

## **A10: COMMISSION DIRECTIVES**

### **Basis for Tariff Determination**

- 10.1 The petitioner had signed a Power Purchase Agreement (PPA) with TSL Limited (TSL) on 12<sup>th</sup> September, 1997 under which the petitioner and TSL agreed to set up, in a phased manner, a power plant with a total capacity up to 500 MW at Jojobera. The PPA laid down certain provisions governing the determination of tariff for power generated by TPCL's Jojobera Power Plant and purchased by TSL.
- 10.2 Since the tariff period for FY 2007-08 and FY 2008-09 is effectively over and the tariff period remaining for FY 2009-10 is also not adequate to enforce any changes in the PPA, the Commission decided to accept the provisions of the PPA for the tariff determination exercise for FY 2007-08, FY 2008-09 & FY 2009-10 for power generated from Unit II and Unit III of Jojobera Plant.
- 10.3 Furthermore, since the petition for FY 2010-11 is already due for submission by TPCL, the Commission has decided to continue with the provisions of the PPA for the tariff period FY 2010-11 as well.
- 10.4 Meanwhile, for future tariff periods, the Commission directs the petitioner to renegotiate the terms and conditions for the determination of tariff specified in the PPA with TSL Limited within 6 months of the issue of this order and submit the ARR filing for FY 2011-12 as per the new agreement (to be ratified by the Commission). The terms and conditions of the tariff determination in the new agreement between TPCL and TSL should be guided by 'Generation Tariff Regulations, 2004' as amended from time to time.

### **Improvement in performance of Operational parameters**

- 10.5 The Commission has observed that the performance of the two Units of Jojobera plant with respect to some of the operational parameters is lower than other similarly placed plants in the country considering the age profile of the TPCL Units. In particular, the SHR, PLF, normative annual plant availability factor (as per CERC Tariff Regulations, 2009) and the auxiliary consumption can be improved further to the extent of CERC approved operational norms for thermal stations of such nature. The Commission directs the petitioner to submit an improvement plan for the two Units within three months of the issue of this order.

## **Loan restructuring**

- 10.6 The Commission observes that the interest on long term loans paid by the petitioner is very high for both the Units of Jojobera plant. It is pertinent to mention that many funding agencies are offering lower interest rates in the market compared to the interest on loan paid by the petitioner. The Commission directs the petitioner to ascertain the interest rates of other Banks and conduct a cost benefit analysis for restructuring of its outstanding loans. The Commission directs the petitioner to submit a report in this regard within three months of the issue of this order.

## **Adjustment of Bills & payments/receipt as per revised cost of power sold to TSL**

- 10.7 The Commission directs the petitioner to reconcile the payment due/receipts with TSL, in lieu of the revised Generation Tariff for power sold to TSL, as determined by the Commission in this order, within three months of the issue of this order. The Generation company is required to generate a supplementary bill for the reconciled billed amount and submit the same to TSL.
- 10.8 The Commission also directs the Generation Company to ensure that, henceforth, the monthly billing by TPCL, for the power sold to TSL, is done unit-wise only.

## **Data adequacy in next Tariff petition and timelines**

- 10.9 The Commission directs TPCL to come up with the next tariff petition for FY 2010-11 removing the various data deficiencies highlighted throughout the tariff order along with the audited accounts for FY 2008-09 and latest actual figures of FY 2009-10.
- 10.10 The Commission also directs the generation company to file the next tariff petition for FY 2010-11 within one month of the issue of this order and also ensure submission of subsequent ARR & tariff filings for the ensuing year are done by 1<sup>st</sup> November every year prior to the tariff period.

**This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on this the 20th day of January, 2010.**

Date: 20th January, 2010

Place: Ranchi

(MUKHTIAR SINGH)  
CHAIRPERSON