

MULTI YEAR TARIFF PETITION
FOR
CONTROL PERIOD FY 2021-22 TO FY 2025-26
AND
TARIFF DETERMINATION FOR FY 2021-22



SUBMITTED BY:

TATA STEEL UTILITIES AND INFRASTRUCTURE SERVICES LIMITED (TSUISL)

JAMSHEDPUR

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List of Abbreviations

Sr. No	Abbreviations	Descriptions
1.	A&G	Administrative and General
2.	ABT	Availability Based Tariff
3.	ALDC	Area Load Dispatch Centre
4.	AMR	Automatic Meter Reading
5.	APDRP	Accelerated Power Development Reforms Program
6.	ARR	Aggregate Revenue Requirement
7.	AS	Accounting Standard
8.	CAGR	Compound Annual Growth Rate
9.	CDM	Clean Development Mechanism
10.	CEA	Central Electricity Authority
11.	CERC	Central Electricity Regulatory Commission
12.	CESC	Calcutta Electric Supply Company
13.	CFL	Compact Fluorescent Lamp
14.	CGS	Central Generating Station
15.	CoS	Cost of Supply/ Service
16.	COVID	Corona Virus Disease
17.	CPPs	Captive Power Plants
18.	CS	Commercial Services
19.	CWIP	Capital Work in Progress
20.	DBT	Direct Benefit Transfer
21.	DDUGJY	Deen Dayal Upadhyay Gram Jyoti Yojna
22.	DELP	Domestic efficient Lighting program
23.	DF	Distribution Franchisee
24.	Discom	Distribution Companies
25.	DPS	Delayed Payment Surcharge
26.	DS	Domestic Service
27.	DSHT	Domestic Service High Tension
28.	DSM	Demand Side Management
29.	DT	Distribution Transformer
30.	DTC	Distribution Transformer
31.	DVC	Damodar Valley Corporation
32.	EA/The Act	The Electricity Act 2003
33.	ECEA	Electricity Contract Enforcement Authority
34.	ERC	Electricity Regulatory Commission
35.	EV	Electric Vehicles
36.	F&A	Finance & Accounts
37.	FAS	Finance Accounting System

Sr. No	Abbreviations	Descriptions
38.	FI	Financial Institutions
39.	FOR	Forum of Regulators
40.	FY	Financial Year
41.	GFA	Gross Fixed Assets
42.	GoI	Government of India
43.	GW	Giga Watt
44.	HP	Horse Power
45.	HPO	Hydro Purchase Obligation
46.	HR	Human Resource
47.	HRIR	Human Resources and Industrial Relations
48.	HT	High Tension
49.	HTSS	High Tension Special Services
50.	IPDS	Integrated Power Development Scheme
51.	IPDS	Integrated Power Development Scheme
52.	IPP	Independent Power Producers
53.	JBVNL	Jharkhand Bijli Vitaran Nigam Limited
54.	JSEB	Jharkhand State Electricity Board
55.	JSERC	Jharkhand State Electricity Regulatory Commission
56.	JTS	Jamshedpur Town Services
57.	JUSCO	Jamshedpur Utilities & Services Company Limited
58.	JUSNL	Jharkhand Urja Sancharan Nigam Limited
59.	JUUNL	Jharkhand Urja Utpadan Nigam Limited
60.	JUVNL	Jharkhand Urja Vikas Nigam Limited
61.	KRA	Key Result Areas
62.	KV	Kilo Volt
63.	kVA	Kilo Volt Ampere
64.	kVAh	Kilo Volt Ampere Hour
65.	kW	Kilo Watt
66.	kWh	Kilo Watt Hour
67.	LF	Load Factor
68.	LT	Low Tension
69.	LTIS	Low Tension Installation Based
70.	MD	Maximum Demand
71.	MOD	Merit Order Despatch
72.	MOEF	Ministry of Environment and Forest
73.	MoP	Ministry of Power
74.	MOU	Memorandum of Understanding
75.	MU	Million Units (Million kWh)

Sr. No	Abbreviations	Descriptions
76.	MVA	Mega Volt Ampere
77.	MW	Mega Watt
78.	MYT	Multi Year Tariff
79.	NAPCC	National Action Plan of Climate Change
80.	NEP	National Electricity Policy
81.	NTP	National Tariff Policy
82.	NTPC	National Thermal Power Corporation
83.	O&M	Operation & Maintenance
84.	OA	Open Access
85.	PF	Provident Fund
86.	PFA	Power For All
87.	PLR	Prime Lending Rate
88.	PPA	Power Purchase Agreement
89.	PSD	Power Service Division
90.	PSS	Power Sub-Station
91.	R&M	Repair and Maintenance
92.	RE	Renewable Energy
93.	REC	Renewable Energy Certificate
94.	REDB	Rural Electrification Distribution Backbone
95.	RGVY	Rajiv Gandhi Gram Vidyutikaran Yojna
96.	RMU	Ring Main Unit
97.	ROE	Return on Equity
98.	RPO	Renewable Purchase Obligation
99.	Rs	Rupees
100.	SAIDI	System Average Interruption Duration Index
101.	SAIFI	System Average Interruption Frequency Index
102.	SAIL	Steel Authority of India Limited
103.	SAP	System Application and Procedure
104.	SAP-IS	Systems Applications and Products - Information System
105.	SBI	State Bank of India
106.	SCADA	Supervisory control and data acquisition
107.	SERC	State Electricity Regulatory Commission
108.	SLDC	State Load Dispatch Centre
109.	SLM	Straight Line Method
110.	SWOT	Strength, Weakness, Opportunity and Threats
111.	T&D	Transmission and Distribution
112.	TPCL	Tata Power Company Limited
113.	TSL	Tata Steel Limited

Sr. No	Abbreviations	Descriptions
114.	TSUISL	Tata Steel Utilities and Infrastructure Services Limited
115.	UDAY	Ujjwal DISCOM Assurance Yojna
116.	UI Charges	Unscheduled Interchange Charges
117.	UMPP	Ultra Mega Power Plant
118.	UNCCC	United Nations Framework Convention on Climate Change
119.	VEI	Village Electrification Infrastructure
120.	VMV	Vision, Mission and Value Architecture
121.	w.e.f	With effect from
122.	Y-o-Y	Year on Year

1. MYT PETITION FOR FY 2021-22 TO FY 2025-26

1.1 Regulatory Framework

- 1.1.1 In accordance with Section 61 and 62 of the Electricity Act, 2003, the Honourable Jharkhand State Electricity Regulatory Commission made the Distribution Tariff Regulation, 2020, to encourage competition, efficiency, economical use of resources, good performance and optimum investments by the Distribution Licensees within the State of Jharkhand and for determination of Multi-Year Tariff to be recovered by the Distribution Licensees for the prudent expenses incurred towards providing quality supply to consumers within the State of Jharkhand.
- 1.1.2 The petitioner/TSUISL would like to refer to provisions from Distribution Tariff Regulations 2020 applicable for MYT framework and MYT Application.

Multi Year Tariff Framework for the Control Period (FY 2021-22 to FY 2025-26)

5.1 *The MYT Framework shall commence from April 01, 2021 and unless reviewed earlier or extended by the Commission, shall be applicable till March 31, 2026. The ARR filings for the Control Period shall be done in accordance with the MYT framework contained in these Regulations.*

5.2 *The Distribution Licensees shall file MYT Application along with supporting documents before the Commission as per the timelines specified in **Section A 24** of these Regulations.*

5.3 *The MYT Application shall include statements containing ARR along with its break up for the Years of the previous Control Period based on Audited Accounts for FY 2015-16 to FY 2019-20, revised estimates for Base Year FY 2020-21, and the projections for each year of the Control Period.*

5.4 *The Guiding Principles for MYT Framework are described in **Section A 6** of these Regulations.*

5.5 *The principles for determination of ARR for the Control Period are described in **Chapter III** of these Regulations and the procedure for Annual Filing during the Control Period is described in **Chapter IV** of these Regulations.*

A 6. Guiding Principles for MYT Framework

6.1 *The Commission shall adopt Multi Year Tariff Framework for approval of ARR and expected revenue from Wheeling and Retail Supply Tariffs approved. The ARR shall be determined for each year of the Control Period.*

6.2 *The Multi Year Tariff framework shall be based on the following:*

- a. *Business Plan for the Wheeling and the Retail Supply Business of the Licensees for the entire Control Period to be filed before the Commission for approval, along with MYT Petition prior to the start of the Control Period or within such period as the Commission may direct;*
- b. *Licensees' forecast of expected ARR for each year of the Control Period, wheeling tariff and retail supply tariff for the first year of the ensuing Control Period, based*

on reasonable assumptions of the underlying financial and operational principles/parameters laid down under these Regulations, and on the basis of the Business Plan;

- c. Trajectory for specific parameters shall be prescribed by the Commission for improvement of Licensee's performance through incentives and disincentives;*
- d. Annual review of performance, which shall be conducted vis-à-vis the approved forecast and categorization of variations in performance into controllable and uncontrollable factors; and*
- e. Mechanism for sharing approved gains or losses on account of controllable and uncontrollable factors.*

1.2 Approach for MYT Petition

- 1.2.1 Regulation A24 of the JSERC Distribution Tariff Regulation, 2020 requires licensees to file its MYT Petition for the Control Period for FY 2021-22 to FY 2025-26 by 30th November 2020. In line with the aforesaid provision of the Distribution Tariff Regulation, 2020, TSUISL submitted its Business Plan and MYT Petition before Hon'ble Commission within the stipulated time frame of 30th November 2020 for the control period FY 2021-22 to FY 2025-26.
- 1.2.2 The projections for the Control Period FY 2021-22 to FY 2025-26 are based on the audited accounts available for FY 2016-17 to FY 2019-20 and the Annual performance Review of FY 2020-21 assuming 6 months actuals and 6 months estimates for FY 2020-21. The forecast of expected ARR for each year of the Control Period and wheeling tariff and retail supply tariff for the first year of the ensuing Control Period are based on reasonable assumptions of the underlying financial and operational principles/parameters laid down under the JSERC Distribution Tariff Regulations, 2020, and on the basis of the Business Plan for control period FY 2021-22 to FY 2025-26 as submitted before the Honourable Commission for approval. TSUISL requests the Hon'ble Commission to consider the same and process the MYT petition accordingly.
- 1.2.3 Further TSUISL would also like to submit that since detailed explanation and information regarding sales and power purchase projections, capital investment planning and man power/ HR planning for the control period FY 2021-22 to FY 2025-26 is already provided in the Business Plan, the same are not repeated/ reproduced in this MYT petition. However for the elements, where there have been certain changes in assumptions/ information of preceding year and which has substantial impact are discussed in detail in this MYT petition as well.

1.3 Sales, Consumers & Connected Load Projections for FY 2021-22 to FY 2025-26

- 1.3.1 The petitioner in the Chapter 4 “Demand & Sales Assessment” of the Business Plan has discussed in detail about the approach for sales, consumer number and load forecast for each of the consumer categories.
- 1.3.2 TSUISL is taking all endeavours towards expanding its network in rural area, however, the consumer numbers are not increasing at the expected pace. JBVNL is not very aggressive for bill recovery, which is convenient for rural consumers, and they are therefore not willing to switch to TSUISL network. Also, network extension works are difficult considering the forest clearances and other regulatory/ statutory requirements. Accordingly, TSUISL has taken a considerate view on year on year consumer addition numbers in the Domestic service category.
- 1.3.3 TSUISL 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.
- 1.3.4 Further, as per the directives of the Honourable Commission, in its Order dated 29th Sep 2020, TSUISL has merged sub categories of LTIS (Demand and installation based categories) into one and also the HTSS (High Tension Special Services) and HTIS as one category of Service ie ‘HTIS . Hence, TSUISL has projected its tariff categories with only “HTIS category of service only.
- 1.3.5 The consumer category wise projections of sales, consumer number and connected load as submitted in the Business Plan are reproduced herewith for the control period as follows:

Table 1: Total Projected Sales (MUs) – FY 2021-22 to FY 2025- 26

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

Projected Sales (MUs)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
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

Table 2: Projected Category-wise Consumers – FY 22 to FY 26

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 3: Total Connected Load – FY 2021-22 to FY 2025- 26

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

1.3.6 The Petitioner requests the Hon’ble Commission to approve above submissions for Number of Consumers, Connected Load and Sales for Control Period.

1.4 Energy Requirement

1.4.1 The projection for demand has been arrived by grossing up the above consumption projections with distribution loss. TSUISL 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. TSUISL has considered the distribution loss to increase from 2.35% in FY 2022 to 3.80% in FY 2026.

Table 4: Energy requirement and Energy balance for Control Period

	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
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

1.4.2 The power procurement plan for the above Energy Requirement is discussed in the next chapter.

1.5 Power Purchase

1.5.1 TSUISL will be procuring power from TSL (6.6kV, 132 kV) and DVC (33 kV, 132 kV) to meet its power requirement in the coming control period. Both DVC and Tata Steel are Distribution Licensees and show Energy sale to JUSCO as a part of its Energy Requirement and their cost also include RPO obligation.

1.5.2 However, due to the growth in consumer demand projections, the existing contracted capacities from DVC and Tata Steel may not be sufficient to meet the energy requirement of TSUISL in the ensuing years. Considering this, TSUISL has already initiated various measures to meet its additional energy purchase requirements for future:

- Apart from them, for DVC 132 kV Contract demand has been increased from 40 MVA to 50 MVA effective from 1st October 2020
- The Petitioner has already approached JUSNL for connectivity from Gamharia Grid Substation for sourcing of around 40MVA power.
- With the help of Power Research and Development Consultants parallel study is being undertaken along with (Petitioner’s Consultant) for developing a detailed

plan for power procurement from various sources in its area of operations. Prefeasibility studies on the same are also undertaken.

- 1.5.3 Further, TSUISL would like to intimate to the Hon'ble Commission that TSUISL has applied for one new source of power of 200 kVA from JBVNL at Seraikela town. This new connection is required, because in case of breakdowns / shutdowns / stoppage of power due to any external reasons, at least some emergency & critical power supply is fed to consumers. JUSCO's main substation is at Gamharia, which is 30 KM away from Seraikela town. This new source shall act as a backup for connections to Seraikela town's consumers, and this facility shall improve the reliability of the power supply to consumers of this area.
- 1.5.4 The Petitioner submits that the Petition to the Hon'ble Commission for Approval of Power Purchase Agreement for new power connection from JBVNL at Seraikela Town for 200 kVA for Tata Steel Utilities and Infrastructure Service Limited has been submitted vide letter no. PBD/390/ 59-J/09/2020 dated 17.06.2020. It has been registered as Case no. 18 of 2020. However, the approval of PPA from the Hon'ble Commission is on hold due to pendency of draft Power Purchase Agreement from JBVNL.
- 1.5.5 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.
- 1.5.6 However, as observed by the Honourable Commission in its Order dated, 19.06.2020, TSUISL is not liable to fulfil RPO. Therefore TSUISL has not considered any Renewable Power Purchase for meeting the Renewable Purchase Obligation as per JSERC RPO Regulation 2012.
- 1.5.7 The power procurement plan from above mentioned sources for the control period is tabulated below:

Table 5: Power Procurement Plan for 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`					
<i>at 33 kV</i>	120.00	120.00	120.00	120.00	120.00
<i>at 132 kV</i>	253.13	292.21	300.00	300.00	300.00
<i>From Others/Traders</i>		-	32.04	74.04	117.91
Total Pooled Energy Availability (Mus)	773.13	812.21	852.04	894.04	937.91

1.5.8 The total power purchase cost implications on the petitioner as Retail Supply Cost is provided in table below:

Table 6: Power Procurement Cost for Control Period

Power Purchase Cost	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	200.00	203.60	210.40	213.20	216.80
Damodar Valley Corporation`					
at 33 kV	51.69	53.24	54.84	56.49	58.18
at 132 kV	112.38	129.70	136.46	140.55	144.77
From Others/Traders	-	-	15.70	37.04	60.36
Total (Rs. Crores)	364.07	386.55	417.39	447.28	480.11
Per Unit Cost (Rs./Unit)	4.71	4.76	4.90	5.00	5.12

1.5.9 The petitioner requests the Hon'ble Commission to approve the total power purchase cost for the control period. Source wise details of power purchase cost was discussed in great detail in Chapter 5 of the Business plan submission.

1.6 Capital Investment Plan

1.6.1 The Petitioner in the chapter 6 of the Business Plan has provided the details of the Capital Investment Plan, Capitalization, Funding of Capital Expenditure and Computation of Depreciation for the Control Period.

1.6.2 TSUISL has made its capital investment plan commensurate with the demand growth projections for the control period from FY 2021-22 to FY 2025-26. The distribution network of TSUISL needs to be developed and strengthened to meet the growing demand of its consumers.

1.6.3 Hon'ble Commission had approved various schemes in MYT period FY 2015-16 to 2020-21. However, it was not possible for TSUISL to complete few of the approved schemes in all respect in the current MYT period due to delay in receipt of right of way permission from various agency like MOEF/ RCD/ Railway and general public for laying of power line & land for substation etc. Such schemes are proposed to be completed in this control period.

1.6.4 For the MYT period FY 2022-26, new capex schemes have been identified 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 substation with source identified by master plan study, introduction of new technology, infrastructure augmentation etc.

1.6.5 Petitioner has identified approximately 32 schemes for the control period with the estimated capex of. Rs. 191.4 crores.

Table 7: Identified Capital Expenditure schemes for the MYT Period FY 2021-22 to FY 2025-26

Sr. no	Schemes	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
1	Carry over schemes	8.2	1.7	0.0	0.0	0.0	9.89
2	New schemes (32)	31.6	48.4	52.3	39.6	19.5	191.44
3	Consumer Contribution during the year	3	3	3	3	3	15
Total Expenditure Plan (Rs. Cr.)		42.8	53.1	55.3	42.6	22.5	216.33

Table 8: Capitalization schedule for identified schemes (Summary) for MYT Period FY 2021-22 to FY 2025-26

Sr. no	Schemes	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
1	Carry over schemes	22.4	2.7	0.0	0.0	0.0	25.10
2	New schemes	22.59	40.56	47.39	51.11	29.77	191.42
3	Consumer Contribution during the year	3	3	3	3	3	15
Total Capitalization (Rs. Cr.)		47.99	46.26	50.39	54.11	32.77	231.52

1.6.6 In some of the schemes, there is a difference in schedule of capital expenditure and capitalization as Regulation 10.8 of JSERC Distribution Tariff Regulations, 2020. Due to difference in capital expenditure and capitalisation schedule, TSUISL has also factored in IDC component on normative debt in addition to capex amount and considered the same for calculating final capitalisation. Interest incurred on un-capitalisation of debt has been considered at 10% for next Control Period as per Regulation 10.26 of JSERC Distribution Tariff Regulations, 2020.

1.6.7 Summary of the capitalization schedule for the carry over and new schemes including the IDC charges is tabulated below. Scheme wise capitalization details of the carry over schemes and new schemes are provided in Annexure...

Table 9: Capitalization (including IDC) for the identified schemes during the MYT Period FY 2021-22 to FY 2025-26

Sr. no	Schemes	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
1	Carry over schemes	22.68	2.73	0.00	0.00	0.00	25.41
2	New schemes	23.01	41.51	49.46	52.62	30.40	197
3	Consumer Contribution during the year	3	3	3	3	3	15
Total Capitalization (Rs. Cr.)		48.69	47.24	52.46	55.62	33.4	237.41

1.6.1 **Only part of the identified Capex (Rs 25 Cr only) has been asked for approval..**

1.6.2 However, as per the past experience of the petitioner and difficulty in getting project executed on ground due to various permissions, Right of way issues and local issues, **the petitioner is proposing for an approval of only Rs. 25 crores capex every year in addition to the carry over schemes of last control period and consumer contribution funded schemes. Petitioner therefore requests the Honourable Commission for kind approval of capex up to Rs. 25 crores each year from the identified schemes being submitted along with the Petition. Once the Petitioner reaches the value of Rs 25 crores, the Petitioner will re-approach the commission for further approval of the additional capex.**

1.6.3 In addition there are certain network development schemes which are at forming stage for which cost estimation and preliminary feasibility is yet to be established. Petitioner will approach the Honourable Commission once any of such schemes are firmed up during the control period

Table 10: Capitalization considered for ARR computation for the MYT Period FY 2021-22 to FY 2025-26

Sr. no	Schemes	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
1	Carry over schemes	22.68	2.73	0.00	0.00	0.00	25.41
2	New schemes	25	25	25	25	25	125
3	Consumer Contribution during the year	3	3	3	3	3	15
Total Capitalization (Rs. Cr.)		50.68	30.73	28	28	28	165.41

1.6.1 The petitioner requests Hon’ble Commission to consider the above proposed capital expenditure and capitalisation.

1.7 Gross Fixed Assets

1.7.1 TSUISL has proposed scheme-wise capital expenditure and capitalisation of the assets in Table 7: Scheme-wise phasing of Capital Expenditure during the Control Period and Table 8: Scheme-wise phasing of Capitalisation during the Control Period during the control period. Further as required under Distribution Tariff Regulations 2020 and as per the Allocation Policy, TSUISL has segregated the opening gross fixed assets as on 1.4.2021. The wheeling assets are 90% and Retail Supply assets are 10% of the total GFA base. The table below provides the summary of the capital expenditure and capitalisation for control period:

Table 11: Summary of Capital Expenditure and Capitalisation for Control Period (Rs. Cr)

Particulars	FY 22	FY 23	FY 24	FY 25	FY 26
CWIP					
Opening CWIP	24.18	9.99	8.99	8.99	8.99
Add: Capex during year	36.49	29.73	28.00	28.00	28.00
Total CWIP	60.67	39.72	36.99	36.99	36.99
Less: Trfd to GFA	50.68	30.73	28.00	28.00	28.00
Closing CWIP	9.99	8.99	8.99	8.99	8.99
GFA					
Opening GFA	303.75	354.43	385.16	413.16	441.16
Add: Trfd from CWIP	50.68	30.73	28.00	28.00	28.00
Closing GFA	354.43	385.16	413.16	441.16	469.16

1.8 Consumer Contribution for Capital Expenditure

1.8.1 TSUISL submits The petitioner submits that the expected consumer contribution amount as on 31st March 2021, based on provisional data is Rs. 133.78 crore out of which Rs. 123.93 crore has been capitalized. The remaining amount (Rs. 9.85 crore) is at CWIP stage.

1.8.2 TSUISL based on its past experience has envisaged that certain consumers would opt for Self Financing Scheme and would like to create assets out of their own contribution in the next Control Period also. For the purpose of projection TSUISL has considered the estimated consumer contribution of Rs. 3 crores in each year of the Control Period, the entire capitalisation is assumed to be funded through capital contribution. The

average depreciation rate on assets added through consumer contribution is around 6.02%. The petitioner considering such average depreciation rate has projected the depreciation on account of consumer contribution. Such depreciation will then be deducted from the Gross Depreciation for the respective years to arrive at the Depreciation that would form a part of ARR of respective years.

- 1.8.3 The petitioner in the table below has presented the Consumer Contribution received, Consumer contribution capitalised and depreciation on Consumer Contribution booked during the previous years

Table 12: Summary of Consumer Contribution during the Control period

Particulars	FY 22	FY 23	FY 24	FY 25	FY 26
Opening Consumer Contribution Amount (received)	133.78	136.78	139.78	142.78	145.78
Add: Contribution for the year (received)	3	3	3	3	3
Closing Consumer Contribution Amount (received)	136.78	139.78	142.78	145.78	148.78
Consumer Contribution towards Opening GFA	123.93	126.93	129.93	132.93	135.93
Add: Contribution for the year towards GFA	3	3	3	3	3
Consumer Contribution towards Closing GFA	126.93	129.93	132.93	135.93	138.93
Opening GFA excluding Consumer Contribution	179.82	227.50	255.23	280.23	305.23
Closing GFA excluding Consumer Contribution	227.50	255.23	280.23	305.23	330.23

1.9 Funding of Capital Expenditure

- 1.9.1 Continuing with the past practice, TSL has calculated funding of GFA by Debt and Equity on basis of normative principles determined in JSERC Distribution Tariff Regulations 2020. The extract of the relevant regulations from JSERC Distribution Tariff Regulations 2020, regarding funding ratio is provided below:

“Debt-Equity Ratio

10.17 New Schemes – 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.”

- 1.9.2 Such funding principles were adopted by petitioner in the past and have been approved by Hon’ble Commission. Accordingly, TSL has considered a Debt Equity ratio of 70: 30 for funding its proposed capitalization.
- 1.9.3 Further, Regulation 10.11 of JSERC Tariff Regulation, 2020 also provides that amount funded through Consumer Contribution, Grants or Deposit Works for connection to the distribution system of the Licensee shall be deducted from the original cost of the scheme for the purpose of calculating the amount under debt and equity. As per the methodology given in Tariff Regulations, any GFA addition after deducting consumer contribution has been considered to be funded by TSL in a Debt: Equity ratio of 70:30.
- 1.9.4 Year wise addition in debt and Equity for next Control Period as per relevant provisions of JSERC Distribution Tariff Regulations, 2020 is tabulated below:

Table 13: Addition in Debt and Equity in Next Control Period (Rs. Crore)

Particulars	FY 22	FY 23	FY 24	FY 25	FY 26
Transferred To GFA during year	50.68	30.73	28.00	28.00	28.00
Capitalization from Consumer Contribution	3.00	3.00	3.00	3.00	3.00
GFA Addition (Debt & Equity)	47.68	27.73	25.00	25.00	25.00
Addition in Debt	33.37	19.41	17.50	17.50	17.50
Addition in Equity	14.30	8.32	7.50	7.50	7.50

1.10 Depreciation

- 1.10.1 Regulation 24 of the JSERC Distribution Tariff Regulation, 2020 provides that the Depreciation expense for a Distribution licensee shall be computed year on year on the original cost of the fixed assets as admitted by the Commission. In line with the provisions of the Regulations, TSUISL has computed depreciation annually on a straight line method.
- 1.10.2 Depreciation has been computed year on year on the average Gross Fixed Asset base of the licensee for the control period as discussed above. The methodology adopted for computation of gross depreciation is as follows:-
- Depreciation on the average Gross Fixed Asset base for each year of the Control period: TSUISL has considered an average depreciation rate of 6.02% (which is approximate average of last few years) to arrive at the year on year depreciation for the control period FY 2021-22 to FY 2025-26.

- Depreciation on Consumer Contribution- Distribution Licensee is entitled to avail depreciation on assets which have been commissioned from its own resources. It is therefore necessary to remove depreciation on assets funded by consumers. Regulation 24 of the JSERC Distribution Tariff Regulation, 2020 also provides that depreciation shall not be allowed on assets funded by Consumer Contribution and Capital Subsidies/Grants. Depreciation on account of consumer contribution has been arrived at in **Table 12: Summary of Consumer Contribution during the Control period** In accordance with the provisions of the JSERC Regulations, TSUISL has subtracted the depreciation against consumer contribution from the total depreciation on the asset base to arrive at the net depreciation to be claimed in the ARR.

1.10.3 The computation of net depreciation for the control period is provided below:

Table 14: Depreciation for Control Period (Rs Crs)

Particulars	FY 22	FY 23	FY 24	FY 25	FY 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 Year	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 account of Consumer Contribution	7.10	7.51	7.73	7.93	8.12
Net Depreciation for the year	12.72	14.76	16.31	17.80	19.30

1.10.4 The petitioner requests Hon'ble Commission to approve the Net Depreciation amount as presented in Table 14 above for the control period.

1.11 Operation and Maintenance Expenses

1.11.1 Operation and Maintenance Expenses of TSUISL includes salaries, wages, Administrative & General Expenses and Repairs & Maintenance Expenses.

1.11.2 As per Regulation 6.5 of JSERC (Terms & Conditions of Determination of Distribution Tariff) Regulations, 2020; O&M Expenses of a Distribution Licensee shall be determined by the following formula:

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

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) + Terminal Liabilities$$

Where,

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

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

$A\&G_n$ – Administrative and General Costs of the Licensee for the n^{th} year;

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

- 1.11.3 The R&M, Employee and A&G costs for “nth” year shall be indexed by using inflationary factors. The index will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year. As per Regulation 6.6 (c), Inflation Factor is calculated by giving 55% weightage to the CPI index and 55% weightage to the WPI index as per the following formula.

$$INDX_n = 0.55 * CPI_n + 0.45 * WPI_n$$

- 1.11.4 In line with the above formula, the inflation factor for the Control Period works out as follows:

Table 15: Inflation Factor for WPI & CPI

Period	WPI	CPI	Total
Weightage	0.45	0.55	1.00
Avg Indexation for FY 19-20	121.80	322.50	
Avg Indexation n-1 (Index * Wt.)	54.81	177.38	232.19
Avg Indexation for FY18-19	119.79	299.92	
Avg Indexation n (Index * Wt.)	53.91	164.95	218.86
Combined Inflation (Indxn/Indxn-1)	6.09%		

- 1.11.5 As per the provisions of the JSERC Distribution Tariff Regulations, 2020, TSUISL has used the same $INDX_n / INDX_{n-1}$ value for all years of the control period for the purpose of estimation. However, TSUISL understands that the Honorable Commission will consider the actual values in the $INDX_n / INDX_{n-1}$ 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.

- 1.11.6 The month wise WPI data from office of economic advisor and CPI data from Bureau of Labour statistics for FY 2018-19 and FY 2019-20 has been provided at **Annexure 3** of this document.

1.12 Repairs and Maintenance Expenses

- 1.12.1 As per Regulation 10.6 (a) of the Distribution Tariff Regulation, 2020, **Repair & Maintenance** cost of the licensee is to be calculated as follows:

$$R\&M_n = K * GFA * (INDX_n / INDX_{n-1})$$

Where,

- 'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will 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;

'K' Factor

- 1.12.2 The Commission has provided in the regulation to compute R&M expenses in relation to the Gross Fixed Assets by arriving at the 'K' Factor as per the figures of FY 2019-20 i.e. preceding year of base year (FY2020-21).
- 1.12.3 The Tariff Regulation also provides for indexation of R&M expense using inflationary indices as discussed above. The combined inflationary factor of 6.09% has been considered for year on year projection of R&M expense.
- 1.12.4 The Tariff Regulations also need to make provision for statutory increases like wages & labour charges, service tax levy, taxes & duties etc. while allowing the R&M expenses for the period FY 2021-22 to FY 2025-26 with respect to base year. It is submitted that such kind of increases has direct impact on the expenses of the company which are not in the control of the company.
- 1.12.5 The 'K' factor considered for the entire Control Period is 5.04%. Based on the foregoing paragraphs, the R&M expense for the Control Period is shown in the table below.

Table 16: R&M Expenses for Control Period

Particulars	FY 22	FY 23	FY 24	FY 25	FY 26
Repairs & Maintenance Expenses					
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%
Total R&M Expenses	10.63	13.16	15.17	17.26	19.56

- 1.12.6 The petitioner requests the Hon'ble Commission to approve the same as per submissions.

1.13 Employee and A&G expenses

- 1.13.1 As per Regulation 10.6 (b), **Employee and A&G cost** of the licensee area is calculated as follows:

$$EMP_n + A\&G_n = (EMP_{n-1} + A\&G_{n-1}) * (INDX_n / INDX_{n-1}) + G_n$$

Where,

- *INDX_n is the Inflation factor to be used for indexing the employee cost and A&G cost.*
- *G_n is the Increase in Employee Expenses in nth year and it can be greater than or lesser than 0 based on the actual performance. Values of G_n shall be determined by the Commission in the MYT order for meeting the additional manpower requirement based on distribution Licensees filing, benchmarking and any other factor that the Commission feels appropriate...*

1.13.2 As discussed in the Business Plan, TSUISL has envisaged an additional manpower recruitment of 17 nos. arising out of new functional requirement and 102 nos. of manpower for Capital Execution and O&M of new network constructed through the capital expenditure plans.

1.13.1 Petitioner would like to submit that these additions are commensurate to the proposed network addition during the control period. Petitioner further submits that employees are to be recruited well in advance (approx. 6 months to one year) to enable them to acquire requisite field information, training and knowledge before they start delivering the service. Further network assets created and employee recruited for O&M of these network will also serve the future consumer in those areas.

1.13.2 The additional cost due to recruitment of additional manpower has been considered in the Employee expense at the prevailing average cadre/ designation wise CTC levels and escalated at the inflationary indices approved by the Hon'ble Commission in its Distribution Tariff Regulation, 2020.

Table 17: Additional Manpower Cost (Rs Crs)

Particulars	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Managerial Manpower	15	6	2	0	0	23
Supervisory / O level Manpower	5	19	1	2	0	27
ITI Workmen	15	26	14	7	7	69
Total	35	51	17	9	7	119
Year on year man power addition cost impact (INR Crores)	2.98	3.77	1.24	0.65	0.51	9.16

1.13.3 Based on the above, the total employee expenditure considering inflation factor, increase in connected load and additional man power for each year of the Control period is as presented in the table below:-

Table 18: Employee Expense for Control Period (Rs Crs)

Particulars	FY 22	FY 23	FY 24	FY 25	FY 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 - Crs	19.31	25.51	29.90	34.25	39.11

1.13.4 The Administrative & General (A&G) Expenses consists of Billing & Collection expenses, electricity surcharge, rates, taxes and consultancy fees. The A&G expense for the control period computed as per regulations is shown below:

Table 19: A&G Expense for Control Period

Particulars	FY 22	FY 23	FY 24	FY 25	FY 26
A & G Expenses- base year	4.75	5.65	6.36	7.14	8.03
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%
A & G Expenses	5.65	6.36	7.14	8.03	9.04

1.14 Net Operation & Maintenance Expenses

1.14.1 Based on the foregoing paragraphs, the net O&M expenses for the control period is as follows:

Table 20: Net O&M Expenses for Control Period

Particulars	FY 22	FY 23	FY 24	FY 25	FY 26
Total R&M Expenses	10.63	13.16	15.17	17.26	19.56
Total Employee Expenses	19.31	25.51	29.90	34.25	39.11
Total A&G Expenses	5.65	6.36	7.14	8.03	9.04
Total O&M Expenses	35.59	45.02	52.22	59.54	67.71

1.15 Interest on Normative Loan

1.15.1 The opening debt for FY 2021-22 has been considered equal to closing value of FY 2020-21 as submitted above in chapter regarding APR for FY 2020-21 in accordance with the Regulation 10.22 of the JSERC Tariff Regulations, 2020.

1.15.2 Annual addition in Debt for next Control Period has been considered as calculated in Table 13 above

1.15.3 In line with the Regulation 10.23 of the JSERC Tariff Regulations, 2020 repayment of loan for MYT Control Period has been considered equal to net Depreciation as calculated above in Table 14 above.

1.15.4 Further, the rate of interest on long-term loan, has been considered as prevailing Marginal Cost of Lending Rate of SBI plus 200 basis points as per Regulation 10.26 of the JSERC Distribution Tariff Regulations, 2020. Interest cost thus calculated vis-à-vis as approved by the Hon'ble Commission is provided in the table below.

Table 21: Interest & finance charges of TSUISL for MYT Control Period

Particulars	FY 22	FY 23	FY 24	FY 25	FY 26
Opening Balance	37.11	57.76	62.41	63.61	63.31
Addition	33.37	19.41	17.50	17.50	17.50
Repayment	12.72	14.76	16.31	17.80	19.30
Closing Balance	57.76	62.41	63.61	63.31	61.51
Average Loan	47.44	60.09	63.01	63.46	62.41
Rate of Interest	9.00%	9.00%	9.00%	9.00%	9.00%
Interest Cost	4.27	5.41	5.67	5.71	5.62

1.15.5 It is requested that the Hon'ble Commission may approve the interest and finance charges as submitted by the Petitioner.

1.16 Return on Equity

1.16.1 The Petitioner has considered the opening balance of normative equity for FY 2021-22 as per the closing balance for the FY 2020-21 as submitted above in chapter regarding APR for FY 2020-21.

1.16.2 Annual addition in Equity for next Control Period has been considered as calculated in Table 13 above

1.16.3 Further, the rate of Return on Equity (RoE) is considered to be 14.5 % as per the provisions of Regulation 10.19 of JSERC Distribution Tariff Regulations, 2020

1.16.4 The return on equity is provided in the table below for kind consideration of Hon'ble Commission

Table 22: Return on equity of TSUISL for MYT Control Period (Rs. Crore)

Particulars	FY 22	FY 23	FY 24	FY 25	FY 26
Opening Balance	51.34	65.64	73.96	81.46	88.96
Addition	14.30	8.32	7.50	7.50	7.50
Closing Balance	65.64	73.96	81.46	88.96	96.46
Average Equity	58.49	69.80	77.71	85.21	92.71
Rate of Equity	14.50%	14.50%	14.50%	14.50%	14.50%
Return On Equity	8.48	10.12	11.27	12.36	13.44

1.16.5 Accordingly, TSUISL submits to the Hon’ble Commission to approve the Return on Equity as submitted for the Control Period.

1.17 Interest on Working Capital – Wheeling Business

1.17.1 The JSERC Distribution Tariff Regulation, 2020 provides the following with respect to computation of Interest on Working Capital for Wheeling Business:

“10.30 Working capital for the Wheeling Business of electricity for the Control Period shall consist of:

- 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.”*

10.32 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.”

1.17.2 TSUISL has arrived at the Working Capital requirement based on the provisions of the JSERC Distribution Tariff Regulations, 2020 as cited above. The Normative Interest on this Working Capital has been computed on the prevailing Bank rate as on 30th September, 2020 plus 350 basis points. The detailed computation of IOWC for the wheeling business is shown in the table below:

Table 23: Interest on Working Capital – Wheeling Business

Interest on Working capital - Wheeling Function	Control Period				
	FY 22	FY 23	FY 24	FY 25	FY 26
Maintenance Spares - 1% of Opening Wheeling GFA	2.73	3.19	3.47	3.72	3.97
Expected Revenue from Wheeling Supply Charges - 2 Months	7.97	11.96	13.39	14.80	16.30
Less:					
Less: Security Deposits for Wheeling	-	-	-	-	-
Total Working Capital	10.70	15.15	16.85	18.52	20.27
Rate of Interest on Working Capital - SBI base Rate +3.5%	10.50%	10.50%	10.50%	10.50%	10.50%
Total Interest on Working Capital	1.12	1.59	1.77	1.94	2.13

1.17.3 Accordingly, TSUISL submits to the Hon’ble Commission to approve the Interest on Working Capital for wheeling business for control period.

1.18 Interest on Working Capital – Retail Supply Business

1.18.1 The JSERC Distribution Tariff Regulation, 2020 provides the following with respect to computation of Interest on Working Capital for Retail Supply Business:

“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.”

1.18.2 TSUISL has arrived at the Working Capital requirement based on the provisions of the JSERC Distribution Tariff Regulations, 2020 as cited above. The Normative Interest on this Working Capital has been computed on the prevailing Bank rate as on 30th September, 2020 plus 350 basis points. The detailed computation of IOWC for the wheeling business is shown in the table below:

Table 24: Interest on Working Capital for Control Period – Retail Supply Business

Interest on Working capital - Supply Function	Control Period				
	FY 22	FY 23	FY 24	FY 25	FY 26
Maintenance Spares - 1% of Opening Supply GFA	0.30	0.35	0.39	0.41	0.44
Expected Revenue from Retail Supply Charges - 2 Months	64.28	70.92	76.74	82.42	88.65
Less:					
Power Purchase Cost - 1 Month	30.34	32.21	34.78	37.27	40.01

Interest on Working capital - Supply Function	Control Period				
	FY 22	FY 23	FY 24	FY 25	FY 26
Security Deposits for Supply	77.17	79.93	82.36	84.92	87.64
Total Working Capital	(42.93)	(40.86)	(40.01)	(39.36)	(38.55)

1.18.3 Since the working capital requirement of TSUISL is negative for Retail Supply Business, TSUISL has not projected any interest on working capital to be recovered through ARR during the Control Period FY 2021-22 to FY 2025-26.

1.19 Interest on Security Deposit

1.19.1 The JSERC Distribution Tariff Regulation, 2020 provides the following with respect to computation of Interest on Security Deposit:

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

1.19.2 Apart from the security deposit received in cash, TSUISL also receives security deposit in the form of Bank Guarantee (BG) as per provision 8.2.20 of Supply Code Regulations 2015.

“..8.2.20 The Consumer whose total amount of Security Deposit exceeds Rs. 10 Lacs may, at his option, furnish irrevocable Bank Guarantee from a nationalized or scheduled commercial Bank initially valid for a period of two years. It shall be the responsibility of the consumer to keep the Bank Guarantee valid at all times and to renew the Bank Guarantee at least 2 months prior to its expiry.”

1.19.3 In accordance with the above regulation, TSUISL assumes that most of the Industrial consumers will furnish Security Deposit in the form of BG.

1.19.4 The JSERC Supply code regulation, 2015 states the following with regards to interest on Security deposit is as represented below:

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.

1.19.5 The petitioner has computed security deposit additions for the control period in proportion to increase in connected load for that relevant year and assuming that most of the Industrial consumers will furnish Security Deposit in the form of BG. The Interest on Security Deposits by considering an interest rate of 7.4% during the Control Period is provided in the table below:

Table 25: Interest on Security for Control Period

Particulars	Control Period				
	FY 22	FY 23	FY 24	FY 25	FY 26
Opening Security Deposit	77.17	79.93	82.36	84.92	87.64
Security Deposit Received	2.75	2.43	2.56	2.72	3.39
Closing Security Deposit	79.93	82.36	84.92	87.64	91.02
Average Security Deposit	78.55	81.14	83.64	86.28	89.33
Rate of Interest : SBI Base Rate	7.40%	7.40%	7.40%	7.40%	7.40%
Interest on Security Deposit	5.81	6.00	6.19	6.38	6.61

1.19.6 The Hon'ble Commission is requested to approve the Interest on security deposits for control period.

1.20 Non-Tariff Income

1.20.1 The Non-Tariff income for TSUISL primarily consists of income against Delayed payment surcharge and meter rent. However, going forward, the Honble Commissioned has abolished the meter rent from the NTI. Also, there are lots of incentives provided to the consumers in the form of rebate on online and prompt payment, it is envisaged that the consumers will pay bill on time. Further, there is also a reduction in the DPS rate, accordingly, TSUISL has considered NTI at Rs. 20 lakhs for the control period. However, it will depend on the actual payment pattern of the consumers.

Table 26: TSL Non-Tariff Income for MYT Control Period (Rs. Crore)

Particulars	FY 22	FY 23	FY 24	FY 25	FY 26
Opening Balance	0.20	0.20	0,20	0.20	0..20

1.21 DSM Expenses

1.21.1 TSUISL envisages to incur approximately ₹ 60 lacs in each year of the Control Period against DSM expenses. It is requested to the Hon'ble Commission to kindly approve the same.

1.22 CGRF Expenses

1.22.1 TSUISL has envisaged that approximately 30 lacs would be incurred in FY 2021-22 against the CGRF expenses with a year on year escalation of 6.02%. It is requested to the Hon'ble Commission to kindly approve the same.

2. AGGREGATE REVENUE REQUIREMENT FOR THE CONTROL PERIOD (FY 2022 TO FY 2026)

This chapter summarises the aggregate revenue requirement for the control period FY 2021-22 to FY 2025-26 and also provides the break-up into Wheeling and Supply business.

2.1 Average Revenue Requirement for Control Period

Based on the allocation policy, the summary of the ARR for control period is provided in the table below:

Table 27: ARR for Control Period

ARR		FY 22	FY 23	FY 24	FY 25	FY 26
Sr. No.	Particulars	Projected	Projected	Projected	Projected	Projected
1	Total Power Purchase Expense	364.07	386.55	417.39	447.28	480.11
2	O&M Expenses	35.59	44.27	50.53	56.74	63.59
2.1	<i>Employee Expense</i>	19.31	25.51	29.90	34.25	39.11
2.2	<i>Administration & General Expense</i>	5.65	6.36	7.14	8.03	9.04
2.3	<i>Repair & Maintenance Expense</i>	10.63	12.40	13.48	14.46	15.44
3	Depreciation	12.72	14.76	16.31	17.80	19.30
4	Interest on Long Term Loan	4.27	5.41	5.67	5.71	5.62
5	Interest on Working Capital Loan	1.12	1.34	1.49	1.62	1.76
6	Interest on Consumer Security Deposit	5.81	6.00	6.19	6.38	6.61
7	Return on Equity Capital	8.48	10.12	11.27	12.36	13.44
8	Other expenses (DSM, CGRF etc.)	0.90	0.92	0.94	0.96	0.98
9	Total Expenditure	432.96	469.36	509.78	548.85	591.41
10	<i>Less: Non-Tariff Income</i>	0.20	0.20	0.20	0.20	0.20
11	Net: Aggregate Revenue Requirement	432.76	469.16	509.58	548.65	591.21

2.2 Segregation of ARR into Retail and Wheeling Business

2.2.1 The Regulation 6.8 of the JSERC Distribution Tariff Regulations 2020, requires the distribution licensee to segregate its ARR into wheeling and retail supply business, as reproduced hereunder:

“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;”

2.2.2 The ARR of TSUISL for FY 2021-22 has been segregated , as per JSERC Distribution Tariff Regulations as per below Table:

2.2.3 The summary of segregation of various components of ARR into wheeling and retail supply business is provided in the table below.

Table 28: ARR Components into Wheeling and retail business

Particulars (Rs. Cr.)	Share of Retail Supply	Share of Wheeling Business
	%age	%age
O&M Cost		
<i>Employee cost</i>	40%	60%
<i>A&G Expense</i>	50%	50%
<i>R&M Cost</i>	10%	90%
Power purchase (Inc. PGCIL)	100%	0%
Interest Cost	10%	90%
Interest on working capital	90%	10%
Depreciation	10%	90%
Return on Equity	10%	90%
Provision for bad debts	100%	0%
Less: Other income	90%	10%

2.2.4 Considering the general principles of segregation of above heads into wheeling and retail supply business as provided in JSERC Distribution Tariff Regulations, 2020 TSUISL has considered different ratio to Wheeling Business and retail supply business based on the nature of heads. Based on above, the segregated ARR of Retail supply business and wheeling business for FY 2021-22 has been provided below:

Table 29: ARR Components for Retail business for FY 2021-22

Particulars	FY 2021-22 (Rs. Cr.)
Power purchase	364.07
O&M Cost	11.61
<i>Employee cost</i>	7.72
<i>A&G Expense</i>	2.82
<i>R&M Cost</i>	1.06
Depreciation	1.27
Interest on Long Term Loan	0.43
Interest on Working Capital Loan	1.01
Interest on Consumer Security Deposit	5.81
Return on Equity Capital	0.85
Other Expenses	0.45
Less: NTI	0.18
Total ARR required	385.32

Table 30: ARR Components into Wheeling business for FY 2021-22

Particulars	FY 2021-22 (Rs. Cr.)
Power purchase	-
O&M Cost	23.98
<i>Employee cost</i>	11.59
<i>A&G Expense</i>	2.82
<i>R&M Cost</i>	9.57
Depreciation	11.45
Interest on Long Term Loan	3.84
Interest on Working Capital Loan	0.11
Interest on Consumer Security Deposit	-
Return on Equity Capital	7.63
Other Expenses	0.45
Less: NTI	0.02
Total ARR required	47.44

3. REVENUE GAP TILL FY 2021-22

3.1 Cumulative Gap / (Surplus) till FY 2020-21

3.1.1 Based on the Revenue Gap for FY 2016-17, FY 2017-18 and FY 2018-19 as approved in previous tariff orders and the submissions of FY 2019-20 and FY 2020-21 in the FY 2019-20 True up and FY 2020-21 APR petition, the cumulative revenue gap/ (surplus) till FY 2020-21 as per the methodology adopted by the Hon'ble Commission is presented in the table below:

Table 31: Cumulative Revenue Gap/ (Surplus) till FY 2020-21

Particulars (All figures in Rs. Cr.)	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening Revenue Gap/(Surplus) as on 1 April of FY	20.45	7.52	(8.70)	(5.81)	18.37
Revenue Gap/ (Surplus) created during the year	(12.15)	(15.26)	3.72	23.44	44.40
Rate of Interest	12.80%	12.60%	12.20%	12.55%	11.65%
Carrying Cost on Opening Gap/(Surplus)	-	-	(1.06)	(0.73)	2.14
Carrying cost on Gap/(Surplus) created during the FY	(0.78)	(0.96)	0.23	1.47	2.59
Total Gap/(Surplus) including carrying cost	7.52	(8.70)	(5.81)	18.37	67.50

3.1.2 The Petitioner also submits that it has submitted Review Petition to Hon'ble Commission vide letter no. PBD/2038 /59-J/09/2020 dated 06.11.2020. In this review petition, the petitioner has raised the following three points: three points.

- i. Review of R&M and A&G expenses approved for FY 2018-19,
- ii. Review of capitalization of Capital contribution considered by the Hon'ble Commission while determining addition to normative equity and normative loan for FY 2018-19, and
- iii. Review of rate of Carrying cost considered on opening revenue surplus for FY 2018-19.

3.1.3 ON the certain disallowance of costs in the True-up orders for FY 2016-17 and FY 2017-18 petitioner has made an Appeal.

3.1.4 The petitioner humbly requests the Hon'ble Commission to kindly consider the outcome of the aforementioned review /appeal petition, while deciding upon the revenue gap / (surplus) for the period.

3.2 Standalone and Cumulative Gap till FY 2021-22

3.2.1 As part of calculating stand-alone revenue gap of FY 2021-22, TSUISL has calculated revenue which is expected to be billed at existing tariff (approved vide T.O dated 29th

Sep'2020) and at projected Energy Sales, Connected Load and number of consumers as projected in Business Plan for FY 2021-22. Rebate and Surcharges are considered in line with the rebate availed by consumers in FY 2019-20 by each category, as it also has component of load factor, power factor and voltage rebate which is dependent upon their consumption pattern. However the impact of load factor rebate on full units rather than incremental units and additional rebate for online payment up to 1% in the recent tariff order effective from 01.10.2020 has adversely impacted (approx.. Rs 12 Cr/Year) the petitioner's revenue. The same has also been factored while computing the rebates and surcharges at existing tariff.

Table 32: Revenue from Existing Tariff from FY 2021-22

Consumer Category	No. of Consumers	Connected Load- KVA*	Sales (MUs)	Demand Charges	Demand Charge Unit	Variable Charges	Variable Charge Unit	Fixed Charges (Rs. Cr)	Energy Charges (Rs. Cr)	Penalty/ Rebate (Rs. Cr)	Total Revenue (Rs. Cr)
Domestic Rural & Urban	6,019	42,998	24					0.49	7.05	0.05	7.59
LT Rural	785	1721	0.98	15.00	Rs/Conn/mth	2.50	Rs/kwh	0.01	0.25	0.01	0.27
LT Urban	5,234	41277	22.68	75.00	Rs/Conn/mth	3.00	Rs/kwh	0.47	6.80	0.05	7.32
Domestic Service - DSHT	36	8908	9.49	75.00	Rs./kVA/month	2.75	(Rs/kVAh)	0.68	2.35	0.01	3.04
CS - Rural	69	487	0.29					0.01	0.07		0.08
Commercial Below 5 kW	58	154	0.08	15.00	Rs/Conn/mth	2.50	Rs/kwh	0.00	0.02		0.02
Commercial Above 5 Kw	11	334	0.21	25.00	Rs./kW/month	2.50	Rs/kwh	0.01	0.05		0.06
CS - Urban	1,072	10691	8.57					1.32	3.13	-0.04	4.40
Commercial Below 5 kW	762	2,150	1.27	15.00	Rs/Conn/mth	2.50	Rs/kwh	0.01	0.32		0.33
Commercial Above 5 kW	310	8,541	7.30	150.00	Rs./kW/month	3.85	Rs/kwh	1.31	2.81	-0.00	4.12
LTIS	309	16174	14.28	150.00	Rs./kVA/month	4.05	(Rs/kVAh)	2.47	5.21	0.24	7.93
HTS	323	235671	698.69	300.00	Rs./kVA/month	4.45	(Rs/kVAh)	72.12	296.11	-23.44	344.79
Temporary services	1	2	0.01		Rs./kVA/month			-	-		
Total	7,829.00	3,14,930.85	754.99					77.09	313.92	-23.18	367.83

3.2.2 Considering revenue at existing tariff for FY 2021-22 as calculated above and projected ARR for FY 2021-22, standalone and cumulative revenue gap for FY 2021-22 at existing tariff is tabulated below:

Table 33: Cumulative Revenue Gap till FY 2021-22 at Existing Tariff (Rs. Crore)

Particulars	FY 2021-22
ARR for FY 2021-22	432.76
Revenue from Sales at Approved Tariff	367.83
Standalone Gap/(Surplus) for FY 2021-22	64.93
Closing Gap/(Surplus) till FY 2020-21	67.50
Interest on Closing Gap/(Surplus) till FY 2020-21	7.09
Interest on Gap/(Surplus) during FY 2021-22	3.41
Cumulative-Gap/(Surplus) till FY 2021-22	142.93

3.2.3 Petitioner would like to submit that such accumulation of revenue gap has happened due to deferment of tariff increase in the past due to various reasons. Such accumulation of revenue Gap not only affects the financial viability and sustainability of the entire system; but also puts burden of carrying cost on the consumers of the Licensee.

3.2.4 The last effective tariff increase of TSUISL happened in June'2018. Thereafter in subsequent orders Hon'ble Commission primarily focussed on tariff simplifications . TSUISL always maintained a balanced approach while proposing the tariff increases in the past. If proposed tariff would have been considered in previous years, building up of such gaps could have been avoided and the current Gap could have been liquidated by only marginal increase in tariff.

3.2.5 Petitioner would like to communicate that in the last tariff order effective 01.10.2020, Hon'ble Commission did several changes in the rebates and surcharge. Some of the changes have adversely impacted the revenue of the petitioner.

3.2.5.1 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.

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

3.2.5.3 **Load Factor Reate 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 cosumers , 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 aan urgent need to review this and allow the Load Factor rebate only on incremental units above 50%.

All these (mostly LF rebate) have led to effectively decrease in TSUISL tariff by approx 5% w.e.f 01.10.2020. Though the benefit of such decrease is going onlyo to very select consumers, petitioners revenue is adversely impacted by this change. These is an ugent need to correct these provisions.

3.2.6 MultiYear tariff regulations focus on cleaning the balance sheet, liquidation of the regulatory assets and improve the financial status of the distribution companies without compromising on the interest of the consumers. Liquidation of regulatory asset is therefore essential to ensure the financial health of distribution companies, which ensures quality power supply to consumers. TSUISL envisages to recover the Revenue gap through tariff increase in subsequent years.

4. TARIFF PHILOSOPHY

4.1 Increase in Tariff

- 4.1.1 Cumulative Revenue Gap till FY 2021-22 if existing tariff is retained for FY 2021-22 would reach Rs 142.93 crore as calculated in **Table 33: Cumulative Revenue Gap till FY 2021-22 at Existing Tariff** (Rs. Crore).
- 4.1.2 The Honourable Commission may kindly consider that the accumulated Revenue Gap till FY 2021-22 at existing tariff is primarily due to **zero to negative** tariff hike for TSUISL consumers in the past. Further, the Hon'ble Commission vide its Order dated 29th September 2020, has increased all the rebates offered to consumers significantly while reducing late payment surcharge as cited below (details cited in the table below).
- 4.1.3 The Additional rebates and relaxation in penalty has adversely impacted the revenue realization for TSUISL (Average Tariff in FY 2019-20 – Rs 5.48/Unit, FY2020-21-Rs 5.52/Unit, FY2020-22 (@approved)-Rs 4.87/Unit). Considering that the Hon'ble Commission has almost kept the tariff at the same level for TSUISL over past few years, the financials of the Petitioner is under tremendous stress. The increased tariff rebates without any increase in tariffs have increased the revenue gap of TSUISL considerably.

Rebate/Surcharge	Before 01 st October, 2020	After 01 st October, 2020																				
Voltage Factor Rebate	<p>Voltage rebate to the High Tension consumers will be applicable on the energy charges as given below:</p> <table border="1"> <thead> <tr> <th>Consumer Category</th> <th>Voltage Rebate</th> </tr> </thead> <tbody> <tr> <td>HTIS-33 kV</td> <td>3.00%</td> </tr> <tr> <td>HTIS-132 kV</td> <td>5.00%</td> </tr> <tr> <td>HTSS-220 kV</td> <td>5.50%</td> </tr> <tr> <td>HTSS-400 kV</td> <td>6.00%</td> </tr> </tbody> </table>	Consumer Category	Voltage Rebate	HTIS-33 kV	3.00%	HTIS-132 kV	5.00%	HTSS-220 kV	5.50%	HTSS-400 kV	6.00%	<p>Voltage Rebate to be applicable on Demand and Energy Charge as per the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time at the rate given below</p> <table border="1"> <thead> <tr> <th>Consumer Category</th> <th>Voltage Rebate</th> </tr> </thead> <tbody> <tr> <td>HTIS-33 kV</td> <td>3.00%</td> </tr> <tr> <td>HTIS-132 kV</td> <td>5.00%</td> </tr> <tr> <td>HTSS-220 kV</td> <td>5.50%</td> </tr> <tr> <td>HTSS-400 kV</td> <td>6.00%</td> </tr> </tbody> </table>	Consumer Category	Voltage Rebate	HTIS-33 kV	3.00%	HTIS-132 kV	5.00%	HTSS-220 kV	5.50%	HTSS-400 kV	6.00%
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Load Factor	Load Factor Rebate																					
40%-60%	Nil																					
60%-70%	7.50%																					
70%-100%	10.00%																					
Prompt Payment Rebate	<p>The due date for making payment of energy bills or other charges shall be as stipulated in the JSERC (Supply Code) Regulations, 2015 and its amendments which is presently minimum 15 days after issue date of bill for</p>	<p>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.</p>																				

	LT Domestic, Commercial and Agriculture category and minimum 21 days after issue date of bill for other categories. Rebate of 0.5% on the billed amount for payment of the bills within ten (10) days of issue date of bill for all the category of consumers shall be allowed	Further, additional 1.00% rebate shall be allowed if the bills are paid in full within the due date through online web portal or any digital methods.
Prompt Online Rebate	To motivate the consumers to make online payment of the bills through online web portal or digital methods, a rebate of 1% of the billed amount in addition to rebate @ 0.5% for prompt payment, shall be allowed. However, online payment rebate shall be applicable if the consumer makes full payment of the bill within due date.	
Interest on Delayed Payment	The Delayed Payment Surcharge will be levied for all consumers at the rate of 1.5% per month and part thereof for all consumer categories	The Delayed Payment Surcharge will be at the rate of 1.00% per month chargeable proportionately

4.1.4 Accordingly, TSUISL submits that appropriate and immediate tariff hike is inevitable for sustainable operations of TSUISL. TSUISL has therefore proposed a tariff hike of approximately 30% in FY 2021-22 over existing tariff as issued by Hon'ble Commission vide Order dated 29th Sep'2020 to bridge the accumulated revenue gap.

4.1.5 The Tariff hike is proposed with an idea to bring the tariffs for individual categories closer to the cost of supply. The resultant tariff increase would lead to reduction in revenue gap by the end of FY 2021-22 as shown in the table below. However, TSUISL submits that the balance gap of Rs. 25.60 crores shall still remain and shall be recovered in subsequent years of the control period.

Table 34: Cumulative Revenue Gap till FY 2021-22 at Existing and proposed Tariff (Rs. Crore)

Particulars (All figures in Rs. Cr.)	FY 2019	FY 2020	FY 2021	FY 2022 (@ approved Tariff)	FY 2022 (@ Proposed Tariff)
Opening Revenue Gap/(Surplus) as on 1 April of FY	(8.70)	(5.81)	18.37	67.50	67.50
Revenue Gap/ (Surplus) created during the year	3.72	23.44	44.40	64.93	-46.54
Rate of Interest	12.20%	12.55%	11.65%	10.50%	10.50%
Carrying Cost on Opening Gap/(Surplus)	(1.06)	(0.73)	2.14	7.09	7.09
Carrying cost on Gap/(Surplus) created during the FY	0.23	1.47	2.59	3.41	-2.44
Total Gap/(Surplus) including carrying cost	(5.81)	18.37	67.50	142.93	25.60

4.2 Tariff Rationalisation: The proposed tariff is based on the following tariff rationalisation.

- 4.2.1 Hon'ble Commission in Previous T.O dated 29.09.2020 has greatly increased load factor rebate by making it applicable on cumulative units rather than incremental units above the cut-off value. TSUISL is facing very high revenue loss (~Rs. 12 crore) due to the same.
- 4.2.2 Moreover, there is no marked increase in Load factor of HT consumers (with low load factors) pursuant to increase in Load Factor Rebate. Industrial units which used to 3 shifts and therefore have higher load factor are the only getting the maximum rebate, while the cost of the same will have to be paid by the others who are already having low load factor. Some of the industries are availing 10% to 15% rebate on their energy charge and demand charge which results in significant revenue loss for TSUISL. TSUISL has proposed that Load Factor Rebate should be made applicable on incremental units consumed by consumers above cut-off level (50%) and not on cumulative units consumed. Giving LF rebate on cumulative units also drives inefficiency and wastage in the system. TSUISL humbly submits that the current revenue gap at the proposed tariff has been computed based on the assumption that the Honourable Commission will consider Load Factor rebate on incremental basis. In case the Honourable Commission continues with Load Factor rebate on cumulative basis, it will have a further adverse impact on the revenue gap.
- 4.2.3 **Tariff Increase in domestic and commercial category:** Existing average tariffs for domestic and consumer category is highly cross-subsidized and also much lower than the average cost of supply. The current Tariff is ineffective in bringing out efficient use of electricity, hence the Petitioner has tried to align the tariffs closer to Average cost of Supply.
- 4.2.4 Further, TSUISL submits that since Domestic Tariff is subsidised, it should not be used for commercial purposes. Hon'ble 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 TSUISL proposes 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.
- 4.2.5 Accordingly, tariff increase/ rationalisation has been proposed for different consumer categories.
- 4.2.6 As per the existing supply code regulation in the State all new consumer connections are to be provided with appropriate meter (Ref. Clause 5.4.3(e) of JSERC Electricity Supply

Code, Regulations, 2015). In view of the same no tariff is proposed under the unmetered category.

4.2.7 Under HT category, penalty for exceeding Contract Demand continuously for three months in a year is proposed to be levied at 200% in place of existing 150%.

4.2.8 In schedule for Miscellaneous Charges, no changes have been proposed.

4.2.9 Thus, the tariff increase has been proposed to ensure that the cumulative revenue gap for the petitioner is further reduced by the end of FY 2021-22. Post implementation of proposed tariff, the cumulative revenue gap as on 31st March 2022 is expected to reduce to level of Rs. 25.60 crore in comparison to Rs. 142.93 crore at existing tariff as calculated in Table 34 above.

4.2.10 Thus, the Tariff proposed by the Petitioner for FY 2021-22 is presented in the Table below:

Consumer Category	Fixed Charges	Energy Charge	Existing Tariff (T.O.29.09.2020)		TSUISL Proposed Tariff now	
			Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
	Unit	Unit	Rate	(Rs./kWh)	Rate	(Rs./kWh)
DOMESTIC SERVICE						
DS LT						
<i>LT Rural</i>	Rs./Conn/Month	Rs/kwh	15.00	2.50	50.00	3.25
<i>LT Urban</i>	Rs./Conn/Month	Rs/kwh	75.00	3.00	200.00	4.65
DS HT	Rs/KVA/ Month	Rs/kVAh	75.00	2.75	200.00	4.40
IRRIGATION & AGRICULTURE SERVICE (IAS)	Rs./HP/month	Rs/kwh	20	3.70	25	4.65
COMMERCIAL SERVICES (CS)						
<i>CS Rural</i>	Rs./kW/Month	Rs/kwh	25	2.50	100.00	4.00
<i>CS Urban</i>	Rs./kW/Month	Rs/kwh	150	3.85	200.00	5.60
INDUSTRIAL SERVICES						
<i>Low Tension Industrial Service</i>	Rs./KVA/ Month	Rs/kVAh	150.00	4.05	150.00	5.60
<i>High Tension Service</i>	Rs./KVA/ Month	Rs/kVAh	300.00	4.45	350.00	5.60
INSTITUTIONAL SERVICES						
<i>Street Light</i>	Rs./kW/ Month	Rs/kwh	50	5.00	60	5.20

Consumer Category	Fixed Charges	Energy Charge	Existing Tariff (T.O.29.09.2020)		TSUISL Proposed Tariff now	
			Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
	Unit	Unit	Rate	(Rs./kWh)	Rate	(Rs./kWh)
<i>Railway Traction Services, Military Engineering Services and Other Distribution Licensees* (Excluding JUSCO)</i>	Rs/kVA/ Month	Rs/kVAh	160	4.00	245	5.25

* (in Rs/kVAh)

4.3 Revenue from Sale of Power at Proposed Tariff

4.3.1 Based on above philosophy & proposal, the petitioner hereby submits revenue from sale of power at proposed tariff for FY 2021-22 as given in the table below. TSUISL expects that new tariff would get applicable from 01st April, 2021 onwards.

Table 35: Revenue at Proposed Tariff for FY 2021-22

Consumer Category	No. of Consumers	Connected Load- KVA*	Sales (MUs)	Demand Charges	Demand Charge Unit	Variable Charges	Variable Charge Unit	Fixed Charges (Rs. Cr)	Energy Charges (Rs. Cr)	Penalty/ Rebate (Rs. Cr)	Total Revenue (Rs. Cr)
Domestic Rural & Urban	6,019	42,998	24					1.30	10.87	0.01	12.18
LT Rural	785	1721	0.98	50.00	Rs/Conn/mth	3.25	Rs/kwh	0.05	0.32	0.01	0.37
LT Urban	5,234	41277	22.68	200.00	Rs/Conn/mth	4.65	Rs/kwh	1.26	10.55	0.00	11.80
Domestic Service - DSHT	36	8908	9.49	200.00	Rs./kVA/month	4.65	(Rs/kVAh)	1.82	3.98	-0.02	5.78
Commercial Services - Rural	69	487	0.29	100.00	Rs./kW/month	4.00	Rs/kwh	0.05	0.11		0.16
Commercial Services - Urban	1,072	10,691	8.57	200.00	Rs./kW/month	5.60	Rs/kwh	2.18	4.80	-0.03	6.95
LTIS	309	16174	14.28	150.00	Rs./kVA/month	5.60	(Rs/kVAh)	2.47	7.21	0.22	9.90
HTS	323	235671	698.69	350.00	Rs./kVA/month	5.60	(Rs/kVAh)	84.13	372.63	-12.43	444.34
Temporary services	1	2	0.01					-	-		
Total	7,829.00	3,14,930.85	754.99					91.96	399.60	-12.25	479.30

5. TARIFF PROPOSAL

5.1 Retail Tariff Proposal

This chapter discusses the approach and philosophy for the proposed Tariff.

5.2 Tariff Philosophy and Proposed tariff Schedule

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

5.3 Domestic Service (DS) - (Rural & Urban)

5.3.1 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.

5.3.2 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.

5.3.3 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

5.3.4 Proposed Tariff:

Consumer Category	Existing tariff			Proposed tariff- Current Petition	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
Domestic	Unit	Rate	Rate (₹/kWh)	Rate	Rate (₹/kWh)
LT-Rural	₹/Conn/ Month	15.00	2.50	50.00	3.25
LT-Urban	₹/Conn/ Month	75.00	3.00	200.00	4.65

5.3.5 **Delayed Payment Surcharge:** In accordance with **Clause III of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.3.6 **Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.4 **Domestic Service (HT)**

5.4.1 **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.

5.4.2 **Category of Services**

5.4.3 **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.

5.4.4 **Service Character**

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

5.4.5 **Proposed Tariff:**

Consumer Category	Existing tariff			Proposed tariff- Current Petition	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
Domestic	Unit	Rate	Rate Rs/kVAh	Rate	Rate Rs/kVAh
DS-HT	Rs/KVA/ Month	75.00	2.75	200.00	4.40

5.4.6 **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 on Terms and conditions of supply of the present petition.

5.4.7 **Delayed Payment Surcharge:** In accordance with **Clause III of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.4.8 **Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.5 Irrigation & Agriculture Service (IAS)

5.5.1 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.

5.5.2 Service Character:

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

5.5.3 Proposed Tariff:

Consumer Category	Existing tariff		Proposed tariff- Current Petition	
	Fixed Charges		Fixed Charges	Energy Charges
	Unit	Rate	Rate	Rate (₹/kWh)
All units	Rs./HP/Month	20	3.70	4.65

5.5.4 **Delayed Payment Surcharge:** In accordance with **Clause III of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.5.5 **Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.6 Commercial Services (CS):

5.6.1 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.

5.6.2 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.

5.6.3 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.

5.6.4 Proposed Tariff:

Consumer Category	Existing tariff			Proposed tariff- Current Petition	
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
	Unit	Rate	Rate (₹/kWh)	Rate	Rate (₹/kWh)
Rural	Rs. /kW/ Month	25	2.50	100.00	4.00
Urban	Rs. /kW/ Month	150	3.85	200.00	5.60

5.6.5 Billing Demand: For the purpose of simplicity the Billing Demand shall be the 75% of Contract Demand The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/ Contract Demand** as provided in section on Terms and conditions of supply of the present petition.

5.6.6 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 be billed at 1.1 % of

applicable HT tariff till such time consumer does not take physical connection at High tension.

5.6.7 **Delayed Payment Surcharge:** In accordance with **Clause III of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.6.8 **Installation of Shunt capacitors:** In accordance with **Clause VI as provided in section on Terms and conditions of supply** of the present petition.

5.6.9 **Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.7 Low Tension Industrial Service (LTIS)

5.7.1 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.

5.7.2 Service Character:

Low Tension Industrial Service (LTIS): AC, 50 Cycles, Single Phase supply at 230 Volts or Three Phase Supply at 400 Volts. High Tension Industrial Service (HTS): 50 Cycles, 3 Phase at 6.6 kV / 11 kV / 33 kV / 132 kV / 220 kV / 400 kV

5.7.3 Proposed Tariff:

Consumer Category	Existing tariff			Proposed tariff- Current Petition	
	Fixed Charges		Energy Charges	Fixed Charges	Proposed Energy Charges
	Unit	Rate	Rate (₹/kVAh)	Rate	Rate (₹/kVAh)
LTIS	Rs./kVA/ Month	150.00	4.05	150.00	5.06

5.7.4 **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 of Terms & Conditions of Supply as provided in Clause IV of Terms & Conditions of Supply.

5.7.5 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 be billed at 1.1 time of applicable HT tariff till such time consumer does not get physically connected at HT level.

5.7.6 **Delayed Payment Surcharge:** In accordance with Clause III of Terms & Conditions of Supply.

5.7.7 **Installation of Shunt Capacitors for LTIS:** In accordance with Clause VI of Terms & Conditions of Supply.

5.7.8 **Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.8 **High Tension Service (HTS):**

5.8.1 **Applicability:**

All the consumers drawing power at voltage level at 6.6 kV and above except Domestic-HT consumers and HT- Institutional Consumers.

5.8.2 **Service Character:**

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

5.8.3 **Proposed Tariff:**

Consumer Category	Existing tariff			Proposed tariff- Current Petition	
	Fixed Charges		Energy Charges	Fixed Charges	Proposed Energy Charges
	Unit	Rate	Rate (₹/kVAh)	Rate	Rate (₹/kVAh)
HTS	Rs./kVA/ Month	300.00	4.45	350.00	5.60

5.8.4 **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** as provided in section on Terms and conditions of supply of the present petition.

5.8.5 **Load Factor Rebate:** In accordance with **Clause V: Load Factor Rebate** as provided in section on Terms and conditions of supply of the present petition.

5.8.6 **Delayed Payment Surcharge:** In accordance with Clause III of Terms & Conditions of Supply.

5.8.7 **Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.8.8 **TOD Tariff:** In accordance with **Clause VII: ToD Tariff** as provided in section on Terms and conditions of supply of the present petition.

5.9 Street Light:

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

5.9.1 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. In case where number of lamps is less than 5 , billing shall be done based on equivalent consumption of lights assuming 12 hours of use.

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

5.9.3 Proposed Tariff:

Consumer Category	Existing tariff		Proposed tariff- Current Petition		
	Fixed Charges		Energy Charges	Fixed Charges	Energy Charges
	Unit	Rate	Rate	Rate	Rate
Street Light	Rs./kW / Month	50	5.00	60	5.20

5.9.4 **Delayed Payment Surcharge:** In accordance with Clause III of Terms & Conditions of Supply.

5.9.5 **Rebate for Online Payment and Due Date Payment:** In accordance with **Clause VIII of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.10 HT Institutional Services

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

5.10.1 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.

5.10.2 Service Character:

- Railway Traction Service (RTS): AC, 50 cycles, Single phase at 132 kV.
- Military Engineering Services (MES): AC, 50 cycles, three phase at 11 KV/ 33 KV/ 132 kV
- Other Distribution Licensees: AC, 50 cycles, three phase at 11 KV/ 33 KV/ 132 kV

5.10.3 Proposed Tariff

Consumer Category	Existing tariff		Proposed tariff- Current Petition		
	Fixed Charges		Energy Charges		
	Unit	Rate	Rate	Rate	
HT- Institutional Services	Rs/KVA/ Month	160	4.00	245	5.25

5.10.4 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 as provided in section on Terms and conditions of supply of the present petition.

5.10.5 Load Factor Rebate: In accordance with Clause V: Load Factor Rebate of Terms & Conditions of Supply as provided in section on Terms and conditions of supply of the present petition.

5.10.6 Delayed Payment Surcharge: In accordance with **Clause III of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.10.7 Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII of Terms & Conditions of Supply** as provided in section on Terms and conditions of supply of the present petition.

5.10.8 TOD Tariff: In accordance with **Clause VII: ToD Tariff** as provided in section on Terms and conditions of supply of the present petition.

5.10.9 **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 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.

5.11 Temporary Connections

5.11.1 **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.

5.11.2 Proposed Tariff

Consumer Category	Existing tariff/ Proposed in Previous petition		Proposed tariff	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
		Rate(₹/kWh)		Rate(₹/kWh)
All units	1.5 times of the applicable fixed charges	1.5 times of the applicable energy charges	1.5 times of the applicable fixed charges	1.5 times of the applicable energy charges

5.12 Terms and Conditions of Supply

Besides the terms & conditions provided in the JSERC (Electricity Supply Code) Regulations, 2015, the Petitioner proposes the following additional terms & conditions of supply:

5.12.1 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 cases where contract demand is exceeded in more than 3 billing months in a financial year, penal rate will be 200% of applicable demand on months exceeding 3 months.

5.12.2 Clause II: Jharkhand Electricity Duty

The charges in this tariff schedule do not include charges because 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.

5.12.3 Clause III: Delayed Payment Surcharge

In case the payment of any bill for charges payable under these Regulations is delayed by a Consumer beyond a period of 21 days from the date of billing, a late payment surcharge shall be levied by the Distribution Licensee at the rate of 1.5% per month of part thereof.

5.12.4 Clause IV: Voltage Rebate

Voltage rebate* will be applicable on Demand and 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	2.50%
HTS/ HT Institutional -132 kV	3.00%

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

5.12.5 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 would be applicable only on units consumed above 60% Load factor

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 authority/Courts.

5.12.6 **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.

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

The due date for making payment of energy bills or other charges shall be 21 days after issue date of the bill. A rebate of 1.00% shall be allowed on the billed amount for payment within the due date of the entire billed amount made either through online or any digital mode or through cash.

Further, additional 1.00% rebate (subject to maximum of Rs 100) shall be allowed if the bills are paid in full within the due date through online web portal or any digital methods.

No rebate shall be allowed after due date irrespective of the mode of payment.

5.12.8 **Clause XI: Other Terms & Conditions**

Point of Supply

The Power supply shall normally be provided at a single point for the entire premises. In certain categories like coal mines , public facilities which has come up in phases, 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.

Dishonored Cheques

In the event of dishonored cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs. 500 or 0.5% of the billed amount, whichever is higher. The DPS shall be levied extra as per the applicable terms and conditions of DPS for the respective category.

Sale of energy

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

Release of new connections

No new connections shall be provided without appropriate meter.

Conversion factors

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

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

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

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

Fuel Price & Power Purchase Adjustment (FPPPA)

Applicable as per the Regulation 6.59 to 6.65 of the Distribution Tariff Regulations, 2010 and Regulation 6.60 to 6.68 of the Distribution Tariff Regulations, 2015 and as amended by the Hon'ble Commission from time to time

5.13 Schedule of General and Miscellaneous Charges

No	Purpose	Scale of Charges	Proposed Charges	Manner in which payment will be realized
1	Application fee			
	LT Connection	100	No change	Payable with energy bill
	HT Connection	500	No change	
2	Revision of Estimate on Consumer Request based on Revision in Original Application			
	LT Connection	100	No change	Payable with energy bill
	HT Connection	500	No change	
3	Testing of consumers Installation (1)			
	LT Supply	100	No change	Payable with energy bill
	HT Supply	500	No change	
4	Meter test when accuracy disputed by consumer (2)			
	Single Phase/Three Phase	200	No change	Payable with energy bill
	Trivector/Special Type Meter, HT, EHT Metering Equipment	1000	No change	
9	Fuse call – Replacement			
	Consumer fuse	100	No change	Payable with energy bill
10	Disconnection/ Reconnection			
	LT Connection	200	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	1500	No Change	
11	Replacement of meter card, if lost or damaged by Consumer	Rs. 100	No Change	Payable with Energy Bill
12	Replacement of Burnt Meter	Cost of meter	No change	Payable with Energy Bill
13	Security Deposit	As per JSERC (Electricity Supply Code)		

No	Purpose	Scale of Charges	Proposed Charges	Manner in which payment will be realized
		Regulations, 2015 as amended from time to time		
14	Transformer Rent*			
	Upto 200 kVA	5500/Month	No Change	Payable with energy bill
	Above 200 kVA	7500/Month	No Change	

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.

6. PROPOSAL FOR OPEN ACCESS CHARGES

6.1 Proposal for Open Access Charges

- 6.1.1 As per the provisions of Electricity Act 2003 the distribution utilities are mandated with Universal Service Obligation to consumers. Nationwide, the present tariff structure has cross subsidization mechanism whereby the tariff for some category of consumers are lower than cost of supply to them.
- 6.1.2 Open Access consumers are required to bear transmission charges, transmission losses, wheeling charges, wheeling losses, reactive charges, cross subsidy surcharge, additional surcharge, standby charges etc as may be applicable depending upon the voltage level at which open access power is availed and the charges as may be approved by Hon'ble Commission from time to time.
- 6.1.3 The Petitioner submits that Section 2 (47) of the Electricity Act 2003 defines "Open Access", while Section 42 of the said Act inter-alia mandates the Distribution Licensee to provide Open Access to eligible consumers, subject to payment of "Cross Subsidy Surcharge", "Additional Surcharge" & other applicable charges.
- 6.1.4 Section 42 (2) of the Electricity Act 2003 provides following provisions wherein the powers have been given to State Commissions for specifying cross subsidy surcharge. The relevant part of the same is reproduced as under:

"The State Commission shall introduce open access in such phases and subject to such conditions, (including the cross subsidies, and other operational constraints) as may be specified within one year of the appointed date by it and in specifying the extent of open access in successive phases and in determining the charges for wheeling, it shall have due regard to all relevant factors including such cross subsidies, and other operational constraints:

Provided that such open access shall be allowed on payment of a surcharge in addition to the charges for wheeling as may be determined by the State Commission:

Provided further that such surcharge shall be utilised to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee:

Provided also that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission:

Provided also that such surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use:"

"to provide non-discriminatory open access to its transmission system for use by- (i) any licensee or generating company on payment of the transmission charges;

or (ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:

Provided that such surcharge shall be utilised for the purpose of meeting the requirement of current level cross-subsidy:

Provided further that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission:

Provided also that the manner of payment and utilisation of the surcharge shall be specified by the State Commission.”

- 6.1.5 Section 86 deals with the functions of State Commission and its sub-section (1) (a) reads as follows:

“86. (1) The State Commission shall discharge the following functions, namely: (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;”

- 6.1.6 As per Regulation 3.1 of the JSERC Distribution Tariff Regulations, 2015, the Hon’ble Commission shall determine wheeling tariff, cross-subsidy surcharge, additional surcharge and other open access related charges. The relevant extract of the regulations has been reproduced below:

“3.1

...

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

- 6.1.7 As per the JSERC (Terms and Conditions for Intra-State Open Access) Regulations, 2016, the Open Access charges include wheeling charges, wheeling losses, Cross subsidy charges and additional surcharge apportioned volt-age wise at HT/ EHT and LT levels.

- 6.1.8 In line with the directions of the Hon’ble Commission, the Petitioner hereby submit its proposal for the determination of open access charges for FY 2021-22.

6.2 Wheeling charges

6.2.1 The Petitioner hereby submits that it had provided the allocation ratio for Wheeling & Retail Supply business in line with Regulation 6.8 of the JSERC Distribution Tariff Regulations 2020. Accordingly, the allocation for wire and supply business for each ARR component for FY 2021-22 is discussed in Table 29 and Table 30 of this Petition. The wheeling ARR segregated from total ARR was Rs. 47.80 crore and the corresponding wheeling charges based on projected energy sales for FY 2021-22 works out to Rs. 0.63 /kWh. (Rs. 47.80 Crs/ 754.99 MUs x 10 = Rs. 0.63/kWh)

6.3 Cross Subsidy Surcharge

6.3.1 The Petitioner has determined the Cross-Subsidy Surcharge as per the methodology outlined in National Tariff Policy 2016. The methodology keeps the interest of distribution companies as well as consumers in mind while determining a mathematical formula, thus ensuring competition in electricity through open access 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.”

6.3.2 In line with the above formula and methodology adopted by Hon’ble Commission in previous tariff order, CSS for consumers connected to TSL is calculated as per table below based on proposed tariffs:

Table 36: Cross Subsidy Surcharge calculation for FY 2020-21

Consumer Categories	Voltage Level	T-Tariff Payable ABR (Rs/kWh)	C-Power Purchase Cost (Rs/kWh)	L-System losses for applicable voltage (%)	D- Wheeling Charges (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
	130 KV HT	6.36	4.71	1.31%	0.63	0.95
LTIS	LT	6.93	4.71	14.00%	0.63	0.82

6.4 Additional Surcharge:

6.4.1 Clause 8.5 of the National Tariff Policy 2016 provides following provision that deals with applicability of additional surcharge to be paid by open access consumers. “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.”

6.4.2 The Petitioner craves for determination of additional surcharge on case to case basis and reserves its right to approach Hon’ble Commission for the same at appropriate time within the given provisions of applicable regulations.

6.5 Regulatory Surcharge for Open Access Consumers

6.5.1 The Petitioner submits that a Regulatory Asset Surcharge ought to be levied on Open Access consumers to protect the interest of other consumers who shall continue to take power from the Licensee.

6.5.2 The Petitioner has proposed liquidation of regulatory assets by way of increase in tariff by the year 2022. As of now there is no open access consumer. However, looking at he revenue Gap for FY2021 and FY2021-22, the regulatory assets surcharge applicable on open access consumers comes out to be as follows-

Rs/Unit	FY2021-22	FY2022-23
Opening Gap	67.50 Cr	25.60 Cr
Sales	755 MU	790 MU
Regulatory Asset surcharge	Rs 0.89 per unit	0.32per unit

***** (End of Document)*****