in the same area, other distribution Licensee is also operating and therefore most of the RoW space is already occupied by the existing Licensee. Recently several underground works i.e. JBVNL cables, GAIL pipelines, Water Lines, FO Cable of various service providers has also been laid in the same corridor which has further restricted the RoW availability even for underground network. Any network extension beyond Adityapur and Gamharia area is further getting constrained due to requirement of Forest Clearance and multiple stakeholders' consent and approvals required in the process.

4.54 The Petitioner submitted that the timeline for providing power connection depends on availability for RoW, Land for putting up substation and technical feasibility. Wherever network capacity is available, connection is being provided. Material planning and procurement is a regular activity. However, there had been delay/ supply disruptions during Covid period due to supply chain constraints.

Views of the Commission

4.55 The Commission has noted the submission made by stakeholder and reply submitted by the Petitioner. The Commission has approved Capex for infrastructure development, upgradation and strengthening for the Control Period as discussed in detail in **Section A4** of this order and the Petitioner is mandated to supply as per the JSERC Supply Code Regulations as amended from time to time and other orders issued from time to time.

Installation Charges

Public Comments/Suggestions

4.56 The Stakeholder submitted that there is no SOP or any fixed criteria for installation charges for providing connections and it is decided on case-to case basis. This should be made more transparent.

Petitioner's Response

4.57 The Petitioner submitted that each demand note is explained to the applicant. As load, equipment required and distance from nearest point etc. varies from one application to another, installation charges also varies accordingly.

Views of the Commission

4.58 The Commission has noted the submission made by stakeholder and reply submitted by the Petitioner. The Miscellaneous, load enchantment and connection charges etc are applicable to consumers in accordance with JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time and Tariff Orders as issued from time to time.

Revenue Gap

Public Comments/Suggestions

4.59 The Stakeholder submitted that the Petitioner has stated that the revenue gap for FY 2021-22 is Rs. 142 Crore whereas as per the balance sheet net profit of the Petitioner is Rs. 34.48 Crore. Moreover, the Petitioner is regularly making profit and most of revenue & profit are generated from Power Business.

Petitioner's Response

4.60 The Petitioner submitted that the expected revenue Gap at the end of FY 2022 was projected in November, 2020, based on available information and reasonable projections. The revenue Gap/ Surplus in Power Business and Petitioner's net profit are not similar as the net profit include other business of the Petitioner apart from Power Business and these are two different computations.

Views of the Commission

4.61 The Commission has noted the submission made by the stakeholder and reply submitted by the Petitioner. The Commission determines the ARR as per the provision of the Electricity Act, 2003, Tariff Policy, 2016 and principles laid down in its Tariff Regulations, 2020.

Power Quality and Handling Electrical / High Tension work

Public Comments/Suggestions

4.62 The Stakeholder submitted that consumers are not getting quality power supply as there is always high voltage in supply (240 - 255 volts in all phases). Sophisticated equipment are getting damaged and worn out. On complaint, the Petitioner states that the power supply is within the permissible limit of 230 volts +/- 10 %, but it is always on + side. Therefore, the Commission is requested to direct the Petitioner to make necessary arrangements for rectification of this issue.

4.63 It is further submitted that getting shutdown during the maintenance work within the premises of the factory, is a tedious task as the Petitioner ask the Licensee electrician to handle repair work. However, due to lack of electrician, not all consumers can avail such facility. Therefore, this condition should be simplified.

Petitioner's Response

4.64 The Petitioner submitted that the issues related to power quality and shutdown are resolved and responded as and when it comes to notice or reported. Supply voltage variations happens primarily due to variations in Grid Voltage, Changes in Loading profile of Consumers, Inadequate Capacitor Bank in Factories and loose connection etc. in the network. Any network will have voltage variations due to technical reasons as explained above and therefore a voltage range is prescribed for supply & also Tap Change provisions are provided in Transformers. Moreover, the Petitioner plans its distribution network to supply within the prescribed range and initiates action to keep it within range in case of deviations. Individual consumers also adjust tap position of their transformers based on their load and voltage profile.

4.65 It is further submitted that for handling Electrical / High Tension work, competent and Licensed technician is required as per rules and therefore it is insisted upon. This is for safety of the operating personnel.

Views of the Commission

4.66 The Commission has noted the submission made by stakeholder and reply submitted by the Petitioner. The Power Quality and Handling Electrical / High Tension work shall be in accordance with JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time. Hence, both the Petitioner and the stakeholders should comply with the relevant provision of the JSERC (Electricity Supply Code) Regulations.

Power Supply to Tayo

Public Comments/Suggestions

4.67 The Stakeholder submitted that the Petitioner is supplying power to another DISCOM in Saraikela area. Further, the Petitioner has also provided electricity connection without any NOC to the New Expansion Plant of Tayo, whereas the plant already has dues of around Rs. 300 Crore with JBVNL.

Petitioner's Response

4.68 The Petitioner submitted that the Petitioner has been provided license for power distribution under provision of the Electricity Act, 2003 and an electricity distribution licensee can provide power to the other distribution licensee.

4.69 The Petitioner submitted that it has supplied power to New Expansion plant of Tayo. This plant was new and didn't have JBVNL connection. The question of dues with other DISCOM doesn't relate to the Petition.

Views of the Commission

4.70 The Commission has noted the submission made by stakeholder and reply submitted by the Petitioner. The Commission observes that the issue raised do not pertain with tariff determination and therefore has not been dealt herein.

Power Supply to JVBNL

Public Comments/Suggestions

4.71 The Stakeholder submitted that there is law in Jharkhand which clearly states that the Power Generating Companies has to sell their 1/3rd power to JBVNL as per the Commission's tariff. However, the Petitioner is not following this law in the State.

Petitioner's Response

4.72 The Petitioner submitted that this does not relates to the Petition and relates to the agreement between Govt. of Jharkhand, JBVNL and Generating Companies.

Views of the Commission

4.73 The Commission observes that the issue raised do not pertain with tariff determination and therefore has not been dealt herein.

Request for Power Supply

Public Comments/Suggestions

4.74 The Stakeholder submitted that the power supply from JBVNL is of poor quality and irregular, which has damaged the electrical equipment installed in the area and has resulted in very high load over the standby Diesel Generators within the area. Therefore, it is requested that permanent electricity connection from TATA STEEL USIL be made available to the Stakeholder.

Petitioner's Response

4.75 The Petitioner submitted that their power distribution network is not available in that area and laying a distribution network requires consent from various stakeholders over whose land line passes. As discussed during the meeting, we will initiate feasibility study to extend our network to give power supply in your premises. However, due to multiple stakeholders' consent (including private land owners and Forest Department.) and approvals we are not in a position to indicate any timeline.

Views of the Commission

4.76 The Commission has noted the submission of both the Stakeholder and Petitioner in this matter.

A 5: APPROVAL OF BUSINESS PLAN FOR THE MYT CONTROL PERIOD FROM FY 2021-22 TO FY 2025-26

5.1 The Petitioner is required to file the Business Plan for approval before the Commission as per Clause 6.9, Clause 6.10 and Clause 6.11 of Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The relevant Clauses are reproduced below:

*"**Business Plan***

*6.9 Each Licensee shall file for the Commission's approval a Business Plan approved by an authorized signatory, as per the timelines specified in **Section A 24** of these Regulations.*

6.10 The Business Plan shall be filed separately for the Retail Supply and Wheeling Business. As specified in Clause 6.7 of these Regulations, in the absence of segregated accounts for the two Businesses, the Licensee shall prepare an allocation statement and submit the same with the Business Plan.

6.11 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. The Capital Investment Plan should also include corresponding capitalisation schedule and financing plan;*

The Distribution Licensee shall also submit scheme-wise capital structure and cost of financing (interest on debt) and return on equity, Grant, Deposit Works along with terms of the existing loan agreements, etc., as a part of Capital Investment Plan;

*b) **Sales/Demand Forecast** for each consumer 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 shall also include energy efficiency, RPO fulfilment, 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 (viz., SAIFI, SAIDI and MAIFI as per the JSERC (Distribution Licensees' Standards***

***of Performance) Regulations, 2015**, and subsequent amendments), etc. The targets shall be consistent with the capital investment plan proposed by the Licensee;*

*e) **Human Resource Plan** with manpower planning including details of the estimated year wise manpower addition and retirements for the Control Period to meet the growth in demand/consumers;*

f) Proposals for Non-Tariff Income with item-wise description and details;

g) Proposals in respect of income from Other Business; and

h) Business Plan shall also contain the requisite information for the preceding Control Period:

Provided that requisite information for the preceding Control Period shall include year-wise audited data on Scheme-wise capital investment, distribution loss trajectory, quality improvement measures undertaken, category-wise number of consumers, connected load and sales, source-wise power procurement quantum and cost, Employee, R&M and A&G Expenses along with detailed break up and any other information used for preparing projections of various performance parameters and other components during the Control Period. In case of a new Licensee, such information is required to be submitted for the period of operations up to the start of the Control Period."

5.2 In accordance with above said Regulations, the Petitioner has filed the Business Plan for the Control Period from FY 2021-22 to FY 2025-26 for approval before the Commission on December 01, 2020.

5.3 The Petitioner further added that the Business Plan submitted before the Commission is broadly classified into four heads as mentioned below and requested the Commission to duly consider the same while approving the Business Plan for the Control Period from FY 2021-22 to FY 2025-26:

a) Demand and Sales Forecast;
b) Power Purchase Plan;
c) Capital Investment Plan;
d) Human Resource Plan.

5.4 The Commission has approved the Business Plan for the Control Period from FY 2021-22 to FY 2025-26, in line with the relevant Regulations specified above.

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

Demand and Sales Forecast

Petitioner's Submission

5.6 The Petitioner submitted that Demand and Sales Forecast is one of the key element of power distribution licensee Business Plan. In this Business Plan demand estimation has been done for each category of consumers separately and then it has been added to arrive at the total demand/sales.

5.7 The Petitioners has projected category wise additions in the number of consumers for each year of the control period. Primarily following two approaches to project consumer additions in each category:

a) Average (5 year moving average) addition in the number of consumers for each year of the Control Period

b) Addition in number of consumers done based on consumer specific information available to Petitioner about the upcoming facilities/plants etc.

5.8 For projection of the connected load for each consumer category, the Petitioner has derived the connected load (KVA) per consumer (Load Multiplier) based on the last 5 year data i.e. FY 2016-17 to FY 2020-21 then multiplied by the no. of consumer projected to arrive at the Connected load projection for each consumer category.

5.9 For projection of the Sales for each consumer category, the Petitioner has derived the average load factor of the previous 5 years i.e. FY 2016-17 to FY 2020-21 then multiplied with the projected connected load to reach to the projected sales figure for the Control Period.

5.10 The Petitioner further submitted that it has also considered increase in Energy consumption in the Domestic Urban and Commercial service urban category due to Electric Vehicles, and subsequent increase in Electricity demand.

5.11 The no. of consumer, connected load and Sales as projected by the Petitioner for the Control Period is as follows:

Table 14: Number of Consumers as submitted by the Petitioner for the Control Period (Nos)

No. Of Consumers	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Domestic Services (DS)					
Domestic Services - Rural	785	935	1085	1235	1395
Domestic Services – Urban	5234	6049	6884	7685	8499
Domestic Services – HT	36	37	38	39	40
Commercial Services (Non-Domestic)					
Commercial Services - Rural	69	85	102	121	137
Commercial Services – Urban	1072	1178	1288	1398	1505
Low Tension Industrial Services (LTIS)	309	335	363	391	419
High Tension Services (HTS)					
HTS-11 KV	273	283	293	305	317
HTS-33 KV	50	52	54	56	58
Temporary Services	1	1	1	1	1
Total	**7829**	**8955**	**10108**	**11231**	**12371**

Table 15: Connected Load as submitted by the Petitioner for the Control Period (kVA)

Connected Load	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Domestic Services (DS)					
Domestic Services - Rural	1721	2050	2378	2707	3058
Domestic Services – Urban	41277	47835	54821	62331	72290
Domestic Services – HT	8908	9156	9403	9650	9898
Commercial Services (Non-Domestic)					
Commercial Services - Rural	487	600	720	854	967
Commercial Services – Urban	10691	11750	12850	13953	15028
Low Tension Industrial Services (LTIS)	16174	17539	19018	20498	21977
High Tension Services (HTS)					
HTS-11 KV	90716	93949	97182	101061	104940
HTS-33 KV	144954	151222	157489	163757	170025
Temporary Services	2.00	2.00	2.00	2.00	2.00
Total	**314931**	**334102**	**353862**	**374811**	**398183**

Table 16: Sales as submitted by the Petitioner for the Control Period (MUs)

Projected Sales (MUs)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Domestic Services (DS)					
Domestic Services - Rural	0.98	1.17	1.36	1.55	1.75
Domestic Services – Urban	22.68	26.29	30.15	34.34	39.97
Domestic Services – HT	9.49	9.76	10.02	10.29	10.55

Projected Sales (MUs)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Commercial Services (Non Domestic)					
Commercial Services - Rural	0.29	0.35	0.42	0.50	0.57
Commercial Services – Urban	8.57	9.42	10.30	11.19	12.06
Low Tension Industrial Services (LTIS)	14.28	15.28	16.37	17.37	18.25
High Tension Services (HTS)					
HTS-11 KV	225.34	233.18	241.03	250.44	259.85
HTS-33 KV	473.35	494.83	516.31	537.79	559.26
Temporary Services	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**
Total	**754.99**	**790.28**	**825.97**	**863.46**	**902.27**

Commission's Analysis

5.12 In order to project number of consumers, connected load and sales for the Control Period from FY 2021-22 to FY 2025-26, the Commission has considered it appropriate to consider last six years data from FY 2015-16 to FY 2020-21. Based on the actual last six years data, the Commission has analysed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections.

5.13 Approach adopted by the Commission, for projection of number of consumers, connected load and sales is as follows:

Table 17: Approach for Projection of No. of Consumers for Control Period

Categories	Approach for Projection of No. of Consumers
Domestic-LT Rural	The Commission has considered actual no. of consumer of FY 2020-21 for projection and escalated it with 2-Year CAGR (i.e FY 19 to FY 21) of 17.58% for each year of the Control Period anticipating expansion in supply area.
Domestic-LT Urban	The Commission has considered actual no. of consumer of FY 2020-21 for projection and escalated it with Year on Year growth rate (i.e FY 20 to FY 21) of 14.76% for each year of the Control Period anticipating expansion in supply area.
Domestic-HT	The Commission has considered actual no. of consumer of FY 2020-21 for projection and escalated it with 3-Year CAGR (i.e FY 18 to FY 21) of 3.03% for each year of the Control Period.
Commercial-Rural	The Commission has considered actual no. of consumer of FY 2020-21 for projection and escalated at 2-Year CAGR (i.e FY 19 to FY 21) of 33.33% for each year of the Control Period anticipating expansion in supply area.
Commercial-Urban	The Commission has considered actual no. of consumer of FY 2020-21 for projection and escalated the no. of consumer considering 5% nominal growth factor for each year of the Control Period.
LTIS	The Commission has considered actual no. of consumer of FY 2020-21 for projection and escalated it with 2-Year CAGR (i.e FY 19 to FY 21) of 8.38% for each year of the Control Period.

Categories	Approach for Projection of No. of Consumers
HTIS-11 kV	The Commission in Tariff Proposal for FY 2020-21 has merged the category of High Tension Special Services and High Tension Service. Accordingly, the Commission while projection has considered combined numbers. The Commission observed that no particular trend in growth rate can be observed. Therefore, the Commission has considered actual no. of consumer of FY 2020-21 for projection and escalated it with Year on Year growth rate (i.e FY 20 to FY 21) of 5.06% for each year of the Control Period.
HTIS-33 kV	The Commission in Tariff Proposal for FY 2020-21 has merged the category of High Tension Special Services and High Tension Service. Accordingly, the Commission while projection has considered combine numbers. The Commission observed that no particular trend in growth rate can be observed. Therefore, the Commission has considered actual no. of consumer of FY 2020-21 for projection and escalated it with Year on Year growth rate (i.e FY 20 to FY 21) of 9.09% for each year of the Control Period.
Temporary Supply	Petitioner Submission has been considered as no particular trend in growth rate has been observed.

Table 18: Approach for Projection of for Connected Load Control Period

Categories	Approach for Projection of Connected Load
Domestic-LT Rural	The Commission has considered actual connected load of FY 2020-21 for projection and escalated it with Year on Year growth rate (i.e FY 20 to FY 21) of 12.71 for each year of the Control Period.
Domestic-LT Urban	The Commission has considered actual connected load of FY 2020-21 for projection and escalated it with Year on Year growth rate (i.e FY 20 to FY 21) of 13.24% for each year of the Control Period.
Domestic-HT	The Commission has considered actual connected load of FY 2020-21 for projection and escalated it with 2-Year CAGR (i.e FY 18 to FY 20) of 2.92% for each year of the Control Period.
Commercial-Rural	The Commission has considered actual connected load of FY 2020-21 for projection and escalated it with 2-Year CAGR (i.e FY 19 to FY 21) of 24.85% for each year of the Control Period.
Commercial-Urban	The Commission has considered actual connected load of FY 2020-21 for projection and escalated it with connected load considering 5% nominal growth factor for each year of the Control Period.
LTIS	The Commission observed that LTIS is in recovery state after the impact of COVID Pandemic. Therefore, connected load growth for 1st year of the Control Period shall be restrictive. Hence, the Commission has considered actual connected load of FY 2020-21 for projection and escalated at Year on Year growth rate (i.e FY 20 to FY 21) of 4.02% for 1st Year of the Control Period and thereafter considered 5-Year CAGR (i.e FY 16 to FY 21) of 10.03% for each year of the Control Period.
HTIS-11 kV	The Commission in Tariff Proposal for FY 2020-21 has merged the category of High Tension Special Services and High Tension Service. Accordingly, the Commission while projection has considered combine numbers. The Commission has considered actual connected load of FY 2020-21 for projection and escalated it with 2-Year CAGR (i.e FY 19 to FY 21) of 4.80% for each year of the Control Period.

Categories	Approach for Projection of Connected Load
HTIS-33 kV	The Commission in Tariff Proposal for FY 2020-21 has merged the category of High Tension Special Services and High Tension Service. Accordingly, the Commission while projection has considered combine numbers. The Commission has considered actual connected load of FY 2020-21 for projection and escalated it with 5-Year CAGR (i.e FY 16 to FY 21) of 6.74% for each year of the Control Period.
Temporary Supply	Petitioner Submission has been considered as no particular trend in growth rate has been observed.

Table 19: Approach for Projection of Sales for Control Period

Categories	Approach for Projection of Sales
Domestic-LT Rural	The Commission has projected the Sales considering the growth in sales per consumers. The actual specific consumption of FY 2020-21 has been considered for projection and escalated with 3-Year CAGR (i.e FY 18 to FY 21) of 4.04% for each year of the Control Period to derive the Sales.
Domestic-LT Urban	The Commission has projected the Sales considering the growth in sales per consumers. The actual specific consumption of FY 2020-21 has been considered for projection and has been escalated with 3-Year CAGR (i.e FY 18 to FY 21) of 1.29% for each year of the Control Period to derive the Sales.
Domestic-HT	The Commission has projected the Sales considering the actual Sales of FY 2020-21 for projection and escalated at 2-Year CAGR (i.e FY 18 to FY 20) of 5.65% for each year of the Control Period to derive the Sales.
Commercial-Rural	The Commission observed that actual Sales of FY 2020-21 dipped on account of COVID Pandemic and impacted Non Domestic Commercial. However, the impact of pandemic are gradually fading off and Commercial consumption will bounce back in upcoming years. Therefore, the Commission has projected the Sales considering the actual Sales of FY 2019-20 for projection and escalated at 2-Year CAGR (i.e FY 19 to FY 21) of 20.19% for each year of the Control Period to derive the Sales.
Commercial-Urban	The Commission observed that actual Sales of FY 2020-21 dipped on account of COVID Pandemic and impacted Non Domestic Commercial. However, the impact of pandemic are gradually fading off and Commercial consumption will bounce back in upcoming years. Therefore, the Commission has projected the Sales considering the actual Sales of FY 2019-20 for projection and escalated with 3-Year CAGR (i.e FY 19 to FY 21) of 9.35% for each year of the Control Period to derive the Sales.
LTIS	The Commission has projected the Sales considering the actual Sales of FY 2020-21 for projection and escalated with 5-Year CAGR (i.e FY 16 to FY 21) of 6.93% for each year of the Control Period to derive the Sales.
HTIS-11 kV	The Commission in Tariff Proposal for FY 2020-21 has merged the category of High Tension Special Services and High Tension Service. Accordingly, the Commission while projection has considered combined numbers. The Commission observed that actual Sales of FY 2020-21 dip on account of COVID Pandemic and impacted this set of consumers. However, the impact of pandemic are gradually fading off and industrial consumption will regain its initial consumption and going forward the consumption will increase. Therefore, the Commission has projected the Sales considering the actual Sales of FY 2019-20 for projection and escalated with 3-Year CAGR (i.e FY 16 to FY 19) of 13.36% for 1st and 2nd Year of

Categories	Approach for Projection of Sales
	the Control Period and thereafter 5% nominal growth factor for each year of the Control Period has been considered to derive the Sales.
HTIS-33 kV	The Commission in Tariff Proposal for FY 2020-21 has merged the category of High Tension Special Services and High Tension Service. Accordingly, the Commission while projection has considered combined numbers. The Commission has projected the Sales considering the actual Sales of FY 2020-21 for projection and escalated with 4-Year CAGR (i.e FY 17 to FY 21) of 9.33% for 1st and 2nd Year of the Control Period and thereafter 3-Year CAGR (i.e FY 18 to FY 21) of 5.47% has been considered for subsequent years of the Control Period to derive the Sales.
Temporary Supply	Petitioner Submission has been considered as no particular trend in growth rate has been observed.

5.14 Based on above approach, the No. of Consumers, Connected Load and Sales approved for the control period from FY 2021-22 to FY 2025-26 by the Commission is as follows:

Table 20: Number of Consumers as approved by the Commission for the Control Period(Nos)

No. Of Consumers	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Domestic Services (DS)	**5,532**	**6,363**	**7,319**	**8,420**	**9,687**
Domestic Services - Rural	650	765	899	1,057	1,243
Domestic Services – Urban	4,846	5,561	6,382	7,323	8,404
Domestic Services – HT	36	37	38	39	41
Commercial Services (Non-Domestic)	**1,055**	**1,120**	**1,192**	**1,273**	**1,365**
Commercial Services - Rural	43	57	76	101	135
Commercial Services – Urban	1,012	1,063	1,116	1,172	1,230
Low Tension Industrial Services (LTIS)	**292**	**316**	**342**	**371**	**402**
High Tension Services (HTS)	**314**	**332**	**351**	**371**	**393**
HTS-11 KV	262	275	289	303	319
HTS-33 KV	52	57	62	68	74
Temporary Services	**1**	**1**	**1**	**1**	**1**
Total	**7,194**	**8,132**	**9,205**	**10,436**	**11,849**

Table 21: Connected Load as approved by the Commission for the Control Period (kVA)

Connected Load	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Domestic Services (DS)	**45,673**	**50,847**	**56,680**	**63,259**	**70,680**
Domestic Services - Rural	1,490	1,679	1,893	2,133	2,404
Domestic Services – Urban	35,794	40,534	45,901	51,980	58,863
Domestic Services – HT	8,389	8,634	8,886	9,146	9,413
Commercial Services (Non-Domestic)	**9,842**	**10,386**	**10,971**	**11,602**	**12,284**
Commercial Services - Rural	265	330	413	515	643
Commercial Services – Urban	9,577	10,056	10,559	11,087	11,641

Connected Load	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Low Tension Industrial Services (LTIS)	**14,307**	**15,742**	**17,322**	**19,059**	**20,971**
High Tension Services (HTS)	**2,29,120**	**2,42,926**	**2,57,585**	**2,73,149**	**2,89,676**
HTS-11 KV	84,753	88,822	93,086	97,556	1,02,240
HTS-33 KV	1,44,367	1,54,104	1,64,498	1,75,593	1,87,437
Temporary Services	**2**	**2**	**2**	**2**	**2**
Total	**2,98,944**	**3,19,904**	**3,42,560**	**3,67,071**	**3,93,614**

Table 22: Sales as approved by the Commission for the Control Period (MUs)

Projected Sales (MUs)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Domestic Services (DS)	**35.01**	**39.49**	**44.65**	**50.58**	**57.42**
Domestic Services - Rural	0.97	1.18	1.45	1.77	2.16
Domestic Services – Urban	22.18	25.78	29.96	34.82	40.47
Domestic Services – HT	11.86	12.54	13.24	13.99	14.78
Commercial Services (Non Domestic)	**8.40**	**9.21**	**10.11**	**11.09**	**12.18**
Commercial Services - Rural	0.26	0.31	0.38	0.45	0.54
Commercial Services – Urban	8.14	8.90	9.73	10.64	11.63
Low Tension Industrial Services (LTIS)	**12.39**	**13.25**	**14.17**	**15.15**	**16.20**
High Tension Services (HTS)	**642.89**	**710.77**	**748.60**	**788.44**	**830.41**
HTS-11 KV	196.43	222.66	233.79	245.48	257.76
HTS-33 KV	446.46	488.11	514.81	542.96	572.66
Temporary Services	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**
Total	**698.70**	**772.74**	**817.54**	**865.28**	**916.23**

Distribution Loss

Petitioner's Submission

5.15 The Petitioner has submitted that for the purpose of Business plan projection it has considered the distribution loss to increase from 2.35% in FY 2021-22 to 3.80% in FY 2025-26.

5.16 The Petitioner further submitted that the losses are highest in case of sales to consumers at LT level. The Petitioner has envisaged some increase in Distribution loss levels over the years due to significant increase in network and growth in LT consumer segment during the Control Period.

Commission's Analysis

5.17 The Commission observes that the actual distribution loss level of the Petitioner is 1.44% in FY 2019-20. However, for the purpose of MYT Control Period approves the distribution loss on overall sales for each year of the Control Period as submitted by the Petitioners in petition. As the Petitioner is in expansion mode which will increase its LT sales vis-à-vis HT Sales, the Petitioner shall is allowed to operate within distribution loss level of 3.80% on overall sales for the Control Period without any incentive/penalty.

Energy Balance

Petitioner's Submission

5.18 The Petitioner submitted that the projection for energy requirement has been arrived by grossing up the sales with distribution loss.

5.19 The Petitioner has envisaged some increase in Distribution loss levels over the years due to significant increase in network and growth in LT consumer segment during the Control Period.

5.20 The Petitioner has projected its energy requirement as shown in the following table.

Table 23: Energy Balance as submitted by the Petitioner (MU)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Sales (MU)	754.99	790.28	825.97	863.46	902.27
Overall Distribution Loss (%)	2.35%	2.70%	3.06%	3.42%	3.80%
Overall Distribution Loss (MU)	18.14	21.93	26.07	30.58	35.64
Energy Requirement (MU)	**773.13**	**812.21**	**852.04**	**894.04**	**937.91**

Commission's Analysis

5.21 The Commission has projected the energy requirement for the Control Period after grossing up the approved energy sales by the distribution loss for each year of the Control Period.

5.22 The Energy Sales, Distribution Loss and Energy Requirement based on approved Sales for the Control Period, is shown in the following table:

Table 24: Energy Balance as approved by the Commission (MU)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Overall Sales (MU)	698.70	772.74	817.54	865.28	916.23
Overall Distribution Loss (%)	2.35%	2.70%	3.06%	3.42%	3.80%
Overall Distribution Losses (MU)	16.81	21.44	25.81	30.64	36.19
Energy Requirement (MUs)	**715.51**	**794.18**	**843.34**	**895.92**	**952.42**

Power Purchase Plan

Power Procurement Source

Petitioner's Submission

5.23 The Petitioner submitted that the energy requirement for the Control Period would be met from the following sources:

- Tata Steel Limited;
- DVC, 33 kV;
- DVC, 132 kV
- Open Sources/Traders.

5.24 The Petitioner submitted that their existing power sources have almost reached its peak capacity. Therefore, due to the growth in consumer demand, some of the existing contracted capacities may not be sufficient to meet the energy requirement in the ensuing years. Considering this, the Petitioner has initiated various measures to meet its additional energy purchase requirements for future which are as follows:

- DVC 132 kV: Contract Demand (CD) has been increased from 40 MVA to 50 MVA from October 01, 2020;
- The Petitioner had approached JUSNL for connectivity from Gamharia Grid Sub-Station for sourcing of ~ 40 MVA additional power;
- Parallel study is being undertaken with the help of Power Research and Development Consultants (PRDC) for developing a detailed plan for power procurement from various sources in its area of operations.

5.25 In addition to above, the Petitioner is also evaluating other options for putting up new power Sub-Station and line from CTU/STU for connectivity. The Petitioner has projected that for the next Control Period, they will be procuring power from its existing sources and will work to establish connectivity with STU/CTU to wheel power from other sources. While projecting energy purchase from these sources, the Petitioner has also ensured that energy procured from each source at maximum possible levels. However, as these sources feed power supply to different loads in different area/ geography; the actual share of sourcing is subject to change based on power being drawn by the consumers in those areas and some of power may be taken from other sources .

5.26 The Petitioner has applied for one new source of power of 200 kVA from JBVNL at Seraikela town. This new source shall act as a backup in case of breakdowns / shutdowns / stoppage of power due to any external reasons for connections to Seraikela town's consumers, and this facility shall improve the reliability of the power supply to consumers of this area.

5.27 The Petitioner submitted that as per JSERC (Renewable Purchase Obligation and its Compliance) Regulations, 2012 Distribution Licensee needs to purchase specified quantum of its energy requirement from Renewable Energy Sources. However, as per the Commission Order dated June 19, 2020, Petitioner is not liable to fulfil RPO. Therefore, the Petitioner has not considered any Renewable Power Purchase for meeting the Renewable Purchase Obligation.

5.28 The Power Procurement Plan for the Control Period is tabulated below:

Table 25: Power Purchase Plan as submitted by the Petitioner (MU)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tata Steel Limited	400.00	400.00	400.00	400.00	400.00
DVC (33kV)	120.00	120.00	120.00	120.00	120.00
DVC (132kV)	253.13	292.21	300.00	300.00	300.00
Open Access/Other Sources	-	-	32.04	74.04	117.91
Total Energy Availability	**773.13**	**812.21**	**852.04**	**894.04**	**937.91**

Commission's Analysis

5.29 The energy requirement shall be met through power sourced from TSL, DVC at 32 kV and 132 kV.

5.30 The Commission has considered the projected energy availability of power from TSL and DVC at 33 kV as projected by the Petitioner.

5.31 In case of DVC at 132 kV, the Commission has projected the energy availability for each year of the Control Period by proportionally allocating remaining energy to match with the energy requirement.

5.32 With regards to RPO, the Commission is of the view that since the Petitioner is procuring power from Distribution Licensees i.e. TSL and DVC as a consumer and therefore, the responsibility to meet the RPO doesn't lies with the Petitioner.

5.33 The Commission has not allowed any short term purchase in the energy availability projection as the energy availability from the long term sources meet out the energy requirement for each year of the Control Period.

5.34 The Power Procurement Plan based on Energy Requirement on approved Sales for the Control Period, is shown in the following table:

Table 26: Power Purchase Plan as approved by the Commission (MU)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tata Steel Limited	400.00	400.00	400.00	400.00	400.00
DVC (33kV)	120.00	120.00	120.00	120.00	120.00
DVC (132kV)	195.51	274.18	323.34	375.92	432.42
Open Access/Other Sources	0.00	0.00	0.00	0.00	0.00
Energy Availability	**715.51**	**794.18**	**843.34**	**895.92**	**952.42**

Power Purchase Expenses

Petitioner's Submission

5.35 The Power Purchase Expenses from the available sources are projected by the Petitioner on the following basis:

Tata Steel Limited (TSL):

- The Petitioner has considered the average power purchase cost as submitted by TSL in its Business Plan for projecting the power procurement cost of TSUISL from TSL for the control period.

DVC 33 kV:

- The Petitioner has considered the base value for FY 2020-21 as HT Institutional Services tariff approved by the Commission in its Order dated September 30, 2020 with an assumption of the Power Factor (PF) as 0.85 and Voltage Rebate of 3.00% based on the above said Order.

- The Petitioner has also considered an annual growth rate of 3.00% in both Demand Charge and Variable Charges for estimating the power purchase cost of each financial year of the Control Period.

DVC 132 kV:

- The Petitioner has considered the Base value for FY 2020-21 as HT Institutional Services tariff approved by the Commission in its Order dated September 30, 2020 with an assumption of the Power Factor (PF) as 0.85 and Voltage Rebate of 3.0% based on the above said Order.

- The Petitioner has also considered an annual growth rate of 3.00% in both Demand Charge and Variable Charges for estimating the power purchase cost of each financial year of the Control Period.

Renewable Power Purchase Obligation (RPO):

- With regards to RPO, the Petitioner submitted that they are not liable to fulfil RPO and the same is recognised by the Commission. The relevant extract of the Order dated June 19, 2020 is reproduced below:

  "The Commission has scrutinized the details submitted by the Petitioner and is of the view that since the Petitioner is procuring power from Distribution Licensees i.e. TSL and DVC at the retail tariff determined by the Commission and therefore TSL and DVC are required to meet the RPO compliance for the units sold to the Petitioner."

- Therefore, the Petitioner has not considered any renewable purchase for the Control Period.

5.36 Based on the above, the Power Purchase Expenses as projected by the Petitioner for the Control Period from FY 2021-22 to FY 2025-26 is tabulated below.

Table 27: Power Purchase Expenses as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tata Steel Limited	200.00	203.60	210.40	213.20	216.80
DVC 33 kV	51.69	53.24	54.84	56.49	58.18
DVC 132 kV	112.38	129.70	136.46	140.55	144.77
Open Access/Traders	-	-	15.70	37.04	60.36
Power Purchase Expenses (Rs. Crore)	**364.07**	**386.55**	**417.39**	**447.28**	**480.11**
Power Purchased (MU)	773.13	812.21	852.04	894.04	937.91
Rate of Power Purchased (Rs./kWh)	**4.71**	**4.76**	**4.90**	**5.00**	**5.12**

Commission's Analysis

5.37 The Commission has scrutinised the detail submitted by the Petitioner and approves the Power Purchase Cost from various source based on the following:

Tata Steel Limited (TSL):

- Based on the average power purchase cost of TSL as approved by the Commission for the Control Period in TSL Business Plan and MYT Order dated November 24, 2022.

DVC at 33 kV and 133 kV:

- The Commission after prudence check approves the power purchase cost from DVC 32kV and 132kV source for the Control Period at the same level as approved in True-up for FY 2019-20 without considering any escalation. Any variation in the power purchase cost will be reviewed at the time of APR/True-up.

Renewable Power Purchase Obligation (RPO):

- The Commission is of the view that since the Petitioner is procuring power from Distribution Licensees i.e. TSL and DVC and hence, the responsibility to meet the RPO doesn't lies with the Petitioner on the quantum of such power purchased from the Licensees under consumer mode.

Open Access/ Traders/ Short Term Power:

- The Commission has not allowed any Open Access/ Traders/ Short Term Power Purchase in the energy availability projection as the energy availability from the long term sources meet out the energy requirement for each year of the Control Period. Therefore, no power purchase cost has been considered with regards to Open Access/ Traders/ Short Term Power Purchase for the Control Period.

5.38 Based on the above, the Power Purchase Expenses as approved by the Commission for the Control Period from FY 2021-22 to FY 2025-26 is mentioned below and shall be subject to truing up based on actuals.

Table 28: Power Purchase Expenses as approved by the Commission (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tata Steel Limited (TSL)	185.66	189.46	192.33	195.37	198.49
DVC (33kV)	53.11	53.11	53.11	53.11	53.11
DVC (132kV)	82.84	116.17	137.00	159.28	183.22
Open Access/ Traders/ Short Term Power	0.00	0.00	0.00	0.00	0.00
Power Purchase Expenses (Rs. Crore)	**321.61**	**358.74**	**382.44**	**407.76**	**434.82**
Power Purchased (MU)	**715.51**	**794.18**	**843.34**	**895.92**	**952.42**
Rate of Power Purchased (Rs./kWh)	**4.49**	**4.52**	**4.53**	**4.55**	**4.57**

Capital Investment Plan

Petitioner's Submission

5.39 The Petitioner submitted that the present distribution network comprises of distribution network cables, distribution transformers, switch houses, customer sub-stations meters, metering equipment and all associated control, monitoring, communication and protection equipment. The current voltage level existing in the Petitioner's distribution network consists of 33 kV, 11 kV and LT Level network. The Petitioner submitted that they continuously evaluate its distribution network to ensure providing quality power supply to existing and new consumers.

5.40 The Petitioner further added that they undertake systematic evaluation of its current network and processes, to work out network strengthening and additional requirements to meet its increasing consumer base.

5.41 The petitioner has proposed to undertake Capital Expenditure under thirty two schemes in the next Control Period with an amount of Rs. 191.49 Crore. Further, in addition to above new schemes, three schemes are roll-over from the present Control Period as listed below:

- 33 kV Feeder to Birbans/Baliguma Mouza;
- Land, Boundary and other work at 33/11 kV Sub-Station at Kanderbea;
- 33/11 kV Sub-Station at EMC.

5.42 The Petitioner submitted that the new capex schemes have been identified based on various criteria like new requirement as per safety and statutory guidelines, enhancement of reliability of existing network to serve customer better, load growth related schemes including new substation with source identified by master plan study, introduction of new technology, infrastructure augmentation etc.

5.43 Further, due to difference in capital expenditure and capitalisation schedule, the Petitioner has also factored in IDC component on normative debt in addition to capex amount and considered the same for calculating final capitalisation.

5.44 The Petitioner submitted that due to issue related to Right of Way (RoW) permissions, land acquisition, permission from other local Authorities and local bodies etc., project are getting delayed. In view of these difficulties, the Petitioner has conservatively proposed Capital Expenditure and Capitalisation of Rs. 25.00 Crore for each financial year from the new schemes projected for the Control Period in addition to the carry forward schemes of last Control Period and Consumer Contribution funded schemes.

5.45 The Petitioner has further sought the liberty to approach the Commission once they reach the value of Rs 25.00 Crore for further approval of the additional capex as proposed in the MYT Petition for the Control Period from FY 2021-22 to FY 2025-26.

5.46 The Petitioner further added that there are certain network development schemes which are at primitive stage and have sought the liberty to approach the Commission once the same is finalised.

5.47 The summary of projected Capital Expenditure Plan for the Control Period from FY 2021-22 to FY 2025-26 is shown below:

Table 29: Capital Expenditure Plan as submitted by the Petitioner for the Control Period (Rs. Crore)

Sr. No	Schemes	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
1	**Carry over schemes**	8.20	1.69	-	-	-
2	**New schemes**	31.61	48.40	52.34	39.59	19.49

Sr. No	Schemes	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
3	**Consumer Contribution during the year**	3	3	3	3	3
Total Capital Expenditure Plan (Rs. Crore)		**42.81**	**53.09**	**55.34**	**42.59**	**22.49**

5.48 The Petitioner submitted that there is difference in schedule of Capital Expenditure and Capitalisation in some schemes and therefore the Petitioner has considered the Interest during Construction (IDC) corresponding to un-capitalized portion of Capital Expenditure. Further, the Interest incurred on un-capitalisation of the normative debt (30%) has been considered at 10.00% to derive net capitalisation.

5.49 Based on the Capital Expenditure and normative IDC, the Capitalisation Schedule proposed for the Control Period is as shown below:

Table 30: Capitalisation Plan as submitted by the Petitioner for the Control Period (Rs. Crore)

Sr. No	Schemes	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
1	**Carry over schemes**	22.68	2.73	-	-	-
2	**New schemes**	25	25	25	25	25
3	**Consumer Contribution during the year**	3	3	3	3	3
Total Capitalization (Rs. Crore)		**50.68**	**30.73**	**28**	**28**	**28**

Commission's Analysis

5.50 As per Regulation 6.12 to 6.15 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020:

"***Capital Investment Plan***

6.12 The Licensee shall file for the Commission's approval a Capital Investment Plan for the entire Control Period along with the Business Plan. The Capital Investment Plan shall be prepared scheme-wise and each scheme shall include:

a) Purpose of investment (e.g., replacement of existing assets, meeting load growth, technical and distribution loss reduction, non-technical loss reduction, meeting reactive energy requirements, customer service improvement, improvement in quality and reliability of supply, etc.);

b) Approval of Competent Authority;

c) Capital Structure;

d) Detailed Project Report;

e) Capitalization Schedule;
f) Implementation schedule including timelines;
g) Cost-benefit analysis and Rate reasonability;
h) Improvement in operational efficiency envisaged in the Control Period;
i) On-going schemes that will spill over into the year under review along with justification;
j) New schemes that will commence during the Control Period but may be completed within or beyond the Control Period.
…………….”

5.51 The Commission in its discrepancy note directed the Petitioner to provide the approval of Competent Authority for the capital expenditure/scheme proposed for each year of the Control Period as per MYT Regulation. In compliance to above, the Petitioner vide its additional affidavit dated February 12, 2021 has submitted that the Capital Expenditure/ Schemes proposed for the Control Period are based on requirement study conducted by the Project Team based on various criteria like new requirement as per Safety & Statutory Guidelines, enhancement of reliability of existing network to serve customer better, Load growth related schemes including new Sub-Station with source identified by master plan study, introduction of new technology, infrastructure augmentation etc.

5.52 The Petitioner further submitted that schemes starting in FY 2021-22 will be put up for approval before the Petitioner’s Board and will be taken up for execution only after receipt of approval from the Board. For the schemes proposed for execution in FY 2022-23, approval from the Board will be sought in FY 2021-22 and so on. In view of the same, the Petitioner requested the Commission to provisionally approve the Capital schemes as mentioned above and will submit the Board approval before the Commission prior execution.

5.53 The Commission with regards to spilled over works from previous Control Period allows the capital expenditure schemes and the related capitalization after due prudence check. However, the Petitioner to strictly ensure that the approved schedule of Capital Expenditure and Capitalisation should be strictly adhered to.

5.54 With regards to new schemes, the Commission has scrutinized the Detailed Scheme wise Reports along with projected completion schedule provided by the Petitioner for the schemes along with detail justification and necessity of the schemes.

5.55 The Commission observed that the Petitioner has proposed Interest during Construction (IDC), where there is delay in projected Capital Expenditure and Capitalisation. The Petitioner in its reply dated February 12, 2021 clarified that all the Capital Expenditure proposed is envisaged to be done through internal accrual. Hence, as per Regulation, only actual loan up to the date of Commercial operation of the Scheme will be considered for IDC. The relevant portion of Regulation is reproduced below:

*"**Capital Cost***

10.8 The capital cost of the Licensee shall include the following:

*a) Expenditure incurred or projected to be incurred on original scope of work, including the interest during construction and financing charges, any gain or loss on account of Foreign Exchange Risk Variation during construction, on the **actual loan up** to the date of commercial operation of the scheme, as admitted by the Commission after prudence check, shall form the basis for determination of Tariff;*

…………."

5.56 Further, in the absence of the approval from Competent Authority such as Capital Expenditure Committee(CEC)/Board, the Commission provisionally approves the Capital Expenditure and Capitalisation as mentioned below. However, the Petitioner is directed to submit the approval of Capital Expenditure Plan, including the spill over schemes, duly approved by CEC/Board to the Commission before carrying out such works. The Commission will carry out prudence check at the time of APR/Truing up of the Capital Investment and approval certificate while approving the same.

5.57 Further, the Commission observed that the Petitioner has conservatively proposed Capital Expenditure and Capitalisation of Rs. 25.00 Crore for each financial year from the new schemes projected for the Control Period due to various issues like Right of Way (RoW) permissions, land acquisition, permission from other local Authorities and local bodies etc. The Commission after prudence check and scrutiny provisionally accepts the proposal of the Petitioner of Capital Expenditure and Capitalisation of Rs. 25.00 Crore for each financial year from the new schemes and directs the Petitioner to approach the Commission well in advance for approval for further Capitalisation.

5.58 With regards to other network development schemes which are at primitive stage and yet to be finalised, the Commission directs the Petitioner to carry out detailed study and submit a separate Petition along with Detail Project Report (DPR) before the Commission for approval well in advance before executing the same.

5.59 The approved Capital Expenditure Plan and Capitalization for each year of the Control Period from FY 2021-22 to FY 2025-26 has been summarized in the tables below.

Table 31: Capital Expenditure Plan as approved by the Commission (Rs. Crore)

Sr. No	Schemes	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
1	**Carry over schemes**	8.20	1.69	-	-	-
2	**New schemes**	25	25	25	25	25
3	**Consumer Contribution during the year**	3	3	3	3	3
Total Capital Expenditure Plan (Rs. Crore)		**36.20**	**29.69**	**28**	**28**	**28**

Table 32: Capitalisation Plan as approved by the Commission (Rs. Crore)

Sr. No	Schemes	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
1	**Carry over schemes**	22.39	2.69	-	-	-
2	**New schemes**	25	25	25	25	25
3	**Consumer Contribution during the year**	3	3	3	3	3
Total Capitalization (Rs. Crore)		**50.39**	**30.69**	**28**	**28**	**28**

5.60 The Commission shall review the capital expenditure and capitalization actually done by the Petitioner at the end of each year of the Control Period in accordance with Clause 6.13 to Clause 6.15 of the Distribution Tariff Regulations, 2020. The relevant regulation is mentioned below:

"……………….

6.13 During the Annual Performance Review, the Commission shall monitor the year-wise progress of the actual capital expenditure incurred by the Licensee vis-à-vis the approved capital expenditure. The Licensee shall submit the actual capital expenditure incurred along with the Annual Performance Review Filing.

6.14 The Commission shall review the actual capitalisation at the end of each year of the Control Period vis-à-vis the approved capitalisation schedule and shall true up the ARR based on actual capitalisation for the year for which True up has been filed and also revise the ARR components for the year for which APR and Tariff have been sought.

6.15 In case the capital expenditure is required for emergency work, which has not been approved in the Capital Investment Plan, the Licensee shall submit an application containing all relevant information along with reasons justifying emergency nature of the proposed work seeking approval of the Commission wherever possible:

Provided that in case the capital expenditure is required for emergency work or unforeseen situation to mitigate threat to life and property and if prior intimation thereof to the Commission shall cause any irreparable loss or injury, the Licensee may undertake such capital expenditure and submit the details for post-facto approval of the Commission along with next Tariff Petition with all relevant details."

5.61 The Commission at this junction does not approves any de-capitalisation, however, the Petitioner is required to submit the details of de-capitalisation, if any at the time up of APR/truing up.

5.62 With regards to Petitioner submission of revised Capex estimate proposed in Business Plan and MYT Petition for Control Period to the Commission vide letter nos.: PBD/JSR/776/2022 dated August 05, 2022. The revised capex was submitted to the Commission after public notice was published and just before the public hearing. Hence, this additional information was not published for the public consultation and public at large could not respond to the revised numbers. Therefore, the Commission in this order has not considered the revised Capex estimate of the Petitioner.

5.63 However, the Petitioner is at liberty to file revised Capex Expenditure Plan, including the spill over schemes, duly approved by Competent Authority to the Commission in next tariff filing petition and the Commission shall consider the same on merits.

Financing of Capital Expenditure Plan

Petitioner's Submission

5.64 The financing of the proposed Capex schemes is envisaged to be done through internal accrual.

5.65 The Petitioner further submitted that as per the methodology given in JSERC Distribution Tariff Regulations, 2020, any GFA addition in the Control Period after deducting consumer contribution has been considered to be funded by Petitioner in a Debt: Equity ratio of 70:30.

Table 33: Financing of Capital Expenditure Plan as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Assets added during the Year	50.68	30.73	28	28	28
Less: CC during the Year	3	3	3	3	3
Assets added net of CC	47.68	27.73	25	25	25
Equity addition during the Financial Year @ 30%	14.30	8.32	7.50	7.50	7.50
Debt addition during the Financial Year @ 70%	33.37	19.41	17.50	17.50	17.50

Commission's Analysis

5.66 As per Clause 10.16 & Clause 10.17 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020:

*"**Debt-Equity Ratio***

*10.16 **Existing Projects:** In case of capital expenditure schemes capitalised prior to April 01, 2021, the debt-equity ratio as allowed by the Commission for determination of tariff for the period ending March 31, 2021 shall be considered.*

***New Projects:** For capital expenditure schemes capitalised after April 01, 2021:*

a) A normative debt-equity ratio of 70:30 shall be considered for the purpose of determination of Tariff;

b) In case the actual equity employed is in excess of 30%, the amount of equity for the purpose of tariff determination shall be limited to 30%, and the balance amount shall be considered as normative loan;

c) In case the actual equity employed is less than 30%, the actual debt-equity ratio shall be considered;

d) The premium, if any raised by the Licensee while issuing share capital and investment of internal accruals created out of free reserve, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal accruals are actually utilized for meeting capital expenditure.

…………………………..;

5.67 In compliance to Commission's query dated February 12, 2021, the Petitioner submitted that all the Capital Expenditure proposed is envisaged to be done through internal accrual.

5.68 The Commission accordingly approves Normative Equity to the tune of 30% and has considered the remaining 70% as Normative Debt. The financing of the additional capitalization as approved by the Commission is tabulated below.

Table 34: Financing of Capital Expenditure Plan as approved by the Commission (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Assets added during the Year	50.39	30.69	28	28	28
Less: CC received during the Year	3	3	3	3	3
Assets added net of CC	47.39	27.69	25	25	25
Equity addition during the Financial Year @ 30%	14.22	8.31	7.50	7.50	7.50
Debt addition during the Financial Year @ 70%	33.17	19.38	17.50	17.50	17.50

Human Resource Plan

5.69 The Petitioner submitted that during the upcoming Control Period, nearly 8 employees will be superannuating. Therefore, there will be requirement to fill the vacant post. However, workforce would be recruited prior to their retirement as they need to be on-boarded (trained on multiple skill and knowledge on electricity distribution before allowing them to work independently).

5.70 The Petitioner further added that they are in the process of recruiting regular workforce for certain key positions for which manpower cost is expected to be relatively more than the contract workforce and proposed to add approximately 30 number of technical manpower to this effect, by replacing the similar number of contractual workforces during the Control Period.

5.71 The Petitioner added that they had tried to deploy existing workforce or prioritising/shifting some of the activity/work, however, there are some functional requirements for which Petitioner has not added suitable manpower in previous Control, Period and therefore finds it difficult to fully comply with some activities. Therefore, the Petitioner has estimated 17 additional workforce required to meet such additional functional requirement as shown below:

Table 35: Manpower Requirement for additional Functional Requirement in existing Operational Area as submitted by the Petitioner

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Managerial Manpower	7	1	-	-	-
Supervisory/O Level Manpower	1	4	-	-	-
ITI Workmen Force	-	4	-	-	-

5.72 The Petitioner further added with rise in connection application and due to non-existence of the Petitioner’s network in such areas, the Petitioner needs to develop suitable power distribution infrastructure. Hence different schemes have been undertaken to develop infrastructure in these areas. The Petitioner submitted that it plans to hire additional manpower required for building the infrastructure. Manpower recruited for this purpose would later be transferred for Operation and Maintenance of the Petitioner’s distribution network in the same area. Such plan ensures that there is a continuity of key workforce including managerial staff and there a certainty in the job prospects for the person deployed for capital execution/network development. There will be an additional requirement of 102 manpower to execute the capital projects and subsequent Operations and Maintenance, during the 5-year Control Period as tabulated below:

Table 36: Manpower requirement for Construction and O&M of upcoming Infrastructure as submitted by the Petitioner

Activity Details	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Managerial Manpower	8	5	2	-	-
Supervisory/O Level Manpower	4	15	1	2	-
ITI Workmen Force	15	22	14	7	7

5.73 Based on the above detail, the Petitioner submitted the additional annual expenditure for the Control Period from FY 2021-22 to FY 2025-26 as shown below:

Table 37: Annual Cost to Company for employee projected to added for the Control Period as submitted by the Petitioner

Particulars	UoM	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Managerial Level	Nos.	15	6	2	-	-
Supervisory/O Level	Nos.	5	19	1	2	-
Lineman/Electrician/Junior Field Attendant (ITI)	Nos.	15	26	14	7	7
Total Manpower Requirement	Nos.	**35**	**51**	**17**	**9**	**7**
Additional Manpower Cost @ CTC	**Rs. Cr.**	**2.98**	**3.77**	**1.24**	**0.65**	**0.51**

Commission's Analysis

5.74 The Commission observes that the Petitioner while projecting costs towards additional manpower has only factored in the new recruitments and has not considered the reducing impact of superannuating employees which is erroneous.

5.75 The Commission observes that against the proposed 8 number of employees to be superannuating, the Petitioner has proposed 17 new manpower to replace the same. The Commission approves the additional requirement of manpower however, the same shall be subject to truing up based on actuals.

5.76 The Commission has also reviewed the proposal of the Petitioner of further addition of 102 employees for creating the infrastructure and latter transfer to O&M Department to carry out the Operation and Maintenance activities of the created infrastructure. The Commission approves the additional requirement of manpower however, the same shall be subject to truing up based on actuals.

5.77 The Commission approves the additional 119 manpower requirement for the Control Period and their expenses on provisional basis in this Order. The Commission will further review the same at the time of APR/True up based on actual progress made.

5.78 Further, the Commission vide dated February 12, 2021 sought query regarding existing manpower including contractual employees, Petitioner submitted that there are 55 manpower on roll employees and 113 manpower are on contractual employees as on 31st March, 2020.

5.79 Accordingly, the Commission approves total manpower for the Control Period in this Order and the same shall be reviewed by the Commission at the time of APR/True up based on actual manpower.

Table 38: Manpower approved by the Commission for Control Period (Nos.)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Manpower	168	168	200	248	265	273
Less: Manpower Superannuating	0	3	3	0	1	1
Manpower additions	0	35	51	17	9	7
Closing Manpower during the Year	**168**	**200**	**248**	**265**	**273**	**279**
Growth Rate (%)	**-**	**19.05%**	**24.00%**	**6.85%**	**3.02%**	**2.20%**

A 6: DETERMINATION OF TARIFF FOR THE MYT CONTROL PERIOD FROM FY 2021-22 TO FY 2025-26

6.1 The Petitioner, in the current Petition has submitted the MYT Petition for the Control Period from FY 2021-22 to FY 2025-26 and has computed each element of ARR for the 3rd Control Period taking into the following consideration:

- Norms and Principles outlined in the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations 2020;
- Business Plan and Multi Year Tariff Petition covering Operational and Financial Plan submitted for the Control Period from FY 2021-22 to FY 2025-26;
- Actual parameters of the last Control Period i.e. FY 2015-16 to FY 2019-20 and actuals for first six months and estimates for the remaining six months for FY 2020-21;

6.2 The Commission has scrutinized the Petition filed by the Petitioner for determination of Distribution Tariff for the MYT Control Period i.e. FY 2021-22 to 2025-26, in accordance with JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations 2020.

6.3 The Commission has approved the ARR for the Control Period i.e. FY 2021-22 to 2025-26 and dealt with the Petitioner's Tariff proposal for FY 2021-22 taking into consideration:

- Distribution Tariff Regulations, 2020;
- Information placed on record.
- Methodology adopted by the Commission in its earlier Orders.

6.4 The component-wise description of the Petitioner's submission and the Commission's analysis thereon is given below.

Consumers, Connected Load and Energy Sales

Petitioner's Submission

6.1 The Petitioner had projected the number of consumers, Connected Load and Sales in Business Plan for FY 2021-22 to FY 2025-26 as discussed in the Business Plan Chapter.

Commission's Analysis

6.2 The Commission has approved the Number of Consumers, Connected Load and Sales for the Control Period i.e. FY 2021-22 to FY 2025-26 as discussed in **Section: 5, Sub-Section: Demand and Sales** Forecast of this Order.

Distribution Loss

Petitioner's Submission

5.80 The Petitioner has submitted that for the purpose of Business plan projection it has considered the distribution loss to increase from 2.35% in FY 2021-22 to 3.80% in FY 2025-26.

5.81 The Petitioner further submitted that the losses are highest in case of sales to consumers at LT level. The Petitioner has envisaged some increase in Distribution loss levels over the years due to significant increase in network and growth in LT consumer segment during the Control Period.

Commission's Analysis

5.82 The Commission observes that the actual distribution loss level of the Petitioner is 1.44% in FY 2019-20. However, for the purpose of MYT Control Period approves the distribution loss on overall sales for each year of the Control Period as submitted by the Petitioners in petition. As the Petitioner is in expansion mode which will increase its LT sales vis-à-vis HT Sales, the Petitioner shall is allowed to operate within distribution loss level of 3.80% on overall sales for the Control Period without any incentive/penalty.

Energy Balance

Petitioner's Submission

5.83 The Petitioner submitted that the projection for energy requirement has been arrived by grossing up the Sales with distribution loss.

5.84 The Petitioner has envisaged some increase in Distribution loss levels over the years due to significant increase in network and growth in LT consumer segment during the Control Period.

5.85 The Petitioner has considered the distribution loss to increase from 2.35% in FY 2021-22 to 3.80% in FY 2025-26.

Commission's Analysis

6.3 The Commission has approved the Energy Balance for the Control Period i.e. FY 2021-22 to FY 2025-26 as discussed in **Section: 5, Sub-Section: Energy Balance** of this Order.

Power Purchase Cost

Petitioner's Submission

Petitioner's Submission

6.4 The Petitioner had projected the total power purchase cost in Business Plan for FY 2021-22 to FY 2025-26 as discussed in the Business Plan Chapter.

Commission's Analysis

6.5 The Commission has approved the Power Purchase Cost for the Control Period i.e. FY 2021-22 to FY 2025-26 as discussed in **Section: 5, Sub-Section: Power Purchase Plan** of this Order.

Operation and Maintenance (O&M) Expenses

Petitioner's Submission

Employee Expenses

6.6 The Petitioner submitted that it has computed Employee Expenses as per Regulations 10.6(b) of Tariff Regulations, 2020.

6.7 The Petitioner further submitted that it has envisaged additional manpower recruitment of 17 employees arising out of new functional requirement and 102 employees for Capital Execution and O&M of new network constructed through the capital expenditure plans.

6.8 Further, the Petitioner has proposed to recruit additional manpower at the onset of the Control Period to provide adequate hands on training to the new recruits during the Control Period. The costs against this additional manpower recruitment have been estimated based on the historical average employee cost/CTC of the employee of the same cadre.

6.9 The Petitioner submitted that the total employee expenditure has been worked out considering inflation factor, increase in connected load and additional manpower for each year of the Control period is as given in the table below:-

Table 39: Employee Expenses as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Employee Expense (Base Year)	13.73	19.31	25.51	29.90	34.25
Inflation Factor	6.09%	6.09%	6.09%	6.09%	6.09%
Increase in connected load	12.07%	6.09%	5.91%	5.92%	6.24%
Employee Expenses	16.32	21.73	28.66	33.60	38.60
Add: Additional Manpower cost	**2.98**	**3.77**	**1.24**	**0.65**	**0.51**
Total Employee Expense	**19.31**	**25.51**	**29.90**	**34.25**	**39.11**

A&G Expenses

6.10 The Petitioner submitted that the A&G Expenses consists of billing and collection expenses, electricity surcharge, rates, taxes and consultancy fees. Further, the A&G expense for the control period has been computed as per Tariff Regulations,2020 is shown below:

Table 40: A&G Expenses as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
A&G Expenses (Base Year/Previous Year)	4.75	5.65	6.36	7.14	8.03
Increase in Connected Load	12.07%	6.09%	5.91%	5.92%	6.24%
Inflation Factor	6.09%	6.09%	6.09%	6.09%	6.09%
A&G Expenses	**5.65**	**6.36**	**7.14**	**8.03**	**9.04**

R&M Expenses

6.11 The Petitioner had computed the 'k' factor based on actual value of GFA and R&M Expenses for FY 2019-20, which comes out to be 3.30%. In addition to indexing with 'k' factor, the Petitioner has also taken into account the inflation factor of FY 2019-20 (6.09%) while computing the R&M Expenses as shown below.

Table 41: R&M Expenses as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening GFA	303.75	354.43	385.16	413.16	441.16
'k' Factor	3.30%	3.30%	3.30%	3.30%	3.30%
Inflation Factor	6.09%	6.09%	6.09%	6.09%	6.09%
R&M Expenses*	**10.63**	**12.40**	**13.48**	**14.46**	**15.44**

** Petitioner Submission vide letter dated February 16, 2021*

Other Expenditure

6.12 The Petitioner has envisaged that approximately 0.30 Crore would be incurred in FY 2021-22 against the CGRF expenses with a year on year escalation of 6.02%.

6.13 The Petitioner has factored in the inflation factor 6.09% for each year of the Control Period.

6.14 Summary of claims of the Petitioners with respect to O&M Expenses is shown in the table below:

Table 42: O&M Expenses as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Employee Expenses	19.31	25.51	29.90	34.25	39.11
A & G Expenses	5.65	6.36	7.14	8.03	9.04
R&M Expenses*	10.63	12.40	13.48	14.46	15.44
CGRF Expense	0.30	0.32	0.34	0.36	0.38
Total O&M Expense*	**35.89**	**44.58**	**50.86**	**57.09**	**63.97**

**Petitioner submission in letter dated February 16, 2021*

Commission's Analysis

6.15 The relevant Regulations related to O&M Expenses of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 is mentioned below.

*"**Operation and Maintenance Expenses***

10.3 Operation and Maintenance (O&M) Expenses shall include:

a) Salaries, wages, pension contribution and other employee costs;
b) Administrative and General Expenses;
c) Repairs and Maintenance Expenses.

10.4The O&M Expenses for the Base Year of the Control Period shall be approved by the Commission taking into account the audited accounts of FY 2015-16 to FY 2019-20, Business Plan filed by the Licensee, estimates of the actual for the Base Year, prudence check and any other factor considered appropriate by the Commission.

10.5 The O&M expenses permissible towards ARR of each year of the Control Period shall be approved based on the formula shown below:

O&Mn = (R&Mn + EMPn + A&Gn) + Terminal Liabilities

Where,

R&Mn – Repair and Maintenance Costs of the Licensee for the n^{th} year;

EMPn – Employee Costs of the Licensee for the n^{th} year excluding terminal liabilities;

A&Gn – Administrative and General Costs of the Licensee for the n^{th} year.

10.6 The above components shall be computed in the manner specified below:

*a) R&Mn = K*GFA* (INDXn / INDXn-1)*

Where,

'k' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and shall be calculated based on the % of R&M to GFA of the preceding year of the Base Year in the MYT Order after normalising any abnormal expenses;

'GFA' is the opening value of the gross fixed asset of the nth year;

b) EMPn + A&Gn = [(EMPn-1)(1+Gn) + (A&Gn-1)]*(INDXn/ INDXn-1)*

Where,

EMPn-1 – Employee Costs of the Licensee for the (n-1)th year excluding terminal liabilities;

A&Gn-1 – Administrative and General Costs of the Licensee for the (n-1)th year excluding legal/litigation expenses;

INDXn – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

Gn – is a growth factor for the nth year and it can be greater than or lesser than zero based on the actual performance. Value of Gn shall be determined by the Commission in the MYT Order for meeting the additional manpower requirement based on the Distribution Licensee's Filing, benchmarking and any other factor that the Commission feels appropriate;

*c) INDXn = 0.55*CPIn +0.45*WPIn;*

Note 1: For the purpose of estimation, the same INDXn/INDXn-1 value shall be used for all years of the Control Period. However, the Commission will consider the actual values in the INDXn/INDXn-1 at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

Note 2: Any variation due to changes recommended by the Pay Commission, wage revision agreement, etc., will be considered separately by the Commission;

Note 3: Terminal Liabilities will be approved as per actual submitted by the Licensee along with documentary evidence such as actuarial studies.

10.7 The Distribution Licensee, in addition to the above details shall also submit the detailed break-up of the Legal/Litigation Expenses for the previous Years (FY 2015-16 to FY 2019-20) along with the details and documentary evidence of incurring such expenses. The Commission shall approve the legal expenses as per the relevant provisions of the Jharkhand State Litigation Policy based on the necessary documentary evidence submitted for the Control Period and shall carry out due prudence check of legal expenses at the time of truing up."

6.16 For the MYT Control Period, the Commission has projected the O&M Expenses separately for each component of O&M Expenses as per the Distribution Tariff Regulations 2020.

6.17 The Commission has approved the component wise O&M Expenses and these estimates will be subject to true up during the Annual Performance Review/True up based on the actual as per audited accounts.

Employee Expenses

6.18 The Commission had approved the Employee Expenses excluding terminal benefits in the past and also in the MYT Order dated February 28, 2017 while approving the Base value. Hence, adopting the same methodology, the Commission has determined the Base value for Normative Employee Expenses excluding terminal benefits.

6.19 The Commission has computed the O&M expenses considering the methodology specified in the aforesaid Regulation. For approval of Employee Expenses for the Control Period, following approach has been adopted:

a) The average of past five years actual audited employee expenses from FY 2015-16 to FY 2019-20 has been considered for deriving normative Employee Expenses for FY 2017-18.

b) The average of such expenses has been escalated twice with inflation factor of respective years to arrive at the normative expenses for the base year i.e FY 2019-20.

c) The base year expenses so calculated are then escalated twice with inflation factor of respective years to arrive at normative Employee expenses for FY 2021-22 and for subsequent years normative Employee expenses has been arrive escalating with inflation factor of 3.47% (i.e Average of 5 Year Inflation factor of FY 2015-16 to FY 2019-20) for each year of the control period.

6.20 Further, 10.6(b) of Distribution Tariff Regulations, 2020 provides provision for determination of Growth factor (G(n)) factor to compute the increase in Employee Expenses for meeting the additional manpower requirement based on the Distribution Licensee's Filing, benchmarking and any other factor that the Commission feels appropriate.

6.21 Accordingly, the Commission has considered Growth factor based on manpower approved for the Control Period i.e. FY 2021-22 to FY 2025-26 as discussed in **Section: 5, Sub-**

Section: **Human Resource Plan** of this Order. The Growth factor considered for the control period, subject to prudence check at the time of APR/True up is as follows:-

Table 43: Growth Factor as approved by the Commission for Control Period (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Growth Factor (Gn)	19.05%	24.00%	6.85%	3.02%	2.20%

6.22 The Commission has approved the normative Employee Expenses including terminal benefits considering growth factor for the Control Period, subject to prudence check at the time of APR/True up.

6.23 Similarity, based on the methodology adopted for projection of Employee Expenses for the Control Period, Terminal Liabilities has been projected for the Control Period.

6.24 It is further clarified that the Petitioner shall be not entitled to claim any gain on account of saving in employee costs due to variation in nos. of employees recruited as well as inflation factor.

A&G Expenses

6.25 Based on the methodology adopted for projection of Employee Expenses for the Control Period, A&G Expenses excluding Petition Filing Fee and CGRF Expenses and growth factor has been projected for the Control Period.

R&M Expenses

6.26 In accordance with the provisions of Regulation 10.6(a) of JSERC Distribution Tariff Regulations, 2020, the Commission has approved the ‘k’ factor based on the actual ratio of the opening Gross Fixed Assets and R&M Expenses for the preceding year (i.e FY 2019-20) as 3.30%

6.27 The Commission has projected the normative R&M Expenses for the Control Period considering the approved opening GFA of respective year and multiplied with the ‘k’ factor of 3.30% and again multiplied with inflation factor of 8.67% (i.e Inflation Factor of FY 2021-22 as on 1st April, 2021) to arrive at normative R&M Expenses for 1st year of the Control Period (i.e FY 2021-22) thereafter inflation factor of 3.47% (i.e Average of 5 Year Inflation factor of FY 2015-16 to FY 2019-20) has been considered for each year of the Control Period, subject to prudence check at the time of APR/True up.

Other Expenditure

6.28 The Commission approves Petition Filing Fees and rent and remuneration of CGRF Office based on the approved value for FY 2019-20 in its Order dated November 24, 2022, subject to truing up based on actuals.

6.29 Based on above, the Commission approves Operation and Maintenance Expenses for the Control Period as shown in the table below

Table 44: O&M Expenses as approved by the Commission (Rs. Crore)

Particulars	Base Value FY 2019-20	FY 2021-22 Approved	FY 2022-23 Approved	FY 2023-24 Approved	FY 2024-25 Approved	FY 2025-26 Approved
Employee Expenses excluding Terminal Liabilities	7.93	10.61	13.61	15.05	16.04	16.96
Terminal Liabilities	0.55	0.62	0.64	0.66	0.69	0.71
A&G Expenses excluding Petition Filling Fee, CGRF Expenses	3.40	3.82	3.95	4.09	4.23	4.38
R&M Expenses		10.89	12.09	13.14	14.09	15.05
Petition Filling Fee		0.20	0.20	0.20	0.20	0.20
Rent & Remuneration of CGRF Office		0.18	0.18	0.18	0.18	0.18
Total O&M Expenses		**26.32**	**30.68**	**33.32**	**35.43**	**37.48**

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

Petitioner's Submission

6.30 Based on the submission of Capital Expenditure and Capitalization proposed in the Business Plan for the Control Period, the Petitioner has projected the CWIP and GFA for the Control Period as shown below. Further, the Petitioner also submitted the scheme-wise details of Capital Expenditure and Capitalisation along with the Petition.

6.31 The Petitioner requested the Commission to approve the Capital Expenditure and Capitalization for the Control Period as proposed by the Petitioner.

Table 45: Capital Work in Progress (CWIP) as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening CWIP	24.18	9.99	8.99	8.99	8.99
Addition during the FY	36.49	29.73	28.00	28.00	28.00
Capitalization	50.68	30.73	28.00	28.00	28.00
Closing CWIP	9.99	8.99	8.99	8.99	8.99

Table 46: Gross Fixed Assets (GFA) as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening GFA	303.75	354.43	385.16	413.16	441.16
Capitalization	50.68	30.73	28.00	28.00	28.00
Decapitalization	-	-	-	-	-
Closing GFA	354.43	385.16	413.16	441.16	469.16

Commission's Analysis

6.32 The Commission has scrutinized the additional capitalisation submitted by the Petitioner in its MYT Business Plan along with Detail Project Report (DPR). The Commission after prudence check approves the additional capitalisation for the Control Period as detailed in **Section: 5, Sub-Section: Capital Investment Plan** of this Order.

6.33 The CWIP and GFA approved by the Commission for the Control Period from FY 2021-22 to FY 2025-26 is tabulated below.

Table 47: Capital Work in Progress (CWIP) as approved by the Commission (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening CWIP	24.18	9.99	8.99	8.99	8.99
Addition Capex	36.20	29.69	28.00	28.00	28.00
Less: Capitalization	50.39	30.69	28.00	28.00	28.00
Closing CWIP	**9.99**	**8.99**	**8.99**	**8.99**	**8.99**

Table 48: Gross Fixed Assets (GFA) as approved by the Commission (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening GFA	303.75	354.14	384.83	412.83	440.83
Net Addition	50.39	30.69	28.00	28.00	28.00
Closing GFA	**354.14**	**384.83**	**412.83**	**440.83**	**468.83**

Consumer Contribution

Petitioner's Submission

6.34 The Petitioner has projected the CC capitalization during the Control Period as Rs. 3 Crore for each year, as shown below:

Table 49: CC Capitalisation as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
CC capitalized during the Year	3	3	3	3	3

Commission's Analysis

6.35 The Petitioner in its reply dated February 12, 2021 submitted that it has considered CC Capitalized instead of CC received during the year.

6.36 The Commission has considered the addition in CC Received as Rs. 3 Crore for each year of the Control Period as per the Methodology adopted by the Commission in the previous Orders, subject to truing up.

Table 50: Consumer Contribution as approved by the Commission for Control Period (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
CC received during the Year	3	3	3	3	3

Depreciation

Petitioner's Submission

6.37 The Petitioner submitted the depreciation is calculated in accordance with JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

6.38 The Petitioner has projected the Gross Depreciation considering an average rate of depreciation of past financial years (6.02%) to arrive at the year on year depreciation for the Control Period.

6.39 Further, for the assets created out of Consumer Contribution (CC), the equivalent depreciation corresponding to Consumer Contribution is deducted from Gross Depreciation to derive net Depreciation.

Table 51: Net Depreciation as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening GFA	303.75	354.43	385.16	413.16	441.16
Closing GFA	354.43	385.16	413.16	441.16	469.16
Average GFA	329.09	369.79	399.16	427.16	455.16
Gross Depreciation for the FY	19.82	22.27	24.04	25.73	27.41
Average Gross Depreciation Rate	6.02%	6.02%	6.02%	6.02%	6.02%
Depreciation on CC	7.10	7.51	7.73	7.93	8.12
Net-Depreciation	**12.72**	**14.76**	**16.31**	**17.80**	**19.30**

Commission's Analysis

6.40 The relevant extract of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 is reproduced below.

*"**Depreciation***

10.34 Depreciation shall be calculated every year on the amount of original cost of the fixed assets as admitted by the Commission:

Provided that depreciation shall not be allowed on assets funded by Consumer Contribution and Capital Subsidies/Grants. Provision for replacement of such assets shall be made in the Capital Investment Plan.

10.35 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in these Regulations.

10.36 Depreciation shall be calculated annually, based on the straight-line method at the *rates specified at Appendix-I. The base value for the purpose of depreciation shall be original cost of the asset:*

Provided that the Distribution Licensee shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.

10.37 Depreciation shall be charged from the first year of commercial operation of the asset. In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro-rata basis.

10.38 The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

***10.39 The Commission may, in the absence of the Fixed Assets Register, calculate Depreciation (%) arrived by dividing the Depreciation and the Average Gross Fixed Assets as per the latest available Audited Accounts of the Distribution Licensee. The Depreciation (%) so arrived shall be multiplied by the Average GFA approved by the Commission for the relevant Financial Year to arrive at the Depreciation for that Financial Year**.*

10.40 In case of de-capitalization of assets, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered through tariff corresponding to the decapitalised asset during its useful services."

6.41 The Commission has determined Depreciation considering the weighted average depreciation rate at 4.23% for the Control Period.

6.42 For this, the Commission has considered Opening and Closing GFA of FY 2019-20 and rates of depreciation as per JSERC Tariff Regulations, 2020 as specified for each class of assets. The average of each class of assets was multiplied with depreciation rates to arrive Gross Depreciation then summation of Gross Depreciation and average GFA of FY 2019-20 was divided to determine weighted average depreciation rate for the Control Period. The computation of depreciation rate considered by the Commission for approval of depreciation for the Control Period is as shown below:

Table 52: Computation of depreciation rate for Control Period

Particulars	GFA Opening as on 01.04.2019	GFA Closing as on 31.03.2020	Average GFA	Depreciation Rate(%)	Gross Depreciation
Freehold Land and Roads	0.83	0.83	0.83	2.67%	0.02
Buildings	3.78	3.78	3.78	2.67%	0.10
Plant & Machinery	216.46	271.21	243.84	4.22%	10.29
Furniture & Fixture	0.22	0.22	0.22	6.33%	0.01
Vehicle	0.08	0.08	0.08	12.77%	0.01
Office Equipment	0.78	0.78	0.78	6.33%	0.05
Software	0.67	0.67	0.67	15.00%	0.10
Total	**222.82**	**277.57**	**250.20**		**10.59**
Weighted Average Depreciation Rate (%)					**4.23%**

6.43 The depreciation of the assets created from Consumer Contribution is depreciated in proportion of Gross depreciation and in the ratio of average Consumer Contribution out of average GFA for each respective each year of the Control Period.

6.44 **The Commission further directs the Petitioner to maintenance the Fixed Assets Register (FAR) considering the depreciation rates as specified in JSERC Distribution Tariff Regulations, 2020 and submit the status report to the Commission along FAR in next tariff filling.**

6.45 The net depreciation approved by the Commission for the Control Period is shown in the table below:

Table 53: Depreciation as approved by the Commission for Control Period (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Gross Depreciation	13.92	15.63	16.88	18.06	19.25
Depreciation on CC	5.72	5.85	5.98	6.10	6.23
Net-Depreciation	**8.19**	**9.78**	**10.90**	**11.96**	**13.01**

Interest and Finance Charges

Petitioner's Submission

6.46 The Petitioner submitted that they have considered the opening debt for FY 2021-22 equal to closing value of FY 2020-21 as submitted in its APR Petition.

6.47 The annual addition during the financial year of Control Period is considered in line with funding as submitting in its Business Plan.

6.48 Further, repayment of loan for each financial year of the Control Period has been considered equal to net Depreciation in line with the Regulation 10.23 of the JSERC Tariff Regulations, 2020.

6.49 The rate of interest on long-term loan has been considered as prevailing Marginal Cost of Lending Rate (MCLR) of SBI plus 200 basis points as per Regulation 10.26 of the JSERC Distribution Tariff Regulations, 2020.

Table 54: Interest and Finance Charges as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Loan (Normative)*	50.66	71.71	76.36	77.55	77.25
Add: Deemed Addition during the FY	33.37	19.41	17.50	17.50	17.50
Less: Deemed Repayment	12.72	14.76	16.31	17.80	19.30
Closing Loan (Normative)*	71.71	76.36	77.55	77.25	75.46
Average Loan*	61.19	74.04	76.96	77.40	76.36
Interest Rate	9.00%	9.00%	9.00%	9.00%	9.00%
Interest and Finance Charges*	**5.51**	**6.66**	**6.93**	**6.97**	**6.87**

**Petitioner submission in letter dated February 16, 2021*

Commission's Analysis

6.50 The relevant Regulations related to Interest on Loan of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 is mentioned below.

*"**Interest on Loan Capital***

10.21 The loans arrived at in the manner indicated in Clauses10.16 and 10.17 shall be considered as gross normative loan for calculation of interest on loan.

10.22 The normative loan outstanding as on April 01, 2021 shall be worked out as the gross loan by deducting the cumulative repayment as admitted by the Commission up to March 31, 2021 from the gross normative loan.

10.23 The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year.

10.24 In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on pro-rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalization of such assets.

10.25 Notwithstanding any moratorium period availed by the Licensee, the repayment of loan shall be considered from the first year of operation of the scheme/asset.

10.26 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Licensee:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, then the rate of interest shall be considered on normative basis and shall *be equal to the Bank Rate as on April 01 of the respective year of the Control Period plus 200 basis points.*

10.27 The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

10.28 The above interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Distribution Licensee.

10.29 The Licensee shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the users and the net savings shall be shared between the users and the Licensee, as the case may be, in the ratio of 50:50."

6.51 In accordance with the Tariff Regulations, 2020, the Commission has computed the normative loan addition during the year equal to 70% of the approved capitalization after deducting assets funded out of CC. The normative repayment is deemed to be equal to the approved net depreciation during the Financial Year.

6.52 The Opening loan for FY 2020-21 has been considered as the closing loan approved by the Commission in True up Order of FY 2019-20. Thereafter GFA addition and Consumer Contribution received during FY 2020-21 has been considered as per the APR Petition for FY 2020-21 to arrive at Normative loan addition for FY 2020-21. Similarly, Debt repayment has been arrived considering the numbers of APR Petition for FY 2020-21 as submitted by the Petitioner. The closing loan thus arrived for FY 2020-21 has been considered as opening loan for FY 2021-22.

6.53 Further, in accordance with the Tariff Regulations, 2020, interest on normative loan has been approved based on the average normative loan outstanding during the FY at the interest rate of MCLR SBI Rate as on April 01, 2021 plus 200 basis points for each year of the Control Period.

6.54 The following table summarises the Interest and Finance Charges (IFC) as approved by the Commission for the Control period.

Table 55: Interest and Finance Charges as approved by the Commission for Control Period (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Loan (Normative)	54.47	79.45	89.05	95.65	101.20
Add: Deemed Addition during the FY	33.17	19.38	17.50	17.50	17.50
Less: Deemed Repayment	8.19	9.78	10.90	11.96	13.01

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Closing Loan (Normative)	79.45	89.05	95.65	101.20	105.68
Average Loan	66.96	84.25	92.35	98.42	103.44
Interest Rate	9.00%	9.00%	9.00%	9.00%	9.00%
Interest and Finance Charges	**6.03**	**7.58**	**8.31**	**8.86**	**9.31**

Interest on Consumer Security Deposit

Petitioner's Submission

6.55 The petitioner has computed Security Deposit (SD) additions for each year of the Control Period in proportion to increase in Connected Load for that relevant financial year of the Control Period.

6.56 The Interest on Security Deposit is calculated at interest rate of 7.40% during the Control Period as shown below.

Table 56: Interest on CSD as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening CSD	77.17	79.93	82.36	84.92	87.64
CSD Addition	2.75	2.43	2.56	2.72	3.39
Closing CSD	79.93	82.36	84.92	87.64	91.02
Interest on CSD	**5.81**	**6.00**	**6.19**	**6.38**	**6.61**

Commission's Analysis

6.57 The relevant Regulations related to Interest on Consumer Security Deposits of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 is mentioned below.

*"**Interest on Consumer Security Deposits***

10.33 Interest paid on consumer security deposits shall be as specified by the Commission in JSERC (Electricity Supply Code) Regulations, 2015 as amended or as replaced from time to time."

10.21 The loans arrived at in the manner indicated in Clauses10.16 and 10.17 shall be considered as gross normative loan for calculation of interest on loan.

10.22 The normative loan outstanding as on April 01, 2021 shall be worked out as the gross loan by deducting the cumulative repayment as admitted by the Commission up to March 31, 2021 from the gross normative loan."

6.58 The JSERC (Electricity Supply Code) Regulations 2015 specifies that the Licensee shall pay interest to its consumer at the SBI Base rate prevailing on April 01, of the respective financial year. The relevant section of JSERC (Electricity Supply Code) Regulations 2015 is reproduced below.

*"**Interest on Security Deposit***

8.2.16 The Distribution Licensee shall pay interest to the consumer at the State Bank of India base rate prevailing on the 1st of April for the year, payable annually on the consumer's security deposit with effect from date of such deposit in case of new connections energized after the date of this notification, or in other cases, from the date of notification of these Regulations. The interest accrued during the year shall be adjusted in the consumer's bill for the first billing cycle of the ensuing financial year."

6.59 The Opening Security Deposit for FY 2020-21 has been considered as the closing security deposit approved by the Commission in True up Order of FY 2019-20. Thereafter Security Deposit Addition has been considered as per the APR Petition for FY 2020-21 as submitted by the Petitioner. The closing Security Deposit thus arrived for FY 2020-21 has been considered as opening Security Deposit for FY 2021-22.

6.60 The Commission has computed Security Deposit additions for each year of the Control Period in proportion to increase in Connected Load for that relevant financial year of the Control Period.

6.61 The rate of interest of Security Deposit is considered as SBI Base as on April 01, 2021 for FY 2021-22 and thereafter SBI Base rate as on April 01, 2022 has been considered for the subsequent years of the Control Period.

6.62 The Commission has provisionally approved the Interest on CSD as shown below, subject to truing up based on actuals:

Table 57: Interest on CSD as approved by the Commission for Control Period (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening CSD	77.17	82.30	88.07	94.31	101.06
CSD Addition	5.13	5.77	6.24	6.75	7.31
Closing CSD	82.30	88.07	94.31	101.06	108.37
Interest on CSD	**5.90**	**6.43**	**6.89**	**7.38**	**7.91**

Return on Equity

Petitioner's Submission

6.63 The Petitioner submitted that it has considered the opening equity base for FY 2021-22 equal to closing value of FY 2020-21 as submitted in its APR Petition for FY 2020-21.

6.64 The annual addition during the financial year of Control Period is considered in line with financing plan as submitting in its Business Plan. The deemed addition to the equity has been considered after reducing the assets expected to be funded from CC.

6.65 The rate of return on equity has been considered at 14.50% as per provisions of Regulation 10.19 of the JSERC Distribution Tariff Regulations, 2020.

6.66 The Petitioner submitted revised computation of return on equity in vide letter no.: PDB/126/09/59-J/2021 dated February 16, 2021 as shown below:

Table 58: Return on Equity as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Equity (Normative)*	53.90	68.21	76.53	84.03	91.53
Equity Addition	14.30	8.32	7.50	7.50	7.50
Closing Equity (Normative)*	68.21	76.53	84.03	91.53	99.03
Average Equity*	61.06	72.37	80.28	87.78	95.28
Rate of Return	14.50%	14.50%	14.50%	14.50%	14.50%
Return on Equity*	**8.85**	**10.49**	**11.64**	**12.73**	**13.82**
Return on Equity Including Income Tax*	**11.83**	**14.02**	**15.55**	**17.01**	**18.46**

**Petitioner submission in letter dated February 16, 2021*

Commission's Analysis

6.67 The relevant Regulations related to return on equity and income tax on equity of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 is mentioned below.

*"**Return on Equity***

10.19 The rate of return on equity shall be 14.50% (post-tax) for the Control Period.

10.20 Return on equity for each year shall be allowed on equity employed in assets in use considering the following:

a) Equity employed in accordance with Clause 10.16of these Regulations on assets (in use) capitalised as on the beginning of the year; and

b) 50% of the equity projected to be employed in accordance with Clause10.17 of these Regulations on assets (in use) commissioned during the year.

…………………….

Income Tax

10.51 Tax on income, if any, on the Licensed business of the Licensee shall be limited to tax on the allowed return on equity.

10.52 The income tax actually payable or paid limited to the tax on allowed return on equity shall be included in the ARR while truing up. The actual assessment of income tax should take into account benefits of tax holiday, and the credit for carry forward losses applicable as per the provisions of the Income Tax Act, 1961 and its amendments thereof shall be passed on to the consumers. Tax on the other income streams of the Distribution Licensee shall not be recovered from the Beneficiaries."

6.68 In accordance with the Tariff Regulations, 2020, the Commission has computed the normative Equity addition during the year equal to 30% of the approved capitalization after deducting assets funded out of CC.

6.69 The Opening Equity for FY 2020-21 has been considered as the closing Equity approved by the Commission in True up Order of FY 2019-20. Thereafter GFA addition and Consumer Contribution received during FY 2020-21 has been considered as per the APR Petition for FY 2020-21 as submitted by the Petitioner to arrive at Normative Equity addition for FY 2020-21. The closing Equity thus arrived for FY 2020-21 has been considered as opening Equity for FY 2021-22.

6.70 The Commission has approved Return on Equity at 14.50% as per provisions of Regulation 10.19 of the JSERC Distribution Tariff Regulations, 2020.

6.71 The Commission has further considered the IT at the rate of 25.17% (based on the prevailing Corporate IT Rate u/S 115BAA of the IT Act) for grossing up the RoE for each year of the Control Period, subject to prudence check at the time of Truing up.

6.72 The table below summarises the Return on Equity as approved by the Commission for the Control Period.

Table 59: Return on Equity as approved by the Commission for Control Period (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Equity (Normative)	54.33	68.55	76.86	84.36	91.86
Equity Addition	14.22	8.31	7.50	7.50	7.50
Closing Equity (Normative)	68.55	76.86	84.36	91.86	99.36
Average Equity	61.44	72.70	80.61	88.11	95.61
Rate of Return	14.50%	14.50%	14.50%	14.50%	14.50%
Return on Equity	**8.91**	**10.54**	**11.69**	**12.78**	**13.86**
Income Tax Rate	25.17%	25.17%	25.17%	25.17%	25.17%
Income Tax	3.00	3.55	3.93	4.30	4.66
RoE including Income Tax	**11.91**	**14.09**	**15.62**	**17.07**	**18.53**

Interest on Working Capital

Petitioner's Submission

6.73 The Petitioner submitted that it has arrived at Working Capital requirement based on the Tariff Regulations, 2020.

6.74 The SBI Bank Rate as on September 30, 2020 plus 350 basis points has been considered for computation of IoWC as given below:

Table 60: IoWC-Wheeling Business as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Receivables-Wheeling Business (2 months)*	8.04	9.71	10.83	11.88	12.97
Maintenance Spares (1% of Opening Wheeling GFA)	2.73	3.19	3.47	3.72	3.97
Total Working Capital	10.78	12.90	14.29	15.59	16.94
Interest Rate	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital*	**1.13**	**1.35**	**1.50**	**1.64**	**1.78**

Table 61: IoWC-Retail Business as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Receivables-Retail Business (2 months)*	64.24	68.63	74.25	79.71	85.70
Maintenance Spares (1% of Opening Retail GFA)	0.30	0.35	0.39	0.41	0.44
Less: Security Deposit-Retail Business	30.34	32.21	34.78	37.27	40.01
Less: Power Purchase Cost (1 month)	77.17	79.93	82.36	84.92	87.64
Total Working Capital*	(42.97)	(43.15)	(42.50)	(42.07)	(41.50)
Interest Rate	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital	-	-	-	-	-

**Petitioner submission in letter dated February 16, 2021*

Commission's Analysis

6.75 The relevant Regulations related to Interest on Working Capital (IoWC) of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 is mentioned below.

*"**Interest on Working Capital***

10.30 Working capital for the Wheeling Business for the Control Period shall comprise:

a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus

b) Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus

c) Amount, if any, held as security deposits.

10.31 Working capital for the Retail Supply of Electricity for the Control Period shall comprise:

a) Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus

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

c) Amount held as security deposits under Clause (a) and Clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for Wheeling Business; minus

d) One-month equivalent of cost of power purchased including the Inter-State and Intra-State Transmission Charges and Load Despatch Charges, based on the annual power procurement plan.

10.32 Rate of interest on working capital shall be equal to the Bank Rate as on September 30 of the financial year in which the MYT Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on April 01 of the financial year for which truing up exercise has been undertaken."

6.76 The Interest rate of SBI Bank Rate as on April 01, 2021 plus 350 basis points stand at 10.50%. Accordingly, the normative interest rate for the working Capital for each year of the Control Period is approved for Wheeling and Retail Supply Business.

6.77 Further, the Commission has segregated Interest on Working Capital into Wheeling and Supply Business as per allocation specified in Regulation 6.8 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020

6.78 The Interest on Working Capital approved by the Commission for Wheeling and Retail Supply Business activity combined together is shown in the table below:

Table 62: Interest on Working Capital as approved by the Commission for Control Period (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Wheeling Business					
Maintenance Spares (1% of Opening GFA)	0.30	0.35	0.38	0.41	0.44
Receivables (2 months)	6.33	7.12	7.62	8.14	8.68
Less: Security Deposit					
Interest Rate	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital on Wheeling Business (A)	**0.70**	**0.78**	**0.84**	**0.90**	**0.96**
Retail Supply Business					
Receivables (2 months)	56.96	64.07	68.59	73.24	78.13

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Maintenance Spares (1% of Opening GFA)	2.73	3.19	3.46	3.72	3.97
Less: Security Deposit	79.74	85.19	91.19	97.69	104.71
Less: Power Purchase Cost (1 month)	26.80	29.90	31.87	33.98	36.23
Interest Rate	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital on Retail Supply Business (B)	**(4.92)**	**(5.02)**	**(5.36)**	**(5.74)**	**(6.18)**
Interest on Working Capital on Wheeling & Retail Business (C=A+B)	**(4.22)**	**(4.24)**	**(4.52)**	**(4.85)**	**(5.22)**
Interest on Working Capital Approved	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Non-Tariff Income

Petitioner's Submission

6.79 The Petitioner submitted that the Non-Tariff Income (NTI) primarily consists of income against Delayed Payment Surcharge (DPS) and meter rent. Further, the Petitioner added that the Commission has abolished the meter rent and also approved incentives to the consumers in the form of rebate on online and prompt payment to encourage the consumers for timely payment of the electricity bills. These all reasons lead to reduction in net NTI. Therefore, the Petitioner has provisionally proposed NTI as Rs. 0.20 Crore for each year of the Control Period, subject to truing up based on actuals.

Table 63: Non-Tariff Income as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Non-Tariff Income	0.20	0.20	0.20	0.20	0.20

Commission's Analysis

6.80 The relevant Regulations related to Non-Tariff Income (NTI) of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 is mentioned below.

*"**Non-Tariff Income***

10.53 The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Retail Supply Tariff and Wheeling Charges of the Distribution Business:

Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission.

10.54 The Non-Tariff Income shall include:

a) Income from rent of land or buildings;
b) Income from sale of scrap;
c) Income from investments;
d) Interest accrued on advances to suppliers/contractors;
e) Interest income on loans/advances to employees;
f) Income from rental of staff quarters;
g) Income by rental from contractors;
h) Income by hire charges from contactors and others;
i) Income from delayed payment surcharge, supervision charges, etc.;
j) Supervision charges for capital works;
k) Income from recovery against theft and/or pilferage of electricity;
l) Income from advertisements;
m) Income from sale of tender documents;
n) Profit from sale of Assets (i.e. difference of Sale value and Book value of Asset);
o) Any other Non-Tariff Income:

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Licensee shall not be included in Non-Tariff Income.

Provided that the onus to substantiate, to the satisfaction of the Commission, that such investments have been out of Return on Equity shall be on the Licensee."

6.81 The Commission has considered the NTI as submitted by the Petitioner for the Control Period.

6.82 The Commission has provisionally approved the NTI for the Control Period, subject to truing up based on actuals.

Table 64: Non-Tariff Income as approved by the Commission (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Non-Tariff Income	0.20	0.20	0.20	0.20	0.20

Summary of ARR for the MYT Control Period from FY 2021-22 to FY 2025-26

Petitioner's Submission

6.83 Based on the assumption and estimation, the Annual Revenue Requirement as projected by the Petitioner for the Control Period from FY 2021-22 to FY 2025-26 is as shown below.

Table 65: Summary of ARR for the MYT Period as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Power Purchase Cost	364.07	386.55	417.39	447.28	480.11
O&M Expenses	35.89	44.58	50.86	57.09	63.97
Depreciation	12.72	14.76	16.31	17.80	19.30
Interest and Finance Charges*	5.51	6.66	6.93	6.97	6.87
Interest on Consumer Security Deposit	5.81	6.00	6.19	6.38	6.61
Interest on Working Capital*	1.13	1.35	1.50	1.64	1.78
Return on Equity*	11.83	14.02	15.55	17.01	18.46
Other Expenses	0.60	0.60	0.60	0.60	0.60
Less: Non Tariff Income	0.20	0.20	0.20	0.20	0.20
Annual Revenue Requirement*	**437.36**	**474.34**	**515.13**	**554.57**	**597.50**

** Petitioner Submission vide letter dated February 16, 2021*

Commission's Analysis

6.84 The Commission has approved the ARR for the Control Period from FY 2021-22 to FY 2025-26 based on the components approved in this Order. The following table summarises the ARR for the Control Period as approved by the Commission:

Table 66: Summary of ARR for the MYT Period as approved by the Commission (Rs. Crore)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Power Purchase Cost	321.61	358.74	382.44	407.76	434.82
O&M Expenses	26.32	30.68	33.32	35.43	37.48
Depreciation	8.19	9.78	10.90	11.96	13.01
Interest and Finance Charges	6.03	7.58	8.31	8.86	9.31
Interest on Consumer Security Deposit	5.90	6.43	6.89	7.38	7.91
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
Return on Equity	11.91	14.09	15.62	17.07	18.53
Other Expenses	0.00	0.00	0.00	0.00	0.00
Less: Non Tariff Income	0.20	0.20	0.20	0.20	0.20
Annual Revenue Requirement	**379.76**	**427.11**	**457.27**	**488.25**	**520.85**

Revenue at Existing Tariff

Commission's Analysis

6.85 The Commission has reassessed the Revenue from Sale of Power at the prevailing applicable Tariff and approves the revenue for Sale of Energy at prevailing Tariff for FY 2021-22 as shown below.

Table 67: Revenue at existing tariff as approved by the Commission (Rs. Crore)

Particulars	FY 2021-22
	Approved
Domestic LT Rural	0.25
Domestic LT Urban	7.05
Domestic Service – DSHT	4.37

Particulars	FY 2021-22
	Approved
Commercial Services – Rural	0.07
Commercial Services – Urban	4.14
LTIS	8.57
HTSS	348.07
Total	**372.51**

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

Commission's Analysis

6.86 The Commission has approved the ARR for FY 2021-22 based on the components approved in this Order. The following table summarises the Gap/(Surplus) for FY 2021-22 as existing tariff.

Table 68: Gap/(Surplus) at existing tariff as approved by the Commission (Rs. Crore)

Particulars	FY 2021-22
	Approved
Annual Revenue Requirement	**379.76**
Revenue from Sales at Existing Tariff	372.51
Revenue Gap/(Surplus)	**7.24**

6.87 The Commission has approved the treatment of the Gap/(Surplus) at existing tariff in **Section A 7:** of this Order.

A 7: REVENUE GAP AND ITS TREATMENT

Treatment of Revenue Gap/(Surplus)

Commission's Analysis

7.1 Based on the approved ARR and revenue from existing tariff, the Commission has approved the Revenue Gap/(Surplus) for FY 2021-22 as shown below:

Table 69: Revenue Gap/(Surplus) approved by the Commission for FY 2021-22 at Existing Tariff (Rs. Crore)

Particulars	FY 2021-22
	Approved
Annual Revenue Requirement	**379.76**
Revenue from Sales at Existing Tariff	372.51
Revenue Gap/(Surplus)	**7.24**

7.2 The Commission observes that in FY 2021-22 revenue gap stands at Rs. 7.24 Crore at existing tariff. Further, in view of true-up of FY 2019-20 revenue gap and pending truing up of FY 2020-21, the Commission has decided to increase the tariff by 5.18% on overall basis.

7.3 Based on the approved ARR and revenue from proposed tariff, the Commission has approved the Revenue Gap/(Surplus) for FY 2021-22 as shown below:

7.4 **Table 70: Revenue Gap/(Surplus) approved by the Commission for FY 2021-22 at Proposed Tariff (Rs. Crore)**

Particulars	FY 2021-22
	Approved
Annual Revenue Requirement	**379.76**
Revenue from Sales at Proposed Tariff	391.82
Revenue Gap/(Surplus)	**(12.06)**

Revenue Gap/(Surplus)

Petitioner's Submission

7.5 The Petitioner has considered the Revenue Gap/(Surplus) till FY 2018-19 as approved by the Commission in Tariff Order dated September 29, 2020 as base for the subsequent years.

7.6 The Petitioner further submitted that the Commission had not approved any carrying cost for the FY 2016-17 and FY 2017-18 on the ground of late submission for which the Petitioner has gone for Appeal before Hon'ble APTEL.

7.7 The Petitioner has estimated the Cumulative Revenue Gap till FY 2021-22 at existing tariff if retained for FY 2021-22 would reach Rs 147.77 Crore.

7.8 Based on the projection and tariff proposed, the Petitioner has estimated the cumulative Revenue Gap/(Surplus) of Rs. 25.56 Crore till FY 2021-22, as summarized below:

Table 71: Cumulative Revenue Gap till FY 2020-21 as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected
Opening Revenue Gap/(Surplus) as on 1st April of FY	(5.81)	18.37	67.50
Revenue Gap/(Surplus) created during the year	23.44	44.40	(45.63)*
Rate of Interest	12.55%	11.65%	10.50%
Carrying Cost on Opening Balance	(0.73)	2.14	7.09
Carrying Cost on Add. Gap/(Surplus)	1.47	2.59	(2.40)
Gap/(Surplus) including Carrying Cost	18.37	67.50	26.56*

** Petitioner Submission vide letter dated February 16, 2021*

3.15 The Petitioner has submitted that appropriate and immediate tariff hike is inevitable for sustainable operations and has therefore proposed a tariff hike of approximately 30% in FY 2021-22 to bridge the accumulated revenue gap.

Commission's Analysis

7.9 The Commission has considered the opening Revenue Gap as Rs. 13.27 Crore till FY 2019-20 as approved in Tariff Order dated November 24, 2022.

7.10 With regards to carrying cost for FY 2016-17 and FY 2017-18, the Commission in its Order dated June 19, 2020 has provided sufficient reasons for disallowing the carrying cost. The relevant extract is reproduced below:

> *"5.94 As per MYT Distribution Regulations, 2015, the Petitioner is required to file the true up petition for FY 2016-17 latest by November 30, 2017 and true up for FY 2017-18 by November 30, 2018. The Commission observed that the Petitioner had failed to meet the timeline and has filed the petition for truing up for FY 2016-17 and FY 2017-18 after the timelines mentioned in the regulation. Hence, the Commission has not considered the carrying cost on gap for the period where filing of petition is delayed."*

7.11 Further, the Petitioner had filed an Appeal before the Hon'ble APTEL against the above said matter which is still pending. Since, the matter is sub-judice before the Hon'ble APTEL, the Commission has adopted the same methodology as approved in the previous Order for approving the carrying cost.

7.12 Based on the truing up of FY 2019-20 and approved value of ARR for FY 2021-22, the cumulative Revenue Gap/(Surplus) approved by the Commission till FY 2021-22 at existing tariff is shown below:

Table 72: Cumulative Gap/(Surplus) as approved by the Commission (Rs. Crore)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Opening Gap/(Surplus)	(5.81)	13.27	(14.12)
Gap/(Surplus) during FY	18.64	(27.34)	7.24
Rate of Carrying Cost (%)	12.55%	11.65%	10.50%
Carrying Cost on Opening Gap/(Surplus)	(0.73)	1.55	(1.48)
Carrying Cost on Gap/(Surplus) during FY	1.17	(1.59)	0.38
Closing Gap/(Surplus)	**13.27**	**(14.12)**	**(7.97)**

7.13 The Commission observed that Cumulative Revenue Surplus till FY 2021-22 stands at Rs.7.97 Crore.

7.14 The Tariff Schedule approved by the Commission for FY 2021-22 is detailed in **Section A12** of this Order.

A 8: OPEN ACCESS CHARGES

8.1 As per Clause 2.2 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, the Commission shall determine wheeling tariff, cross-subsidy surcharge, additional surcharge and other Open Access (OA) related charges. The relevant extract of the Regulations has been reproduced below:

> *"2.2*
>
> *……………….. Provided further that where any category of consumer has been permitted open access under Section 42 of the Act, the Commission shall determine the wheeling tariff, cross-subsidy surcharge, additional surcharge and other open access related charges in accordance with these Regulations and JSERC (Intra State Open Access) Regulations, 2016, as amended from time to time."*

8.2 As per the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016, the Open Access (OA) charge includes Wheeling Charges, Wheeling Losses, Cross Subsidy Surcharge, and Additional Surcharge.

8.3 The Petitioner has submitted its proposal for the determination of Wheeling Charge, Cross Subsidy Surcharge and Additional Surcharge for FY 2021-22. The following Sections summarize the Petitioner's submission and Commission's analysis thereof:

Wheeling Charges

Petitioner's Submission

8.4 The Petitioner submitted that it has considered the allocation ratio for Wheeling and Retail Supply business in line with Regulation 6.8 of JSERC Distribution Tariff Regulations, 2020.

8.5 Based on the above said Regulations, the Petitioner has segregated each component of ARR into Wire and Supply Business for FY 2021-22. The Petitioner has proposed Wheeling Charge for FY 2021-22 as Rs. 0.63/kWh considering ARR for Wheeling Business as Rs. 47.80 Crore and sales as 754.99 MU.

Commission's Analysis

8.6 According to Regulations 6.5 to 6.8 of the Distribution Tariff Regulations, 2020, the Petitioner is required to segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business. In absence of segregated accounts, the Petitioner is required to submit an allocation statement duly approved by the Board of Directors accompanied with an explanation of the basis and methodology used for segregation. The relevant extract of the Regulations has been reproduced hereunder:

*"**Segregation of Retail Supply and Wheeling Business***

6.5 The Licensee shall segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business.

6.6 The ARR for Wheeling Business shall be used to determine Wheeling Tariff and the ARR for Retail Supply Business shall be used to determine Retail Supply Tariff.

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

6.8 In case clear and reasoned methodology for allocation is not submitted by the Distribution Licensee, the Commission may consider the segregation as approved for the previous Control Period as specified below or may decide on the manner in which such allocation can be done:

Particulars	Share of Supply Business	Share of Wires Business
O&M Cost		
Employee cost	*40%*	*60%*
A&G Expense	*50%*	*50%*
R&M Cost	*10%*	*90%*
Power Purchase (Including PGCIL & RLDC Charges)	100%	0%
Interest on security deposit	100%	0%
Interest Cost	10%	90%
Interest on working capital	90%	10%
Taxes on Income	10%	90%
Depreciation	10%	90%
Return on Equity	10%	90%
Less: Non-Tariff/Other Income	90%	10%

…………..."

8.7 The Commission vide its letter dated February 12, 2021, directed the Petitioner to submit the voltage-wise losses, GFA and sales details for calculation of voltage-wise Wheeling Charges and Cross Subsidy Surcharge.

8.8 The Petitioner in its reply dated February 12, 2021 submitted the estimated value of voltage-wise Assets, sales and losses for FY 2021-22 based on estimated numbers submitted in MYT Petition and Business Plan. The Commission has considered the above detail submitted by the Petitioner while approving the voltage-wise Wheeling Charge and Cross Subsidy Surcharge.

8.9 The segregation of ARR into Wires and Supply Business as approved by the Commission for FY 2021-22 is shown below:

Table 73: Segregation of ARR for FY 2021-22 as approved by the Commission (Rs. Crore)

Particulars	Share of Wire Business (%)	Share of Supply Business (%)	ARR (Rs. Cr)	Wire Business ARR (Rs. Cr)	Supply Business ARR (Rs. Cr)
Power Purchase Cost	-	100%	321.61	0.00	321.61
Employee Expenses	60%	40%	11.23	6.74	4.49
A&G Expenses	50%	50%	4.20	2.10	2.10
R&M Expenses	90%	10%	10.89	9.80	1.09
Depreciation	90%	10%	8.19	7.38	0.82
Interest and Finance Charges	90%	10%	6.03	5.42	0.60
Interest on Security Deposit	-	100%	5.90	0.00	5.90
Interest on Working Capital	10%	90%	0.00	0.00	0.00
Return on Equity	90%	10%	11.91	10.71	1.19
Non-Tariff Income	10%	90%	0.20	0.02	0.18
Annual Revenue Requirement	**-**	**-**	**379.76**	**42.13**	**337.62**
Approved Sales (MU)	-	-	-	698.70	-

8.10 In the absence of asset register, to estimate the ratio of fixed assets at various voltage levels, the Commission has considered the network details of the Petitioner as submitted on February 12, 2021 and has pro-rated it in the same ratio to arrive voltage wise classification of Assets for FY 2021-22. The 400 kV asset and common assets are distributed among the other voltage level assets based on the estimated sales for FY 2021-22.

Table 74: Asset ratio and Sales ratio as approved by the Commission (Rs. Crore)

Voltage Level	Asset Segregation	Asset Segregation (%)	Segregation of ARR	Sales (%)
LT	42.61	12.03%	5.07	6.29%
HT (upto 11kV)	120.45	34.01%	14.33	29.81%
HT (33kV & above)	191.07	53.95%	22.73	63.90%
Total	**354.14**		**42.13**	

8.11 Based on the above, the Voltage-wise Wheeling Charges for FY 2021-22 as approved by the Commission has been tabulated below:

Table 75: Cost Stacking for FY 2021-22 as approved by the Commission (Rs. Crore)

Voltage level	Voltage-wise ARR Allocation	Cost Stacking on the basis of Energy Sales		
		LT	HT (up to 11 kV)	HT (33kV & above)
LT	5.07	5.07	-	-
HT (upto 11kV)	14.33	2.50	11.83	-
HT (33kV & above)	22.73	1.43	6.78	14.53
Total	**42.13**	**9.00**	**18.61**	**14.53**

Table 76: Wheeling Tariff for FY 2021-22 as approved by the Commission (Rs. Crore)

Voltage Category	ARR (Rs. Crore)	Sales (MU)	Wheeling Tariff (Rs./kWh)
LT	9.00	43.94	**2.05**
HT (up to 11kV)	18.61	208.29	**0.89**
HT (33kV & above)	14.53	446.46	**0.33**

Cross Subsidy Surcharge

Petitioner's Submission

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

Surcharge formula:

S= T – [C/ (1-L/100) + D+ R]

Where,

S is the surcharge;
T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation;
C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation;
D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level;
L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level;
R is the per unit cost of carrying regulatory assets:

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

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

Table 77: Cross Subsidy Surcharge for FY 2021-22 as submitted by the Petitioner (Rs./kWh)

Consumer Category	Voltage Level	T-Tariff Payable ABR (Rs/kWh)	C-PPC (Rs/kWh)	L-System losses (%)	D-Wheeling Charge (Rs./kWh)	Cross Subsidy Surcharge (Rs/kWh)
Domestic	LT	5.15	4.71	14.00%	0.63	-
Commercial	LT	8.03	4.71	14.00%	0.63	1.93
Industrial- HTS	6.6 kV HT	6.36	4.71	1.31%	0.63	0.95
	33 kV HT	6.36	4.71	1.31%	0.63	0.95
	132 kV HT	6.36	4.71	1.31%	0.63	0.95
LTIS	LT	6.93	4.71	14.00%	0.63	0.82

Commission's Analysis

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

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

8.15 The Commission has considered the JSERC (Terms and Conditions for Intra-State Open Access) Regulations, 2016 and Tariff Policy, 2016 while approving the Cross-Subsidy Surcharge (CSS). The Commission has also taken into account that the CSS shall not exceed 20% of the tariff applicable to the category of the consumers seeking OA. Accordingly, the CSS approved by the Commission for FY 2021-22 is shown below.

Table 78: Cross Subsidy Surcharge approved by the Commission for FY 2021-22 (Rs./kWh)

Category	ABR (T) Rs./kWh	APPC (C) Rs./kWh	Losses (L) %	Charges (D) Rs./kWh	Reg. Assets (R) Rs./kWh	CSS Rs./kWh
HT (up to 11 kV)	5.95	4.49	3.43%	0.89	0.00	**0.40**
HT (33kV & above)	5.58	4.49	2.04%	0.33	0.00	**0.67**

Additional Surcharge

Petitioner's Submission

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

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

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

Commission's Analysis

8.18 Considering the plea of the Petitioner, the Commission has not approved any Additional Surcharge and allows liberty to the Petitioner to approach this Commission separately in this matter, if required.

Regulatory Surcharge for Open Access Consumers

Petitioner's Submission

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

8.20 The Petitioner has proposed liquidation of regulatory assets by way of increase in tariff. As of now there is no open access consumer. However, looking at the revenue Gap for FY 2020-21 and FY 2021-22, the regulatory assets surcharge applicable on open access consumers comes out to be as follows:

Table 79: Submitted by the Petitioner (Rs./kWh)

Rs/Unit	FY 2021-22	FY 2022-23
Opening Gap (Crore)	67.50	25.60
Sales (MU)	755	790
Regulatory Asset surcharge (Rs./kWh)	Rs 0.89 per unit	0.32 per unit

Commission's Analysis

8.21 The Commission observed that there is no outstanding Revenue Gap to be recovered by the Petitioner. Further, the Commission observed that there is no Open Access Consumers. Hence, the Commission at this juncture is not approving any Regulatory Surcharge.

A 9: OTHER TARIFF RELATED ISSUES

Tariff Rationalisation

Petitioner's Submission

9.1 The Petitioner submitted that the existing average tariffs for domestic category is highly cross-subsidized and much lower than the average cost of supply. The current Tariff in Domestic category is also ineffective in bringing out efficient use of electricity. Hence, the Petitioner has proposed to make tariff for domestic category closer to Average cost of Supply.

9.2 The Petitioner further submitted that in the last tariff order the Commission did several changes in the rebates and surcharge. Some of the changes have adversely impacted the revenue of the petitioner.

a) Applicability of domestic tariff on commercial consumers below 5 kW. Commercial consumers charges the input cost of their products and service to another consumers and therefore it is against the generally accepted principles to provide subsidised tariff to commercial consumers.

b) Additional 1% rebate on online payment in place of 1% limited to Max Rs 250 for online payment.

c) Load Factor Rebate on full energy units above 45%, earlier it was applicable only on incremental energy above 50%. This has led to almost 10% to 15% reduction in tariff for select customers , who were already working in all the three shift. The cost of such lower payment by these consumers will have to be borne by other consumers in future. There is an urgent need to review this and allow the Load Factor rebate only on incremental units above 50%.

d) All these (mostly LF rebate) have led to effectively decrease in Petitioner tariff by approx. 5% from October 01,2020. Though the benefit of such decrease is going only to very select consumers, petitioners' revenue is adversely impacted by this change. There is an urgent need to correct these provisions.

9.3 The Petitioner further submitted that since Domestic Tariff is subsidised, it should not be used for commercial purposes. The Commission in its previous Tariff Order has made Domestic Tariff applicable on commercial and industrial consumers having connected load below '5 kW'. Providing subsidised electricity for commercial use promotes inefficient use of electricity. Hence, Petitioner has proposed to de-classify commercial and industrial consumers having connected load below 5 kW from domestic category to category specified as per applicability clause of respective consumer category.

9.4 The Petitioner has proposed Load Factor (LF) Rebate of 7.50% for LF between 60%-70% and 10.00% for LF above 70%. Further, the LF rebate should be applicable only on incremental units consumed above 60% LF by consumers above cut-off level and not on cumulative units consumed.

9.5 The Petitioner has further proposed to increase the penalty for deviation from Contracted Demand to 200% for deviation in more than three months in a Financial Year in place of the existing penalty of 150%.

9.6 Beside this, the Petitioner has proposed to revise the Connected Load of LTIS, in case the actual recorded demand is more than 100 kVA in any month and treat the same as new Contract Demand for future billing. Further, the LTIS consumer will be billed at 1.1 times of HT rates till such time, the consumer doesn’t convert to HT Supply.

9.7 Further, the Petitioner has proposed to revise the billing demand of Commercial and LTIS consumers to be the maximum demand recorded during the month or 75% of contract demand whichever is higher.

9.8 The Petitioner has proposed to revise Delayed Payment Surcharge (DPS) from 1.00% per month and part thereof to 1.5% per month and part thereof for all categories of consumers. In addition to upward revision, the Petitioner proposes to revise the due date for making payment of energy bills/other charges to 15 days for LT Domestic, Commercial and Agriculture category and 21 days after issue date of bill for other categories as stipulated in the JSERC (Supply Code) Regulations, 2015 and its amendments.

9.9 The Petitioner further has proposed Voltage Rebate only for 33kV and 132 kV. However, the Petitioner has proposed the Voltage Rebate to be applicable only on Energy Charges instead of Fixed Charges and Energy Charges.

9.10 In addition to above submission, the Petitioner has proposed to reduce the Prompt Payment rebate from 1.00% to 0.50% on the billed amount for payment of the bills within ten days of issue date of bill for all the category of consumers. Further, the Petitioner has also proposed to restrict the rebate for online payment to maximum of Rs. 250 against 1.00% of billed amount.

Commission's Analysis

9.11 The Commission, in its Tariff Order dated September 29, 2020 has specified the reasons for re-categorisation and billing Commercial Consumers having Contracted Demand (CD) up to 5 kW as per Domestic Tariff. Therefore, in line with the view taken in its earlier order the Commission has retained the billing of Commercial Consumers having Connected Load up to 5 kW as per Domestic Tariff in this order.

9.12 With regard to Load factor Rebate, the Commission observes that energy consumption for different categories of consumers are in the process to reach pre-pandemic levels and with anticipated economic growth during the Control Period, the one-time measures that were taken its order dated September 29, 2020 to speed up the economic recovery process needs to be withdrawn. Therefore, the Commission has modified the Load Factor Rebate mechanism in this order. The Commission has approved the Load Factor Rebate of 7.50% for LF between 60%-70% and 10.00% for LF above 70% shall be applicable for the consumers. Further, the Load Factor rebate shall be applicable to all the consumers only on incremental units consumption whose load factor exceeds 60%.

9.13 With regard to modification suggested in the billing demand of LTIS consumer, the Commission finds no merit in Petitioner's proposal of increasing the same to 75% of the Contract Demand or actual demand recorded which ever is higher.

9.14 The Commission has approved Delayed Payment Surcharges as specified in Clauses 10.75 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

9.15 The Commission has modified the Voltage rebate considering the prevalent market scenario. The Voltage rebate shall be applicable only for 33kV and 132 kV as per the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time. Further, voltage rebate shall be applicable only on energy charges.

9.16 The Commission has modified the Rebate on Prompt payment as specified in Clauses 10.76 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

9.17 The Commission has modified the Online Payment rebate, a rebate of 1.00% shall be allowed on the billed amount for payment within the due date of the entire billed amount made either through online or any digital mode or through cash subject to a maximum ceiling rebate of Rs. 250 against the billed amount.

9.18 Further, the Commission has modified the due date for making payment of energy bills or other charges as specified in Clauses 10.1.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

9.19 The Commission has approved Terms and Conditions of Supply consistent with JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

A 10: APPROVED RETAIL TARIFF FOR FY 2021-22

Petitioner's Submission

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

Table 80: Summary of Tariff Proposed by the Petitioner for FY 2021-22

Consumer Category	Consumption Slab	Existing Tariff		Proposed Tariff	
		Fixed/ Demand Charges	Energy Charges	Fixed/ Demand Charges	Energy Charges
Domestic: (Fixed Charge/Demand Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
LT-Rural	All units	15	2.50	50	3.25
LT-Urban	All units	75	3.00	200	4.65
Domestic-HT: (Fixed Charge/Demand Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
DS-HT	All units	75	2.75	200	4.40
Commercial Service: (Fixed Charge/Demand Charge: Rs./kW/Month, Energy Charge: Rs./kWh)					
CS-Rural	All units	25	2.50	100	4.00
CS-Urban	All units	150	3.85	200	5.60
Irrigation & Agriculture Service: (Fixed Charge/Demand Charge: Rs./HP/Month, Energy Charge: Rs./kWh)					
IAS	All units	20	3.70	25	4.65
LTIS: (Fixed Charge/Demand Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
LTIS	All units	150	4.05	150	5.06
Industrial Services: (Fixed Charge/Demand Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
HTS	All units	300	4.45	350	5.60
Streetlight Services: (Fixed Charge/Demand Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
Street Light	All Units	50	5.00	60	5.20
Institutional Services: (Fixed Charge/Demand Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
RTS, MES & Other Distribution Licensees	All Units	160	4.00	245	5.25

Commission's Analysis

10.2 Based on the above discussions, the summary of Tariff approved by the Commission for FY 2021-22 is as below:

Table 81: Summary of Tariff Approved by the Commission for FY 2021-22

Consumer Category	Consumption Slab	Existing Tariff		Approved Tariff	
		Fixed/ Demand Charges	Energy Charges	Fixed/ Demand Charges	Energy Charges
Domestic: (Fixed Charge/Demand Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
LT-Rural	All units	15	2.50	20	2.70
LT-Urban	All units	75	3.00	75	3.25
Domestic-HT: (Fixed Charge/Demand Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
DS-HT	All units	75	2.75	75	3.00
Commercial Service: (Fixed Charge/Demand Charge: Rs./kW/Month, Energy Charge: Rs./kWh)					
CS-Rural	All units	25	2.50	30	2.75
CS-Urban	All units	150	3.85	150	4.10
Irrigation & Agriculture Service: (Fixed Charge/Demand Charge: Rs./HP/Month, Energy Charge: Rs./kWh)					
IAS	All units	20	3.70	20	3.90
LTIS: (Fixed Charge/Demand Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
LTIS	All units	150	4.05	150	4.30
Industrial Services: (Fixed Charge/Demand Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
HTS	All units	300	4.45	310	4.70
Streetlight Services: (Fixed Charge/Demand Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
Street Light	All Units	50	5.00	50	5.25
Institutional Services: (Fixed Charge/Demand Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
RTS, MES & Other Distribution Licensees	All Units	160	4.00	160	4.25

A 11: SCHEDULE OF CHARGES

Petitioner's Submission

11.1 The Petitioner has proposed minor changes in the Disconnection/Reconnection of LT Service from Rs. 200 to Rs. 350 and else requested the Commission to retain the remaining as approved by Corrigendum Order dated October 19, 2020 as shown below:

Table 82: Miscellaneous Charges as proposed by the Petitioner for FY 2021-22

Sl. No.	Purpose	Scale of Charges	Payment Realisation
1.	**Application Fee**		
	LT Connection	Rs.100	Payable with Energy Bill
	HT Connection	Rs. 500	
2	**Revision of Estimate on Consumer Request based on Revision in Original Application**		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
3	**Testing of Consumers Installation**[1]		
	LT Supply	Rs. 100	Payable with Energy Bill
	HT Supply	Rs. 500	
4	**Meter Test when Accuracy disputed by Consumer**[2]		
	Single Phase/Three Phase	Rs. 100	Payable with Energy Bill
	Trivector/Special Type Meter, HT, EHT Metering Equipment	Rs. 1000	
5	**Removing/Refixing of Meter/Changing of Meter or Meter Equipment/Fixing of Sub Meter on the request of the Consumer/Fixing of Sub Meter Resealing of Meter when seals are found broken**		
	Single Phase/Three Phase	Rs. 200	Payable with Energy Bill
	Trivector/Special Type Meter, HT, EHT Metering Equipment	Rs. 1000	
6	**Fuse call-Replacement**		
	Consumer Fuse	Rs. 100	Payable with Energy Bill
7	**Disconnection/ Reconnection**		
	LT Connection	Rs. 350	Payable in advance along with the Consumer request. In case, the same consumer is reconnected or disconnected within 12 months, 50% will be charged extra.
	HT Connection	Rs. 1500	
8	**Replacement of meter card, if lost or damaged by Consumer**	Rs. 100	Payable with Energy Bill
9	**Security Deposit**	As per JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time	
10	**Replacement of Burnt Meter**	Cost of Meter	Payable with Energy Bill
11	**Transformer Rent**[3]		
	Upto 200 kVA	Rs. 5500/Month	Payable with Energy Bill
	Above 200 kVA	Rs. 7500/Month	Payable with Energy Bill

[1]*First test & Inspection free of charge, but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection.*
[2]*If the meter is found defective within the meaning of the Indian Electricity Rules 1956, no charge shall be levied. If it is proved to be correct within the permissible limits laid down in the Rules, the amount will be charged in the next energy bill.*
[3]*Applicable for 6 month duration from the date of taking the transformer on rent, thereafter monthly escalation of 10% would be applicable.*

Commission's Analysis

11.2 The Commission has analysed the various aspects of these charges and the Schedule of Miscellaneous Charges applicable to other Distribution Licensee in the State of Jharkhand. The Commission observes that the Schedule of Miscellaneous Charges are already specified in the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time. However, since the Commission has approved the Miscellaneous Charges in the Corrigendum Order dated October 19, 2020, the Commission has not approved any change in Miscellaneous Charges in this Order as reiterated in **Section A 12** of this Order.

A 12: TARIFF SCHEDULE

APPLICABLE FROM 01.12.2022

Consumer Tariff

Ceiling Tariff

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

Domestic Service- Rural and Urban

Applicability:

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

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

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

Category of Services:

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

Service Character:

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

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
LT-Rural	Rs./Conn./month	20	2.70
LT-Urban	Rs./Conn./month	75	3.25

Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate for Online Payment** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Domestic Service - HT

Applicability:

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

Category of Services:

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

Service Character:

(i) For HT: AC, 50 Cycles, at 11kV or 33kV

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
DS-HT	Rs./kVA/month	75	3.00

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand whichever is higher. The penalty on exceeding Billing Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate for Online Payment** of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

Irrigation & Agriculture Service (IAS)

Applicability:

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

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
IAS	Rs./HP/month	20	3.90

Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate for Online Payment** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Commercial Services

Applicability:

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

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

Service Category:

Commercial Service-Rural: Areas not covered by area indicated for Commercial Service Urban.
Commercial Service-Urban: Areas covered by Nagar Nigam, Nagar Parishad, Nagar Panchayat.

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
CS-Rural	Rs./kW/month	30	2.75
CS-Urban	Rs./kW/month	150	4.10

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate for Online Payment** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Low Tension Industrial Services

Applicability:

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

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
LTIS	Rs./kVA/month	150	4.30

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with **Clause III**: **Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Installation of Shunt Capacitors for LTIS: In accordance with **Clause VI**: **Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate for Online Payment** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

HT Services

Applicability:

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

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs.kVAh)
HTS	Rs./kVA/month	310	4.70

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Voltage Rebate: In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate for Online Payment** of Terms & Conditions of Supply as provided in **Section A13**of this Tariff Order.

TOD Tariff: In accordance with **Clause VII: ToD Tariff** as provided in section on Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

Street Light

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

Applicability:

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

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
Streetlight	Rs./kW/month	50	5.25

Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms& Conditions of Supply as provided in **Section A13** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate for Online Payment** of Terms & Conditions of Supply as provided in **Section A13** of this Tariff Order.

HT Institutional Services

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

Applicability:

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

Other Distribution Licensees: This tariff schedule shall apply to other distribution licensees procuring power from the Licensee for the sole purpose of supplying it to its consumers. It is clarified that such tariff shall not be applicable for the quantum of power utilised in industrial units owned by it or its parent or affiliate company.

Service Character:

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

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

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HT- Institutional Services	Rs./kVA/month	160	4.25

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

Load Factor Rebate: In accordance with Clause V: Load Factor Rebate of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

Voltage Rebate: In accordance with Clause IV: Voltage Rebate of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

Delayed Payment Surcharge: In accordance with Clause III: Delayed Payment Surcharge of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate and Rebate for Online Payment** of Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

TOD Tariff: In accordance with Clause VII: ToD Tariff as provided in section on Terms & Conditions of Supply as provided in **Section A 13:** of this Tariff Order.

RPO Compliance: RPO Compliance for Sale to Other Licensees, RTS and MES shall be made by the first Licensee which sells the power viz., in case TSUISL (JUSCO) buys power from TSL which in turn has procured such quantum of power from DVC then the onus to comply with RPO will be with DVC only.

Temporary Connections

Applicability:

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

(a) Temporary tariff shall be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.

(b) Temporary connections may be given with normal meters with security deposit as per JSERC (Electricity Supply Code) Regulations, 2015.

(c) Temporary connections may also be given with prepaid meters with minimum prepaid balance equivalent to 45 days of sale of power, which shall be based on the assessment formula as per JSERC (Electricity Supply Code) Regulations, 2015 and amendment thereof.

Tariff:

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

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

The Commission had notified the JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) Regulations, 2015, on November 10, 2015, and further notified its 1st amendment as JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) (1st Amendment) Regulations, 2019. The Tariff for sale of surplus power by Gross/Net metering of Rooftop Solar PV for such eligible consumers of the Petitioner shall be issued separately by the Commission and till the time such order is issued, the existing rate shall continue to be valid.

Schedule of Miscellaneous Charges

Sl. No.	Purpose	Scale of Charges	Payment Realisation
1.	**Application Fee**		
	LT Connection	Rs.100	Payable with Energy Bill
	HT Connection	Rs. 500	
2.	**Revision of Estimate on Consumer Request based on Revision in OriginalApplication**		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
3.	**Testing of Consumers Installation**[1]		
	LT Supply	Rs. 100	Payable with Energy Bill
	HT Supply	Rs. 500	
4.	**Meter Test when Accuracy disputed by Consumer**[2]		
	Single Phase/Three Phase	Rs. 100	Payable with Energy Bill
	Trivector/Special Type Meter, HT, EHT Metering Equipment	Rs. 1000	
5.	**Removing/Refixing of Meter/Changing of Meter or Meter Equipment/Fixing of Sub Meter on the request of the Consumer/Fixing of Sub Meter Resealing of Meterwhen seals are found broken**		
	Single Phase/Three Phase	Rs. 200	Payable with Energy Bill
	Trivector/Special Type Meter,HT, EHT Metering Equipment	Rs. 1000	
6.	**Fuse call-Replacement**		
	Consumer Fuse	Rs. 100	Payable with Energy Bill
7.	**Disconnection/ Reconnection**		
	LT Connection	Rs. 200	Payable in advance along with the Consumer request. In case, the same consumer is reconnected or disconnected within 12 months, 50% will be charged extra.
	HT Connection	Rs. 1500	
8.	**Replacement of meter card, if lost or damaged by Consumer**	Rs. 100	Payable with Energy Bill
9.	**Security Deposit**	As per JSERC (Electricity Supply Code)Regulations, 2015 as amended from time to time	
10.	**Replacement of Burnt Meter**	Cost of Meter	Payable with Energy Bill
11.	**Transformer Rent**[3]		
	Upto 200 kVA	Rs. 5500/Month	Payable with Energy Bill
	Above 200 kVA	Rs. 7500/Month	Payable with Energy Bill

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

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

[3]*Applicable for 6 month duration from the date of taking the transformer on rent, thereafter monthly escalation of 10% would be applicable.*

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

A 13: TERMS AND CONDITIONS OF SUPPLY

Clause I: Penalty for exceeding Billing/ Contract Demand

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

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

Clause II: Jharkhand Electricity Duty

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

Clause III: Delayed Payment Surcharge

The Delayed Payment Surcharge shall be applicable as specified in Clauses 10.75 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time. In case, the Licensee defaults in generating and delivering bills on monthly basis, Delayed Payment Surcharge will not be charged for the period of default by Licensee. The consumer should not be deprived of any subsidy/benefit, which could have been otherwise accrued to the consumers, i.e., energy units/amount (in case of unmetered) billed has to be apportioned on average monthly basis for the whole billing duration.

Clause IV: Voltage Rebate

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

Consumer Category	Voltage Rebate*
HTS/HT Institutional -33 kV	3.00%
HTS/ HT Institutional -132 kV	5.00%

*** Note:**

1) It is clarified that, if a consumer who is eligible to get supply at 11kV as per classification as mentioned in Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and then the consumer opts for connection at 33kV then consumer

shall be eligible for voltage rebate of 3%. Similarly, if a consumer who is eligible to get supply at 33kV as per Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and opts for connection at 132kV then consumer shall be eligible for voltage rebate of 5%. Further, no voltage rebate shall be applicable above voltage level of 132 kV. It is further clarified that the existing consumers at 11kV and 33kV opts for higher voltage, rebate shall be applicable for such consumers.

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

Clause V: Load Factor Rebate

Load Factor rebate will be applicable on energy charges only as given below:-

Load Factor	Load Factor Rebate
40%-60%	Nil
60%-70%	7.50%
70%-100%	10.00%

The Load Factor rebate shall be applicable to all the consumers only on incremental units' consumption whose load factor exceeds 60% .

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

Clause VI: Installation of Shunt Capacitors

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

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

Clause VII: ToD Tariff

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

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

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

Clause VIII: Prompt Payment Rebate and Rebate for Online Payment

The due date for making payment of energy bills or other charges shall be as specified in Clauses 10.1.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

Prompt Payment Rebate shall be allowed for payment of bills by the Consumers in accordance with Clauses 10.76 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time.

Further, a rebate of 1.00% shall be allowed on the billed amount for payment within the due date of the entire billed amount made either through online or any digital mode or through cash subject to a maximum ceiling rebate of Rs. 250 against the billed amount.

Further no rebate shall be allowed after due date irrespective of the mode of payment.

Clause IX: Rebate for Prepaid Metering

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

Clause X: Rebate for Delayed Billing

The Commission has introduced rebate in case of delayed billing to consumers to promote prompt billing by the Licensees. In case the bill is not received for two continuous billing cycles, a rebate at the rate of 1.00% on the bill amount per month for delay beyond two months or part thereof shall be applicable subject to a ceiling of 3%. The Utility shall not be eligible to claim such Rebate as a part of ARR. The same shall be treated as a Compensation for the consumers out of the RoE of the Licensee. This clause shall be applicable for all consumers.

Clause XI: Other Terms and Conditions

Reduction in Fixed Charges

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

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

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

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

Point of Supply

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

Dishonoured Cheques

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

Stopped/Defective Meters

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

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

Consumer Category	Load Factor
Domestic	0.15
Non-Domestic	0.20
LTIS	0.20
DS-HT	0.15

Consumer Category	Load Factor
HT Consumers-Below 132 kV	0.30
HT Consumers- 132 kV & Above	0.50

Sale of Energy

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

Release of New Connections

No new connections shall be provided without appropriate meter.

Conversion Factors

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

1 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 & Power Purchase Cost Adjustment (FPPCA)

Applicable as per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and as amended by the Commission from time to time.

A 14: DIRECTIVES

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

Publicising Tariff Approved by the Commission

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

Submission of Fixed Assets Register

14.3 The Commission directs the Petitioner to maintenance the Fixed Assets Register (FAR) considering the depreciation rates as specified in JSERC Distribution Tariff Regulations, 2020 and submit the status report to the Commission along FAR in next tariff filling.

Submission of Capital Expenditure Plan

14.4 The Commission directs the Petitioner to submit the approval of Capital Expenditure Plan, including the spill over schemes, duly approved by CEC/Board Investment to the Commission, before carrying out actual operations at the ground.

14.5 Further, the petitioner is directed to submit revised Capital Expenditure Plan duly approved by CEC/Board to the Commission in next tariff filling petition.

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

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on November 24, 2022

It is made clear that the Order regarding revision of tariff shall come into effect from December 01, 2022 and shall remain in force till the next Order of the Commission in this regard.

Date: 24.11.20222
Place: Ranchi

Sd/-	**Sd/-**
(Atul Kumar)	**(Mahendra Prasad)**
MEMBER (Technical)	**MEMBER (Legal)**

ANNEXURE

Annexure-1: List of members of public who participated in the Public Hearing and submitted their Suggestions/Comments

Sr. No.	Name (Smt/Shri)	Address/Organization
		Date & Time: August 24, 2022, 2:30 PM
1.	Dilip Kumar Das	Hanuman Tower, Hirajganj
2.	Magan Kumar Mishra	Kalpanapuri, 92A
3.	Sanjay Kumar Mahto	Sitarampur
4.	S. Kumar	Sonari
5.	Kamlesh Kumar	116/9, Aditya Garden, Adityapur
6.	Priya Ranjan	Prabhat Khabar
7.	Jai Pushpit Pallav	Tata Steel UISL
8.	M. P. Verma	Golden Berry Sahara Garden
9.	J. N. Choubey	Adityapur – 2
10.	K. B. Rao	G. L. Apartment, Jaiprakash Udyan
11.	Yugeshwar Prasad Singh	112, Hanuman Tower, Adityapur
12.	M. K. Pandit	Tata Steel UISL
13.	Sunil Kumar	Professional Flat 49C, Kadma
14.	K. Manjunatha	SBB Professional Flat, Kadma
15.	Ritesh Gupta	Bistupur, JSR
16.	Debashish Singha	Sonari, Jamshedpur
17.	N. Leena	Tata Steel UISL
18.	J. Son	Tata Steel UISL
19.	V. P. Singh	Tata Steel UISL
20.	Ranabir Mullick	Tata Steel UISL
21.	Vinod Menon	CW Tyres
22.	Puri-Zron Ltd.	Gamharia
23.	Pawan Kumar Agarwal	New Engineering works
24.	Prabir Kumar Dan	Saraikela Kharsawan
25.	Inder Agarwal	Adityapur
26.	Rajesh Kumar Gupta	Adityapur
27.	Ashok Kumar Gupta	Adityapur
28.	Ratan Agarwal	Adityapur
29.	Ashwin Debuka	Adityapur
30.	Sajan Kumar Agarwal	Adityapur
31.	S. Mahansu	Tata Steel UISL
32.	H. N. Jha	Adityapur
33.	Lalit Dubey	Dainik Bhaskar
34.	Deepak Shriwastava	Prabhat Khabar
35.	Ram Poddar	Gamharia
36.	S. N. Thakur	J. E. private Ltd.

Sr. No.	Name (Smt/Shri)	Address/Organization
37.	G. MS Roi	Brahanand Ashiana, Tamokia
38.	Anil Kumar Gupta	Aototec Engineering, Gamharia
39.	Dharmu Majhi	Gamharia
40.	Pitamber urmu	Gamharia
41.	Raj Jaiswal	Mkers Casting Pvt. Ltd., Adityapur
42.	Sanjay Sinha	Sinhaa Hitech
43.	Rajeev Ranjan	Hindustan Precisim machine Tra., E-56, Iind Phase
44.	Manish Kumar	Kjocera CTC VII Phase
45.	Hari Sharma	Kjocera CTC VII Phase
46.	Praveen Gutgutia	E. Feb. Pvt. Ltd, Adityapur
47.	Sanjay	Metal Dyne
48.	Suresh Agarwal	Auto Tech Engineering
49.	Ashish Aurawaz	15 P Vth Phase Gamharia
50.	Tusar Raj	Tata Steel UISL
51.	Suraj Kumar Sharma	Tata Steel UISL
52.	Nirmal Prasad	Danik Jagran
53.	Suman Mandal	Tata Steel UISL
54.	U. K. Mishra	Tata Steel UISL
55.	D. Gandhi	Empiro Auto
56.	D. Upadhayay	Hiranya Udyog
57.	Naveen Sharma	New Engineering works
58.	B. N. Hazra	Radha Krisna steel. Co. (P) Ltd.
59.	CA Sidharta Khandalwal	Office no. 121, Frist floor, Ashiana Trada Centre, Adityapur, JSR
60.	Krishna Mohan Pandey	Sonari
61.	Sukanya Das	Tata Steel UISL
62.	Manmohan Singh	Tata Steel UISL
63.	S. K. Singh	Tata Steel UISL
64.	Santosh Singh	ASIA
65.	Naman Agarwal	ASIA
66.	Divesh	New Engineering works
67.	Vikash Kumar	Secretary, TISCO Housing Society
68.	Deepak Khemani	Suraj Logistix Pvt. Ltd., Large Sector
69.	Sudhir Singh	U. P. ASIA
70.	T. K. Pattanayah	Saraikela P. tola, Ward – 6
71.	Taini Kumar	Saraikela P. tola, Ward – 6
72.	Vikash Kumar	Saraikela P. tola, Ward – 6
73.	Pinkesh Maheshwari	Gajanan Ores Pvt. Ltd.
74.	Nirmal Kumar Singh	Tata Steel UISL
75.	Sameer Singh	Gen. Secretary, Laghu Udyog Bharti
76.	Deepak	VP ASIA
77.	Ashutosh Kumar	Lakhshiya Apartment
78.	Rajesh Sinha	Lakshya Construction

Sr. No.	Name (Smt/Shri)	Address/Organization
79.	S. K. Monsob	Town Electrical Tata Steel UISL
80.	Vinod Sharma	Kamsa Steel, Adityapur
81.	Mritunjay Kumar	PSD
82.	Sandeep Chaudhary	Ganesh Lakshya Apartment Jaipraksh Udy
83.	Mani Pandey	Tata Steel UISL
84.	Koustav Banerjee	Tata Steel UISL
85.	Santosh Khetan	ASIA President
86.	B. S. Managalmurti	Adityapur – 2
87.	Ashok Kumar Bihany	ASIA
88.	Swapan Majumdar	ASIA
89.	K. Muralidharam	ASIA
90.	Manoj Harhathka	ASIA
91.	Avnit Mutreja	Metro Industries, Adityapur
92.	Kalikinar Chakrawarty	Sonari
93.	Anjani Kumar	Adityapur-2
94.	Kanhaiya Upadhaya	SDS Tower
95.	Manas Ranjan Bhoi	Highco Engineers (P) Ltd.
96.	Gurpreet Singh	Eastern Coatings & Services Pvt. Ltd.
97.	Samir Patra	Mirudih
98.	Dinesh Sharma	Gamharia
99.	Nitu Sharma	Adityapur
100	Pawan Singh	Adityapur
101	Bhavesh Kumar	Synergy Enterprises
102	Rajesh Kumar	Sonari
103	Dhananjay Kumar Pathak	203, Palm View Apartment
104	Nirmal Kumar Kar	Adityapur S. Type
105	Arvind Kumar Sinha	Flat No. E-174, Block-18, Ashiana Brahanand, Tamolia
106	Dhiren Mahato	Uperbeda Village Gamharia
107	A. K. Nayak	Akshay Steel Works (P) Ltd.
108	Akshay Sachdev	Industrial forge & Engg., Gamharia
109	Sumit Kumar Singh	Press
110	Manmohan Singh	Press