Jharkhand State Electricity Regulatory Commission

Order on

True-up for FY 2024-25, Annual Performance Review for FY 2025-26, Business Plan and Multi Year Tariff Petition for the Control Period from FY 2026-27 to FY 2030-31 and Tariff Determination of FY 2026-27

for

Steel Authority of India Limited, Bokaro

Ranchi – September 18, 2026

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LIST OF ABBREVIATIONS

Abbreviation	Description
ABR	Average Billing Rate
ACS/ACoS	Average Cost of Supply
AFC	Annual Fixed Charges
APPC	Average Power Procurement Cost
APR	Annual Performance Review
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BG	Bank Guarantee
CAGR	Compound Average Growth Rate
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CSS	Cross Subsidy Surcharge
DPS	Delayed Payment Surcharge
DVC	Damodar Valley Corporation
EA	Electricity Act, 2003
ECR	Energy Charge Rate
EHT	Extra High Tension
ERPC	Eastern Region Power Committee
FPA	Fuel Purchase Adjustment
FY	Financial Year
GFA	Gross Fixed Assets
GoI	Government of India
GoJ	Government of Jharkhand
GOMD	Grid Operation and Maintenance Division
HP	Horsepower
HT	High Tension
IAS	Irrigation and Agriculture Services
IEX	Indian Energy Exchange
IoWC	Interest on Working Capital
IPP	Independent Power Producer
JBVNL	Jharkhand Bijli Vitran Nigam Limited
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
kVA(h)	kilo Volt-Ampere (hour)
kW(h)	kilo Watt (hour)
LF	Load Factor
LT	Low Tension
LTIS	Low Tension Industrial Services
MD	Maximum Demand
MDI	Maximum Demand Indicator
MES	Military and Engineering Services
MOD	Merit Order Despatch
MoP	Ministry of Power

Abbreviation	Description
MU	Million Units
MVA	Mega Volt Ampere
MW	Megawatt
MYT	Multi Year Tariff
NTI	Non-Tariff Income
O&M	Operation & Maintenance
P&G	Pension & Gratuity
PAF	Plant Availability Factor
PF	Power Factor
PGCIL	Power Grid Corporation of India Limited
POSOCO	Power System Operation Corporation Limited
PPA	Power Purchase Agreement
PSU	Public Sector Undertaking
RE	Renewable Energy
REC	Renewable Energy Certificates
RPO	Renewable Purchase Obligation
RTS	Railway Traction Services
SAIL	Steel Authority of India Limited
SBI	State Bank of India
SD	Security Deposit
SERC	State Electricity Regulatory Commission
SS	Streetlight Services
T&D	Transmission & Distribution
TOD	Time of Day
TVS	Technical Validation Session
UDAY	Ujwal Discom Assurance Yojana
UI	Unscheduled Interchange
USO	Universal Supply Obligation

LIST OF TABLES

BEFORE

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 03 of 2026 & 04 of 2026

In the matter of:

Petition for

True-up for FY 2024-25,
Annual Performance Review for FY 2025-26,
Business Plan and Multi Year Tariff Petition for the Control Period from FY 2026-27 to FY 2030-31
and
Tariff Determination of FY 2026-27

In the matter:

Steel Authority of India Limited, Bokaro…………………………..………. **Petitioner**

PRESENT

Hon'ble Justice Navneet Kumar	Chairperson
Hon'ble Mahendra Prasad	Member (Law)

Order dated September 18, 2026

Steel Authority of India Limited, Bokaro (hereinafter referred to as 'SAIL-BSL' or the 'Petitioner') has filed Petition dated March 24, 2026, for approval of truing up for FY 2024-25, Annual Performance Review for FY 2025-26, Business Plan and Multi Year Tariff Petition for the Control Period from FY 2026-27 to FY 2030-31 and Tariff Determination of FY 2026-27 for the distribution of electricity in its licensed area of the State of Jharkhand.

CHAPTER 1: INTRODUCTION

1. INTRODUCTION

JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

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

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

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

1.3. After the Electricity Act, 2003 came into force, the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the functions of State Electricity Regulatory Commissions (SERCs) are now defined under Section 86 of the Act.

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

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

c. facilitate intra-state transmission and wheeling of electricity;
d. issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
e. promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
f. adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
g. levy fee for the purposes of this Act;
h. specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
i. specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
j. fix the trading margin in the intra-state trading of electricity, if considered, necessary;
k. discharge such other functions as may be assigned to it under this Act.

1.5. The Commission has also to advise the State Government as per sub section 2 of Section 86 of the Act, on all or any of the following matters, namely:
a. promotion of competition, efficiency and economy in activities of the electricity industry;
b. promotion of investment in electricity industry;
c. reorganisation and restructuring of electricity industry in the State;
d. matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

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

1.7. In discharge of its functions, the State Commission is also guided by the National Tariff Policy as brought out by GoI in compliance to Section 3 of the Act. The objectives of the National Tariff Policy are to:
a. ensure availability of electricity to consumers at reasonable and competitive rates;
b. ensure financial viability of the sector and attract investments;
c. promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;

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

STEEL AUTHORITY OF INDIA LIMITED, BOKARO

1.8. Steel Authority of India, Bokaro is a company incorporated in the year 1964 under Section 617 of the Companies Act, 1956, and is a wholly owned subsidiary of Steel Authority of India Limited, New Delhi. The Bokaro Steel City in the district of Bokaro, Jharkhand, is contiguous to the Bokaro Steel City service area of SAIL-BSL.

1.9. SAIL-BSL is the sanction holder of power supply in Bokaro Steel City under Section 28(1) of the erstwhile Indian Electricity Act, 1910, and has been managing the power distribution in Bokaro Steel City since its inception.

1.10. After the enactment of the Electricity Act, 2003, as per the provisions of Section 14 of the Act, the status of Distribution Licensee has been granted by the Commission to SAIL- BSL (No.01 of 2005-06) w.e.f. July 28, 2004.

1.11. The area of supply of the Petitioner, including the Bokaro Steel Plant and the Bokaro township, is the whole of the area bounded as follows:

North: River Damodar
South: River Garga
East: River Garga
West: Bokaro Steel City Railway Station

1.12. The Town Administration department of SAIL-Bokaro is responsible for providing various municipal services to Bokaro Steel City, including horticulture, water supply, construction and maintenance of roads, etc. The Town Administration Electrical Department (TA-Electrical) manages the power distribution system of the licensed area.

THE PETITIONER'S PRAYERS

1.13. The Petitioner has made the following prayers regarding the Truing up for FY 2024-25 & Annual Performance Review of FY 2025-26:

a. To admit the Petition for truing up of FY 2024-25 in accordance with Regulation 13.3 of JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations 2020.

b. To admit in Petition for Annual Performance Review of year FY 2025-26 based on unaudited account in accordance with Regulation 13.2 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.
c. To approve the deviation from the norms for certain parameters prescribed in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, and provisions thereof, as sought in this True up Petition for FY 2024-25 and Annual Performance Review of FY 2025-26 for the Petitioner.
d. To approve True up Petition for FY 2024-25, Annual Performance Review of FY 2025-26 for Petitioner in accordance with the JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations 2020.
e. To approve the Standalone gap created during True-up of FY 2024-25 and APR of FY 2025-26.
f. To condone the delay in filing the present Petition on account of reasons beyond the control of Petitioner.
g. To treat Steel Plant of SAIL as consumer of SAIL-BSL from next control period subject to approval from SAIL Management.
h. To condone any error/omission and to give opportunity to rectify the same.
i. To permit SAIL- BSL to make further submissions, addition and alteration to this Petition as may be necessary from time to time.
j. To pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

1.14. The Petitioner has made the following prayers regarding the Business Plan and Multi Year Tariff Petition for FY 2026-27 to FY 2030-31 and Aggregate Revenue Requirement and Tariff for FY 2026-27.

a. Admit the Petition and examine the proposal submitted by the petitioner for a favorable dispensation.
b. Pass suitable orders with respect to its projections of the ARR in the Business Plan and MYT Petition for Control Period FY 2026-27 to FY 2030-31.
c. Pass suitable orders with respect to the standalone revenue gap of Rs. 181.86 Cr. For FY 2026-27 and proposed tariff hike of 13% for FY 2026-27 to recover the gap.
d. Pass suitable order to approve the proposed new capital scheme with total capital expenditure and capitalization of Rs. 181.86 Cr. for the control period as provided in this petition.
e. Condone the delay, if any in filing this petition.

f. Condone any inadvertent omissions/errors/shortcomings and permit SAIL-BSL to add/change/modify/alter this filing and make further submissions as may be required at a future date.

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

SCOPE OF THE PRESENT ORDER

1.15. The Commission in this Order has approved the True-up for FY 2024-25, Annual Performance Review for FY 2025-26, Business Plan and Multi Year Tariff Petition for FY 2026-27 to FY 2030-31 and Aggregate Revenue Requirement and Tariff for FY 2026-27.

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

a. Material placed on record by the Petitioner.
b. Provisions of the Electricity Act, 2003.
c. Principles laid down in the National Electricity Policy.
d. Principles laid down in the Tariff Policy.
e. Provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 (hereinafter referred to as "Tariff Regulations, 2020" or "the Regulations").
f. Provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 (hereinafter referred to as "Tariff Regulations, 2025" or "the Regulations").

1.17. Accordingly, the Commission has scrutinized the Petition in detail and hereby issues the Order on approval of True Up for FY 2024-25, Annual Performance Review for FY 2025-26, Business Plan and Multi Year Tariff Petition for FY 2026-27 to FY 2030-31 and Aggregate Revenue Requirement and Tariff for FY 2026-27 for SAIL-BSL.

CHAPTER 2: PROCEDURAL HISTORY

2. PROCEDURAL HISTORY

BACKGROUND

2.1. The Petitioner had filed its first ARR and tariff petition for FY 2007-08 in February 2007. After examining the petition, the Commission directed the Petitioner to submit its tariff petition for the licensed area as per the Tariff Regulations issued by the Commission from time to time, after separating the accounts of electricity distribution business from the consolidated audited accounts of the company. However, the Petitioner was unable to segregate the accounts of the electricity distribution business from the consolidated audited accounts of company. The Petitioner was also not able to provide the requisite data to the Commission for determining the ARR and Tariff for FY 2007-08.

2.2. Consequently, the Commission vide its order dated November 2, 2007, decided to allow a provisional tariff for FY 2007-08 for the licensed area of the Petitioner. The approved tariff was the same as was approved for Jharkhand State Electricity Board (JSEB) in FY 2006-07.

2.3. The Commission had further directed the Petitioner to submit the tariff petition for determination of the ARR for FY 2008-09 after segregating accounts of its electricity distribution business from the consolidated accounts of the company. However, the Petitioner requested the Commission, vide SAIL-BSL letter no. DGM I/c(TE-Elect)/ 2009-840 dated August 13, 2009, to give it three months' time to file the ARR for FY 2008-09. The Commission, vide its letter no. JSERC/51/209 dated August 19, 2009 accepted the Petitioner's plea.

2.4. The Petitioner was again unable to file the ARR and tariff petition by the said date. It was submitted by the Petitioner that as the cost of power purchased from DVC was under dispute at the Appellate Tribunal for Electricity (APTEL), New Delhi, it would not be possible for it to file a petition. It requested the Commission, vide SAIL-BSL letter no TA/DGM/ (Elect Maint)/860 dated November 19, 2009, for further eight weeks' time to submit the tariff petition which was accepted by the Commission vide letter no. JSERC/51/347 dated November 24, 2009.

2.5. Since the Judgement of the Hon'ble APTEL was still pending till the said date, the Petitioner requested further extension till May 15, 2010 for filing the ARR and tariff petition. Considering it to be a special case, the Commission accepted the Petitioner's plea vide letter no. JSERC/51/43 dated April 23, 2010.

2.6. The Petitioner filed the petition for determination of ARR and tariff for FY 2010-11 on May 14, 2010. The Tariff Order for the same was issued by the Commission on October 9, 2010.

2.7. The petition for determination of ARR and tariff for FY 2011-12 was filed by the Petitioner on March 30, 2011. The Tariff Order for the same was issued by the Commission on September 28, 2011. Further, the petition for determination of ARR and tariff for FY 2012-13 was filed by the Petitioner on February 9, 2012. The Tariff Order for the same was issued by the Commission on August 3, 2012.

2.8. The Petitioner was required to file the Business Plan and petition for determination of ARR and tariff for MYT period FY 2013-14 to FY 2015-16 by November 1, 2012. The Petitioner, however, vide its letter dated September 4, 2012, requested for an extension of the deadline up to November 30, 2012. The Commission extended the deadline for submission of the MYT petition to November 30, 2012. However, the Petitioner did not submit the petition within such extended timeline. The Commission further sent a reminder letter to the Petitioner for the submission of Business Plan and petition for determination of ARR and tariff for MYT FY 2013-14 to FY 2015-16 vide letter dated December 17, 2012.

2.9. The Petitioner further requested an extension up to March 2013 vide letter dated January 7, 2013. Considering that the previous Tariff Order was issued only in August 2012, the Commission extended the timeline to January 7, 2013 which was again extended to May 31, 2013, on request of the Petitioner. The Petitioner filed the Business Plan for the MYT period FY 2013-14 to FY 2015-16 in May 2013 with a request to extend the timeline to file the MYT Petition to June 24, 2013. The Commission, on such request, extended the timeline for submission of MYT Petition to June 24, 2013. The Petitioner submitted the MYT petition on July 4, 2013.

2.10. The Petitioner filed the petition before the Commission for true up of FY 2011-12, Annual Performance Review for FY 2012-13 and ARR for the MYT period (FY 2013-14 to FY 2015-16) on July 4, 2013. The Commission had issued its last Tariff Order for SAIL-BSL on September 03, 2014 on the MYT Order for the approval of ARR for the FY 2013-14 to FY 2015-16 as the Commission was unable to conduct public hearing for the aforementioned Petition. The Commission faced some difficulty as the Chairperson retired on December 15, 2012, leaving the Commission to function with only one Member, specifically the Member (Technical).

2.11. The Commission had not approved the True-up for the FY 2011-12 and Annual performance review for the FY 2012-13 in its Order dated September 03, 2014, as the accounts submitted by the Petitioner are merely extracted from the accounts of the steel plant on the basis of certain norms and assumptions. The accounts were also not certified by the statutory auditor of the company. Also, the Petitioner was not able to provide sufficient justification to the queries raised by the Commission even after repeated reminders by the Commission.

2.12. The Petitioner filed the petition with the Commission for true up of FY 2013-14 to FY 2015-16 and MYT for the period (FY 2016-17 to FY2020-21). The Commission issued the Tariff Order for SAIL-BSL on June 07, 2018, on the MYT Order for the period FY 2016-17 to FY 2020-21 and True Up for FY 2013-14 to FY 2015-16.

2.13. The Petitioner filed the Petition before the Commission for True-up of FY 2016-17 to FY 2018-19 and ARR for FY 2019-20 on July 31, 2019. The Commission issued its last Tariff Order for SAIL-BSL on January 08, 2021, on the Truing-up for FY 2016-17 and FY 2018-19 and Suo-moto Order on ARR for FY 2020-21.

2.14. The Petitioner filed the Petition before the Commission for truing up of FY 2019-20 and FY 2020-21, Multi Year Tariff and Business Plan for Control Period FY 2021-22 to FY 2025-26, Annual Performance Review of FY 2021-22, & ARR for FY 2021-22 & FY 2022-23 on March 30, 2022, for which the Commission has issued the tariff order on June 22, 2023.

2.15. The Petitioner has filed the Petition before the Commission for truing up of FY 2021-22, Annual Performance Review for FY 2022-23, and ARR & Retail Supply Tariff for FY 2023-24 on November 02, 2023, for which the Commission has issued the tariff order on February 24,2024.

2.16. The Petitioner has filed the Petition before the Commission for truing up of FY 2022-23, Annual Performance Review for FY 2023-24, and ARR & Retail Supply Tariff for FY 2024-25 on March 13, 2024, for which the Commission has issued the tariff order on August 20, 2024.

2.17. The Petitioner has filed the Petition before the Commission for truing up of FY 2023-24, Annual Performance Review for FY 2024-25, and ARR & Retail Supply Tariff for FY 2025-26 on April 11, 2025 for which the Commission has issued the tariff order on July 22, 2025.

2.18. The Petitioner has filed the current Petition before the Commission for truing up of FY 2024-25 and Annual Performance Review for FY 2025-26, Business Plan and Multi Year Tariff

Petition for FY 2026-27 to FY 2030-31 and Aggregate Revenue Requirement and Tariff for FY 2026-27 on March 24, 2026 for which the Commission is issuing the present order.

Disclaimer: Relevant information provided herein regarding the Commission, the Petitioner, and the Procedural History have been extracted/ reproduced from the previous Orders of the Commission. This is for information purposes only and does not in any matter reflect opinion or analysis thereon.

INFORMATION GAPS IN THE PETITION

2.19. As part of tariff determination exercise, several deficiencies/information gaps were observed in the Petition submitted by the Petitioner which was communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 03 of 2026/170 dated June 02, 2026.

2.20. In response to the aforesaid letter the Petitioner has furnished additional data/information vide letter no. GM (TE)/2026-27/1125 dated June 12, 2026.

2.21. The Commission has scrutinized the additional data/information submitted by the Petitioner in response to the discrepancies pointed out and has considered the same while passing this Order.

2.22. In order to provide adequate opportunity to all stakeholders and general public as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulation(s) framed by the Commission and further in order to ensure transparency in the process of tariff determination, the Commission decided to conduct public hearings on July 28, 2026, at Bokaro for inviting comments / suggestion / objection.

INVITING PUBLIC COMMENTS/SUGGESTIONS

2.23. After the initial scrutiny of Petition filed by the Petitioner, the Commission directed the Petitioner to issue a public notice inviting comments/ suggestions on the Petition from public and to make available copies of the Petitions to the members of general public on request.

2.24. The public notice was subsequently issued by the Petitioner in various newspapers, and a period of twenty-one (21) days was given to the members of the general public for submitting their comments/suggestions.

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

Newspaper	Date of Publication
For MYT of Control Period from FY2026-27 to FY 2030-31	
Prabhat Khabar	May 23, 2026
Dainik Bhaskar	May 22, 2026
Hindustan	May 23, 2026
Times of India	May 22, 2026
The Pioneer	May 23, 2026
For True Up for FY 2024-25 & APR for FY 2025-26	
Dainik Jagran	June 10, 2026
Prabhat Khabar	June 10, 2026
The Times of India	June 11, 2026
Hindustan	June 11, 2026

2.25. The Commission has also organized a public hearing on July 28, 2026, at Bokaro where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above said Petition. The details of newspapers wherein the notice was published by the Commission are as under:

Table 2: List of newspapers and dates of publication of public notice by the Commission

List of Hindi News Paper	List of English News Paper	Date of Publication
Prabhat Khabar	The Times of India	July 26, 2026
Dainik Bhaskar	The Hindustan Times	

SUBMISSION OF COMMENTS/SUGGESTIONS AND CONDUCT OF PUBLIC HEARING

2.26. Written objections/ comments/ suggestions on the Petitions were received from various stakeholders. In addition to the written suggestions, various stakeholders also gave their comments/suggestions on the Petitions filed during the Hearings. The objections/ comments/ suggestions of the Public, Petitioner's responses and Commission's views thereon are detailed in **Chapter 4** of this Order.

2.27. The objections/suggestions/comments submitted by the Petitioner and consumers (individuals or organisations), along with the entire data gap documents furnished by the Petitioner from time to time, have been duly perused by the Commission.

CHAPTER 3: BRIEF FACTS OF THE PETITION

3. BRIEF FACTS OF THE PETITION

TRUE-UP FOR FY 2024-25

3.1. The summary of Aggregate Revenue Requirement for FY 2024-25 as approved in the APR Tariff Order dated July 07, 2025, vis-a-vis that claimed by the Petitioner is tabulated below:

Table 3: ARR as submitted by Petitioner for True-up of FY 2024-25 (Rs. Crore)

Particulars	APR	Petition
Power Purchase Cost (Township)	88.63	133.39
Power Purchase Cost (Including Steel Plant)	714.41	707.59
O&M Expenses	17.35	25.43
Depreciation	3.13	2.51
Interest on Loan	3.28	2.52
Return on Equity	3.22	3.63
Interest on Working	8.63	0.07
Total Annual Revenue Requirement (excluding Steel Plant) (Township)	**124.24**	**167.54**
Total Annual Revenue Requirement (including Steel Plant)	**750.02**	**741.74**
Revenue from Sale of Power at Existing Tariff (excluding Steel Plant)	**90.21**	**66.32**
Revenue Gap / (Surplus) for FY 2024-25	**34.03**	**101.22**
Average Cost of Supply in Township (in Rs./kWh)	**7.23**	**9.70**

Table 4: Summarised ARR Segregated into Retail & Wheeling for FY 2024-25 (Rs. Crore)

Particulars	Retail supply approved in T.O dated 22.07.2025	Wheeling supply approved in T.O dated 22.07.2025	Petition	
			Retail supply	Wheeling Supply
Power Purchase Cost (Township)	88.63	0.00	133.39	0.0
Power Purchase Cost (including Steel Plant)	714.41	0.00	707.59	0.0
O&M Expenses	6.03	11.72	8.70	16.73
Employee Expenses	3.97	5.95	4.01	6.0
A&G Expenses	1.59	1.59	3.94	3.9
R&M Expenses	0.46	4.18	0.75	6.8
Depreciation	0.31	2.82	0.25	2.3
Interest on Normative Long-Term Loan	0.33	2.95	0.25	2.3
Return on Equity	7.77	0.86	0.06	0.0

Particulars	Retail supply approved in T.O dated 22.07.2025	Wheeling supply approved in T.O dated 22.07.2025	Petition	
			Retail supply	Wheeling Supply
Interest on Working Capital	0.32	2.90	0.36	3.3
Aggregate Revenue Requirement (Township)	**103.39**	**21.25**	**143.02**	**24.52**
Aggregate Revenue Requirement (Plant)	**729.17**	**21.25**	**717.22**	**24.52**

ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2025-26

3.2. The summary of Aggregate Revenue Requirement for FY 2025-26 as approved in the ARR vide Tariff Order dated July 07, 2025 vis-a-vis that claimed by the Petitioner is tabulated below:

Table 5: ARR projected by Petitioner for APR of FY 2025-26 (Rs. Crore)

Particulars	Approved in T.O. dated 22.07.2025	Petition
Power Purchase Cost (Township)	93.69	222.41
Power Purchase Cost (including Steel Plant)	783.55	856.81
O&M Expenses	19.7	19.61
Depreciation	3.79	2.64
Interest on loan	4.08	2.27
Return on Equity	3.91	3.66
Interest on Working Capital	8.82	7.07
Total Annual Revenue Requirement (excluding Steel Plant) (Township)	**133.99**	**257.67**
Total Annual Revenue Requirement (including Steel Plant)	**823.85**	**892.06**
Revenue from Sale of Power at Existing Tariff (excluding Steel Plant)	**92.23**	**84.11**
Revenue Gap / (Surplus) for FY 2025-26	**41.76**	**173.56**

Table 6: ARR and Revenue gap/ (surplus) for Retail Supply & Wheeling Business for FY 2025-26 (Rs. Crore)

Particulars	Retail supply approved in T.O dated 22.07.2025	Wheeling supply approved in T.O dated 22.07.2025	Petition	
			Retail supply	Wheeling supply
Power Purchase Cost (Township)	93.69	0	222.41	0.0
Power Purchase Cost (including Steel Plant)	783.55	0	856.81	0.0
O&M Expenses	6.17	13.32	6.49	13.12
Employee Expenses	4.1	6.15	4.12	6.2
A&G Expenses	1.43	1.43	1.80	1.8
R&M Expenses	0.64	5.74	0.57	5.1
Depreciation	0.38	3.41	0.26	2.4
Interest on Normative Long-Term Loan	0.41	3.67	0.23	2.0
Return on Equity	7.94	0.88	6.36	0.7
Interest on Working Capital	0.39	3.52	0.37	3.3
Aggregate Revenue Requirement (Township)	**108.97**	**24.81**	**236.13**	**21.54**
Aggregate Revenue Requirement (including Plant)	**798.83**	**24.81**	**870.52**	**21.54**

Aggregate Revenue Requirement (ARR) for Control Period from FY 2026-27 to FY 2030-31

Table 7: ARR projected by Petitioner for Control Period from FY 2026-27 to FY 2030-31 (Rs. Crore)

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Power Purchase Cost (Township)	151.12	148.47	146.21	144.29	142.68
Power Purchase Cost (including Steel Plant)	790.75	807.29	824.78	843.22	862.59
O&M Expenses	24.28	30.37	40.73	50.46	61.16
Employee Expenses	12.54	15.65	18.25	21.76	26.02
A&G Expenses	3.88	4.04	4.22	4.40	4.59
R&M Expenses	7.86	10.68	18.27	24.30	30.55
Depreciation	3.09	4.67	6.67	8.34	9.75
Interest on Normative Long-Term Loan	2.71	5.11	8.06	10.23	11.78

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Return on Equity	4.31	6.63	9.58	12.03	14.12
Interest on Working Capital	6.77	6.77	6.66	6.52	6.37
Energy efficiency & safety initiatives for customers	0.50	0.55	0.60	0.65	0.70
Aggregate Revenue Requirement (including Plant)	**831.90**	**860.84**	**896.49**	**930.81**	**965.76**

Table 8: Projected ARR Component for Retail Supply & Wheeling Business for FY 2026-27 (Rs. Crore)

Particulars	Petition	
	Retail supply	Wheeling supply
Power Purchase Cost	790.75	0.00
O&M Expenses	7.74	16.54
Employee Expenses	5.02	7.52
A&G Expenses	1.94	1.94
R&M Expenses	0.79	7.08
Depreciation	0.31	2.78
Interest on Normative Long-Term Loan	0.27	2.44
Return on Equity	0.43	3.88
Interest on Working Capital	6.09	0.68
Energy efficiency & safety initiatives	0.50	0.00
Aggregate Revenue Requirement (including Plant)	**806.09**	**26.31**

CHAPTER 4: PUBLIC CONSULTATION PROCESS

4. PUBLIC CONSULTATION PROCESS

4.1 The Petition filed by the Petitioner evoked responses from several Stakeholders. Public hearings were held on July 28, 2026, at Bokaro to ensure maximum Public participation and transparency wherein Stakeholders can air their comments and suggestions before the Commission in the presence of the Petitioner. The list of the attendees is attached as Annexure I to this Order.

4.2 The Comments/Suggestion of the members of the Public along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder: The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as the JSERC or the Commission) was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commission Act, 1998 on August 22, 2002. The Commission became operational with effect from April 24, 2003.

A. Objector - Laxmi Narayan Kesri, Secretary, Bokaro Employees Leased House

Objector Comments

4.3 The Objector has claimed that in Bokaro Steel City, hundreds of vendors operating unauthorized footpath shops, kiosks, and encroachments are using illegal electricity connections without meters and bills. This issue has been repeatedly brought to the attention of the regulatory commission and electricity supplier BSL, yet no effective steps are taken to prevent this illegal usage. A request is made to take immediate action to stop these illegal electricity connections and punish the culprits involved and request that strict action be taken by the Commission against such illegal electricity theft, and proper legal prosecution be initiated. No additional burden should be passed on to honest consumers.

4.4 Further, the Objector submitted that they are not getting the timely bills form the licensee. Hence requested to take corrective measures undertaken or proposed to ensure timely issuance of bills to all consumers.

4.5 Further, it is submitted that the consumers of SAIL-BSL are facing difficulties in verifying and monitoring the accuracy of bills raised by the Licensee due to faulty meters. This issue adversely affects the transparency and reliability of the billing process, therefore, billing uncertainty should also be duly taken into account by the Commission in the present Tariff Order.

Petitioner's Response

4.6 SAIL-BSL humbly submits that it maintains a zero-tolerance policy towards electricity theft and unauthorized use of electricity. Regular vigilance drives and inspections are conducted to identify and disconnect illegal connections, and appropriate action is taken in accordance with the provisions of the Electricity Act, 2003. Any specific complaints received from consumers are promptly investigated, and necessary action is initiated to ensure that the burden of such unauthorized consumption is not passed on to honest consumers.

4.7 SAIL-BSL has a structured billing system to ensure timely issuance of electricity bills to all consumers. While occasional delays may arise due to operational constraints such as meter reading or communication issues, continuous efforts are being made to improve the efficiency of the billing process. Consumers are encouraged to report any instances of delayed or non-receipt of bills for prompt resolution.

4.8 SAIL-BSL ensures that consumer metering and billing are carried out in accordance with the Electricity Act, 2003, CEA Metering Regulations, and applicable JSERC Regulations. Complaints regarding faulty meters are promptly attended to through inspection, testing, and replacement wherever required, and billing revisions are made in accordance with the applicable regulatory provisions to ensure transparency and accuracy.

Commission's View:

4.9 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner.

B. Objector - Bhaiya Pritam

Objector Comments

4.10 The Objector has submitted that, vide Tariff Order dated 03.08.2012, the Commission had directed the Licensee to provide separate electricity connections to consumers residing in the Co-operative Housing Society and to extend individual residential/commercial connections to all residents of the Cooperative Colony who had applied, or may apply in future, without any further delay. However, the Objector has alleged that the Licensee has not taken adequate steps to comply with the aforesaid directions of the Commission. Hence, it is requested to furnish the status of compliance of the directions issued by the Commission in this regard. The Objector further submitted that, despite residing in residential premises, the consumers continue to be billed under the commercial tariff category, resulting in payment of commercial charges for residential consumption. The Objector requested the SAIL-BSL to submit the basis adopted for categorization of such consumers under commercial Tariff.

4.11 Further, the Objector has alleged that load has been arbitrarily fixed by SAIL–BSL. It has been requested that these charges be revised in proportion to transformer capacity for lessee plot holders. In this regard, SAIL-BSL is requested to furnish:

i. The methodology adopted for determination and fixation of load for lessee plot holders.

ii. The rationale and regulatory basis for the existing load fixation mechanism.

iii. Whether any study or assessment has been conducted for aligning the connected/sanctioned load with transformer capacity and actual usage.

Petitioner's Response

4.12 SAIL-BSL respectfully submits that as per the direction of JSERC the matter has been taken into consideration and continuous steps are being in this regard.

Commission's View:

4.13 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner.

C. Objector - Bhaiya Pritam

Objector Comments

4.14 The Objector raised that load categorization and capacity allocation must be revised based on actual usage and sanctioned load, as arbitrary fixed load assignments lead to overcharging. Further, the objector has highlighted that many businesses operate inside the township and misuse domestic electricity supply. SAIL–BSL has failed to restrict such misuse, causing unfair burden on genuine consumers. Hence, it is requested to SAIL-BSL to submit the measures undertaken to detect and prevent unauthorized commercial use of domestic connections.

Petitioner's Response

4.15 SAIL–BSL humbly submits that categorizes consumers and sanctions connected load in accordance with the provisions of the Electricity Act, 2003, the applicable Supply Code, and the Tariff Orders of the Hon'ble Commission. Load categorization and billing are based on the sanctioned load and the approved nature of supply and are not assigned arbitrarily. Further, SAIL–BSL undertakes periodic inspections, verifies complaints, monitors consumption patterns, and carries out field verification to detect any unauthorized commercial use of domestic connections. Wherever misuse or change in the nature of supply is detected, appropriate action, including consumer category reclassification, recovery of applicable charges, and other actions as per the applicable statutory and regulatory provisions, is initiated. Accordingly, SAIL–BSL has adequate mechanisms in place to prevent unauthorized commercial use of domestic connections, and the allegations made by the objector are unfounded and therefore deserve to be rejected.

Commission's View:

4.16 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner.

D. Objector - Hari Om

Objector Comments

4.17 The Objector has submitted that the infrastructure used for power distribution, including transformers and substations, is in a poor state, with connected loads exceeding transformer capacity. Further, Consumers are facing the problem of voltage fluctuation. In this regard, SAIL-BSL is requested to furnish the causes identified by the Licensee for voltage fluctuations in its licensed area, the corrective measures undertaken to address voltage fluctuation and overloading issues and the capital investment and infrastructure augmentation plan proposed to improve power quality and reliability.

Petitioner's Response

4.18 SAIL BSL humbly submits that it continuously monitors the loading of its distribution network and undertakes preventive and corrective maintenance to ensure reliable power supply within its licensed area. Voltage fluctuations, wherever experienced, may arise due to temporary system conditions such as load variations, switching operations, or upstream grid disturbances and are addressed through regular network monitoring, timely maintenance, load balancing, augmentation of distribution infrastructure, and replacement or upgradation of equipment wherever technically justified. SAIL–BSL also carries out periodic assessment of transformer loading and system capacity, and necessary augmentation of transformers, feeders, and associated distribution infrastructure is undertaken as per system requirements and availability of approved capital expenditure. The Licensee remains committed to maintaining the quality, reliability, and safety of power supply in accordance with the applicable standards and regulatory provisions.

Commission's View:

4.19 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner.

E. Objector - Yash Pal

Objector Comments

4.20 The Objector has submitted that in True up of FY 2024-25, Steel Plant should also be treated as a consumer. Further, he submitted that the gap as submitted by the Petitioner of Rs. 101.22 Crore is miscalculated and the Commission should calculate the gap including Steel Plant as consumer.

4.21 Further, the Objector has submitted that the distribution loss of 44.85% for FY 2024-25, as claimed by the Petitioner, is excessively high and not justifiable. The Objector further submitted that, although SAIL-BSL has projected a reduction in distribution losses from 42.00% in FY 2026-27 to 30.00% in FY 2030-31 during the Control Period, it has not provided any concrete justification, roadmap, or supporting measures demonstrating how such loss reduction targets will be achieved. The Objector also pointed out that the distribution losses have increased in comparison to previous years, indicating a lack of effective loss reduction initiatives. Further, the Objector contended that the financial burden arising from unauthorized use of electricity and inefficiencies in the distribution system should not be passed on to the consumers through higher tariffs. Considering that consumers are already paying electricity charges in the range of Rs. 4.52 to Rs. 4.56 per kWh, the Objector requested the Commission not to approve any further tariff increase and to ensure that consumers are not burdened with the costs associated with high distribution losses and unauthorized consumption.

Petitioner's Response

4.22 SAIL BSL humbly submits that it continuously monitors the loading of its distribution network and undertakes preventive and corrective maintenance to ensure reliable power supply within its licensed area. Voltage fluctuations, wherever experienced, may arise due to temporary system conditions such as load variations, switching operations, or upstream grid disturbances and are addressed through regular network monitoring, timely maintenance, load balancing, augmentation of distribution infrastructure, and replacement or upgradation of equipment wherever technically justified. SAIL–BSL also carries out periodic assessment of transformer loading and system capacity, and necessary augmentation of transformers, feeders, and associated distribution infrastructure is undertaken as per system requirements and availability of approved capital expenditure. The Licensee remains committed to maintaining the quality, reliability, and safety of power supply in accordance with the applicable standards and regulatory provisions.

4.23 SAIL–BSL respectfully submits that the distribution losses claimed in the Petition have been computed based on actual system data and in accordance with the applicable regulatory framework. The loss level is influenced by technical and operational factors, including the nature of the distribution network, ageing infrastructure, and legacy system constraints. The projected reduction in distribution losses during the Control Period is supported by planned measures such as network strengthening, asset upgradation, load balancing, improved metering, energy accounting, and enhanced monitoring, subject to approval of the requisite capital expenditure. SAIL–BSL is committed to progressively reducing distribution losses and achieving loss levels comparable with efficient utilities at the national level through sustained technical and operational improvements. Further, unauthorized use of electricity is addressed in accordance with the provisions of the Electricity Act, 2003 and the applicable regulations. SAIL-BSL has also would like bring in the notice of the Hon'ble Commission that Rs. 4.52 to Rs. 4.56 per kWh is the power purchase rate projected for the upcoming control period it is not the charge Consumers are paying. SAIL–BSL is committed to making all possible and sustained efforts and will leave no stone unturned to progressively reduce the Distribution loss level over the next five years.

Commission's View:

4.24 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner.

F. Objector - Shri Mishri Lal Gupta

Objector Comments

4.25 Shri Mishri Lal Gupta, proprietor of Shop No. 08, Sector-12 Market, informed the Commission that his shop was without an electricity connection.

Petitioner's Response

4.26 SAIL BSL humbly submits that it has taken immediate action to resolve the issue, and the power connection to the shop was restored.

Commission's View:

4.27 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner.

G. Additional Submission

Objector Comments

4.28 A consumer alleged that the Consumer Grievance Redressal Forum (CGRF) office was found locked and was therefore inaccessible to consumers.

Petitioner's Response

4.29 SAIL–BSL respectfully submits that the allegation made by the consumer is incorrect. The Consumer Grievance Redressal Forum (CGRF) is fully functional and remains open on all working days, i.e., Monday to Friday, during the prescribed office hours. The Forum is accessible to all consumers for registration and redressal of grievances in accordance with the applicable regulatory provisions. SAIL–BSL remains committed to ensuring an effective, transparent, and consumer-friendly grievance redressal mechanism, and all necessary arrangements are in place to facilitate timely disposal of consumer grievances. It has shared the Persons of.

Commission's View:

4.30 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner.

Objector Comments

4.31 A consumer raised concerns regarding power theft in Bokaro Township and sought information on the measures being taken to curb unauthorized use of electricity.

Petitioner's Response

4.32 SAIL-BSL respectfully submits that that routine drives to identify and disconnect unauthorized electricity connections are regularly carried out in various areas of Bokaro Township. Regular inspections and monitoring are undertaken to detect instances of power theft, and whenever unauthorized connections are found, immediate disconnection is carried out.

Commission's View:

4.33 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner.

CHAPTER 5: TRUE-UP FOR FY 2024-25

5. TRUE-UP FOR FY 2024-25

5.1 In the instant petition the Petitioner has sought approval of Truing up for FY 2024-25 based on the Audited Accounts of FY 2024-25, taking into consideration the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations (1st Amendment) 2023 and the methodology adopted by the Commission in the previous Orders.

5.2 The Commission has carried out true-up for FY 2024-25 taking into consideration:

a. Audited Accounts for FY 2024-25 and additional details submitted by the Petitioner in response to deficiency letters;
b. JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020; and its subsequent amendments and;
c. Methodology adopted by the Commission in the earlier order.

NO. OF CONSUMERS, CONNECTED LOAD AND ENERGY SALES

Petitioner's Submission

5.3 The petitioner would like to submit before the Hon'ble Commission that the details of actual number of consumers, connected load and respective sales for different consumer categories for FY 2024-25 is provided in Table below.

Table 9: Supply points, connected load and sales in Jharkhand area submitted by the Petitioner for FY 2024-25

Particulars	Supply Points	Connected Load (MVA)	Consumption (MU)
Domestic Services - (DS-LT)	28,732	108,588	85.95
Domestic Services – (DS-HT)	7	5,008	7.53
Commercial Services (CS)	1,920	24,374	23.94
Low Tension Industrial Services (LTIS)	37	930	0.68
HTS-11 KV	30	11,440	26.19
HT/LT	656	44,101	28.52
Township Total	**31,382**	**194,441**	**172.80**
Steel Plant	1	45,000	1,347.89
Total	**31,383**	**239,441**	**1,520.69**

5.4 With regards to Energy Sales for the FY 2024-25, the Petitioner submits as below:

a) The energy sales in the DS-LT category have a 10.18% decrement against the APR Estimates approved by the Hon'ble Commission in its order dated July 22, 2025.

b) Overall, the total billed consumption for the township is consistent with the projections of APR Estimates approved by the Hon'ble Commission in its order dated July 22, 2025.

5.5 SAIL-BSL requested the Commission to approve the actual consumer number, connected load and energy sales for FY 2024-25, as shown in the Table mentioned above.

Commission's Analysis

5.6 The Commission has studied the various documents submitted by the Petitioner including those submitted as part of the data gaps.

5.7 The Hon'ble Commission has considered the Steel Plant as the consumer of SAIL-BSL and included energy sales of Steel plant in its sales and power procurement. However, the Hon'ble Commission has considered the tariff for Steel Plant as the HTS tariff of SAIL-BSL. The relevant extract from the order dated 3rd August 2012 is below:

> "5.129 However, considering the treatment of the sales to the Steel Plant by the Petitioner, the Commission agrees that the Steel Works of the Petitioner shall henceforth be treated as a consumer of the electricity distribution business.
>
> 5.130 With respect to the categorization and tariff applicability of the Steel Plant, the Commission observes that power to Steel Plant is being supplied at 132 kV from the Petitioner's network. Therefore, the Steel Plant is to be treated as an HTS consumer of the Petitioner and the tariff applicable to it shall be the tariff applicable to the HTS category. This is also in line with the treatment of other steel works of other distribution licensees in the State."

5.8 The Commission has used the similar methodology for computation of revenue from Steel plant in the Tariff Orders dated September 03, 2014, June 07, 2018, January 08, 2021 and June 22, 2023. Also, in the recent Tariff Order dated August 20, 2024, the Commission has adopted similar methodology of considering steel plant as HTS consumer at 132 KV for calculating its normative revenue. The relevant extract from the latest Tariff Order dated 20th August 2024 is as below:

> "*Commission's Analysis*

….. 5.10 The Commission continued the methodology of considering steel plant as HTS consumer in the truing up of FY 2016-17 to FY 2018-19 and Suo-Motu Order on ARR of FY 2020-21 dated January 08, 2021, which has been continued in the order on True-up for FY 2019-20 & FY 2020-21, Multi Year Tariff and Business Plan for Control Period FY 2021-22 to FY 2025-26, Order on True up for FY 2021-22, APR for FY 2022-23 & ARR and Retail Supply Tariff for FY 2023-24 vide order dated February 22,2024."

5.9 In accordance with the above, the Commission finds no merit in the claims made by the Petitioner, and as per the precedent, the Steel Plant has been considered as HT consumer of Electricity Distribution Business of the Petitioner.

5.10 As per clause 6.45 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, the variation in energy sale due to uncontrollable parameter shall be treated as a pass-through to consumers. The relevant abstract of the Regulations has been reproduced below:

"*6.45 The variation on account of uncontrollable elements shall be treated as a pass-through to be ultimately charged to the consumers, subject to validation and approval by the Commission*"

5.11 The Commission after scrutinizing the information submitted by the Petitioner and the Auditor's Certificate and energy audit reports made available for the aforementioned year and prudence check, approves the actual supply points, connected load and energy sales as submitted by the Petitioner for FY 2024-25, which is summarized as below:

Table 10: Supply points, connected load and sales in Jharkhand submitted by approved by the Commission for FY 2024-25

Particulars	Supply Points		Connected Load (MVA)		Consumption (MU)	
	Petition	Approved	Petition	Approved	Petition	Approved
Domestic Services - (DS-LT)	28,732	28,732	108,588	108,588	85.95	85.95
Domestic Services – (DS-HT)	7	7	5,008	5,008	7.53	7.53
Commercial Services (CS)	1,920	1,920	24,374	24,374	23.94	23.94
Low Tension Industrial Services (LTIS)	37	37	930	930	0.68	0.68
HTS-11 KV	30	30	11,440	11,440	26.19	26.19
HT/LT	656	656	44,101	44,101	28.52	28.52

Particulars	Supply Points		Connected Load (MVA)		Consumption (MU)	
	Petition	Approved	Petition	Approved	Petition	Approved
Township Total	**31,382**	**31,382**	**194,441**	**194,441**	**172.80**	**172.80**
Steel Plant	1	1	45,000	45,000	1,347.89	1,347.89
Total	**31,383**	**31,383**	**239,441**	**239,441**	**1,520.69**	**1,520.69**

DISTRIBUTION LOSSES

Petitioner's Submission

5.12 The Petitioner submitted that the actual distribution loss for FY 2024-25 as 44.85%. The key reason for further increase in loss is the issues of electricity usage by non-consumers through unauthorized means in the rural areas. SAIL-BSL has made several efforts to control such unauthorized usage of electricity.

5.13 The Petitioner further submitted that it is observed that, there are some areas which do not come under the Licensed area of Petitioner, are consuming electricity by hooking from SAIL-BSL's distribution system. These consumers are expected to use the supply of DVC distribution licensee, however, due to the contiguous area of supply with DVC, these consumers are illegally consuming the supply from SAIL- BSL distribution network.

5.14 The Petitioner said that his officials of SAIL-BSL are in the process of disconnecting these illegal connections and discussing with DVC Distribution Licensee to provide connections to such consumers falling their area of supply.

5.15 The Petitioner submitted that it has also formed groups consisting of senior officials along with CISF team and visiting the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections. Details of the roster and photographs are annexed in its petition.

5.16 The Petitioner further submitted that as a permanent solution, SAIL-BSL is planning to take concrete measures for distribution loss reduction as discussed below:

Smart metering for reduction in losses.

5.17 The Petitioner is committed for reduction of the distribution losses in the township. At present, the consumers of SAIL-BSL are connected with the analog meters and SAIL-BSL has appointed meter readers for meter readings. Few of the challenges in the existing meters are listed below:

a) Insufficient manpower for meter reading, causing average billing for some of the consumers.

b) Electricity theft by bypassing the energy meter.

c) Delay in billing leading to outstanding dues.

5.18 Hence, the petitioner SAIL-BSL has proposed for smart meters which would help in overcoming the above-mentioned challenges. It is submitted that SAIL-BSL is planning to install smart meters for all the consumers.

Planning of underground cabling of LT network along with laying of Aerial Bunch Cable.

5.19 The Petitioner submitted that the internal meeting was held at TA Electrical department level with the concerned officials to know their opinion on the matter. It was highlighted in the meeting that to reduce the non-technical distribution loss because of illegal connection/theft of power /pilferage, SAIL-BSL may propose to install underground cables which is one of the prevailing practices followed in India as suggested in the Forum of Regulators Report on "*Best practices and strategies for distribution loss reduction*".

5.20 Further, Central Electricity Authority has also acknowledged the fact that in the underground cabling system, it is generally impossible to have illegal connection by tapping the conductor for theft of power.

5.21 Hence, it was decided in the meeting that the concerned officials would prepare a detailed plan for implementation of Underground of LT Network along with the tentative timelines and cost estimate for Stage I approval from the SAIL-BSL Management.

5.22 The SAIL-BSL had also formed internal committee to review the proposal and discuss various challenges of implementing underground network. The copy of the committee report is attached his petition.

5.23 Accordingly, SAIL-BSL humbly pray before Hon'ble Commission to allow SAILBSL to approach separately to the Hon'ble Commission in next tariff petition for the CAPEX approval of Installation of Smart Meters, after the Stage I approval.

5.24 Further, SAIL-BSL is striving hard to reduce distribution losses and has been timely introducing new initiatives to check the same, but on an overall basis the situation is largely uncontrollable due to legacy issues.

5.25 However, SAIL-BSL is committed to reduce the distribution loss level under the specified level determined by the Hon'ble Commission and believe that the actual loss level would come down only upon implementation of such initiatives.

5.26 Hence, in view of above where situation is largely uncontrollable, SAIL-BSL request Hon'ble Commission to approve a higher distribution loss as provided below:

Table 11: Distribution loss of Township in Jharkhand area as submitted by the Petitioner for FY 2024-25

Particulars	Actual Distribution Loss
Distribution Loss of Township	44.85%

Commission's Analysis

5.27 The Commission has carefully examined the submissions of the Petitioner regarding the alleged actual distribution loss of 44.85% for FY 2024-25 and the reasons attributed thereto. The Commission notes the Petitioner's contention that the high distribution loss is primarily due to unauthorized consumption of electricity by non-consumers through illegal hooking from the SAIL-BSL distribution network, particularly in areas contiguous to the supply area of DVC Distribution Licensee. The Commission further notes the steps initiated by the Petitioner for disconnection of illegal connections, coordination with DVC for regularization of supply to such consumers, constitution of enforcement teams involving senior officials and CISF personnel, and periodic raids to curb theft of electricity. But it appears that despite of all the steps taken by Petitioner, the desired results have not been achieved, particularly in addressing the issue of illegal Connections and therefore, the claim of the Petitioner for Distribution loss has restow at strongly high percentage i.e. 44.85%.

5.28 The Commission also takes into consideration of the Petitioner's proposal for installation of smart meters, strengthening of metering infrastructure, and implementation of underground cabling and Aerial Bunched Cable (ABC) systems as long-term measures for reduction of non-technical losses. While these initiatives are commendable and may contribute towards loss reduction in the future, the Commission observes that the mere existence of theft, pilferage, unauthorized connections, metering deficiencies, or operational inefficiencies cannot be a ground for routinely passing the burden of excessive distribution losses on to the legitimate consumers. Because all the factor for the loss claimed by the petitioner distribution Company are controllable in nature.

5.29 The Commission observes that reduction of distribution losses is one of the fundamental obligations of a distribution licensee and forms an integral part of prudent utility operation. The licensee is expected to undertake adequate technical, commercial, enforcement, and administrative measures to contain losses within reasonable levels. The Commission further notes that the Petitioner has not furnished sufficient evidence demonstrating that the entire loss of 44.85% is beyond its reasonable control or that all practicable measures had been implemented during the relevant year to mitigate such losses.

5.30 Allowing higher losses without adequate justification would be contrary to the fundamental principles of efficiency, consumer protection, accountability, and prudent tariff determination enshrined in the Electricity Act, 2003 and reinforced through various regulatory initiatives and studies undertaken by the Forum of Regulators (FoR).

5.31 The preamble to the Electricity Act, 2003 clearly states that the legislation seeks to promote competition, protect consumer interests, rationalize tariffs, and promote efficient policies in the electricity sector. Any continued allowance of avoidable Distribution Losses would transfer the burden of operational inefficiencies of the Distribution Licensee to consumers, which is inconsistent with these statutory objectives.

5.32 Further, Section 61 of the Electricity Act 2003 requires the Commission, while specifying tariff regulations, to be guided by principles that encourage:

- Efficiency;
- Economical use of resources;
- Good performance;
- Optimum investments; and
- Protection of consumer interest.

Distribution Loss is a controllable parameter substantially influenced by utility actions relating to metering, energy accounting, network strengthening, theft control, billing efficiency, and operational management. Therefore, allowing higher losses in true-up without rigorous prudence scrutiny would dilute the efficiency incentives intended under Section 61 under the garb of maintaining the viability of distribution company.

5.33 Section 55 of the Act mandates supply through appropriate metering arrangements. The legislative intent is to ensure energy accountability throughout the distribution system. Distribution utilities are expected to progressively establish feeder metering, distribution transformer metering, consumer indexing, and energy audit mechanisms to accurately identify and reduce losses.

5.34 Where higher losses persist due to deficiencies in metering, consumer indexing, billing practices, or energy accounting systems, such inefficiencies cannot reasonably be passed to consumers through the true-up process.

5.35 Sections 126 and 135–140 of the Electricity Act create a comprehensive framework for prevention of unauthorized use and theft of electricity. The existence of these provisions signifies the legislative intent that commercial losses attributable to theft, meter tampering, unauthorized consumption, and poor enforcement are to be actively addressed by the Distribution Licensee rather than recovered from consumers through tariff.

5.36 Accordingly, any relaxation in approving higher distribution levels without establishing that the excess losses arose from uncontrollable circumstances would weaken the statutory incentives for theft control and revenue protection. It appears that from the materials available in the Tarif Pettion that the petitioner has not adequately invoked and enforced the provisions of Sections 126 and 135 to 140 of the Electricity Act, 2003, relating to unauthorized use of electricity and theft of electricity.

5.37 The Forum of Regulators (FoR) -commissioned study titled "Best Practices and Strategies for Distribution Loss Reduction" identified high distribution losses as one of the principal challenges facing India's distribution sector and emphasized that sustainable sector reform requires continuous reduction of both technical and commercial losses. The study categorizes loss reduction initiatives into:

- Governance reforms;
- Process strengthening;
- Network strengthening;

- Regulatory initiatives;
- Administrative measures; and
- Technology adoption such as AMR, SCADA, DMS, feeder metering and energy audit systems.

The study specifically treats Distribution Loss reduction as an outcome of utility performance and management effectiveness and documents successful loss reduction achieved by utilities through implementation of these measures. Accordingly, higher losses cannot automatically be regarded as uncontrollable costs deserving pass-through in tariff true-up.

5.38 The FoR study observed that several utilities across Gujarat, Delhi, Punjab, Maharashtra, Andhra Pradesh and other states achieved substantial loss reduction through focused interventions including:

- 100% metering;
- Energy auditing;
- Dedicated loss monitoring cells;
- Employee accountability systems;
- Vigilance mechanisms;
- Network strengthening;
- Distribution franchisee models;
- Technology-enabled billing and collection systems.

The availability of established and proven interventions demonstrates that Distribution Losses are largely manageable and controllable. Therefore, persistent excess losses beyond certain levels should ordinarily be attributable to operational shortcomings rather than unavoidable external factors.

5.39 If higher-than-approved Distribution Losses are routinely allowed in true-up, the Distribution Licensee would face reduced incentive to undertake investments and management initiatives required for loss reduction. Such an approach would create regulatory moral hazard where inefficiencies are socialized and borne by consumers.

Conversely, disallowance of controllable excess losses encourages:

- Better energy accounting;
- Improved billing efficiency;
- Reduction in theft;
- Timely replacement of defective meters;
- Network modernization;
- Improved utility governance.

This approach aligns with the efficiency-promoting mandate of Section 61 of the Electricity Act, 2003.

5.40 Further, as recognized in recent Ministry of Power rules cited in regulatory proceedings, gains and losses arising from deviation from approved AT&C loss reduction trajectories are required to be quantified and shared between consumers and distribution licensees, thereby explicitly linking utility performance with financial consequences. This framework further supports the principle that loss reduction is a measurable and accountable parameter rather than an uncontrollable cost to be automatically passed through in tariff.

5.41 In view of above, The Commission will not allow higher Distribution Losses in true-up unless the Distribution Licensee conclusively demonstrates that such variation is attributable to uncontrollable factors. Distribution Loss reduction is a statutory expectation flowing from Sections 55, 61 and other provisions of the Electricity Act, 2003, and is supported by the findings of the Forum of Regulators' study on Distribution Loss Reduction. Allowing excess controllable losses would be inconsistent with the principles of efficiency, prudent tariff determination, accountability, and consumer protection embodied in the Act.

5.42 The other day, the FOR has convened its meeting at New Delhi under the guidance of Hon'ble Minister of Power, Union of India where inter-alia it has been observed that prudent power purchase cost incurred by a distribution licensee should not be subject to disallowance on account of non-achievement of the specified performance targets. However, where the distribution licensee fails to achieve such targets, the State Commission may levy an appropriate penalty, after duly considering the extent to which the failure is attributable to uncontrollable factors.

5.43 The Commission further notes that in its earlier Tariff Orders, APR and True-up Orders relating to the Petitioner, the distribution loss had been consistently approved at 10%. However, the Commission has re-examined the prevailing circumstances and recognizes that the Petitioner is presently facing certain unique operational challenges, particularly in the township and adjoining areas, where unauthorized consumption through illegal hooking and supply to consumers outside the licensed area has reportedly contributed to higher losses.

5.44 In light of above, the Commission is of the considered view that allowing the actual distribution loss of 44.85% would result in inefficiencies being passed on to consumers through tariff and would not be consistent with the regulatory objective of promoting efficiency and loss reduction. At the same time, considering the peculiar circumstances highlighted by the Petitioner, including issues of unauthorized consumption in adjoining areas and the ongoing efforts for loss reduction, the Commission finds it appropriate to allow a reasonable loss level.

5.45 The Commission accordingly decides to revise the approved distribution loss level from 10%, which was allowed in earlier Tariff, ARR and True-up Orders, to 15% for FY 2024-25. The additional allowance of 5% is being granted as a one-time regulatory dispensation after considering the peculiar circumstances highlighted by the Petitioner, including unauthorized consumption in adjoining areas, legacy network issues, and the time required for implementation of loss reduction measures such as smart metering and strengthening of the distribution network.

5.46 The Commission clarifies that the approval of 15% distribution loss should not be construed as acceptance of the actual loss of 44.85%, nor should it be treated as a precedent for future years. The Petitioner shall be required to demonstrate measurable progress in loss reduction and implementation of the proposed corrective measures. Any continued high level of losses in future years shall be subjected to strict prudence check and shall not automatically qualify for regulatory pass-through.

5.47 Accordingly, after prudence check of the submissions and taking a balanced view of the operational challenges faced by the Petitioner, the Commission approves a distribution loss of 15% for FY 2024-25 for tariff determination purposes. The loss level approved by the

Commission is considered reasonable and achievable and is intended to provide a regulatory signal for improvement in operational efficiency while safeguarding consumer interest.

5.48 The Commission appreciates the steps taken by the Petitioner to reduce distribution losses in its area of operation. However, as per clause 6.44 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, 'Distribution Loss and Collection Efficiency' are treated as 'Controllable items'

5.49 Based on the submissions of the Petitioner and after a prudent check, the Commission observes that the claimed distribution loss of 44.85% is excessively high and cannot be allowed for tariff determination. Considering the loss reduction initiatives proposed by the Petitioner and the need to protect consumer interest, the Commission approves the distribution loss at 15% for FY 2024-25, as shown in the table below:

Table 12: Distribution Loss of Township approved by the Commission for FY 2024-25

Particulars	Approved
Distribution Loss of Township	15%

ENERGY BALANCE

Petitioner's Submission

5.50 The Petitioner has submitted that the Commission had approved the distribution loss for the Steel plant as negligible in the MYT Order dated 07th June 2018, because the energy is supplied to the Steel Plant is primarily at 220 kV voltage level after December 2016.

5.51 The Petitioner has humbly submitted that energy requirement for Steel Plant has been taken as the actual energy consumption of the Steel Plant. Further, for the township, the actual distribution loss based on actual energy sales, as discussed in the earlier section & the energy purchased at the township periphery for FY 2024-25.

5.52 Accordingly, The Petitioner has computed the Energy Balance for FY 2024-25 as below:

Table 13: Energy Balance in Jharkhand area submitted by the Petitioner for FY 2024-25 (in MU)

Particulars	Formula	Claimed in Petition (MU)
ENERGY SOURCING		
Energy Sales – Township	A	172.80
Overall distribution losses (in %)	B	44.85%
Energy Required for Township	C	313.35
Energy Sales to Steel Plant	D	1,347.89
Total Energy Requirement	E=C+D	1,661.24
ENERGY AVAILABILITY		
Total Power Purchase	E	1,661.24
Power Purchase – Township	F	313.35
Power Purchase – Plant	G=E-F	1,347.89

Commission's Analysis

5.53 The Commission has examined the Energy Balance submitted by the Petitioner for FY 2024-25. The Commission notes that energy supplied to the Steel Plant is primarily at the 220 kV voltage level and, therefore, the distribution loss associated with such supply is considered negligible, in line with the approach adopted in earlier tariff orders.

5.54 The Commission, however, has not approved the distribution loss claimed by the Petitioner and as discussed in the preceding section, has approved the distribution loss at 15% for FY 2024-25. Accordingly, the energy requirement for the Township and the overall Energy Balance are required to be revised based on the approved distribution loss level.

5.55 Accordingly, considering the approved Township energy sales of 172.80 MU and approved distribution loss of 15%, the energy requirement for the Township works out to 203.30 MU. The energy sales to the Steel Plant are retained as submitted by the Petitioner. Based on the above, the revised Energy Balance approved by the Commission for FY 2024-25 is shown below:

Table 14: Energy Balance in Jharkhand area as approved by the Commission for FY 2024-25 (in MU)

Particulars	Formula	Approved by Commission (MU)
ENERGY SOURCING		
Energy Sales – Township	A	172.80
Overall distribution losses (in %)	B	15%

Particulars	Formula	Approved by Commission (MU)
Energy Required for Township	C	203.30
Energy Sales to Steel Plant	D	1,347.89
Total Energy Requirement	**E=C+D**	**1,551.19**
ENERGY AVAILABILITY		
Total Power Purchase	E	1,551.19
Power Purchase – Township	F	203.30
Power Purchase – Plant	G=E-F	1,347.89

POWER PURCHASE COST

Petitioner's Submission

5.56 The Petitioner is in the power purchase agreement with the Damodar Valley Corporation (DVC), which is a power generating company under the aegis of the Government of India and supplies power to them in accordance with the tariff approved in the MYT Order by the Commission for FY 2024-25.

5.57 As per the JSERC Order dated 20th June 2018 in Case No. 07 of 2016, SAIL-BSL is exempted from Renewable Purchase Obligation (RPO) for the energy procured from DVC. The relevant extracts are as follow:

> *"…The petitioner (SAIL, Bokaro Steel Plant), Bokaro Steel City is exempted from complying with the Renewable Purchase Obligation for the part of the power consumption which the petitioner is purchasing from DVC to the extent that it has to be complied by the DVC."*

5.58 The Petitioner has computed final power purchase cost based on the average power purchase rate (Rs/kWh) of the monthly power purchase bills of DVC that is charged to the Steel Plant annexed as Annexure 5 for FY 2024-25.

5.59 Accordingly, The Petitioner has computed actual Power Procurement Cost for FY 2024-25, as below:

Table 15: Power Procurement Cost in Jharkhand area as submitted by the Petitioner for FY 2024-25

(Rs. In Crore)

Particulars	UoM	Approved by Commission (MU)
Total Power Purchase	MU	1661.24
Power Purchase – Township	MU	313.25
Power Purchase –Plant	MU	1347.89
Per Unit power purchase cost	Rs./kWh	4.26
Power Purchase Cost– Township	Rs. Cr.	133.39
Power Purchase Cost– Plant	Rs. Cr.	574.20
Total Purchase Cost	**Rs. Cr.**	**707.59**

Commission's Analysis

5.60 The Commission has examined the submissions of the Petitioner regarding the power procurement cost for FY 2024-25, the power purchase bills raised by Damodar Valley Corporation (DVC), and the corresponding energy requirement of the Steel Plant and Township. The Commission notes that the Petitioner is procuring power from DVC under the applicable power supply arrangements and has computed the power purchase cost based on the average power purchase rate derived from the actual monthly bills of DVC.

5.61 The Commission further observes that the Petitioner has considered a total power purchase requirement of 1,661.24 MU, which includes 313.35 MU for the Township after considering a distribution loss of 44.85%. However, as discussed in the preceding section of this Order, the Commission has approved the distribution loss for the Township at 15% for FY 2024-25. Accordingly, the power procurement requirement of the Township is revised from 313.35 MU to 203.30 MU based on the approved energy balance.

5.62 The Commission notes that the energy requirement of the Steel Plant is based on actual consumption and supply at the EHT level, where distribution losses are negligible. The Commission finds the power procurement quantum of 1,347.89 MU for the Steel Plant to be reasonable and, therefore, approves the same as submitted by the Petitioner.

5.63 The Commission has also scrutinized the power purchase bills submitted by the Petitioner and finds it prudent to approve the average power purchase rate of Rs. 4.26/kWh for FY 2024-25.

Accordingly, the power purchase cost is recalculated based on the approved power procurement quantum.

5.64 Based on the above, the Commission approves the power procurement and associated power purchase cost for FY 2024-25 as detailed below.

Table 16:: Power Procurement Cost in Jharkhand area as approved by the Commission for FY 2024-25

Particulars	UoM	Approved by Commission (MU)
Total Power Purchase	MU	1551.19
Power Purchase – Township	MU	203.30
Power Purchase –Plant	MU	1347.89
Per Unit power purchase cost	Rs./kWh	4.26
Power Purchase Cost– Township	Rs. Cr.	86.54
Power Purchase Cost– Plant	Rs. Cr.	574.20
Total Purchase Cost	**Rs. Cr.**	**660.74**

Gross Fixed Assets

Petitioner's Submission

5.65 The Petitioner intends to capitalise the left-over project in FY 2024-25 and FY 2025-26 ensuring the timely completion as per the tentative project schedule.

5.66 Further, Petitioner requests the Commission to approve the capitalisation for FY 2024-25. Petitioner has provided Gross Fixed Assets for FY 2024-25 as detailed below:

Table 17: Gross Fixed Assets for FY 2024-25 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Amount claimed
Gross Fixed Assets (GFA)		
Opening GFA	A	62.39
Add: Addition during the year	B	0.00
Less: Disposal/adjustment	C	0.24
Closing GFA	D= A+B-C	62.14

Commission's Analysis

5.67 The Commission has observed that, in its MYT order dated June 22, 2023, an additional amount of Rs. 1 crore for the year 2024-25 was approved. Additionally, it was observed that in the True-up and APR order dated July 22, 2025, the Commission had approved an addition in GFA of Rs. 23.56 crore for the financial year 2024-25.

5.68 The Commission observe that Petitioner filed a submission and justification during the approval of APR in order dated July 22, 2025 that the petitioner will get the work of High Mast Towers with LED Fixture in BSL Township, Procurement of 8 nos. of Squirrel cage Induction Motors, Procurement of 60 nos. of LT Distribution Panel, Chemical earthing work, Aerila work platform etc.. But Petitioner failed to complete all these works related to the FY 2024-25.

5.69 Based on the above, the Commission has considered the opening balance of GFA for FY 2024-25 based on the closing GFA for FY 2023-24 as approved in the True up for the FY 2023-24. The GFA approved by the Commission is summarized in the table below:

Table 18: Gross Fixed Assets for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Amount approved
Gross Fixed Assets (GFA)		
Opening GFA	A	62.39
Add: Addition during the year	B	0.00
Less: Disposal/adjustment	C	0.24
Closing GFA	D= A+B-C	62.14

CONSUMER CONTRIBUTION, GRANTS AND SUBSIDIES

Petitioner's Submission

5.70 Petitioner submitted that the Regulation 10.11, 10.28 and 10.34 of the Tariff Regulations, 2020, specifies the methodology to deal with Consumer Contribution, Grants and Subsidies for FY 2023-24. The relevant extracts are as follows:

"*10.11 The 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 under these Regulations.*

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

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

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

5.71 Petitioner humbly submitted that there are no consumer contributions/grants towards GFA creation and accordingly the same has not been considered for computation of GFA and depreciation thereon.

Commission's Analysis

5.72 The Commission has examined the submissions of the Petitioner regarding Consumer Contribution, Grants and Subsidies in light of the provisions of the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020. The Commission notes that the said Regulations stipulate that assets created through Consumer Contribution, Grants, Capital Subsidies or Deposit Works are required to be excluded while determining admissible capital cost, debt-equity ratio, depreciation and interest on loan.

5.73 The Commission has undertaken a prudence check of the audited financial statements, fixed asset records, schedules forming part of the audited accounts and other supporting documents submitted by the Petitioner. Upon examination, the Commission observes that no asset has been created out of Consumer Contribution, Grants, Capital Subsidies or Deposit Works. The Commission further notes that the Petitioner has not reported any Consumer Contribution, Grants or Subsidies forming part of the Gross Fixed Assets for the year under consideration.

5.74 In view of the above and based on the audited records and documents placed on record, the Commission accepts the submission of the Petitioner that no assets have been funded through Consumer Contribution, Grants or Subsidies. Accordingly, no adjustment on account of Consumer Contribution, Grants or Subsidies is considered in the computation of Gross Fixed Assets, Depreciation, Interest on Loan or Return on Equity.

DEPRECIATION

Petitioner's Submission

5.75 The Petitioner has submitted that Regulations 10.36 to 10.39 of the Tariff Regulations, 2020, specifies the determination of depreciation for the FY 2021-22. The relevant extracts are as follows:

> "*10.36 Depreciation shall be calculated annually, based on the straight-line method at the rates specified at Appendix-I. The base value for the purpose of depreciation shall be original cost of the asset: Provided that the Distribution Licensee shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.*
>
> *10.39 The Commission may, in the absence of the Fixed Assets Register, calculate Depreciation (%) arrived by dividing the Depreciation and the Average Gross Fixed Assets as per the latest available Audited Accounts of the Distribution Licensee. The Depreciation (%) so arrived shall be multiplied by the Average GFA approved by the Commission for the relevant Financial Year to arrive at the Depreciation for that Financial Year.*"

5.76 Petitioner has computed the depreciation as per the Straight-Line Method and has considered depreciation rates as specified in Tariff Regulation, 2020. Accordingly, The Petitioner has computed Depreciation for FY 2025-24 as under:

Table 19: Depreciation for FY 2024-25 as submitted by the Petitioner (Rs. In Crore)

Particulars	Amount Claimed
Depreciation for the FY 2024-25	2.51

Commission's Analysis

5.77 The Commission has examined the submissions of the Petitioner regarding depreciation for FY 2024-25 in accordance with Regulations 10.36 to 10.39 of the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020. The Commission notes that the Petitioner has computed depreciation using the Straight-Line Method and the depreciation rates specified under the applicable Tariff Regulations.

5.78 The Commission has carried out a prudent check of the depreciation claim with reference to the audited financial statements, fixed asset schedules and other supporting documents submitted by the Petitioner as part of the original petition and subsequent additional submissions. The Commission observes that the depreciation claimed by the Petitioner is in line with the depreciation reflected in the audited accounts for FY 2024-25 and has been computed in accordance with the provisions of the Tariff Regulations.

5.79 The Commission further notes that the depreciation claimed by the Petitioner amounts to Rs. 2.51 Crore and finds the same to be supported by the audited records and relevant asset-related documents placed on record. Accordingly, the Commission considers the claim to be reasonable and prudent.

5.80 In view of the above, the Commission approves the depreciation of Rs. 2.51 Crore for FY 2024-25, as claimed by the Petitioner, for the purpose of tariff determination .

Table 20: Depreciation for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	Amount Approved
Depreciation for the FY 2024-25	2.51

OPERATION AND MAINTENANCE EXPENSES

Petitioner's Submission

5.81 The Petitioner has submitted that the O&M expenses for FY 2023-24 has been calculated by considering the actual O&M expenses incurred by TA-Electrical department and the O&M expense incurred by DNW and ETL is based on the ratio of energy transferred to the TA-Electrical to the total energy received (distribution capacity ratio).

5.82 Employee Expenses: The Petitioner has submitted that employee expenses as per audited accounts is Rs. 10.02 Cr. for FY 2024-25 and mainly includes salaries & wages, contribution to provident fund and staff welfare expenses. The Petitioner further submitted that amount of wages and salaries for officers and staff who are directly engaged in the electricity distribution business and employee expenses incurred on DNW and of ETL are considered proportionately in the ratio of distribution capacity of TA-Electrical Department to the total capacity. The actual employee expenses have been less as the pay revision has not been implemented.

5.83 **A&G Expenses**: It is submitted that A&G expense of Rs. 7.88 Cr. mainly includes Rent, Travelling & Conveyance, Software charges, Consultancy charges, Advertisement expenses, Security Charges, Vehicle hiring charges etc. It is also submitted that the A&G Expenses are inclusive of CGRF Expenses of Rs. 0.09Cr. and Petition & other filing fees to the Hon'ble Commission amounting to Rs. 0.34 Cr.. The Petitioner further submitted that, A&G expenses include items of expenditure incurred directly for managing the distribution business in licensed area. A&G expenses include regulatory and legal charges, consultancy charges, travel expenses, printing and stationery, press advertisement, telephone and mobile expenses, insurance premium, training, hired vehicle expenses, rent rates and taxes etc.

5.84 The Petitioner has submitted that the O&M costs are taken and duly verified from audited report and these expenses have been computed after considering total expenses on this account for TA-Electrical. Similarly, expenses with regard to DNW and ETL have been considered based on distribution capacity ratio.

5.85 **R&M Expenses**: It is submitted that R&M expense as per audited account is Rs. 7.53 Cr. which mainly includes Cost of Repairs, Consumption of stores & spare parts and repairs to machinery. The Petitioner further submits that for distribution network, R&M expenses include expenditure on repairs and maintenance of distribution lines, power and distribution transformers, substation equipment, civil maintenance, spares, consumables, service contracts, complaints management etc. The expenditure has been considered on the basis of purchase orders identified by TA-Electrical. Similarly, expenses with regard to DNW and ETL have been considered based on distribution capacity ratio.

5.86 The petitioner submits the Actual O&M expenses as per Audited Financial statement for the FY 2024-25 as follows:

Table 21: Actual O&M Expenses for FY 2024-25 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Amount Claimed
A&G Costs excl. Petition Filing Fees and CGRF Expenses	A	7.45
R&M Expenses	B	7.53
Employee Cost excluding Terminal Liabilities	C	10.02
Total O&M Expenses for the purpose of sharing of Gains/Losses	D= (A+B+C)	25.00
Add: CGRF Expenses	E	0.09

Particulars	Formula	Amount Claimed
Add: Petition & other filing fees to JSERC	F	0.34
Total O&M Expenses	**G=(D+E+F)**	**25.43**

Commission's Analysis

5.87 The Commission observes that, for the purpose of true-up of FY 2024-25, the actual Operation & Maintenance (O&M) Expenses as reflected in the audited annual accounts shall be considered. However, in accordance with the provisions of clause 6.49 to 6.52 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, the gain/(loss) on account of controllable parameters is required to be determined by comparing the actual audited expenditure with the normative O&M expenses approved by the Commission.

5.88 The Commission further notes that O&M Expenses are a controllable parameter under the Tariff Regulations, 2020 and, therefore, the gain/(loss) shall be computed on an aggregated basis by considering the actual audited O&M Expenses vis-à-vis the normative O&M Expenses determined in accordance with clause 10.5 to 10.6 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The resultant gain/(loss), if any, shall be dealt with in accordance with the sharing mechanism specified under the said Regulations.

5.89 Accordingly, the Commission has considered the audited O&M Expenses for FY 2024-25 for true-up purposes, while the computation of efficiency gain/(loss) on account of O&M Expenses has been undertaken separately based on the comparison of actual audited expenses with the normative O&M Expenses approved under the Regulations.) if any, shall be dealt with in accordance with the sharing mechanism specified under:

> "*6.49 The gains/losses shall be computed on aggregate basis for controllable items such as Operation & Maintenance Expenses (excluding Terminal Liabilities), Distribution Losses and Collection Efficiency considered collectively on annual basis. The computations shall be based on the data submitted by the Licensee in the Annual Performance Review and audited annual accounts and shall be subject to prudence check by the Commission.*
>
> *6.50 In case of aggregate gains, the aggregate gain shall be shared between the Licensee and the consumers in the ratio of 50:50 respectively.*
>
> *6.51 The gains to be shared shall be passed on to the consumers through Tariff during the Annual Performance Review for each year of the Control Period.*

6.52 In case of any loss on account of underperformance with respect to the controllable parameters, the Licensee shall bear the entire losses and no proportion of losses shall be passed on to the consumers."

5.90 In view of the above, The Commission shall calculate the normative O&M expenses according to the clause 10.5 to 10.6 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The Commission has outlined clause 10.5 and 10.6 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, for the approval of O&M expenses as reproduced below:

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

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

Where,

R&Mn – Repair and Maintenance Costs of the Licensee for the nth year;

EMPn – Employee Costs of the Licensee for the nth year excluding terminal liabilities;

A&Gn – Administrative and General Costs of the Licensee for the nth year.

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

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

Where,

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

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

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

Where,

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

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

Gn – is a growth factor for the nth year and it can be greater than or lesser than zero based on the actual performance. Value of Gn shall be determined by the Commission in the MYT Order for meeting the additional manpower requirement based on the

Distribution Licensee's Filing, benchmarking and any other factor that the Commission feels appropriate;
*c) INDXn = 0.55*CPIn +0.45*WPIn;*

Note 1: For the purpose of estimation, the same INDXn/INDXn-1value shall be used for all years of the Control Period. However, the Commission will consider the actual values in the INDXn/INDXn-1at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;
Note 2 : Any variation due to changes recommended by the Pay Commission, wage revision agreement, etc., will be considered separately by the Commission;
Note3 : Terminal Liabilities will be approved as per actual submitted by the Licensee along with documentary evidence such as actuarial studies."

5.91 Based on the above excerpt, the Commission has calculated the inflation factor for FY 2024-25 as hereunder:

Table 22: WPI Inflation

Month/Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	**Average**
FY 2024-25	152.90	153.50	154.00	155.30	154.40	154.70	156.70	156.40	155.70	155.00	154.90	154.80	**154.86**
FY 2023-24	151.10	149.40	148.90	152.10	152.50	151.80	152.50	153.10	151.80	151.20	151.20	151.40	**151.42**

Table 23: CPI Inflation

Month/Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	**Average**
FY 2024-25	401.47	402.91	407.23	410.98	410.69	412.70	416.16	416.16	413.86	412.42	411.26	411.84	**410.64**
FY 2023-24	386.50	387.94	392.83	402.34	400.90	396.00	398.59	400.61	399.74	400.03	400.90	400.03	**397.20**

Table 24: Inflation factor for FY 2024-25

Particulars	WPI	CPI	Total
Weightage	0.45	0.55	1.00
Avg Indexation for FY 2024-25	154.86	410.64	
Avg Indexation for FY 2023-24	151.42	397.20	
Avg Indexation n (Index * Wt.)	69.69	225.85	295.54
Avg Indexation n-1 (Index * Wt.)	68.14	218.46	286.60
Combined Inflation {(Indxn/Indxn-1)-1}*100%	**3.12%**		

5.92 Based on the above excerpt, the Commission has calculated and approved the Normative Employee Expenses for FY 2024-25 by taking the actual value of inflation factor (3.12%), and growth factor (0%) as shown below.

Table 25: Normative Employee Expense for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	UoM	Normative Amount
Employee Cost of Previous Year	Rs. Cr.	9.56
Inflation Factor	%	3.12%
Growth Factor	%	-
Normative Employee Expenses	Rs. Cr.	9.86

5.93 The Commission further calculated and approved the Normative A&G Expenses for FY 2024-25 by considering the actual inflation factor of 3.12%. The Commission notes that the petitioner claimed the Load Growth Factor of 8.53% in his petition but JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 do not provide for any Load Growth Factor in the computation of A&G Expenses. Accordingly, the Load Growth Factor of 8.53% claimed by the Petitioner has not been considered for approval. Therefore, the admissible A&G Expenses for FY 2024-25 have been determined by considering only the inflation factors of 3.12% under the applicable Regulations and after due prudence check as shown below.

Table 26: Normative A&G Expense for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Normative Amount
A&G Cost of Previous Year	A	2.67
Inflation Factor	B	3.12%
A&G Sub Total	C= A*(1+B)	2.75
Add: Load Growth Factor	D	0.00%
Normative A&G Expenses	E= C*(1+D)	2.75
Add: CGRF Expenses	F	0.09
Add: Petition & other filing fees to JSERC	G	0.34
Normative A&G Expenses including CGRF expenses and Petition & other filing expenses	H= (E+F+G)	3.19

5.94 The Commission, after prudence check of the audited financial statements and supporting documents submitted by the Petitioner, approves the petition filing fees and CGRF expenses on an actual basis for the FY 2023-24.

5.95 The Commission has determined the normative Repair & Maintenance (R&M) Expenses for FY 2024-25. The Commission has considered the approved base year R&M Expenses and escalated the same by applying the approved K-factor of 7.18% and the applicable inflation factors for the respective years. The Commission observes that the inflation factors for FY 2021-22, FY 2022-23, FY 2023-24 and FY 2024-25 are 6.93%, 6.87%, 3.72% and 3.12%, respectively. Accordingly, after applying the escalation methodology prescribed under the Regulations and carrying out a prudent check of the calculations, the Commission has computed and approved the normative R&M Expenses for FY 2024-25 as shown in the table below:

Table 27: Normative R&M Expense for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Normative Amount
Opening GFA	A	62.39
K Factor as per MYT Order	B	7.18%
Opening GFA*K-Factor	C=B*A	4.48
Add: Inflation factor for FY 2021-22	D	6.93%
Add: Inflation factor for FY 2022-23	E	6.87%
Add: Inflation factor for FY 2023-24	F	3.72%
Add: Inflation factor for FY 2024-25	G	3.12%
R&M Expense	K=C*(1+D)*(1+E)*(1+F)*(1+G)	5.47

The Commission approves the normative Operation and Maintenance (O&M) Expenses for FY 2024-25 in accordance with the provisions of the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020. The approved O&M Expenses are as shown below.

Table 28: Normative O&M Expense for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	Normative Approved Amount
Normative Employee Expenses	9.86
Normative A&G Expenses	3.19
Normative R&M Expenses	5.47
Net Normative Operation & Maintenance Expenses	18.52

5.96 After prudence check and upon scrutiny of the material information, audited financial statements, and other records and submissions made by the Petitioner, the Commission approves the actual Operation and Maintenance (O&M) Expenses for FY 2024-25 as detailed below:

Table 29: Actual O&M Expense for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	Actual Approved Amount
Actual Employee Expenses	10.02
Actual A&G Expenses	7.88
Actual R&M Expenses	7.53
Net Actual Operation & Maintenance Expenses	**25.43**

5.97 Based on the foregoing analysis, the Commission notes that the provisions stipulated under Clauses 6.49 to 6.52 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 govern the determination of sharing of gain/loss as under:

" 6.49 The gains/losses shall be computed on aggregate basis for controllable items such as Operation & Maintenance Expenses (excluding Terminal Liabilities), Distribution Losses and Collection Efficiency considered collectively on annual basis. The computations shall be based on the data submitted by the Licensee in the Annual Performance Review and audited annual accounts and shall be subject to prudence check by the Commission.

6.50 In case of aggregate gains, the aggregate gain shall be shared between the Licensee and the consumers in the ratio of 50:50 respectively.

6.51 The gains to be shared shall be passed on to the consumers through Tariff during the Annual Performance Review for each year of the Control Period.

6.52 In case of any loss on account of underperformance with respect to the controllable parameters, the Licensee shall bear the entire losses and no proportion of losses shall be passed on to the consumers."

5.98 Based on above, the O&M expenses as approved by the Commission including sharing of Gain/(Loss) for FY 2024-25 is given below:

Table 30: Net O&M Expense for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	Actual Approved Amount
Normative O&M Expenses (A)	18.09
Actual O&M Expenses (B)	25.00

Particulars	Actual Approved Amount
Sharing of Gains/(Loss) (C=A-B)	(6.91)
Sharing of gains to be retained by Licensee (D= C*50%) If C is positive	**0**
Add: CGRF Expenses (E)	0.09
Add: Petition & other filing fees to JSERC (F)	0.34
Total O&M Expense approved (G=B-C+E+F)	**18.52**

INTEREST ON LOAN

Petitioner's Submission

5.99 The Petitioner has submitted that, it has not availed any loan from external agencies, and financing to distribution operation of the licensee is done through its own equity funding. Accordingly, it has considered the normative debt of 70% for computation. The Bank Rate equivalent to 1 year MCLR of SBI, applicable for FY 2024-25 is 9.00% respectively, which has been considered to calculate a rate of interest of 11.00% for the respective years by adding 200 basis points to the Bank Rate as per Clauses 10.16 and 10.17 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The Petitioner submitted interest on loan as claimed now and as shown below:

Table 31: Interest on Loan for FY 2024-25 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Claimed
Opening Balance of Normative Loan	A	24.13
Add: Deemed Additions during the year	B	0.00
Less: Deemed Repayments	C	2.51
Closing Balance of Normative Loan	D=A+B-C	21.62
Average Balance of Normative Loan	E=(A+D)/2	22.88
Bank Rate plus 200 BP as on 1st April of the respective years	F	11.00%
Normative Interest Amount	**G=E*F**	**2.52**

Commission's Analysis

5.100 The Commission has referred to clause 10.16, 10.17 and 10.26 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 for computation of Interest on loan for the Petitioner. The relevant extract of the Regulation is stated as below:

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

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.

Note 1: Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt equity ratio specified in these Regulations;

Note 2 : Any expenditure on replacement of old assets or on renovation and modernization or life extension shall be considered on normative debt-equity ratio specified in these Regulations after writing off the entire book value of the original assets from the capital cost of the new asset; Note 3 : Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt-equity ratio specified in these Regulations. 10.18 The Licensee shall submit the resolution of the Board of the Company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the Distribution Licensee.

…………

10.26 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Licensee: Provided that if there is no actual loan for a particular year but normative loan is still outstanding, then the rate of interest shall be considered on normative basis and shall be equal to the Bank Rate as on April 01 of the respective year of the Control Period plus 200 basis points.

5.101 The Commission has considered repayment for each year of the Control Period equal to the depreciation allowed for that particular financial year. The closing loan values for the FY 2023-24 have been considered as opening loan value for FY 2024-25. The rate of interest has been considered as the SBI 1-year MCLR as on 1st April of the financial year plus 200 basis points as per JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations, 2020. Accordingly, the interest on loan has been computed as shown below:

Table 32: Interest on Loan for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Claimed
Opening Balance of Normative Loan	A	24.13
Add: Deemed Additions during the year	B	0.00
Less: Deemed Repayments	C	2.51
Closing Balance of Normative Loan	D=A+B-C	21.62
Average Balance of Normative Loan	E=(A+D)/2	22.88
Bank Rate plus 200 BP as on 1st April of the respective years	F	11.00%
Normative Interest Amount	**G=E*F**	**2.52**

INTEREST ON WORKING CAPITAL

Petitioner's Submission

5.102 The Petitioner has submitted that it has calculated the Interest on Working Capital (IoWC) as per the Clauses 10.31 and 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and the rate of interest is considered as equivalent to 1 year MCLR of SBI as on 1st April of the financial year plus 350 basis points. The Interest on working capital claimed by the Petitioner is given below.

Table 33: Interest on Working Capital for FY 2024-25 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Claimed
Maintenance spares 1% of opening GFA	A	0.62
2 Months Revenue	B	11.05
Less: 1 month of power purchase cost	C	11.12
Total Working Capital	D=A+B-C	0.56

Particulars	Formula	Claimed
Rate of Working Capital	E	12.15%
Interest on Working Capital	**F=D*E**	**0.068**

Commission's Analysis

5.103 The Commission has considered the Interest on Working Capital (IoWC) as per provision specified in Clauses 10.31 and 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 as under :

" 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 sub section (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."

5.104 The rate of IoWC has been considered to be equal to 1 year MCLR of SBI as on 1st April of the financial year plus 350 basis points as per Clause 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

5.105 As discussed earlier, the Commission has considered the Steel Plant as HTS Consumer of the Petitioner. Following the same methodology, the Commission has considered Revenue and Power Purchase costs to be inclusive of Revenue from Steel Plant and costs incurred towards power purchase for the Steel Plant. Accordingly, the interest on working capital has been computed and stands approved as shown below:

Table 34: Interest on Working Capital for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Claimed
Maintenance spares 1% of opening GFA	A	0.62
2 Months Revenue (Revenue from Township + Steel Plant)	B	125.68
Less: 1 month of power purchase cost	C	55.06
Total Working Capital	D=A+B-C	71.54
Rate of Working Capital	E	12.15%
Interest on Working Capital	**F=D*E**	**8.69**

RETURN ON EQUITY

Petitioner's Submission

5.106 The Petitioner has submitted that the Return on Equity (RoE) has been computed in accordance with Clause 10.19 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

5.107 The Petitioner has considered the opening equity for FY 2024-25 as the closing equity of FY 2023-24. Further, the average rate of return of 14.50 % has been applied to compute the return on equity. The RoE submitted by the Petitioner is summarized below:

Table 35: Return on Equity for FY 2024-25 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Claimed
Opening Equity	A	18.71
Addition during the Year	B	0.00
Closing Equity	C=A+B	18.71
Average Equity	D=(A+C)/2	18.71
Rate of Return on Equity	E	14.50%
Return on Equity Excluding Tax	F=D*E	2.71
Tax Rate (in %)	G	25.17%
Return on Equity including Tax	**H=F/(1-G)**	**3.63**

Commission's Analysis

5.108 The Commission observed that the Return on Equity employed for the Control period as per Clause 10.19 and 10.20 specified in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 as under:

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

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

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

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

5.109 The Commission has examined the audited financial statements, submissions made by the Petitioner and other materials available on record. The Commission observes that the Petitioner has incurred losses during FY 2024-25 and has not furnished any documentary evidence regarding actual payment of Income Tax. In view of the above, the Commission is of the considered opinion that no tax liability has been demonstrated by the Petitioner for the year under consideration. Accordingly, the Commission disallows the Income Tax amount claimed by the Petitioner on Return on Equity and approves the Return on Equity without any additional tax component, as shown below:

Table 36: Return on Equity for FY 2024-25 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Claimed
Opening Equity	A	18.71
Addition during the Year	B	0.00
Closing Equity	C=A+B	18.71
Average Equity	D=(A+C)/2	18.71
Rate of Return on Equity	E	14.50%
Return on Equity Excluding Tax	**F=D*E**	**2.71**

SUMMARY OF AGGREGATE REVENUE REQUIREMENT (ARR)

5.110 Based on the aforesaid analysis, examination of the submissions made by the Petitioner, and the determinations recorded in this Order, the Commission has approved the Aggregate Revenue Requirement (ARR) for FY 2024-25, as against the ARR claimed by the Petitioner. The approved ARR, along with the corresponding claims of the Petitioner, is summarized in the table below.

Table 37: ARR submitted by Petitioner and approved by the Commission for FY 2024-25 (in Rs. Crore)

Particulars	Formula	Petition	Approved
Power Purchase Cost (Township)	A	133.39	86.54
Power Purchase Cost (including Steel Plant)	B	707.59	660.74
O&M Expenses	C= (C1+C2+C3-C4)	25.43	18.52
Employee Cost	C1	10.02	10.02
R&M Cost	C2	7.53	7.53
A&G Cost	C3	7.88	7.88
Sharing of Gain & losses for O&M	C4	-	-6.91
Depreciation	D	2.51	2.51
Interest on Loan	E	2.52	2.52
Return on Equity	F	3.63	2.71
Interest on Working Capital	G	0.07	8.69
Total Annual Revenue Requirement (excluding Steel Plant) (Township)	H=A+C+D+E+F+G	167.54	121.49
Total Annual Revenue Requirement (including Steel Plant)	**I=B+C+D+E+F+G+H**	**741.74**	**695.69**
Revenue from Sale of Power at Existing Tariff (excluding Steel Plant)	J	66.32	66.32
Revenue from Sale of Power at Existing Tariff (including Steel Plant)	**K**	**755.87**	**755.87**
Revenue Gap / (Surplus) for FY 2024-25	**L=I-K**	**(14.13)**	**(60.18)**
Average Cost of Supply (in Rs./kWh)			4.97

REVENUE FROM SALE OF POWER

Petitioner's Submission

5.111 The Petitioner has submitted that is has only considered the revenue from sale of power to the consumers of township as Rs. 66.32 Cr. for FY2024-25.

Commission's Analysis

5.112 The Commission has considered the sales to the Petitioner's Steel plant in the ARR and therefore the revenue from Steel Plant on normative basis has also been considered in the revenue from sale of power by the Petitioner in line with the methodology adopted by the Commission in its earlier Orders.

5.113 The Commission in its order dated September 30, 2020 while determining the Tariff for FY 2020-21 for DVC in Clause IV: Voltage Rebate of Chapter A 13 stated as follows, "It is further clarified that the voltage rebate will not be applicable to all consumers who are connected to the voltages specified above. The Commission in order to have uniform approach across all distribution utilities has now linked voltage rebate to be allowable to only those consumers who opt for higher voltages and meets the conditions specified in JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time". As such, the Commission while determining the revenue from Steel Plant on normative basis has not considered the Voltage Rebate for the Steel Plant.

5.114 The total revenue from sale of power as approved by the Commission is summarized in the below table:

Table 38: Revenue from sale of power as approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	Approved
Steel Plant Sale (MU)	1347.89
Steel Plant Load (MVA) @ 132 kV	45.00
Fixed Charges (Rs/kVA/Month)	300.00
Energy Charges (Rs/kWh)	5.10
Revenue from Fixed Charges (Rs. Cr.)	16.20
Revenue from Energy Charges (Rs. Cr.)	687.42

Particulars	Approved
Total Revenue (Rs. Cr.)	703.62
Power Factor Rebate-2% on Demand & Energy Charges	14.07
Net Revenue from Steel Plant (Rs. Cr.)	689.55
Revenue from Township (Rs. Cr.)	66.32
Total Revenue (Rs. Cr.)	**755.87**

REVENUE & (SURPLUS)/GAP FOR FY 2024-25

5.115 The Commission, after due scrutiny of the details submitted by the Petitioner and based on the Aggregate Revenue Requirement (ARR) approved in the preceding sections of this Order, has assessed the Revenue Gap/(Surplus) for the relevant period. The approved Revenue Gap/(Surplus), as determined by the Commission, is summarized in the table below:

Table 39: Revenue (surplus)/gap as approved by the Commission for FY 2024-25 (Rs. Cr.)

Particulars	Petition	Approved
ARR Approved	741.74	695.69
Revenue Billed	755.87	755.87
Revenue Gap/ Surplus	**(14.13)**	**(60.18)**

CHAPTER 6: ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2025-26

6 ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2025-26

6.1 As per Clause 13.2 of the Tariff Regulations, 2020:

> *"13.2 The Licensee shall submit the Annual Performance Review report as part of annual review on actual performance as per the timelines specified in the Section A 24 of these Regulations to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including audited/authenticated accounts and the tariff worked out in accordance with these Regulations"*

6.2 The Commission, on the basis of the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 has determined the Annual Performance Review (APR) for FY 2025-26 on consideration of:

a) JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and its subsequent amendment, if any;
b) Material and facts;
c) Methodology adopted by the Commission in earlier orders.

6.3 The component-wise details filled by the Petitioner's and the Commission's analysis and discussion is made in the upcoming paragraph.

6.4 In regard to the Petition, it is submitted that for the purpose of the Annual Performance Review (APR) for the entire FY 2025-26, the actual data for the first six months (April 2025 to September 2025) has been taken into account. For the remaining part of the year, estimates have been derived based on historical trends with respect to power purchases from external sources, retail sales to consumers within the township area and Plant, Distribution area & transmission and distribution (T&D) losses, and other relevant parameters.

SUPPLY POINTS, CONNECTED LOAD AND ENERGY SALES

Petitioner's Submission

6.5 The Petitioner has submitted before the Hon'ble Commission that the details of actual number of consumers, connected load and respective sales for different consumer categories for FY 2025-26 is provided in Table below.

Table 40: Supply points, connected load and sales submitted by the Petitioner for FY 2025-26

Particulars	Supply Points	Connected Load (MVA)	Consumption (MU)
Domestic Services - (DS-LT)	29,033	105,333	94.55
Domestic Services – (DS-HT)	7	5,873	7.37
Commercial Services (CS)	1,923	27,301	36.79
Low Tension Industrial Services (LTIS)	37	914	0.48
HTS-11 KV	30	11,000	29.76
HT/LT	656	41,269	28.52
Township Total	31,686	191,691	197.46
Steel Plant	1	45,000	1,415.28
Total	31,687	236,691	1,612.74

6.6 The petitioner has submitted to the Hon'ble Commission that the Energy Sales as submitted above for FY 2025-26 in line with the projections submitted in November 2023 for ARR estimates of FY 2025-26. The current projections based on H2 Industrial and Commercial activities remaining at the same level as H1.

6.7 The estimates for increase in number of consumers and connected load for H2 of FY 2025-26 are based on the number of applications for new service connections.

6.8 For energy sales, the figures for H2 are estimated based on H1 performance and expected trend in H2. The Petitioner further submits that the sales in H2 has been projected based on sales in H1 and the ratio of sales in H2:H1 in the preceding year FY 2023-24 for Domestic & Commercial categories to take care of seasonal and normal load growth effect. For other categories, energy sales have arrived based on H1 sales and expected additions in consumers and connected load during H2.

6.9 The petitioner has submitted that the energy sales in H2 for domestic category of consumers has been projected to be lower than H1 because of seasonal effect of restricted air conditioning usage.

6.10 The Petitioner also submitted that the energy sales in H2 is marginally less than energy sales in H1 because the effective number of working days of industries in H2 is relatively lower than in H1 due to several festive holidays (i.e., Dussehra, Diwali, Chhath, Christmas, New Year, Makar Sankranti/Pongal, Holi) and absence of workforce during these days. These have impact on industrial sales in H2.

Commission's Analysis

6.11 The Commission has studied the various documents submitted by the Petitioner including those submitted as part of the data gaps.

6.12 The Hon'ble Commission has considered the Steel Plant as the consumer of SAIL-BSL and included energy sales of Steel plant in its sales and power procurement. However, the Hon'ble Commission has considered the tariff for Steel Plant as the HTS tariff of SAIL-BSL. The relevant extract from the order dated 3rd August 2012 is below:

> "*5.129 However, considering the treatment of the sales to the Steel Plant by the Petitioner, the Commission agrees that the Steel Works of the Petitioner shall henceforth be treated as a consumer of the electricity distribution business.*
>
> *5.130 With respect to the categorization and tariff applicability of the Steel Plant, the Commission observes that power to Steel Plant is being supplied at 132 kV from the Petitioner's network. Therefore, the Steel Plant is to be treated as an HTS consumer of the Petitioner and the tariff applicable to it shall be the tariff applicable to the HTS category. This is also in line with the treatment of other steel works of other distribution licensees in the State."*

6.13 The Hon'ble Commission has used the similar methodology for computation of revenue from Steel plant in the Tariff Orders dated September 03, 2014, June 07, 2018, January 08, 2021 and June 22, 2023. Also, in the recent Tariff Order dated August 20, 2024, the Commission has adopted similar methodology of considering steel plant as HTS consumer at 132 KV for calculating its normative revenue. The relevant extract from the latest Tariff Order dated 20th August 2024 is as below:

> *"Commission's Analysis*
>
> *….. 5.10 The Commission continued the methodology of considering steel plant as HTS consumer in the truing up of FY 2016-17 to FY 2018-19 and Suo-Motu Order on ARR of FY 2020-21 dated January 08, 2021, which has been continued in the order on True-up for FY 2019-20 & FY 2020-21, Multi Year Tariff and Business Plan for Control Period FY 2021-22 to FY 2025-26, Order on True up for FY 2021-22, APR for FY 2022-*

23 & ARR and Retail Supply Tariff for FY FY 2023-24 vide order dated February 22,2024.

6.14 In accordance with the above, the Commission finds no merit in the claims made by the Petitioner, and as per the precedent, the Steel Plant has been considered as HT consumer of Electricity Distribution Business of the Petitioner.

6.15 As per clause 6.45 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, the variation in energy sale due to uncontrollable parameter shall be treated as a pass-through to consumers. The relevant abstract of the Regulations has been reproduced below:

"6.45 The variation on account of uncontrollable elements shall be treated as a pass-through to be ultimately charged to the consumers, subject to validation and approval by the Commission"

6.16 The Commission after scrutinizing the information submitted by the Petitioner and the Auditor's Certificate and energy audit reports made available for the aforementioned year and prudence check, approves the actual supply points, connected load and energy sales as submitted by the Petitioner for FY 2025-26, which is summarized as below:

Table 41: Supply points, connected load and sales by approved by the Commission for FY 2025-26

Particulars	Supply Points		Connected Load (MVA)		Consumption (MU)	
	Petition	Approved	Petition	Approved	Petition	Approved
Domestic Services - (DS-LT)	29,033	29,033	105,333	105,333	94.55	94.55
Domestic Services – (DS-HT)	7	7	5,873	5,873	7.37	7.37
Commercial Services (CS)	1,923	1,923	27,301	27,301	36.79	36.79
Low Tension Industrial Services (LTIS)	37	37	914	914	0.48	0.48
HTS-11 KV	30	30	11,000	11,000	29.76	29.76
HT/LT	656	656	41,269	41,269	28.52	28.52
Township Total	31,686	31,686	191,691	191,691	197.46	197.46
Steel Plant	1	1	45,000	45,000	1,415.28	1,415.28
Total	31,687	31,687	236,691	236,691	1,612.74	1,612.74

DISTRIBUTION LOSSES

Petitioner's Submission

6.17 The Petitioner has submitted that that it is committed to reduce the distribution loss level under the specified level determined by the Hon'ble Commission. Accordingly, it has taken concrete steps in this regard such as smart meter installation and laying of LTs underground cables.

6.18 The Petitioner further submits that the actual loss level would come down only upon implementation of such initiatives. Hence, SAIL-BSL requests Hon'ble Commission to approve the actual distribution loss for FY 2025-26 as provided below:

Table 42: Distribution loss of Township as submitted by the Petitioner for FY 2025-26

Particulars	Actual Distribution Loss
Distribution Loss of Township	45.17%

Commission's Analysis

6.19 The Commission has carefully examined the submissions of the Petitioner regarding the actual distribution loss of 45.17% for FY 2025-26 and the reasons attributed thereto. The Commission notes the Petitioner's contention that the high distribution loss is primarily due to unauthorized consumption of electricity by non-consumers through illegal hooking from the SAIL-BSL distribution network, particularly in areas contiguous to the supply area of DVC Distribution Licensee. The Commission further notes the steps initiated by the Petitioner for disconnection of illegal connections, coordination with DVC for regularization of supply to such consumers, constitution of enforcement teams involving senior officials and CISF personnel, and periodic raids to curb theft of electricity. But it appears that despite of all the steps taken by Petitioner, the desired results have not been achieved, particularly in addressing the issue of illegal Connections and therefore, the claim of the Petitioner for Distribution loss has restow at strongly high percentage i.e. 45.17%.

6.20 The Commission also takes into consideration of the Petitioner's proposal for installation of smart meters, strengthening of metering infrastructure, and implementation of underground cabling and Aerial Bunched Cable (ABC) systems as long-term measures for reduction of non-technical losses. While these initiatives are commendable and may contribute towards loss reduction in the future, the Commission observes that the mere existence of theft, pilferage, unauthorized connections, metering deficiencies, or operational inefficiencies cannot be a ground for routinely passing the burden of excessive distribution losses on to the legitimate consumers. Because all the factor for the loss claimed by the petitioner distribution Company are controllable in nature.

6.21 Allowing higher losses without adequate justification would be contrary to the fundamental principles of efficiency, consumer protection, accountability, and prudent tariff determination enshrined in the Electricity Act, 2003 and reinforced through various regulatory initiatives and studies undertaken by the Forum of Regulators (FoR).

6.22 The preamble to the Electricity Act, 2003 clearly states that the legislation seeks to promote competition, protect consumer interests, rationalize tariffs, and promote efficient policies in the electricity sector. Any continued allowance of avoidable Distribution Losses would transfer the burden of operational inefficiencies of the Distribution Licensee to consumers, which is inconsistent with these statutory objectives.

6.23 Further, Section 61 of the Electricity Act requires the Commission, while specifying tariff regulations, to be guided by principles that encourage:

- Efficiency;
- Economical use of resources;
- Good performance;
- Optimum investments; and
- Protection of consumer interest.

Distribution Loss is a controllable parameter substantially influenced by utility actions relating to metering, energy accounting, network strengthening, theft control, billing efficiency, and operational management. Therefore, allowing higher losses in true-up without rigorous prudence scrutiny would dilute the efficiency incentives intended under Section 61 under the garb of maintaining the viability of distribution company.

6.24 Section 55 of the Act mandates supply through appropriate metering arrangements. The legislative intent is to ensure energy accountability throughout the distribution system. Distribution utilities are expected to progressively establish feeder metering, distribution transformer metering, consumer indexing, and energy audit mechanisms to accurately identify and reduce losses.

6.25 Where higher losses persist due to deficiencies in metering, consumer indexing, billing practices, or energy accounting systems, such inefficiencies cannot reasonably be passed through to consumers through the true-up process.

6.26 Sections 126 and 135–140 of the Electricity Act create a comprehensive framework for prevention of unauthorized use and theft of electricity. The existence of these provisions signifies the legislative intent that commercial losses attributable to theft, meter tampering, unauthorized consumption, and poor enforcement are to be actively addressed by the Distribution Licensee rather than recovered from consumers through tariff.

6.27 Accordingly, any relaxation in approving higher distribution levels without establishing that the excess losses arose from uncontrollable circumstances would weaken the statutory incentives for theft control and revenue protection. It appears that from the materials available in the Tarif Pettion that the petitioner has not adequately invoked and enforced the provisions of Sections 126 and 135 to 140 of the Electricity Act, 2003, relating to unauthorized use of electricity and theft of electricity.

6.28 The Forum of Regulators (FoR) -commissioned study titled "Best Practices and Strategies for Distribution Loss Reduction" identified high distribution losses as one of the principal challenges facing India's distribution sector and emphasized that sustainable sector reform requires continuous reduction of both technical and commercial losses. The study categorizes loss reduction initiatives into:

- Governance reforms;
- Process strengthening;
- Network strengthening;
- Regulatory initiatives;
- Administrative measures; and
- Technology adoption such as AMR, SCADA, DMS, feeder metering and energy audit systems.

The study specifically treats Distribution Loss reduction as an outcome of utility performance and management effectiveness and documents successful loss reduction achieved by utilities through implementation of these measures. Accordingly, higher losses cannot automatically be regarded as uncontrollable costs deserving pass-through in tariff true-up.

6.29 The FoR study observed that several utilities across Gujarat, Delhi, Punjab, Maharashtra, Andhra Pradesh and other states achieved substantial loss reduction through focused interventions including:

- 100% metering;
- Energy auditing;
- Dedicated loss monitoring cells;
- Employee accountability systems;
- Vigilance mechanisms;
- Network strengthening;
- Distribution franchisee models;
- Technology-enabled billing and collection systems.

The availability of established and proven interventions demonstrates that Distribution Losses are largely manageable and controllable. Therefore, persistent excess losses beyond certain levels should ordinarily be attributable to operational shortcomings rather than unavoidable external factors.

6.30 If higher-than-approved Distribution Losses are routinely allowed in true-up, the Distribution Licensee would face reduced incentive to undertake investments and management initiatives required for loss reduction. Such an approach would create regulatory moral hazard where inefficiencies are socialized and borne by consumers.

Conversely, disallowance of controllable excess losses encourages:

- Better energy accounting;
- Improved billing efficiency;

- Reduction in theft;
- Timely replacement of defective meters;
- Network modernization;
- Improved utility governance.

This approach aligns with the efficiency-promoting mandate of Section 61 of the Electricity Act, 2003.

6.31 Further, as recognized in recent Ministry of Power rules cited in regulatory proceedings, gains and losses arising from deviation from approved AT&C loss reduction trajectories are required to be quantified and shared between consumers and distribution licensees, thereby explicitly linking utility performance with financial consequences. This framework further supports the principle that loss reduction is a measurable and accountable parameter rather than an uncontrollable cost to be automatically passed through in tariff.

6.32 In view of above, The Commission will not allow higher Distribution Losses in true-up, APR or ARR unless the Distribution Licensee conclusively demonstrates that such variation is attributable to uncontrollable factors. Distribution Loss reduction is a statutory expectation flowing from Sections 55, 61 and other provisions of the Electricity Act, 2003, and is supported by the findings of the Forum of Regulators' study on Distribution Loss Reduction. Allowing excess controllable losses would be inconsistent with the principles of efficiency, prudent tariff determination, accountability, and consumer protection embodied in the Act.

6.33 The other day, the FOR has convened its meeting at new delhi under the guidance of Hon’ble Minister of Power, Union of India where inter-alia it has been observed that prudent power purchase cost incurred by a distribution licensee should not be subject to disallowance on account of non-achievement of the specified performance targets. However, where the distribution licensee fails to achieve such targets, the State Commission may levy an appropriate penalty, after duly considering the extent to which the failure is attributable to uncontrollable factors.

6.34 In light of above, the Commission is of the considered view that allowing the actual distribution loss of 45.17% would result in inefficiencies being passed on to consumers through tariff and would not be consistent with the regulatory objective of promoting efficiency and loss reduction. At the same time, considering the peculiar circumstances highlighted by the Petitioner, including issues of unauthorized consumption in adjoining areas and the ongoing efforts for loss reduction, the Commission finds it appropriate to allow a reasonable loss level.

6.35 Accordingly, after prudence check of the submissions and taking a balanced view of the operational challenges faced by the Petitioner, the Commission approves a distribution loss of 15% for FY 2025-26 for tariff determination purposes. The loss level approved by the Commission is considered reasonable and achievable and is intended to provide a regulatory signal for improvement in operational efficiency while safeguarding consumer interest.

6.36 The Commission appreciates the steps taken by the Petitioner to reduce distribution losses in its area of operation. However, as per clause 6.44 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, 'Distribution Loss and Collection Efficiency' are treated as 'Controllable items'

6.37 Based on the submissions of the Petitioner and after a prudent check, the Commission observes that the claimed distribution loss of 45.17% is excessively high and cannot be allowed for tariff determination. Considering the loss reduction initiatives proposed by the Petitioner and the need to protect consumer interest, the Commission approves the distribution loss at 15% for FY 2025-26, as shown in the table below:

Table 43: Distribution Loss of Township approved by the Commission for FY 2025-26

Particulars	Approved
Distribution Loss of Township	15%

Energy Balance

Petitioner's Submission

6.38 The Petitioner has submitted that the Hon'ble Commission had approved the distribution loss for the Steel plant as negligible in the MYT Order dated 07th June 2018, because the energy is supplied to the Steel Plant is primarily at 220 kV voltage level after December 2016.

6.39 Further, Petitioner considered the distribution loss only on the Township and not on the steel plant consumption.

6.40 Accordingly, The Petitioner has computed the Energy Balance for FY 2025-26 as under:

Table 44: Energy Balance submitted by the Petitioner for FY 2025-26

(in MU)

Particulars	Formula	Claimed in Petition (MU)
ENERGY SOURCING		
Energy Sales – Township	A	264.86
Overall distribution losses (in %)	B	45.00%
Energy Required for Township	C	481.57
Energy Sales to Steel Plant	D	1,415.28
Total Energy Requirement	E=C+D	1,896.85
ENERGY AVAILABILITY		
Total Power Purchase	E	1896.85
Power Purchase – Township	F	481.57
Power Purchase – Plant	G=E-F	1415.28

Commission's Analysis

6.41 The Commission has examined the Energy Balance submitted by the Petitioner for FY 2025-26. The Commission notes that energy supplied to the Steel Plant is primarily at the 220 kV voltage level and, therefore, the distribution loss associated with such supply is considered negligible, in line with the approach adopted in earlier tariff orders.

6.42 The Commission, however, has not approved the distribution loss claimed by the Petitioner and, as discussed in the preceding section, has approved the distribution loss at 15% for FY 2025-26. Accordingly, the energy requirement for the Township and the overall Energy Balance are required to be revised based on the approved distribution loss level. The revised Energy Balance approved by the Commission for FY 2025-26 is shown below:

Table 45: Energy Balance as approved by the Commission for FY 2025-26

(in MU)

Particulars	Formula	Approved by Commission (MU)
ENERGY SOURCING		
Energy Sales – Township	A	197.46
Overall distribution losses (in %)	B	15%
Energy Required for Township	C	232.31
Energy Sales to Steel Plant	D	1,415.28
Total Energy Requirement	**E=C+D**	**1,647.59**
ENERGY AVAILABILITY		

Particulars	Formula	Approved by Commission (MU)
Total Power Purchase	E	1,647.59
Power Purchase – Township	F	232.31
Power Purchase – Plant	G=E-F	1,415.28

POWER PURCHASE COST

Petitioner's Submission

6.43 The Petitioner is in the power purchase agreement with the Damodar Valley Corporation (DVC), which is a power generating company under the aegis of the Government of India and intends to continue the same during the FY 2025-26 for procurement of power.

6.44 As per the JSERC Order dated 20th June 2018 in Case No. 07 of 2016, SAIL-BSL is exempted from Renewable Purchase Obligation (RPO) for the energy procured from DVC. The relevant extracts are as follow:

> " *…The petitioner (SAIL, Bokaro Steel Plant), Bokaro Steel City is exempted from complying with the Renewable Purchase Obligation for the part of the power consumption which the petitioner is purchasing from DVC to the extent that it has to be complied by the DVC*."

6.45 Petitioner has projected the power purchase cost from DVC for supply to SAIL-BSL based on actual energy bills available up to September 2025. For the period from October 2025 to March 2026, in the absence of actual bills, the Petitioner has considered the average per-unit power purchase rate derived from the actual bills for the preceding six-month period, i.e., April 2025 to September 2025.

6.46 Accordingly, SAIL-BSL has submitted the Power Purchase Cost for the FY 2025-26 based on the projected energy received at the township Periphery, as under:

Table 46: Power Procurement Cost as submitted by the Petitioner for FY 2025-26

Particulars	UoM	Approved by Commission (MU)
Total Power Purchase	MU	1896.85

Power Purchase – Township	MU	481.57
Power Purchase –Plant	MU	1415.28
Per Unit power purchase cost	Rs./kWh	4.52
Power Purchase Cost– Township	Rs. Cr.	222.41
Power Purchase Cost– Plant	Rs. Cr.	634.56
Total Purchase Cost	**Rs. Cr.**	**856.81**

Commission's Analysis

6.47 The Commission has examined the submissions of the Petitioner regarding the power procurement cost for FY 2025-26, the power purchase bills raised by Damodar Valley Corporation (DVC) for 6 months from April'25 to September'25 and estimation of further 6 months on historical database, and the corresponding energy requirement of the Steel Plant and Township. The Commission notes that the Petitioner is procuring power from DVC under the applicable power supply arrangements and has computed the power purchase cost based on the average power purchase rate derived from the actual monthly bills of DVC. The Commission finds this approach to reasonable and prudent for estimation purposes, as it is based on recent actual cost trends and provides an appropriate basis for projecting power purchase expenses for the balance period of FY 2025-26.

6.48 The Commission further observes that the Petitioner has considered a total power purchase requirement of 1,896.85 MU, which includes 481.57 MU towards the Township after considering a distribution loss of 45%. Upon scrutiny of the energy balance submitted by the Petitioner, the Commission notes that 67.40 MU of energy sales to the Steel Plant has inadvertently been included in the Township sales and has also been considered separately under sales to the Steel Plant, resulting in double counting of energy sales. Further, as discussed in the preceding paragraphs of this Order, the Commission has approved a distribution loss of 15% for the Township for FY 2025-26. Accordingly, after correcting the double counting of energy sales and considering the approved distribution loss, the Commission revises the power procurement requirement for the Township from 481.57 MU to 232.31 MU based on the approved energy balance.

6.49 The Commission notes that the energy requirement of the Steel Plant is based on actual consumption and supply at the EHT level, where distribution losses are negligible. The Commission finds the power procurement quantum of 1,415.28 MU for the Steel Plant to be reasonable and, therefore, approves the same as submitted by the Petitioner.

6.50 Based on the above, the Commission approves the power procurement and associated power purchase cost for FY 2025-26 as detailed below:

Table 47: Power Procurement Cost as approved by the Commission for FY 2025-26 (Rs. In Crore)

Particulars	UoM	Approved by Commission (MU)
Total Power Purchase	MU	1647.59
Power Purchase – Township	MU	232.31
Power Purchase –Plant	MU	1415.28
Per Unit power purchase cost	Rs./kWh	4.40
Power Purchase Cost– Township	Rs. Cr.	103.46
Power Purchase Cost– Plant	Rs. Cr.	621.88
Total Purchase Cost	**Rs. Cr.**	**725.35**

GROSS FIXED ASSETS

Petitioner's Submission

6.51 The Gross Fixed Assets (GFA) and depreciation on GFA for FY 2025-26 based on actual performance of H1 and estimated for H2 are discussed hereunder. The Petitioner submits that the table below provides details of Capital Expenditure incurred during the year, Capitalisation of Assets and the opening and closing GFA based on H1 actual performance and H2 estimates.

6.52 Further, the details of the Capital Expenditure and Gross Fixed Assets for FY 2025-26 are considered as per actuals of H1 and capitalisation plan given in of this petition. The total capitalization during FY 2025-26 is estimated at Rs. 1.03 Cr.. The Petitioner has provided Gross Fixed Assets for FY 2025-26 has detailed below:

Table 48: Gross Fixed Assets for FY 2025-26 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Amount claimed
Gross Fixed Assets (GFA)		
Opening GFA	A	62.14
Add: Addition during the year	B	1.03
Less: Disposal/adjustment	C	0.00
Closing GFA	D= A+B-C	63.17

Commission's Analysis

6.53 The Commission has observed that, the current earthing infrastructure in the substations is antiquated and significantly depleted, resulting in damages to transformers and consumer equipment.

6.54 The Commission observes that the petitioner intends to adopt new technology in the form of chemical earthing, known for its extended lifespan and minimal maintenance requirements. Thus, the capitalisation of whole scheme of Rs. 1.03 Crore in FY 2025-26 is approved.

6.55 Based on the above, The Commission has considered the opening balance of GFA for FY 2025-26 based on the closing GFA for FY 2024-25 as approved in the True up for the FY 2024-25. The GFA approved by the Commission is summarized in the table below.

Table 49: Gross Fixed Assets for FY 2025-26 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Amount approved
Gross Fixed Assets (GFA)		
Opening GFA	A	62.14
Add: Addition during the year	B	1.03
Less: Disposal/adjustment	C	0.00
Closing GFA	D= A+B-C	63.17

CONSUMER CONTRIBUTION, GRANTS AND SUBSIDIES

Petitioner's Submission

6.56 The Petitioner submits that the Regulation 10.11, 10.28 and 10.34 of the Tariff Regulations, 2020, specifies the methodology to deal with Consumer Contribution, Grants and Subsidies for FY 2023-24. The relevant extracts are as follow:

"10.11 The 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 under these Regulations.

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

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

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

6.57 The Petitioner humbly submits that there are no consumer contributions/grants towards GFA creation and accordingly the same has not been considered for computation of GFA and depreciation thereon.

Commission's Analysis

6.58 The Commission has examined the submissions of the Petitioner regarding Consumer Contribution, Grants and Subsidies in light of the provisions of the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020. The Commission notes that the said Regulations stipulate that assets created through Consumer Contribution, Grants, Capital Subsidies or Deposit Works are required to be excluded while determining admissible capital cost, debt-equity ratio, depreciation and interest on loan.

6.59 The Commission has undertaken a prudence check of the audited financial statements, fixed asset records, schedules forming part of the audited accounts and other supporting documents submitted by the Petitioner. Upon examination, the Commission observes that no asset has been created out of Consumer Contribution, Grants, Capital Subsidies or Deposit Works. The Commission further notes that the Petitioner has not reported any Consumer Contribution, Grants or Subsidies forming part of the Gross Fixed Assets for the year under consideration.

6.60 In view of the above and based on the audited records and documents placed on record, the Commission accepts the submission of the Petitioner that no assets have been funded through Consumer Contribution, Grants or Subsidies. Accordingly, no adjustment on account of Consumer Contribution, Grants or Subsidies is considered in the computation of Gross Fixed Assets, Depreciation, Interest on Loan or Return on Equity.

DEPRECIATION

Petitioner's Submission

6.61 The Petitioner has submitted that Regulations 10.36 to 10.39 of the Tariff Regulations, 2020, specifies the determination of depreciation for the FY 2021-22 to FY 2025-26. The relevant extracts are as follow:

> *"10.36 Depreciation shall be calculated annually, based on the straight-line method at the rates specified at Appendix-I. The base value for the purpose of depreciation shall be original cost of the asset: Provided that the Distribution Licensee shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.*
>
> *10.39 The Commission may, in the absence of the Fixed Assets Register, calculate Depreciation (%) arrived by dividing the Depreciation and the Average Gross Fixed Assets as per the latest available Audited Accounts of the Distribution Licensee. The Depreciation (%) so arrived shall be multiplied by the Average GFA approved by the Commission for the relevant Financial Year to arrive at the Depreciation for that Financial Year."*

6.62 The Petitioner has computed the depreciation as per the Straight-Line Method and has considered depreciation rates as specified in Tariff Regulation, 2020. Accordingly, The Petitioner has computed Depreciation for FY 2025-26 as under:

Table 50: Depreciation for FY 2025-26 as submitted by the Petitioner (Rs. In Crore)

Particulars	Amount Claimed
Depreciation for the FY 2025-26	2.64

Commission's Analysis

6.63 The Commission has examined the submissions of the Petitioner regarding depreciation for FY 2025-26 in accordance with Regulations 10.36 to 10.39 of the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020. The Commission notes that the Petitioner has computed depreciation using the Straight-Line Method and the depreciation rates specified under the applicable Tariff Regulations.

6.64 The Commission has carried out a prudence check of the depreciation claim with reference to the audited financial statements, fixed asset schedules and other supporting documents submitted by the Petitioner as part of the original petition and subsequent additional submissions. The Commission observes that the depreciation claimed by the Petitioner is in line with the depreciation reflected in the audited accounts for FY 2025-26 and has been computed in accordance with the provisions of the Tariff Regulations.

6.65 The Commission further notes that the depreciation claimed by the Petitioner amounts to Rs. 2.64 Crore and finds the same to be supported by the audited records and relevant asset-related documents placed on record. Accordingly, the Commission considers the claim to be reasonable and prudent.

6.66 In view of the above, the Commission approves the depreciation of Rs. 2.64 Crore for FY 2025-26, as claimed by the Petitioner, for the purpose of tariff determination.

Table 51: Depreciation for FY 2025-26 as approved by the Commission (Rs. In Crore)

Particulars	Amount Approved
Depreciation for the FY 2025-26	2.64

Operation and Maintenance Expenses

Petitioner's Submission

6.67 The petitioner has provided the scenario of O&M expense based on actual performance of H1 and revised estimate for H2. The projected expenses in H2 are expected to be higher because of onboarding of additional manpower, opening of offices in new area and other maintenance activities in power and distribution substations and strengthening work of some of the distribution network. The overall estimated O&M expenses are in line with the estimates approved in last tariff order dated July 22, 2025.

6.68 The Petitioner has integrated its various processes relating to inventory management, procurement and contracts, project management, Human Resources viz. payroll, leave management, performance management and finance & accounts through implementation of Enterprise Resource Planning (ERP) Software which has brought about a positive paradigm shift in the manner in which business is conducted.

6.69 All transactions related to the above processes are conducted online thus bringing about a quantum improvement in efficiency and eliminating time consuming manual or repetitive transactions while enhancing the checks and balances that are so necessary now a days.

6.70 It is submitted that the employee costs are dependent upon many factors, such as the growth in economy in general and the sector in particular, requirement and availability of personnel with the requisite skill sets, etc. It may be further appreciated that in order to obtain commitment from the personnel, outstanding performance, loyalty, etc., which are a critical pre-requisite for any organization, especially a service utility, the organization must meet the rational needs of the personnel. Market equivalent salaries and growth are hygiene factors for retaining the employees and it is imperative to meet these as a first step towards building a committed, loyal and performing workforce.

6.71 The petitioner also provided the scenario based on normative principles as per the Regulations 10.5 and 10.6 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and as submitted in the MYT Petition for the Control Period FY 2021-22 to FY 2025-26. The Normative O&M expenses for FY 2025-26 are described in the following paragraphs.

6.72 Normative Employee Expenses: In line with the methodology adopted by the Hon'ble Commission for computation of normative Employee Expenses, the Petitioner has computed normative Employee Expenses for FY 2025-26 considering Inflation Factor of 4.57% (for FY 2025-26) and Growth Factor Gn of 0%. The Petitioner further submits that the total Normative Employee Expenses has been arrived as Rs. 10.31 Cr. for FY 2025-26 as under:

Table 52: Normative Employee Expenses for FY 2025-26 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Amount Claimed
Normative Employee Cost (n-1) Excluding Terminal Liabilities	A	9.86
Weighted Avg. Inflation factor (in %)	B	4.57%
Growth Factor-Gn (in %)	C	0.00%
Employee Cost as per normative basis Excl. Terminal Liabilities	D=A*{(1+B)*(1+C)}	10.31

6.73 Normative A&G Expenses: The normative A&G expenses are allowed with inflation factor over previous year approved figures. In line with the methodology adopted by the Hon'ble Commission in the previous Tariff Orders and as submitted by the Petitioner in the MYT Petition for the Control Period FY 2021-22 to FY 2025-26, the Petitioner has considered the opening A&G Expenses for FY 2025-26 same as the closing A&G Expenses exclusive of CGRF Expense and Petition & Other Filing fees of FY 2024-25. On the opening A&G Expenses of FY 2025-26, the Petitioner has considered the inflation of 4.57% (Inflation factor for FY 2025-26) to project the normative A&G expenses for FY 2025-26 (Exclusive of CGRF Expense and Petition & Other Filing fees). After considering the estimated Petition & Other Filing fees, & CGRF Expenditure the total A&G Expenses for FY 2025-26 is estimated to be Rs. 3.60 Cr. Detailed computation of A&G Expenses is provided in the following table:

Table 53: Normative A&G Expenses for FY 2025-26 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	**Amount Claimed**
Total A&G Expenses for (n-1) year	A	2.99
Add: Inflation factor (in %)	B	4.57%
Sub-total	C = A*(1+B)	3.12
Add: Load Growth Factor (in %)	D	0.00%
Normative A&G Expenses	E=C*(1+D)	3.12
Add: CGRF Expenses	F	0.10
Add: Petition & other filing fees to JSERC	G	0.37
Normative A&G Expenses including CGRF expenses and Petition & other filing expenses	H= E+F+G	3.60

6.74 The Petitioner further submitted that allowing normative A&G expenses with mere inflation deprives the licensee of legitimate claim with respect to growth in consumer load, network and area of operations. As the business grows, network base increases, number of consumer increases, no of employee increases; A&G expenses will also increase proportionately. Accordingly, the impact of load growth factor has also been considered to arrive at the A&G Expenses

6.75 Normative R&M Expenses: The Petitioner has submitted that in JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, the Hon'ble Commission has provided the methodology to compute R&M expenses in relation to the Gross Fixed Assets by arriving at the 'K' Factor based on the historical actual performance. The Tariff Regulation also provides for indexation of R&M expense using inflationary index.

6.76 The Petitioner has submitted that for the purpose of revised estimation of R&M expenses for FY 2025-26, the inflation index for FY21 to FY25 and corrected 'K' factor of 3.67% has been considered.

6.77 Accordingly, the petitioner has computed R&M Expenses for FY 2025-26 on normative principles with Inflation factor as given in the table below:

Table 54: Normative R&M Expenses for FY 2025-26 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Amount Claimed
Opening GFA	A	62.14
K Factor as per MYT Order	B	7.18%
Opening GFA*Revised K-Factor	C=A*B	4.46
Add: Inflation factor for FY 2021-22	D	6.93%
Add: Inflation factor for FY 2022-23	E	6.87%
Add: Inflation factor for FY 2023-24	F	3.72%
Add: Inflation factor for FY 2024-25	G	3.12%
Add: Inflation factor for FY 2025-26	H	4.57%
Normative R&M Expense	I= C*(1+D)*(1+E)*(1+F)*(1+G)*(1+H)	5.70

6.78 Summary of Normative O&M Expenses as submitted by the petitioner for FY 2025-26 is given in the table below:

Table 55: Normative O&M Expenses for FY 2025-26 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Amount Claimed
Normative A&G Costs excl. Petition Filing Fees and CGRF Expenses	A	3.12
Normative R&M Expenses	B	5.70
Normative Employee Cost excluding Terminal Liabilities	C	10.31
Total Normative O&M Expenses for the purpose of sharing of Gains/Losses	D= (A+B+C)	19.14

Particulars	Formula	Amount Claimed
Add: CGRF Expenses	E	0.10
Add: Petition & other filing fees to JSERC	F	0.37
Total Normative O&M Expenses	G=(D+E+F)	19.61

Commission's Analysis

6.79 In view of the above, The Commission shall calculate the normative O&M expenses according to the clause 10.5 to 10.6 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The Commission has outlined clause 10.5 and 10.6 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, for the approval of O&M expenses as reproduced below:

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

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

Where,

R&Mn – Repair and Maintenance Costs of the Licensee for the nth year;

EMPn – Employee Costs of the Licensee for the nth year excluding terminal liabilities;

A&Gn – Administrative and General Costs of the Licensee for the nth year.

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

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

Where,

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

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

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

Where,

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

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

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

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

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

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

Note3 : Terminal Liabilities will be approved as per actual submitted by the Licensee along with documentary evidence such as actuarial studies."

6.80 Based on the above excerpt, the Commission has calculated the inflation factor for FY 2025-26 as hereunder:

Table 56: Inflation factor for FY 2025-26

Financial Year	Total
FY 2022-23	6.87%
FY 2023-24	3.72%
FY 2024-25	3.12%
Average of last 3 years*	**4.57%**

6.81 Based on the above excerpt, the Commission calculated and approved the Normative Employee Expenses for FY 2025-26 by taking the normative value of inflation factor (4.57%), and growth factor (0%) as shown below.

Table 57: Normative Employee Expense for FY 2025-26 as approved by the Commission (Rs. In Crore)

Particulars	UoM	Normative Amount
Employee Cost of Previous Year	Rs. Cr.	9.86
Inflation Factor	%	4.57%
Growth Factor	%	0.00%
Normative Employee Expenses	Rs. Cr.	10.31

6.82 The Commission further calculated and approved the Normative A&G Expenses for FY 2025-26 by taking the actual value of inflation factor (4.57%), and Load growth factor (0%) as shown below.

Table 58: Normative A&G Expense for FY 2025-26 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Normative Amount
Total A&G Expenses for (n-1) year	A	2.75
Add: Inflation factor (in %)	B	4.57%
Sub-total	C = A*(1+B)	2.88
Add: Load Growth Factor (in %)	D	0.00%
Normative A&G Expenses	E=C*(1+D)	2.88
Add: CGRF Expenses	F	0.10
Add: Petition & other filing fees to JSERC	G	0.37
Normative A&G Expenses including CGRF expenses and Petition & other filing expenses	H= E+F+G	3.35

6.83 The Commission has determined the normative Repair & Maintenance (R&M) Expenses for FY 2025-26. The Commission has considered the approved base year R&M Expenses and escalated the same by applying the approved K-factor of 7.18% and the applicable inflation factors for the respective years. The Commission observes that the inflation factors for FY 2021-22, FY 2022-23, FY 2023-24 and FY 2024-25 are 6.93%, 6.87%, 3.72% and 3.12%, respectively. Accordingly, after applying the escalation methodology prescribed under the Regulations and carrying out a prudent check of the calculations, the Commission has computed and approved the normative R&M Expenses for FY 2025-26 as shown in the table below:

Table 59: Normative R&M Expense for FY 2025-26 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Normative Amount
Opening GFA	A	62.14
K Factor as per MYT Order	B	7.18%
Opening GFA*K-Factor	C=B*A	4.46
Add: Inflation factor for FY 2021-22	D	6.93%
Add: Inflation factor for FY 2022-23	E	6.87%
Add: Inflation factor for FY 2023-24	F	3.72%

Particulars	Formula	Normative Amount
Add: Inflation factor for FY 2024-25	G	3.12%
Add: Inflation factor for FY 2025-26	H	4.57%
R&M Expense	I= C*(1+D)*(1+E)*(1+F)*(1+G)*(1+H)	5.70

6.84 Summary of the Operational and Maintenance Expenses as approved by the Commission as shown below:

Table 60: Normative O&M Expense for FY 2025-26 as approved by the Commission (Rs. In Crore)

Particulars	Normative Approved Amount
Normative Employee Expenses	10.31
Normative A&G Expenses	3.35
Normative R&M Expenses	5.70
Net Normative Operation & Maintenance Expenses	19.37

INTEREST ON LOAN

Petitioner's Submission

6.85 The Petitioner has submitted that, the normative interest is computed on the average balance of loan during the financial year. The opening balance of normative loan for FY 2025-26 has been taken from closing normative loan balance for FY 2024-25.

6.86 In line with the Regulation 10.23 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 repayment of loan for MYT Control Period has been considered equal to net Depreciation for the year as calculated. Further, in accordance with the regulation 10.26 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 the rate of interest for the year is considered as Marginal Cost of Lending Rate of SBI prevailing as on 01st April 2025 plus 200 basis points i.e., 11.00%. Accordingly, the normative interest comes to Rs. 2.27 Cr. The table below provides calculation of Interest on Normative Loan for FY 2025-26.

Table 61: Interest on Loan for FY 2025-26 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Claimed
Opening Balance of Normative Loan	A	21.62

Add: Deemed Additions during the year	B	0.72
Less: Deemed Repayments	C	2.64
Closing Balance of Normative Loan	D=A+B-C	19.69
Average Balance of Normative Loan	E=(A+D)/2	20.66
Bank Rate plus 200 BP as on 1st April of the respective years	F	11.00%
Normative Interest Amount	**G=E*F**	**2.27**

Commission's Analysis

6.87 The Commission has referred to clause 10.16,10.17 and 10.26 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 for computation of Interest on loan for the Petitioner. The relevant extract of the Regulation is stated as below:

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

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.

Note 1: Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt equity ratio specified in these Regulations;

Note 2 : Any expenditure on replacement of old assets or on renovation and modernization or life extension shall be considered on normative debt-equity ratio specified in these Regulations after writing off the entire book value of the original assets from the capital cost of the new asset; Note 3 : Any expenditure admitted by the

Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt-equity ratio specified in these Regulations.

10.18 The Licensee shall submit the resolution of the Board of the Company or approval of the competent authority in other cases regarding infusion of funds from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the Distribution Licensee.

…………

10.26 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Licensee: Provided that if there is no actual loan for a particular year but normative loan is still outstanding, then the rate of interest shall be considered on normative basis and shall be equal to the Bank Rate as on April 01 of the respective year of the Control Period plus 200 basis points."

6.88 The Commission has considered repayment for each year of the Control Period equal to the depreciation allowed for that particular financial year. The closing loan values for the FY 2024-25 has been considered as opening loan value for FY 2025-26. The rate of interest has been considered as the SBI 1-year MCLR as on 1st April of the financial year plus 200 basis points as per JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations, 2020. Accordingly, the interest on loan has been computed as shown below:

Table 62: Interest on Loan for FY 2025-26 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Approved
Opening Balance of Normative Loan	A	21.62
Add: Deemed Additions during the year	B	0.72
Less: Deemed Repayments	C	2.64
Closing Balance of Normative Loan	D=A+B-C	19.69
Average Balance of Normative Loan	E=(A+D)/2	20.66
Bank Rate plus 200 BP as on 1st April of the respective years	F	11.00%
Normative Interest Amount	**G=E*F**	**2.27**

INTEREST ON WORKING CAPITAL

Petitioner's Submission

6.89 The Petitioner has submitted that it has calculated the Interest on Working Capital (IoWC) as per the Clauses 10.31 and 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and the rate of interest is considered as equivalent to 1 year MCLR of SBI as on 1st April of the financial year plus 350 basis points. The Interest on working capital claimed by the Petitioner is given below.

Table 63: Interest on Working Capital for FY 2025-26 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Claimed
Maintenance spares 1% of opening GFA	A	0.62
2 Months Revenue	B	128.94
Less: 1 month of power purchase cost	C	71.40
Total Working Capital	D=A+B-C	58.16
Rate of Working Capital	E	12.15%
Interest on Working Capital	F=D*E	7.07

Commission's Analysis

6.90 The Commission has considered the Interest on Working Capital (IoWC) as per provision specified in Clauses 10.31 and 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 as under:

"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 sub section (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 Rateas on September 30 of the financial year in which the MYT Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on April 01 of the financial year for which truing up exercise has been undertaken."

6.91 The rate of IoWC has been considered to be equal to 1-year MCLR of SBI as on 1st April of the financial year plus 350 basis points as per Clause 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

6.92 As discussed earlier, the Commission has considered the Steel Plant as HTS Consumer of the Petitioner. Following the same methodology, the Commission has considered Revenue and Power Purchase costs to be inclusive of Revenue from Steel Plant and costs incurred towards power purchase for the Steel Plant. Accordingly, the interest on working capital has been computed and stands approved as shown below:

Table 64: Interest on Working Capital for FY 2025-26 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Approved
Maintenance spares 1% of opening GFA	A	0.62
2 Months Revenue	B	136.62
Less: 1 month of power purchase cost	C	60.45
Total Working Capital	D=A+B-C	76.80
Rate of Working Capital	E	12.15%
Interest on Working Capital	F=D*E	9.33

RETURN ON EQUITY

Petitioner's Submission

6.93 The Petitioner has submitted that the Return on Equity (RoE) has been computed in accordance with Clause 10.19 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

6.94 The Petitioner has considered the opening equity for FY 2025-26 as the closing equity of FY 2024-25. Further, the average rate of return of 14.50 % has been applied to compute the return on equity. The RoE submitted by the Petitioner is summarized below:

Table 65: Return on Equity for FY 2025-26 as submitted by the Petitioner (Rs. In Crore)

Particulars	Formula	Claimed
Opening Equity	A	18.71
Addition during the Year	B	0.31
Closing Equity	C=A+B	19.02
Average Equity	D=(A+C)/2	18.86

Rate of Return on Equity	E	14.50%
Return on Equity Excluding Tax	F=D*E	2.74
Tax Rate (in %)	G	25.17%
Return on Equity including Tax	H=F/(1-G)	3.66

Commission's Analysis

6.95 The Commission observed that the Return on Equity employed for the Control period as per Clause 10.19 and 10.20 specified in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 as under:

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

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

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

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

6.96 The Commission further observes that the Petitioner has incurred losses continuously. In view of the above, the Commission is of the considered opinion that no tax liability has been demonstrated by the Petitioner for the year under consideration. Accordingly, the Commission disallows the Income Tax amount claimed by the Petitioner on Return on Equity and approves the Return on Equity without any additional tax component. If The Petitioner will pay the tax at the time of finalization of books and filling of Income Tax and provide a tax payment proof then Income Tax will be allowed at the time True Up. According to the regulation discussed as above, the Commission approve the return on equity as under:

Table 66: Return on Equity for FY 2025-26 as approved by the Commission (Rs. In Crore)

Particulars	Formula	Approved
Opening Equity	A	18.71
Addition during the Year	B	0.31
Closing Equity	C=A+B	19.02
Average Equity	D=(A+C)/2	18.86
Rate of Return on Equity	E	14.50%
Return on Equity Excluding Tax	**F=D*E**	**2.74**

SUMMARY OF ANNUAL PERFORMANCE REVIEW (APR)

6.97 Based on the aforesaid analysis, examination of the submissions made by the Petitioner, and the determinations recorded in this Order, the Commission has approved the Annual Performance Review (APR) for FY 2025-26, as against the APR claimed by the Petitioner. The approved APR, along with the corresponding claims of the Petitioner, is summarized in the table below:

Table 67: APR submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

Particulars	Formula	Petition	Approved
Power Purchase Cost (Township)	A	222.41	103.46
Power Purchase Cost (including Steel Plant)	B	856.81	725.35
O&M Expenses	C= (C1+C2+C3)	19.61	19.37
Employee Cost	C1	10.31	10.31
R&M Cost	C2	5.70	5.70
A&G Cost	C3	3.60	3.35
Depreciation	D	2.64	2.64
Interest on Loan	E	2.27	2.27
Return on Equity	F	3.66	2.74
Interest on Working Capital	G	7.07	9.33
Total Annual Revenue Requirement (excluding Steel Plant) (Township)	H=A+C+D+E+F+G	257.67	139.81
Total Annual Revenue Requirement (including Steel Plant)	**I=B+C+D+E+F+G+H**	**892.06**	**761.80**
Revenue from Sale of Power at Existing Tariff (excluding Steel Plant)	J	84.11	96.51
Revenue from Sale of Power at Existing Tariff (including Steel Plant)	**K**	**819.74**	**819.74**
Revenue Gap / (Surplus) for FY 2025-26	**L= I-K**	**72.32**	**(58.04)**

REVENUE FROM SALE OF POWER

Petitioner's Submission

6.98 The Petitioner has submitted that is has only considered the revenue from sale of power to the consumers of township as Rs. 84.11 Cr. for FY2025.26.

Commission's Analysis

6.99 The Commission has considered the sales to the Petitioner's Steel plant in the ARR and therefore the revenue from Steel Plant on normative basis has also been considered in the revenue from sale of power by the Petitioner in line with the methodology adopted by the Commission in its earlier Orders.

6.100 The Commission in its order dated September 30, 2020, while determining the Tariff for FY 2020-21 for DVC in Clause IV: Voltage Rebate of Chapter A 13 stated as follows, "It is further clarified that the voltage rebate will not be applicable to all consumers who are connected to the voltages specified above. The Commission in order to have uniform approach across all distribution utilities has now linked voltage rebate to be allowable to only those consumers who opt for higher voltages and meets the conditions specified in JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time". As such, the Commission while determining the revenue from Steel Plant on normative basis has not considered the Voltage Rebate for the Steel Plant.

6.101 The total revenue from sale of power as approved by the Commission is summarized in the below table:

Table 68: Revenue from sale of power as approved by the Commission for FY 2025-26 (Rs. Cr.)

Particulars	Approved
Steel Plant Sale (MU)	1415.00
Steel Plant Load (MVA) @ 132 kV	45.00
Fixed Charges (Rs/kVA/Month)	300.00
Energy Charges (Rs/kWh)	5.10
Revenue from Fixed Charges (Rs.Cr.)	16.20
Revenue from Energy Charges (Rs. Cr.)	721.79

Particulars	Approved
Total Revenue (Rs. Cr.)	737.99
Power Factor Rebate-2% on Demand & Energy Charges	14.76
Net Revenue from Steel Plant (Rs. Cr.)	723.23
Revenue from Township (Rs. Cr.)	96.51
Total Revenue (Rs. Cr.)	**819.74**

CHAPTER 7: BUSINESS PLAN & MYT FOR CONTROL PERIOD FROM FY 2026-27 TO 2030-31

7. BUSINESS PLAN & MYT FOR CONTROL PERIOD FROM FY 2026-27 TO 2030-31.

7.1 The Petitioner is required to file the Business Plan for approval before the Commission as per Clause 6.9, Clause 6.10 and Clause 6.11 of Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. The relevant Clauses are reproduced below:

"Business Plan

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

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

6.11 The Business Plan shall be for the entire Control Period and shall inter-alia contain:

a) Capital Investment Plan for the entire Control Period commensurate with load growth, distribution loss reduction trajectory and quality improvement measures proposed in the Business Plan. The Capital Investment Plan should also include corresponding capitalisation schedule and financing plan;

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

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

c) Power Procurement Plan based on the sales forecast and distribution loss trajectory for each year of the Control Period. The Power Procurement Plan shall also include energy efficiency, RPO fulfilment, and demand side management measures;

d) A set of targets proposed for other controllable items such as distribution losses, billing efficiency, collection efficiency, working capital requirement, quality of supply targets (viz. SAIFI, SAIDI and MAIFI as per the Jharkhand State Electricity Regulatory Commission (Distribution Licensees' Standards of Performance) Regulations, 2015, *and subsequent amendments), etc. The targets shall be consistent with the capital investment plan proposed by the Licensee.*

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

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

g) Proposals in respect of income from Other Business;

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

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

7.2 The Petitioner filed its Business Plan for Control Period FY 2026-27 to FY 2030-31 in line with the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. Accordingly, the Commission has approved the Business Plan and Multi Year Tariff for the Control Period FY 2026-27 to FY 2030-31, in line with the relevant Regulations.

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

NUMBER OF CONSUMERS, SALES AND DEMAND PROJECTION

Petitioner's Submission

7.4 Petitioner has submitted that consumer number projections is done based on the past year's trends. Petitioner has estimated category wise additions in the number of consumers for each year of the control period and considered the average of 4-year addition in the number of consumers for each year of the Control Period and multiplied the same with 0.5. Addition in number of consumers done based on consumer specific information available to Petitioner about the upcoming network expansion.

7.5 Further, the Petitioner has estimated the Contracted load for each consumer category by applying CAGR on last 4-year approved/actual data i.e. FY 2021-22 to FY 2024-25.

7.6 Further, Load factor for each category is taken as the average of last 4-year data i.e. FY 2021-22 to FY 2024-25 is multiplied with the projected contracted load and added with the previous year sales (MU) to reach to the estimated sales figure for the Control Period:

Estimated Sales (MU)

= Previous Year Sales (MU) + ((incremental Load addition in kVA) x 8760 x PF x Load Factor) / 10^6

** PF: Actual Power Factor*

7.7 Considering the above the projected number of HT/LT consumers, their contracted load, and energy sales are tabulated below:

Table 69: Projected Number of Consumers as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (Nos)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	29,185	29,338	29,492	29,647	29,802
2	Domestic Services – (DS-HT)	7	7	7	7	7
3	Commercial Services (CS)	1,927	1,928	1,929	1,930	1,931
4	Low Tension Industrial Services (LTIS)	37	38	38	38	38
5	HTS-11 KV	30	30	30	30	30
6	HT/LT	656	656	656	656	656
7	**Township Total**	**31,999**	**32,315**	**32,633**	**32,956**	**33,281**
8	Steel Plant	1	1	1	1	1
9	**Grand Total**	**32,000**	**32,316**	**32,634**	**32,957**	**33,282**

Table 70: Projected Category wise Contracted Load as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in kVA)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	1,05,885	1,06,440	1,06,998	1,07,559	1,08,122
2	Domestic Services – (DS-HT)	5,873	5,873	5,873	5,873	5,873
3	Commercial Services (CS)	27,351	27,365	27,379	27,394	27,408
4	Low Tension Industrial Services (LTIS)	914	939	939	939	939
5	HTS-11 KV	11,000	11,000	11,000	11,000	11,000
6	HT/LT	41,269	41,269	41,269	41,269	41,269

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
7	**Township Total**	**1,92,293**	**1,92,887**	**1,93,459**	**1,94,034**	**1,94,612**
8	Steel Plant	45,000	45,000	45,000	45,000	45,000
9	**Grand Total**	**2,37,293**	**2,37,887**	**2,38,459**	**2,39,034**	**2,39,612**

Table 71: Projected Energy Sale as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in MUs)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	93.15	93.72	94.30	94.88	95.46
2	Domestic Services – (DS-HT)	7.95	7.95	7.95	7.95	7.95
3	Commercial Services (CS)	36.11	36.14	36.16	36.17	36.19
4	Low Tension Industrial Services (LTIS)	0.47	0.48	0.49	0.49	0.49
5	HTS-11 KV	29.46	29.46	29.46	29.46	29.46
6	HT/LT	26.80	26.80	26.80	26.80	26.80
7	Township Total	194	195	195	196	196
8	Steel Plant	1,415.28	1,415.28	1,415.28	1,415.28	1,415.28
9	**Grand Total**	1,609.22	1,609.84	1,610.44	1,611.03	1,611.63

Commission's Analysis

7.8 The Commission in the Regulation 6.16 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 has mentioned of business plan submission based on Sales/ Demand Projection for each consumer category, sub-category and for each tariff slab, at different voltage levels, for each year of the Control Period based on recent trends and historical growth. The relevant provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 are extracted for reference as under:

"6.16 The Licensee, in its Business Plan filings, shall forecast sales for each consumer category, sub-category and for each tariff slab, at different voltage levels, for each year of the Control Period based on recent trends and historical growth for the Commission's review and approval along with the requisite details of category-wise and voltage-wise sales, contracted load, number of consumers, etc.

6.17 The Commission shall examine the forecasts for reasonableness and consistency on the basis of expected growth in the number of consumers, changes in pattern of consumption, seasonal variations, target distribution losses, demand for electricity in previous years and anticipated growth in the next year, and any other factor considered *relevant by the Commission, and accordingly approve sales forecast with such modifications as deemed fit for each year of the Control Period.*

6.18 Sales of electricity, if any, to electricity traders or another Licensee shall be separately indicated.

6.19 The Licensee shall also indicate category-wise open access consumers along with open access sales. The energy wheeled for them shall be shown separately for: Supply within its area of supply; and Supply outside its area of supply."

7.9 The Commission has examined the projections submitted by the Petitioner and the methodology adopted for forecasting consumer growth, connected load and energy sales.

7.10 The Commission observes that demand forecasting constitutes a critical component of the Business Plan and forms the basis for assessment of power procurement requirement, network planning and revenue requirement determination. The Commission further observes that the Petitioner has relied upon historical growth trends, category-wise analysis and available consumer information for preparing the projections.

7.11 The Commission notes that the licensed area of SAIL-BSL is a mature urban distribution area with limited scope for substantial consumer addition. Accordingly, the projections submitted by the Petitioner indicate moderate growth in number of consumers and relatively stable energy sales during the Control Period.

7.12 The Commission is of the view that the demand and sales forecasts should be realistic, achievable and based on prudent assumptions. Therefore, for the purpose of approval of the Business Plan, the Commission approves, in principle, the projected consumers, connected load and energy sales submitted by the Petitioner, subject to annual review and true-up based on actual performance during the respective years of the Control Period.

Table 72: Projected Number of Consumers approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (Nos)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	28,308	28,456	28,605	28,755	28,906
2	Domestic Services – (DS-HT)	7	7	7	7	7
3	Commercial Services (CS)	1,903	1,904	1,905	1,906	1,907
4	Low Tension Industrial Services (LTIS)	37	38	38	38	38
5	HTS-11 KV	30	30	30	30	30

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
6	HT/LT	656	656	656	656	656
7	**Township Total**	**30,941**	**31,091**	**31,242**	**31,392**	**31,544**
8	Steel Plant	1	1	1	1	1
9	**Grand Total**	**30,942**	**31,092**	**31,243**	**31,393**	**31,545**

Table 73: Projected Category wise Contracted Load approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in kVA)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	102,701	103,239	103,780	104,324	104,871
2	Domestic Services – (DS-HT)	6,182	6,182	6,182	6,182	6,182
3	Commercial Services (CS)	27,024	27,038	27,052	27,066	27,081
4	Low Tension Industrial Services (LTIS)	963	989	989	989	989
5	HTS-11 KV	11,579	11,579	11,579	11,579	11,579
6	HT/LT	41,269	41,269	41,269	41,269	41,269
7	**Township Total**	**1,89,718**	**1,90,296**	**1,90,852**	**1,91,410**	**1,91,970**
8	Steel Plant	45,000	45,000	45,000	45,000	45,000
9	**Grand Total**	**2,34,718**	**2,35,296**	**2,35,852**	**2,36,410**	**2,36,970**

Table 74: Projected Energy Sale approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in MUs)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	91.53	87.23	87.78	88.34	88.90
2	Domestic Services – (DS-HT)	8.28	9.19	9.19	9.19	9.19
3	Commercial Services (CS)	35.97	34.18	34.20	34.21	34.22
4	Low Tension Industrial Services (LTIS)	0.49	0.51	0.51	0.51	0.51
5	HTS-11 KV	29.86	30.30	30.30	30.30	30.30
6	HT/LT	26.84	22.52	22.52	22.52	22.52
7	**Township Total**	**193**	**184**	**185**	**185**	**186**
8	Steel Plant	1,415.28	1,415.28	1,415.28	1,415.28	1,415.28
9	**Grand Total**	**1,608.25**	**1,599.21**	**1,599.78**	**1,600.35**	**1,600.93**

DISTRIBUTION LOSS, ENERGY REQUIREMENT AND ENERGY BALANCE

Petitioner's Submission

7.13 The Petitioner has submitted that the projection for demand has been arrived by grossing up the above consumption projections with Transmission Loss and Distribution loss. The petitioner has been maintaining lower loss levels through various initiatives of network strengthening, Maintenance practices, 100% metering, Meter testing, and keeping close eye on the network to ensure that there is no theft, leakage, or pilferage from its distribution network. However, the load on the distribution network is increasing steadily, distribution network is spread over in densely populated urban region. Distribution loss levels also vary based on the loading pattern of the consumers.

7.14 The petitioner humbly submitted that it has decided to reduce the distribution loss in phased manner i.e. 3% in every year and ultimately it will reach to 30% in FY 2030-31. It will try its best to reduce the distribution loss in its license area. The petitioner humbly submits that distribution loss targets need to be set in such a manner that efficient operations are not penalized for good reasons. The petitioner had been maintaining lower level of distribution losses and would continue to put in efforts to keep losses at lower levels. The petitioner further submits that addition in transformer and lines is being done to ensure reliable supply and to meet additional demand of consumers.

7.15 The petitioner requests the Commission to kindly approve the appropriate loss level for upcoming control period subject to true-up.

Table 75: Projected Energy requirement and Energy balance as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31

Sr. No.	Particulars	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Total Energy Sales – Township	MU	193.94	194.56	195.16	195.75	196.35
2	Overall Distribution Losses	%	42%	39%	36%	33%	30%
3	Energy Required for Township	MU	334.39	318.95	304.93	292.17	280.50
4	Energy Sales to Steel Plant	MU	1,415.28	1,415.28	1,415.28	1,415.28	1,415.28
5	Total Energy requirement	MU	1,749.67	1,734.23	1,720.21	1,707.45	1,695.78

Commission's Analysis

7.16 The Commission notes that in the previous Multi-Year Tariff (MYT) Control Periods, vide Tariff Orders dated 03.09.2014, 07.06.2018 and 22.06.2023, it had prescribed a distribution loss reduction trajectory with a target distribution loss level of 10% at the end of the respective Control Periods. The Commission has consistently emphasized that reduction in distribution losses is a key operational efficiency parameter and is essential for ensuring reliable supply of electricity, improvement in the financial health of the utility, and protection of consumer interests.

7.17 The Commission Observe that clause 6.44 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, identifies ‘Distribution Loss and Collection Efficiency’ as ‘Controllable’ items. The Petitioner in this regard is directed to reduce its distribution loss and strictly adhere to the target levels as set by the Commission for the Control Period.

7.18 The Commission also takes into consideration of the Petitioner’s proposal for installation of smart meters, strengthening of metering infrastructure, and implementation of underground cabling and Aerial Bunched Cable (ABC) systems as long-term measures for reduction of non-technical losses. While these initiatives are commendable and may contribute towards loss reduction in the future, the Commission observes that the mere existence of theft, pilferage, unauthorized connections, metering deficiencies, or operational inefficiencies cannot be a ground for routinely passing the burden of excessive distribution losses on to the legitimate consumers. Because all the factor for the loss claimed by the petitioner distribution Company are controllable in nature.

7.19 Also, allowing higher losses without adequate justification would be contrary to the fundamental principles of efficiency, consumer protection, accountability, and prudent tariff determination enshrined in the Electricity Act, 2003 and reinforced through various regulatory initiatives and studies undertaken by the Forum of Regulators (FoR).

7.20 The preamble to the Electricity Act, 2003 clearly states that the legislation seeks to promote competition, protect consumer interests, rationalize tariffs, and promote efficient policies in the electricity sector. Any continued allowance of avoidable Distribution Losses would transfer the burden of operational inefficiencies of the Distribution Licensee to consumers, which is inconsistent with these statutory objectives.

7.21 Further, Section 61 of the Electricity Act requires the Commission, while specifying tariff regulations, to be guided by principles that encourage:

- Efficiency;
- Economical use of resources;

- Good performance;
- Optimum investments; and
- Protection of consumer interest.

Distribution Loss is a controllable parameter substantially influenced by utility actions relating to metering, energy accounting, network strengthening, theft control, billing efficiency, and operational management. Therefore, allowing higher losses in tariff orders without rigorous prudence scrutiny would dilute the efficiency incentives intended under Section 61 under the garb of maintaining the viability of distribution company.

7.22 Section 55 of the Act mandates supply through appropriate metering arrangements. The legislative intent is to ensure energy accountability throughout the distribution system. Distribution utilities are expected to progressively establish feeder metering, distribution transformer metering, consumer indexing, and energy audit mechanisms to accurately identify and reduce losses.

7.23 Where higher losses persist due to deficiencies in metering, consumer indexing, billing practices, or energy accounting systems, such inefficiencies cannot reasonably be passed through to consumers through the true-up process.

7.24 Accordingly, any relaxation in approving higher distribution levels without establishing that the excess losses arose from uncontrollable circumstances would weaken the statutory incentives for theft control and revenue protection. It appears that from the materials available in the Tarif Pettion that the petitioner has not adequately invoked and enforced the provisions of Sections 126 and 135 to 140 of the Electricity Act, 2003, relating to unauthorized use of electricity and theft of electricity.

7.25 The Forum of Regulators (FoR) -commissioned study titled "Best Practices and Strategies for Distribution Loss Reduction" identified high distribution losses as one of the principal challenges facing India's distribution sector and emphasized that sustainable sector reform requires continuous reduction of both technical and commercial losses. The study categorizes loss reduction initiatives into:

- Governance reforms;
- Process strengthening;
- Network strengthening;

- Regulatory initiatives;
- Administrative measures; and
- Technology adoption such as AMR, SCADA, DMS, feeder metering and energy audit systems.

The study specifically treats Distribution Loss reduction as an outcome of utility performance and management effectiveness and documents successful loss reduction achieved by utilities through implementation of these measures. Accordingly, higher losses cannot automatically be regarded as uncontrollable costs deserving pass-through in tariff true-up.

7.26 The FOR study observed that several utilities across Gujarat, Delhi, Punjab, Maharashtra, Andhra Pradesh and other states achieved substantial loss reduction through focused interventions including:

- 100% metering;
- Energy auditing;
- Dedicated loss monitoring cells;
- Employee accountability systems;
- Vigilance mechanisms;
- Network strengthening;
- Distribution franchisee models;
- Technology-enabled billing and collection systems.

The availability of established and proven interventions demonstrates that Distribution Losses are largely manageable and controllable. Therefore, persistent excess losses beyond certain levels should ordinarily be attributable to operational shortcomings rather than unavoidable external factors.

7.27 If higher-than-approved Distribution Losses are routinely allowed in tariff determination, the Distribution Licensee would face reduced incentive to undertake investments and management initiatives required for loss reduction. Such an approach would create regulatory moral hazard where inefficiencies are socialized and borne by consumers.

Conversely, disallowance of controllable excess losses encourages:

- Better energy accounting;
- Improved billing efficiency;
- Reduction in theft;
- Timely replacement of defective meters;
- Network modernization;
- Improved utility governance.

This approach aligns with the efficiency-promoting mandate of Section 61 of the Electricity Act, 2003.

7.28 Further, as recognized in recent Ministry of Power rules cited in regulatory proceedings, gains and losses arising from deviation from approved AT&C loss reduction trajectories are required to be quantified and shared between consumers and distribution licensees, thereby explicitly linking utility performance with financial consequences. This framework further supports the principle that loss reduction is a measurable and accountable parameter rather than an uncontrollable cost to be automatically passed through in tariff.

7.29 In view of the above, The Commission has examined the actual distribution loss levels achieved by the Petitioner during the previous Control Periods and observes that the Petitioner has not been able to achieve the loss reduction targets approved by the Commission. The Commission is of the considered view that while distribution losses should progressively decline over time through sustained efforts towards network strengthening, system improvement, energy accounting, metering enhancement, and reduction of technical and commercial losses, the loss reduction trajectory should also be realistic, achievable, and aligned with the prevailing operational conditions of the licensee.

7.30 The other day, the FOR has convened its meeting at new delhi under the guidance of Hon'ble Minister of Power, Union of India where inter-alia it has been observed that prudent power purchase cost incurred by a distribution licensee should not be subject to disallowance on account of non-achievement of the specified performance targets. However, where the distribution licensee fails to achieve such targets, the State Commission may levy an appropriate penalty, after duly considering the extent to which the failure is attributable to uncontrollable factors.

7.31 Accordingly, while balancing the interests of the consumers and the utility, and considering the proposed capital investment programme aimed at loss reduction and system strengthening, the Commission has prudently examined and approved the capital expenditure requirement of the Petitioner. The Commission expects that the Petitioner shall effectively utilize the approved investments for achieving measurable improvements in operational efficiency and reduction of distribution losses during the Control Period.

7.32 In view of the above, the Commission, as a special dispensation and with an objective of facilitating a realistic transition towards efficiency improvement, approves the distribution loss level of 14% for FY 2026-27. The Commission further determines a progressive distribution loss reduction trajectory for the MYT Control Period from FY 2026-27 to FY 2030-31. If petitioner fails to achieve the targets according to the given trajectory then the Commission may impose the penalty. The approved trajectory provides adequate opportunity to the Petitioner to undertake necessary corrective measures while ensuring that the benefits of efficiency gains are passed on to consumers over time.

7.33 The Commission makes it clear that the approved trajectory represents the minimum performance benchmark to be achieved by the Petitioner and expects the Petitioner to undertake all necessary measures to meet or exceed the approved targets. Any deviation from the approved trajectory shall be dealt with in accordance with the applicable provisions of the JSERC Tariff Regulations and after due regulatory scrutiny. In light of facts, the distribution loss trajectory and energy balance approved for the Township by the Commission for the Control period FY 26-27 to FY 30-31 is as tabulated below:

Table 76: Distribution Loss Trajectory as approved the Commission for the Control Period from FY 2026-27 to FY 2030-31

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Distribution Loss	14%	12%	10%	8%	5%

Table 77: Projected Energy requirement and Energy balance approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31

Sr. No.	Particulars	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Total Energy Sales – Township	MU	192.97	183.93	184.50	185.07	185.65
2	Overall Distribution Losses	%	14%	12%	10%	8%	5%
3	Energy Required for Township	MU	224.38	209.01	205.00	201.17	195.42
4	Energy Sales to Steel Plant	MU	1415.28	1415.28	1415.28	1415.28	1415.28
5	Total Energy requirement	MU	1639.66	1624.29	1620.28	1616.45	1610.70

POWER PROCUREMENT PLAN

Petitioner's submission

7.34 Petitioner submitted that it procures power from Damodar Valley Corporation (DVC) at 132 kV level and the same source have been considered for the upcoming control period. In case requirement goes more than the projections, additional capacity will be tied up with approval of the Commission.

7.35 The expected per unit derived rate for planned energy intake is given below. As per unit rate has the element of both fixed / capacity charge and energy charge, this will vary significantly based on variation in actual power taken from these units.

7.36 The petitioner further submits that for long term power sourcing, capacity allocation of generating units is done for which fixed/capacity charges are payable even if energy is not scheduled/ taken from those units. While the above per unit rate is an overall view of expected power purchase cost from DVC; the decision to take more power will be based on the variable/energy rate of individual sources including availability of power in power exchange during outage of DVC units.

7.37 The petitioner humbly requested the Commission to kindly approve the estimated power purchase cost subject to true-up.

Table 78: Projected Power Procurement Plan as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31

Sr. No.	Consumer Category	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	**Total Power Purchase**	**MU**	**1,749.67**	**1,734.23**	**1,720.21**	**1,707.45**	**1,695.78**
2	Power Purchase – Township	MU	334.39	318.95	304.93	292.17	280.50
3	Power Purchase – Plant	MU	1,415.28	1,415.28	1,415.28	1,415.28	1,415.28
4	**Per unit power purchase cost**	**Rs. / kWh**	**4.52**	**4.66**	**4.79**	**4.94**	**5.09**
5	**Total Power Purchase Cost**	**Rs. Cr.**	**790.75**	**807.29**	**824.78**	**843.22**	**862.59**
6	Total Power Purchase Cost – Township	Rs. Cr.	151.12	148.47	146.21	144.29	142.68
7	Total Power Purchase Cost – Plant	Rs. Cr.	639.63	658.82	678.58	698.94	719.91

Commission's Analysis

7.38 The Commission observes that Damodar Valley Corporation (DVC) continues to be the sole source of power supply for the Petitioner. The Commission further notes that the tariff of DVC for FY 2026-27 has already been determined by the Commission vide Tariff Order dated 30.03.2026 in Case (Tariff) No. 12 of 2025. In the said Order, the Commission approved the tariff applicable to DVC, which has a direct bearing on the power procurement cost of the Petitioner.

7.39 The Commission observes that while projecting the power purchase expenses for FY 2026-27, the Petitioner has not considered the impact of the tariff determined for DVC in the aforesaid Tariff Order. However, since the tariff order has already been issued and the applicable tariff has attained regulatory certainty, the Commission is required to factor its impact while approving the power procurement cost of the Petitioner.

7.40 Accordingly, the Commission has considered the approved DVC tariff for FY 2026-27 while determining the power purchase cost. The projected power procurement requirement has been derived based on the approved energy balance and distribution loss level for FY 2026-27. Therefore, the Commission has recalculated and approved the power purchase cost by considering the approved quantum of energy procurement and the tariff determined for DVC in Case (Tariff) No. 12 of 2025 dated 30.03.2026, as detailed in the subsequent paragraphs.

7.41 The Commission is of the view that prudent power procurement planning is essential to ensure reliable power supply at reasonable cost to consumers. The Petitioner should continuously monitor power requirement and optimize procurement through efficient planning and scheduling mechanisms.

7.42 The Commission further directs the Petitioner to comply with the JSERC's Framework for Resource Adequacy Regulations, 2024 and undertake appropriate long-term and medium-term power planning to ensure adequacy of supply during the Control Period.

7.43 The power purchase rate (in Rs./kWh) and power purchase cost (in Rs. Cr.) for the power purchased from DVC for Control Period as approved by the Commission is summarized in the table below:

Table 79: Projected Power Procurement Plan approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31

Sr. No.	Consumer Category	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Total Power Purchase	MU	1639.66	1624.29	1620.28	1616.45	1610.70
2	Power Purchase – Township	MU	224.38	209.01	205.00	201.17	195.42
3	Power Purchase – Plant	MU	1415.28	1415.28	1415.28	1415.28	1415.28
4	Per unit power purchase cost	Rs. / kWh	6.58	6.78	6.98	7.19	7.41
5	Total Power Purchase Cost	Rs. Cr.	1079.38	1101.34	1131.58	1162.77	1193.39
6	Total Power Purchase Cost – Township	Rs. Cr.	234.21	224.72	227.02	229.46	229.59
7	Total Power Purchase Cost – Plant	Rs. Cr.	845.16	870.52	896.63	923.53	951.24

Capital Investment Plan

Petitioner's submission

7.44 Petitioner is required to submit its Business Plan & Multi Year Tariff (MYT) petition for the Control Period starting April 1, 2026 (FY27) to March 31, 2031 under the provisions of the "Jharkhand State Electricity Regulatory Commission (JSERC) (Terms and Conditions for Determination of Distribution Tariff) Regulations.

7.45 Scheme wise Details is discussed in the following section:

Procurement of safety related tools and tackles

7.46 Bokaro Steel Plant (BSL) undertakes extensive maintenance, erection, and operational activities that require specialized safety-related tools and tackles to ensure safe execution of work. Certain existing tools have aged due to continuous usage and require replacement or augmentation to maintain safety standards and compliance with statutory requirements. To strengthen workplace safety and support safe maintenance practices, it is proposed to procure safety-related tools and tackles as per approved technical specifications. The procurement will be undertaken through a competitive tendering process in accordance with SAIL's procurement guidelines and applicable safety standards. The proposed procurement will enhance operational safety, reduce accident risks, ensure compliance with safety norms, and support efficient maintenance activities.

Procurement of 600 Nos. Air Conditioners (ACs)

7.47 Bokaro Steel Plant (BSL) requires reliable air-conditioning systems across offices, control rooms, substations, laboratories, and other critical installations to ensure proper working conditions, protection of sensitive equipment, and operational efficiency. A number of existing air-conditioning units have aged over time, resulting in reduced efficiency, frequent breakdowns, and higher maintenance costs. To maintain adequate environmental conditions and replace obsolete units, it is proposed to procure 600 Nos. of Air Conditioners of appropriate capacity as per approved technical specifications. The procurement will be undertaken through a competitive tendering process in accordance with SAIL's procurement guidelines, ensuring compliance with energy efficiency and quality standards. The proposed procurement will improve workplace comfort, safeguard critical equipment, enhance energy efficiency, and reduce maintenance issues.

Procurement of Cables, Wiring and other material –

7.48 Bokaro Steel Plant (BSL) operates extensive electrical infrastructure across plant units, utilities, workshops, and township areas, requiring reliable supply of cables, wiring, and associated electrical materials for maintenance, replacement, and ongoing projects. Due to continuous operations, aging infrastructure, and expansion activities, periodic procurement of quality electrical materials is essential to ensure operational continuity, safety, and compliance with technical standards. The existing stock levels of cables, wiring accessories, connectors, and related materials require replenishment to avoid disruptions in preventive and breakdown maintenance activities. Timely procurement will help prevent unplanned outages, reduce safety risks arising from deteriorated wiring systems, and support ongoing capital and modernization works. It is proposed to undertake procurement of required cables, wiring, and other electrical materials through a competitive tendering process in accordance with SAIL's procurement guidelines. The scope will include supply of LT/HT cables, control cables, wiring materials, cable trays, glands, terminations, and other associated accessories as per approved technical specifications. The procurement will ensure compliance with relevant /industrial standards and quality assurance requirements.

Supply and Installation of 15 Nos. High Mast and 49 Nos. Mini Mast Lighting Systems

7.49 Bokaro Steel Plant (BSL) requires adequate and uniform illumination in identified plant areas, stockyards, internal roads, material handling zones, and open spaces to ensure safe operations, improved visibility, and enhanced security. Certain locations presently have inadequate lighting coverage, leading to operational constraints and safety concerns, particularly during night shifts. To address these gaps and strengthen lighting infrastructure, it is proposed to undertake supply and installation of 15 Nos. High Mast and 49 Nos. Mini Mast lighting systems at identified locations as per approved technical specifications. The scope will include foundation works, erection, installation of luminaires, cabling, control panels, testing, and commissioning. The work shall be executed through a competitive tendering process in accordance with SAIL's procurement guidelines. The proposed installation will improve illumination uniformity, enhance operational safety, support uninterrupted plant activities, and strengthen overall security within the premises.

HT Undergrounding Work

7.50 Bokaro Steel Plant (BSL) has existing overhead Power High Tension (PHT) lines in certain plant and township areas which are exposed to environmental conditions, mechanical damage, and safety risks. Overhead lines are also susceptible to faults due to weather, tree contact, and accidental interference, leading to supply interruptions and increased maintenance requirements. To enhance safety, improve reliability, and reduce fault occurrences, it is proposed to undertake undergrounding of identified PHT lines as per approved technical specifications. The scope will include laying of underground HT cables, associated civil works, jointing, termination, testing, and commissioning through a competitive tendering process in accordance with SAIL's procurement guidelines. The proposed undergrounding will improve system reliability, enhance public and operational safety, reduce maintenance needs, and ensure uninterrupted power supply to critical installations.

Replacement of complete electrics of 04 pump houses

7.51 Bokaro Steel Plant (BSL) operates multiple pump houses supporting critical water supply, cooling systems, and utility operations essential for uninterrupted plant functioning. The existing electrical systems of four pump houses have aged over time and are experiencing wear, obsolescence, and increased maintenance requirements, posing risks to operational reliability and safety. To ensure dependable performance and mitigate the risk of breakdowns, it is proposed to undertake replacement of the complete electrical systems of the identified 04 pump houses. The scope will include replacement of LT panels, switchgear, cabling, protection systems, control wiring, and associated accessories as per approved technical specifications. The work shall be executed through a competitive tendering process in accordance with SAIL's procurement guidelines. The proposed replacement will enhance operational reliability, improve safety standards, reduce failure incidents, and ensure uninterrupted utility services to the plant.

Smart metering solution at Bokaro Steel Plant

7.52 Bokaro Steel Plant (BSL) operates an extensive electrical network supplying power to production units, utilities, substations, and township areas. The existing metering infrastructure at certain locations is conventional and lacks real-time monitoring, detailed energy analytics, and remote data accessibility, limiting effective energy management and timely detection of abnormalities. To strengthen energy monitoring, improve billing accuracy, and enable data-driven decision-making, it is proposed to implement Smart Metering Solutions across identified installations. The scope will include supply, installation, testing, and commissioning of smart meters with communication modules, integration with a centralized monitoring platform, and establishment of a data management system as per approved technical specifications. The implementation will be carried out through a competitive tendering process in accordance with SAIL's procurement guidelines. The proposed solution will enhance transparency in energy consumption, improve load management, enable real-time monitoring, reduce manual intervention, and support energy efficiency and digital transformation initiatives.

Proposal for Erection of Additional Substation in BSL Township

7.53 Bokaro Steel Plant (BSL) undertakes extensive maintenance, erection, and operational activities that require specialized safety-related tools and tackles to ensure safe execution of work. Certain existing tools have aged due to continuous usage and require replacement or augmentation to maintain safety standards and compliance with statutory requirements. To strengthen workplace safety and support safe maintenance practices, it is proposed to procure safety-related tools and tackles as per approved technical specifications. The procurement will be undertaken through a competitive tendering process in accordance with SAIL's procurement guidelines and applicable safety standards. The proposed procurement will enhance operational safety, reduce accident risks, ensure compliance with safety norms, and support efficient maintenance activities.

Chemical Earthing

7.54 Bokaro Steel Plant (BSL) operates extensive electrical installations across production units, substations, utilities, and township areas where effective grounding systems are critical for personnel safety, equipment protection, and system reliability. Over time, conventional earthing systems may deteriorate due to soil resistivity variations, corrosion, and aging, leading to higher earth resistance and potential safety risks. To enhance grounding performance and ensure compliance with applicable electrical safety standards, it is proposed to implement a Chemical Earthing System at identified locations within the plant and associated facilities. Chemical earthing provides stable and low earth resistance, improved corrosion resistance, longer service life, and better fault current dissipation, particularly in areas with high soil resistivity. The scope will include survey and testing of existing earthing systems, identification of critical locations, supply and installation of chemical earthing electrodes with backfill compounds, interconnection with existing grid, testing, and commissioning as per approved technical specifications. The work will be executed through a competitive tendering process in accordance with SAIL's procurement guidelines. Implementation of chemical earthing will improve system safety, reduce risk of equipment damage, enhance lightning and fault protection, and support reliable plant operations.

Procurement of 60 nos. of 800KVA Distribution transformer

7.55 Bokaro Steel Plant (BSL) operates an extensive power distribution network catering to production units, utilities, and township areas. Certain existing distribution transformers have aged over time and are operating under stressed conditions due to load growth, resulting in increased risk of breakdowns, higher technical losses, and potential supply interruptions. To ensure reliable power distribution, meet growing load demand, and replace deteriorated units, it is proposed to procure 60 Nos. of 800 kVA Distribution Transformers as per approved technical specifications. The procurement will be undertaken through a competitive tendering process in accordance with SAIL's procurement guidelines, ensuring compliance with relevant BIS and industrial standards. The proposed procurement will strengthen the distribution network, improve voltage stability, reduce failure incidents, minimize downtime, and enhance overall operational reliability of the plant and associated facilities.

Procurement of 60 nos. of LT Distribution Panel

7.56 Bokaro Steel Plant (BSL) operates an extensive low tension (LT) power distribution network supporting plant operations, utilities, and township infrastructure. Several existing LT Distribution Panels have aged over time and are subject to wear, overloading, and obsolescence, resulting in increased maintenance requirements and potential safety and reliability concerns. To enhance system reliability, ensure safe power distribution, and support ongoing operational and load requirements, it is proposed to procure 60 Nos. of LT Distribution Panels as per approved technical specifications. The procurement will be carried out through a competitive tendering process in line with SAIL's procurement guidelines and applicable standards. The proposed procurement will improve operational safety, reduce breakdown incidents, enhance system stability, and ensure uninterrupted power supply across critical installations.

Procurement of Aerial Working Platform

7.57 Bokaro Steel Plant (BSL) undertakes regular maintenance, and repair works at elevated locations across plant units, substations, lighting systems, workshops, and other infrastructure. At present, such activities are largely dependent on conventional methods such as scaffolding and ladders, which are time-consuming, manpower-intensive, and involve safety risks. To enhance safety, improve operational efficiency, and ensure timely execution of maintenance activities at height, it is proposed to procure an Aerial Working Platform (AWP) with suitable reach and load capacity as per approved technical specifications. The equipment will facilitate safe and efficient access to elevated work areas and reduce dependency on temporary structures. The procurement shall be carried out through a competitive tendering process in accordance with SAIL's procurement guidelines. The proposed acquisition will improve workplace safety, reduce maintenance turnaround time, enhance productivity, and ensure compliance with safety standards.

Smart Street Lighting Solution at Supply and Installation of 15 Nos. High Mast and 49 Nos. Mini Mast Lighting Systems

7.58 Bokaro Steel Plant (BSL) requires adequate and uniform illumination in identified plant areas, stockyards, internal roads, material handling zones, and open spaces to ensure safe operations, improved visibility, and enhanced security. Certain locations presently have inadequate lighting coverage, leading to operational constraints and safety concerns, particularly during night shifts. To address these gaps and strengthen lighting infrastructure, it is proposed to undertake supply and installation of 15 Nos. High Mast and 49 Nos. Mini Mast lighting systems at identified locations as per approved technical specifications. The scope will include foundation works, erection, installation of luminaires, cabling, control panels, testing, and commissioning. The work shall be executed through a competitive tendering process in accordance with SAIL's procurement guidelines. The proposed installation will improve illumination uniformity, enhance operational safety, support uninterrupted plant activities, and strengthen overall security within the premises.

7.59 Petitioner humbly requests the Commission to kindly approve the estimated Capex and capitalisations subject to true-up as mentioned in the below table:

Table 80: Capex and Capitalization Phasing as submitted by Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Consumer Category	Total Scope	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Procurement of safety related tools and tackles	4.00		1.00	1.00	1.00	1.00
2	Procurement of 600 nos of AC	3.15	1.58	1.58			
3	Procurement of cables and wires	10.50	2.50	2.00	2.00	2.00	2.00
4	Supply and installation of 15 nos of High mast and 49 nos of Mini mast	1.25		1.25			
5	HT Undergrounding	100.00		25.00	25.00	25.00	25.00
6	Replacement of complete electrics of 04 pump houses	10.97		10.97			
7	Smart Metering solution	35.00		12.00	12.00	11.00	

Sr. No.	Consumer Category	Total Scope	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
8	Erection of additional substation in BSL Township	1.00		1.00			
9	Chemical Earthing	1.82	1.82				
10	Procurement of 60 nos. of 800KVA Distribution transformer	8.10	8.10				
11	Procurement of 60 nos. of LT Distribution Panel	3.60	3.60				
12	Procurement of Aerial Working Platform	1.22	1.22				
13	Supply and installation of 15 nos of High mast and 49 nos of Mini mast	1.25	1.25				
14	**Total**	**181.86**	**20.07**	**54.80**	**40.00**	**39.00**	**28.00**

Commission's Analysis

7.60 The Commission has carefully examined the Capital Investment Plan submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31, the scheme-wise proposed capital expenditure and capitalization, the justification furnished by the Petitioner, as well as the historical performance of the Petitioner with respect to implementation of capital works approved in earlier tariff orders.

7.61 The Commission observes that the Petitioner has proposed substantial capital expenditure during the Control Period primarily towards augmentation and strengthening of the distribution network, reduction of distribution losses, installation of smart metering infrastructure, replacement of ageing assets, enhancement of reliability of supply, and improvement of operational efficiency in the licensed area.

7.62 The Commission observes that the Petitioner has proposed procurement of 600 Air Conditioners (ACs) for use at its office premises during the Control Period. The Commission further notes that approval for procurement of 600 ACs had also been accorded in earlier tariff proceedings; however, the Petitioner failed to undertake the said procurement and no corresponding capitalization was achieved. Therefore, the Commission is not inclined to approve the entire quantity proposed by the Petitioner. Accordingly, the Commission provisionally approves procurement of 50 Air Conditioners (ACs) during the present Control Period. Further, capitalization and corresponding tariff impact, if any, shall be considered at the time of True-up based on actual capitalization details, asset-wise information, and adequate justification submitted by the Petitioner in support of such expenditure.

7.63 The Commission observes that the Petitioner has proposed significant capital investments during the Control Period towards underground HT cable network, procurement of Distribution Transformers, associated distribution panels, and Smart Metering infrastructure. The Commission is of the view that investments in underground HT cables, Distribution Transformers and associated distribution panels are essential for strengthening the distribution network, improving reliability and quality of power supply, reducing technical losses, minimizing theft and pilferage of electricity, enhancing operational efficiency, and facilitating reduction in overall distribution losses.

7.64 The Commission further notes that achievement of the approved distribution loss trajectory is contingent upon timely implementation of network strengthening and system improvement schemes. Considering the critical importance of these investments in improving consumer service standards and reducing distribution losses, the Commission decides to approve the entire capital expenditure proposed by the Petitioner for underground HT cables, procurement of Distribution Transformers and associated distribution panels, subject to prudence check at the time of true-up based on actual capitalization and asset put-to-use.

7.65 With regard to the proposed investment under Smart Metering, the Commission notes that the benefits of the scheme are expected to accrue progressively over the implementation period and are dependent upon actual deployment and operationalisation of smart meters. Therefore, considering the implementation risks and the need for regulatory prudence, the Commission provisionally approves 75% of the capital expenditure claimed by the Petitioner under Smart Metering. The balance expenditure shall be considered based on actual progress, capitalization and demonstrated benefits during subsequent true-up proceedings.

7.66 The Commission further observes that the approved capital investment programme is expected to contribute significantly towards reduction of technical and commercial losses, improvement in energy accounting, enhancement of billing and collection efficiency, and strengthening of the overall distribution system. Accordingly, while approving the distribution loss trajectory for the Control Period, the Commission has duly considered the impact of the approved capital expenditure and expects the Petitioner to achieve the loss reduction targets approved in this Order.

7.67 The Commission, therefore, directs the Petitioner to undertake all necessary measures for timely execution of the approved schemes and achieve the distribution loss trajectory specified for the Control Period. Any failure to achieve the approved loss reduction targets despite the approval of the requisite capital expenditure shall be examined by the Commission during future tariff and true-up proceedings in accordance with the applicable provisions of the JSERC Tariff Regulations.

7.68 The Commission therefore approves the Capital Investment Plan for the control period from FY 2026-27 to FY 2030-31, subject to prudence check of scheme-wise expenditure, physical progress and capitalization during subsequent APR and True-up proceedings. The approved Capital investment plan is summarized as below:

Table 81: Capex and Capitalization Phasing approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Consumer Category	Total Scope	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Procurement of safety related tools and tackles	4.00		1.00	1.00	1.00	1.00
2	Procurement of 50 nos of AC	0.53	0.26	0.27			
3	Procurement of cables and wires	10.50	2.50	2.00	2.00	2.00	2.00
4	Supply and installation of 15 nos of High mast and 49 nos of Mini mast	2.50	0.50	0.50	0.50	0.50	0.50
5	HT Undergrounding	100.00		25.00	25.00	25.00	25.00
6	Replacement of complete electrics of 04 pump houses	10.97		10.97			
7	Smart Metering solution	26.25		9.00	9.00	8.25	
8	Erection of additional substation in BSL Township	1.00		1.00			
9	Chemical Earthing	1.82	1.82				
10	Procurement of 60 nos. of 800KVA Distribution transformer	8.10	2.70	5.40			
11	Procurement of 60 nos. of LT Distribution Panel	3.60	1.20	2.40			
12	Procurement of Aerial Working Platform	1.22	1.22				
14	**Total**	**170.49**	**10.20**	**57.53**	**37.50**	**36.75**	**28.50**

HUMAN RESOURCE PLAN

Petitioner's submission

7.69 Petitioner submitted that the manpower plan for the Licensee is intrinsically linked to the overall operation and maintenance (O&M) requirements necessary to uphold service levels and operational parameters. SAIL-BSL recognizes its employees as its most valuable asset, as they are responsible for delivering reliable electricity distribution services by operating and maintaining the physical infrastructure deployed across the licensed area.

7.70 The distribution network of the Licensee spans diverse geographies, including urban clusters and remote villages, making it susceptible to multiple external interferences such as public movement, vehicular traffic, and environmental factors, damage of utilities by other agencies, in addition to adverse weather conditions. These challenges necessitate a robust and well-trained workforce capable of ensuring uninterrupted operations. It also requires dedicated patrolling of route and assets deployed in the field.

7.71 The Licensee commenced its operations in 2004. Recruitment has been carried out gradually to meet the dual objectives of network extension and O&M of existing assets. However, the availability of skilled and competent manpower in the region has remained a persistent challenge, impacting the pace of workforce augmentation.

7.72 During the initial years, employees were required to perform multiple functions, demanding multi-disciplinary skills and knowledge. Over the last 22 years, the Licensee's operations have expanded, thereby increasing the complexity of network management.

7.73 Despite continuous efforts to recruit, the Licensee has faced limitations in sourcing skilled manpower, resulting in reliance on contract workforce for certain basic O&M activities. Consequently, historical manpower levels have remained below optimal requirements, warranting a comprehensive review of future manpower planning.

7.74 This shortfall was primarily due rescheduling of some of the capital schemes and associated manpower additions and availability of suitable candidates to work in the given location.

7.75 Further, during the last control period, the Hon'ble Commission introduced regulations on Resource Adequacy Framework, necessitating the creation of a dedicated "Power

Management Cell" for power sourcing and procurement. The Petitioner has initiated this cell with one full-time member and some part-time members. and plans to strengthen this team with round-the-clock staffing to optimize power purchase and cost.

7.76 Looking ahead, manpower addition is planned to address:

- New network expansion, land acquisition, RoW management and subsequent O&M and customer service for additional consumers.
- New responsibilities arising from regulatory changes, site conditions, ageing assets, cyber security, GIS implementation, digitization of processes, and disconnection/reconnection activities.

7.77 Additionally, the Licensee anticipates employee superannuation during the upcoming period, requiring timely recruitment to maintain operational continuity.

7.78 At present SAIL-BSL operates with three types of manpower:

- Permanent Employee in managerial cadre (Degree/Diploma/Graduate/MBA) – Employees under this cadre are directly engaged with day-to-day function of operation, maintenance, application processing & execution of new connection, execution of capex, metering, regulatory function & general management etc. In addition, few persons work for support service-related jobs like HRIR, Procurement, Finance, Administration etc.
- Permanent Employee in role of Supervisor (Diploma/ ITI) - Employees under this cadre mainly supervise work for day-to-day job for maintenance activity and do system operations.
- Permanent Employee in role of Electrician/Lineman/Technical assistant (ITI) - Employees under this cadre mainly work for day-to-day job for operation & maintenance activity.
- Contract Employee on Vendor's role –Employees under this role are engaged through vendor on contract for various works in line, substation, customer service, security, cleaning etc.

7.79 Following Section details the retirals and additional manpower requirement arising out of new functional requirement, execution of capital projects/ new network development and its subsequent O&M.

7.80 During the next control period approx. 8 employees will superannuate. Vacancy arising of these retirals need to be filled up accordingly.

Additional Manpower requirement

7.81 Area wise additional manpower requirement and its broad rationale is provided in subsequent section.

7.82 Manpower for 24*7 shift operations: Managing 24x7 power supply requires 3 shifts manning of the area with competent engineers and staffs to monitor the load flow, performing routine inspection, operations and attending to breakdowns and customer complaints related to outage of power supply, voltage variations/flickering, sparks, electricity leakage, electric shock, no power complaints etc.

7.83 Over the year, between FY22 to FY26, there had been significant increase in network, number of consumers and related 24x7 service requirements in case of any breakdowns/defects in the system. These breakdown / defects arise arising out of damage of utilities by other agencies, overloading by consumers, reason on nature (windstorm, thunder/lightning etc.), ageing of equipment and other reasons. 24x7 service customer service request has almost increased by 50 % over the last 5 years.

7.84 Currently all service requests of the service area are being managed primarily through one centre in a shift and calling off-duty people from home to assist the in cases where more resource is needed. On many occasions, people form maintenance and general and off shift are also required to attend to these calls.

7.85 In view of the above, there is a requirement to have two teams to attend to 24x7 service call requests from two different locations. The additional manpower of 5 for the same is proposed to be deployed in the coming control period.

7.86 Power Management including Power purchase/sell from power exchange: Hon'ble Commission has notified Jharkhand State Electricity Regulatory Commission (Framework for Resource Adequacy) Regulation,2024 which mandate establishing a planning cell for Resource adequacy related to power procurement planning and around the clock dedicated cell for power purchase/sell in real-time, and to undertake intra-day, day- ahead, week ahead power procurement through Power Exchanges or any other means. In future, SAIL-BSL may enter into Schedule mode of power purchase form DVC. Therefore, the dedicated cell for power procurement planning, power purchase/sell in real-time, and undertaking intra-day, day- ahead, week ahead power procurement through Power Exchanges needs to be strengthened and made with full time members to ensure effective operations. In view of the above, the additional manpower of 2 for the same is proposed to be deployed in the up-coming control period.

7.87 Non-Payment Disconnection: Disconnection-Reconnection of existing consumers is being carried out at field and system by a team of experts. It is proposed to strengthen this group by 3 as the existing team is not able to meet the optimum level of disconnection requirement.

7.88 Distribution Network Operation and Maintenance: This constitutes Operation & maintenance of distribution network is for 11 kV RMU, LBS, ABS, 11 kV overhead & underground Line, 11/0.4 kV Distribution Transformer, LT overhead & underground Line, Feeder pillars & LT Distribution box etc. Further in the upcoming control period new distribution network in existing as well as new areas are planned to meet the load growth and enhance reliability. The existing team is maintaining HT Network including RMU, distribution transformer and Feeder pillar etc. with current workforce. However, there is need of improvement in schedule inspection and maintenance of LT Line, Junction boxes & poles to ensure reliable operation and public safety. In addition, utility detection and cable protection team also need to be strengthened due to increase operational area as well increased work other agencies in same cable corridor area. In view of the above, additional manpower of 7 for the same is proposed to be deployed in the upcoming control period.

7.89 Electrical Protection & Testing: The testing team performs pre-commissioning testing of all HV equipment like transformer, cable, breaker and protection system and schedule preventive testing, protection trial and scheme checking of HV substations, Cable fault identification etc. While the basic test for checking health of transformer is performed during annual maintenance of the transformer. However, there is need of additional special test on transformer which are more than 10 years old. Moreover, testing of protection relay for RMU could not be performed. To strengthen the periodic testing of distribution transformer and relays of 11 kV RMU, additional manpower is required. In view of the above, additional manpower of 2 for the same is proposed to be deployed in the up-coming control period.

7.90 Safety: Safety professionals keep a overall eye on the safety practices being followed by the employee in their operations. They assist in Hazard evaluation, Safe working procedures, implementation of permit to work systems, Lockout Tag out Systems, reporting of unsafe act and condition and implementation of safety process.

7.91 Currently, most of these responsibilities are managed by the professional at SAILBSL along with line managers. As activities and area both has increased and will further increase in upcoming control period, in view of the above, additional manpower of 2 for the same is proposed to be deployed in the up-coming control period.

7.92 Information Technology (IT): Billing applications need to be strengthened. In view of the above, additional manpower of 2 for the same is proposed to be deployed in the up-coming control period.

7.93 Electrical Project & Construction (EP&C): In the upcoming control period several capital schemes have been planned and proposed based on key priorities such as Safety, Sustenance, Reliability, Process Improvement, Technology Adoption, and Growth. Most of these schemes are brown filed in nature which demand focused supervision for ensuring safety, quality & timeliness of the scheme. In view of the above, additional manpower of 2 for the same is proposed to be deployed in the up-coming control period.

7.94 Metering Functions: Metering function is pivotal to the utility as it records energy, keeps its account and contain losses by reducing theft and pilferages which benefits the utility and the consumer both. Additional manpower of 4 for the same is proposed to be deployed in the up-coming control period.

7.95 Vigilance, Theft, and Inspection: Supply code Regulation of Hon'ble JSERC mandates authorized officers/assessing officers for doing inspection for theft/unauthorized uses of electricity and the assessment thereafter. This activity is essential to ensure a healthy system and to ensure that the cost of dishonest people is not borne by honest consumer.

7.96 It requires regular site visits based on meter data analysis by a competent team of engineers, supervisors and other staff in addition to visits based on specific information from other sources.

7.97 Based on some the incidents and meter data analysis trend, In view of the above, additional manpower of 6 for the same is proposed to be deployed in the upcoming control period.

7.98 The petitioner submits that even though area wise manpower has been deliberated above, the same may undergo change because of changing requirement in the field and other unforeseen reasons.

Training & Performance Appraisal

7.99 The training and developmental need of the employee's area assessed, and employees are provided requisite opportunity for improving their skill and competence level. Officers are also provided assistance of Development Centres conducted by external expert consultants, encouraged to participate in national conferences, subject matter discussions, and Managerial Training Programs to enhance their skills. Employees are encouraged to participate in cross-functional teams and taskforces, acquire more advanced knowledge through participation in various seminars and workshops. For the identified developmental needs employees are sent to best in class training institutes. Training and development is thus a continuous process at SAIL-BSL is helping its workforce to perform better.

7.100 Performance Appraisal at SAIL-BSL is done through well-established PMS (Performance Management Systems) which encompasses all areas of work of an individual employee.

7.101 During the process employee also gets an opportunity for self-evaluation of Strengths and weakness and thereby setting goals for the future.

7.102 During the Control Period FY 2026-27 to FY 2030-31, the Petitioner plans to provide training and skill development activities of minimum five (5) man days / employee / year for each category of employees.

7.103 The HR processes of SAIL-BSL continuously strives to staff right person for right job, provide opportunity for learning, development and growth to its employees and enable a system where each employee is empowered to deliver its work efficiently.

7.104 The Petitioner submits that the Business Plan has been prepared based on several inputs and assumptions taken from various sources, past experiences and collective experience of SAIL-BSL team. Even though utmost care is taken to project the key parameters and values in normal course of development the real value may differ reasonably from the projections.

7.105 Considering the above, the summary of additional Manpower plan for the control period is given below-

Table 82: Proposed Additional Manpower requirement as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Function	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Total
1	Manpower for 24*7 shift operations	1		1	2	1	**5**
2	Power Management including Power purchase/sell	1	1				**2**
3	Non-Payment Disconnection		1	1		1	**3**
4	Distribution Network Operation and Maintenance	1	2	1	2	1	**7**
5	Electrical Protection & Testing		1			1	**2**
6	Safety	1				1	**2**
7	Information Technology	1			1		**2**
8	Electrical Project & Construction (EP&C)			1		1	**2**
9	Metering Functions		2		1	1	**4**
10	Vigilance & theft	2	1	1	1	1	**6**
11	**Total**	**7**	**8**	**5**	**7**	**8**	**35**
12	**Base Year No. of Employee**	**40**					
13	**YoY Employee (No.)**	**47**	**55**	**60**	**67**	**75**	**75**
14	**YoY Growth (%)**	**18%**	**17%**	**9%**	**12%**	**12%**	

Commission's Analysis

7.106 The Commission has examined the Human Resource Plan submitted by the Petitioner for the Control Period FY 2026-27 to FY 2030-31, including the proposed manpower additions, organizational requirements, and justification furnished in support of the proposed workforce.

7.107 The Commission recognizes that availability of adequate and skilled manpower is essential for efficient operation, maintenance and management of the electricity distribution system. The Commission further notes that implementation of new technologies, smart metering infrastructure, digitalization of utility operations, strengthening of consumer services, energy accounting, loss reduction initiatives, and compliance with evolving regulatory requirements may necessitate augmentation of human resources during the Control Period.

7.108 At the same time, the Commission is of the view that human resource planning should be aligned with operational requirements, technological advancements, productivity improvements and prudent cost management. Therefore, while acknowledging the need for adequate manpower, the Commission expects the Petitioner to ensure optimal utilization of existing personnel and adopt efficient workforce management practices.

7.109 In view of the above, the Commission approves the Human Resource Plan in principle for the Control Period FY 2026-27 to FY 2030-31. However, such approval shall not be construed as automatic approval of the corresponding employee expenses. The actual employee expenses, including expenses arising out of recruitment under the approved Human Resource Plan, shall be considered separately in accordance with the provisions of the applicable JSERC Tariff Regulations and shall be subject to prudence check based on actual recruitment, deployment, employee strength, and audited accounts during ARR, APR and True-up proceedings.

7.110 The Petitioner is directed to ensure that the approved manpower additions contribute towards improvement in operational efficiency, reliability of supply, consumer service standards, implementation of smart metering and digital initiatives, and achievement of the performance targets approved by the Commission during the Control Period. by the Commission during the Control Period.

Table 83: Proposed Additional Manpower requirement approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Function	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Total
1	Manpower for 24*7 shift operations	1		1	2	1	**5**
2	Power Management including Power purchase/sell	1	1				**2**
3	Non-Payment Disconnection		1	1		1	**3**
4	Distribution Network Operation and Maintenance	1	2	1	2	1	**7**
5	Electrical Protection & Testing		1			1	**2**
6	Safety	1				1	**2**
7	Information Technology	1			1		**2**
8	Electrical Project & Construction (EP&C)			1		1	**2**
9	Metering Functions		2		1	1	**4**
10	Vigilance & theft	2	1	1	1	1	**6**
11	**Total**	**7**	**8**	**5**	**7**	**8**	**35**
12	**Base Year No. of Employee**	**40**					
13	**YoY Employee (No.)**	**47**	**55**	**60**	**67**	**75**	**75**
14	**YoY Growth (%)**	**18%**	**17%**	**9%**	**12%**	**12%**	

CHAPTER 8: DETERMINATION OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2026-27 TO 2030-31 AND DETERMINATION OF TARIFF FOR FY 2026-27

8. DETERMINATION OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2026-27 TO 2030-31 AND DETERMINATION OF TARIFF FOR FY 2026-27

8.1 As per Clause A 11 of the Tariff Regulations, 2025:

"11.1 The Multi Year Tariff filing shall be submitted as per the provisions in these Regulations and in the manner as per the provisions of JSERC (Conduct of Business) Regulations, 2024, as amended or re-enacted from time to time.

11.2 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 as submitted before the Commission for approval, prior to the start of the Control Period;

b) Multi Year Petition on 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) The Trajectory for specific parameters, which shall be stipulated by the Commission for the improvement of the 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.

11.3 The Licensee shall also submit the MYT filing in electronic format to the Commission.

11.4 The Licensee shall file the MYT Petition and related documents for approval of Retail Supply Business and Wheeling Business for the Control Period in accordance with the MYT framework and the timelines specified in Section A 24 of these Regulations, failing which the Commission may issue the MYT order suo motu;

11.5 The Licensee shall file the MYT Petition for the Retail Supply Business and the Wheeling Business together with the requisite information of the expenses and revenue attributable to the respective businesses.

…………….”

8.2 The Commission, on the basis of the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 has determined the Aggregate Revenue Requirement (ARR) and Tariff for FY 2026-27 and Aggregate Revenue Requirement for MYT control Period from FY 2026-27 to FY 2030-31 on consideration of:

a. JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 and its subsequent amendment;
b. Material and facts;
c. Methodology adopted by the Commission in earlier orders.

8.3 The component-wise details filled by the Petitioner and the Commission’s analysis and discussion is made in the upcoming paragraph.

8.4 In regard to the Petition, it is submitted that the projections for the Control Period FY 2026-27 to FY 2030-31 are based on the audited accounts available for FY 2020-21 to FY 2024-25 and the Annual performance Review of FY 2025-26 assuming 6 months actuals and 6 months estimates for FY 2025-26. The projection of expected ARR for each year of the Control Period is based on Business Plan being submitted, and reasonable assumptions of the underlying financial and operational principles/parameters laid down under the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. Petitioner requests the Commission to consider the same and process the MYT petition and proposed electricity tariff accordingly.

8.5 Further Petitioner submitted that since detailed explanation and information regarding sales and power purchase projections, capital investment planning and manpower/ HR planning for the control period FY 2026-27 to FY 2030- 31 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.

NUMBER OF CONSUMERS, SALES AND DEMAND FORECAST

Petitioner's Submission

8.6 Petitioner submitted that in Business Plan for FY 2025-26 to FY 2030-31 had discussed in detail about the approach for sales, consumer number and load projection for each of the consumer categories.

8.7 The consumer category wise projections of sales, consumer number and contracted load as submitted in the Business Plan are reproduced herewith for the control period as follows:

Table 84: Projected Number of Consumers as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (Nos)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	29,185	29,338	29,492	29,647	29,802
2	Domestic Services – (DS-HT)	7	7	7	7	7
3	Commercial Services (CS)	1,927	1,928	1,929	1,930	1,931
4	Low Tension Industrial Services (LTIS)	37	38	38	38	38
5	HTS-11 KV	30	30	30	30	30
6	HT/LT	656	656	656	656	656
7	**Township Total**	**31,999**	**32,315**	**32,633**	**32,956**	**33,281**
8	Steel Plant	1	1	1	1	1
9	**Grand Total**	32,000	32,316	32,634	32,957	33,282

Table 85: Projected Category wise Contracted Load as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in kVA)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	1,05,885	1,06,440	1,06,998	1,07,559	1,08,122
2	Domestic Services – (DS-HT)	5,873	5,873	5,873	5,873	5,873
3	Commercial Services (CS)	27,351	27,365	27,379	27,394	27,408
4	Low Tension Industrial Services (LTIS)	914	939	939	939	939
5	HTS-11 KV	11,000	11,000	11,000	11,000	11,000
6	HT/LT	41,269	41,269	41,269	41,269	41,269
7	**Township Total**	**1,92,293**	**1,92,887**	**1,93,459**	**1,94,034**	**1,94,612**
8	Steel Plant	45,000	45,000	45,000	45,000	45,000
9	**Grand Total**	**2,37,293**	**2,37,887**	**2,38,459**	**2,39,034**	**2,39,612**

Table 86: Projected Energy Sale as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in MUs)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	93.15	93.72	94.30	94.88	95.46
2	Domestic Services – (DS-HT)	7.95	7.95	7.95	7.95	7.95
3	Commercial Services (CS)	36.11	36.14	36.16	36.17	36.19
4	Low Tension Industrial Services (LTIS)	0.47	0.48	0.49	0.49	0.49
5	HTS-11 KV	29.46	29.46	29.46	29.46	29.46
6	HT/LT	26.80	26.80	26.80	26.80	26.80
7	Township Total	194	195	195	196	196
8	Steel Plant	1,415.28	1,415.28	1,415.28	1,415.28	1,415.28
9	**Grand Total**	1,609.22	1,609.84	1,610.44	1,611.03	1,611.63

Commission's Analysis

8.8 The Commission has examined the projections of consumer categories, number of consumers, connected load and energy sales submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31. The Commission notes that the Petitioner has projected a marginal growth in the Township consumer base and connected load, while the demand and energy consumption of the Steel Plant, which constitutes the major share of the Petitioner's sales, has largely been projected at existing levels throughout the Control Period.

8.9 The Commission observes that the projections submitted by the Petitioner have been based on historical trends, expected growth in consumer categories, prevailing consumption patterns, and anticipated economic activities within the licensed area. The Commission has undertaken a detailed scrutiny of the assumptions and methodologies adopted by the Petitioner and has considered the historical performance, actual consumer growth, past sales trends, category-wise consumption pattern and other relevant factors while approving the projections for the Control Period.

8.10 The Commission is of the view that the projections approved in this Order are realistic, prudent and reflective of the anticipated growth in demand and consumption within the supply area of the Petitioner. The approved projections also take into account the expected impact of energy efficiency measures, system improvement initiatives, loss reduction measures and other operational developments proposed during the Control Period.

8.11 Accordingly, the Commission has approved the Number of Consumers, Connected Load and Energy Sales for the Control Period FY 2026-27 to FY 2030-31 as discussed in Chapter 7 under the Section on Consumer, Sales and Demand Projections. The approved figures are reproduced below:

Table 87: Projected Number of Consumers approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (Nos)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	28,308	28,456	28,605	28,755	28,906
2	Domestic Services – (DS-HT)	7	7	7	7	7
3	Commercial Services (CS)	1,903	1,904	1,905	1,906	1,907
4	Low Tension Industrial Services (LTIS)	37	38	38	38	38
5	HTS-11 KV	30	30	30	30	30
6	HT/LT	656	656	656	656	656
7	**Township Total**	**30,941**	**31,091**	**31,242**	**31,392**	**31,544**
8	Steel Plant	1	1	1	1	1
9	**Grand Total**	**30,942**	**31,092**	**31,243**	**31,393**	**31,545**

Table 88: Projected Category wise Contracted Load approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in kVA)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	102,701	103,239	103,780	104,324	104,871
2	Domestic Services – (DS-HT)	6,182	6,182	6,182	6,182	6,182
3	Commercial Services (CS)	27,024	27,038	27,052	27,066	27,081
4	Low Tension Industrial Services (LTIS)	963	989	989	989	989
5	HTS-11 KV	11,579	11,579	11,579	11,579	11,579
6	HT/LT	41,269	41,269	41,269	41,269	41,269
7	**Township Total**	**1,89,718**	**1,90,296**	**1,90,852**	**1,91,410**	**1,91,970**
8	Steel Plant	45,000	45,000	45,000	45,000	45,000
9	**Grand Total**	**2,34,718**	**2,35,296**	**2,35,852**	**2,36,410**	**2,36,970**

Table 89: Projected Energy Sale approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in MUs)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Domestic Services - (DS-LT)	91.53	87.23	87.78	88.34	88.90

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
2	Domestic Services – (DS-HT)	8.28	9.19	9.19	9.19	9.19
3	Commercial Services (CS)	35.97	34.18	34.20	34.21	34.22
4	Low Tension Industrial Services (LTIS)	0.49	0.51	0.51	0.51	0.51
5	HTS-11 KV	29.86	30.30	30.30	30.30	30.30
6	HT/LT	26.84	22.52	22.52	22.52	22.52
7	**Township Total**	**193**	**184**	**185**	**185**	**186**
8	Steel Plant	1,415.28	1,415.28	1,415.28	1,415.28	1,415.28
9	**Grand Total**	**1,608.25**	**1,599.21**	**1,599.78**	**1,600.35**	**1,600.93**

ENERGY BALANCE AND DISTRIBUTION LOSS

Petitioner's Submission

8.12 Petitioner submitted that the projection for demand has been arrived by grossing up the above consumption projections with transmission loss and distribution loss. The petitioner has been working to lower the loss levels by proper upkeep, surveillance and maintenance of its distribution network, carefully designed High tension metering units for High Tension Consumers and keeping proper vigil to ensure that there is no theft, leakage, or pilferage within its distribution network. Petitioner would like to submit that the load on its distribution network is increasing steadily.

8.13 Further, Petitioner submitted that it had conducted element wise estimation of loss levels in the distribution network and arrived that Distribution loss may be in the range from 42% to 30% during the Control period. The petitioner has planned to reduce the distribution loss gradually by 3% every year during the control period. A detailed rationale for the same is already included in the Business Plan petition.

Table 90: Energy Balance and Distribution Loss as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31

Sr. No.	Particulars	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Total Energy Sales - Township	MU	193.94	194.56	195.16	195.75	196.35
2	Overall Distribution Losses	%	42%	39%	36%	33%	30%
3	Energy Required for Township	MU	334.39	318.95	304.93	292.17	280.50

Sr. No.	Particulars	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
4	Energy Sales to Steel Plant	MU	1,415.28	1,415.28	1,415.28	1,415.28	1,415.28
5	Total Energy requirement	MU	1,749.67	1,734.23	1,720.21	1,707.45	1,695.78

Commission's Analysis

8.14 The Commission notes that in the previous Multi-Year Tariff (MYT) Control Periods, vide Tariff Orders dated 03.09.2014, 07.06.2018 and 22.06.2023, it had prescribed a distribution loss reduction trajectory with a target distribution loss level of 10% at the end of the respective Control Periods. The Commission has consistently emphasized that reduction in distribution losses is a key operational efficiency parameter and is essential for ensuring reliable supply of electricity, improvement in the financial health of the utility, and protection of consumer interests.

8.15 The Commission Observe that clause 6.44 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, identifies 'Distribution Loss and Collection Efficiency' as 'Controllable' items. The Petitioner in this regard is directed to reduce its distribution loss and strictly adhere to the target levels as set by the Commission for the Control Period.

8.16 The Commission also takes into consideration of the Petitioner's proposal for installation of smart meters, strengthening of metering infrastructure, and implementation of underground cabling and Aerial Bunched Cable (ABC) systems as long-term measures for reduction of non-technical losses. While these initiatives are commendable and may contribute towards loss reduction in the future, the Commission observes that the mere existence of theft, pilferage, unauthorized connections, metering deficiencies, or operational inefficiencies cannot be a ground for routinely passing the burden of excessive distribution losses on to the legitimate consumers. Because all the factor for the loss claimed by the petitioner distribution Company are controllable in nature.

8.17 Also, allowing higher losses without adequate justification would be contrary to the fundamental principles of efficiency, consumer protection, accountability, and prudent tariff determination enshrined in the Electricity Act, 2003 and reinforced through various regulatory initiatives and studies undertaken by the Forum of Regulators (FoR).

8.18 The preamble to the Electricity Act, 2003 clearly states that the legislation seeks to promote competition, protect consumer interests, rationalize tariffs, and promote efficient policies in the electricity sector. Any continued allowance of avoidable Distribution Losses would transfer the burden of operational inefficiencies of the Distribution Licensee to consumers, which is inconsistent with these statutory objectives.

8.19 Further, Section 61 of the Electricity Act requires the Commission, while specifying tariff regulations, to be guided by principles that encourage:

- Efficiency;
- Economical use of resources;
- Good performance;
- Optimum investments; and
- Protection of consumer interest.

Distribution Loss is a controllable parameter substantially influenced by utility actions relating to metering, energy accounting, network strengthening, theft control, billing efficiency, and operational management. Therefore, allowing higher losses in tariff orders without rigorous prudence scrutiny would dilute the efficiency incentives intended under Section 61 under the garb of maintaining the viability of distribution company.

8.20 Section 55 of the Act mandates supply through appropriate metering arrangements. The legislative intent is to ensure energy accountability throughout the distribution system. Distribution utilities are expected to progressively establish feeder metering, distribution transformer metering, consumer indexing, and energy audit mechanisms to accurately identify and reduce losses.

8.21 Where higher losses persist due to deficiencies in metering, consumer indexing, billing practices, or energy accounting systems, such inefficiencies cannot reasonably be passed through to consumers through the true-up process.

8.22 Accordingly, any relaxation in approving higher distribution levels without establishing that the excess losses arose from uncontrollable circumstances would weaken the statutory incentives for theft control and revenue protection. It appears that from the materials available in the Tarif Pettion that the petitioner has not adequately invoked and enforced the provisions of Sections 126 and 135 to 140 of the Electricity Act, 2003, relating to unauthorized use of electricity and theft of electricity.

8.23 The Forum of Regulators (FoR) -commissioned study titled "Best Practices and Strategies for Distribution Loss Reduction" identified high distribution losses as one of the principal challenges facing India's distribution sector and emphasized that sustainable sector reform requires continuous reduction of both technical and commercial losses. The study categorizes loss reduction initiatives into:

- Governance reforms;
- Process strengthening;
- Network strengthening;
- Regulatory initiatives;
- Administrative measures; and
- Technology adoption such as AMR, SCADA, DMS, feeder metering and energy audit systems.

The study specifically treats Distribution Loss reduction as an outcome of utility performance and management effectiveness and documents successful loss reduction achieved by utilities through implementation of these measures. Accordingly, higher losses cannot automatically be regarded as uncontrollable costs deserving pass-through in tariff true-up.

8.24 The FOR study observed that several utilities across Gujarat, Delhi, Punjab, Maharashtra, Andhra Pradesh and other states achieved substantial loss reduction through focused interventions including:

- 100% metering;
- Energy auditing;
- Dedicated loss monitoring cells;
- Employee accountability systems;
- Vigilance mechanisms;

- Network strengthening;
- Distribution franchisee models;
- Technology-enabled billing and collection systems.

The availability of established and proven interventions demonstrates that Distribution Losses are largely manageable and controllable. Therefore, persistent excess losses beyond certain levels should ordinarily be attributable to operational shortcomings rather than unavoidable external factors.

8.25 If higher-than-approved Distribution Losses are routinely allowed in tariff determination, the Distribution Licensee would face reduced incentive to undertake investments and management initiatives required for loss reduction. Such an approach would create regulatory moral hazard where inefficiencies are socialized and borne by consumers.

Conversely, disallowance of controllable excess losses encourages:

- Better energy accounting;
- Improved billing efficiency;
- Reduction in theft;
- Timely replacement of defective meters;
- Network modernization;
- Improved utility governance.

This approach aligns with the efficiency-promoting mandate of Section 61 of the Electricity Act, 2003.

8.26 Further, as recognized in recent Ministry of Power rules cited in regulatory proceedings, gains and losses arising from deviation from approved AT&C loss reduction trajectories are required to be quantified and shared between consumers and distribution licensees, thereby explicitly linking utility performance with financial consequences. This framework further supports the principle that loss reduction is a measurable and accountable parameter rather than an uncontrollable cost to be automatically passed through in tariff.

8.27 In view of the above, The Commission has examined the actual distribution loss levels achieved by the Petitioner during the previous Control Periods and observes that the Petitioner has not been able to achieve the loss reduction targets approved by the Commission. The Commission is of the considered view that while distribution losses should progressively decline over time through sustained efforts towards network strengthening, system improvement, energy accounting, metering enhancement, and reduction of technical and commercial losses, the loss reduction trajectory should also be realistic, achievable, and aligned with the prevailing operational conditions of the licensee.

8.28 The other day, the FOR has convened its meeting at New Delhi under the guidance of Hon'ble Minister of Power, Union of India where inter-alia it has been observed that prudent power purchase cost incurred by a distribution licensee should not be subject to disallowance on account of non-achievement of the specified performance targets. However, where the distribution licensee fails to achieve such targets, the State Commission may levy an appropriate penalty, after duly considering the extent to which the failure is attributable to uncontrollable factors.

8.29 Accordingly, while balancing the interests of the consumers and the utility, and considering the proposed capital investment programme aimed at loss reduction and system strengthening, the Commission has prudently examined and approved the capital expenditure requirement of the Petitioner. The Commission expects that the Petitioner shall effectively utilize the approved investments for achieving measurable improvements in operational efficiency and reduction of distribution losses during the Control Period.

8.30 In view of the above, the Commission, as a special dispensation and with an objective of facilitating a realistic transition towards efficiency improvement, approves the distribution loss level of 14% for FY 2026-27. The Commission further determines a progressive distribution loss reduction trajectory for the MYT Control Period from FY 2026-27 to FY 2030-31. If petitioner fails to achieve the targets according to the given trajectory, then the Commission may impose the penalty. The approved trajectory provides adequate opportunity to the Petitioner to undertake necessary corrective measures while ensuring that the benefits of efficiency gains are passed on to consumers over time.

8.31 The Commission makes it clear that the approved trajectory represents the minimum performance benchmark to be achieved by the Petitioner and expects the Petitioner to undertake all necessary measures to meet or exceed the approved targets. Any deviation from the approved trajectory shall be dealt with in accordance with the applicable provisions of the JSERC Tariff Regulations and after due regulatory scrutiny. In light of facts, the distribution loss trajectory and energy balance approved for the Township by the Commission for the Control period FY 26-27 to FY 30-31 is as tabulated below:

Table 91: Distribution Loss Trajectory as approved the Commission for the Control Period from FY 2026-27 to FY 2030-31

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Distribution Loss	14%	12%	10%	8%	5%

8.32 The Commission has examined the Energy Balance submitted by the Petitioner for Control Period from FY 2026-27 to FY 2030-31. The Commission notes that energy supplied to the Steel Plant and, the distribution loss associated with such supply is considered negligible, in line with the approach adopted in earlier tariff orders.

8.33 Clause 6.44 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, identifies 'Distribution Loss and Collection Efficiency' as 'Controllable' items. The Petitioner in this regard is directed to reduce its distribution loss and strictly adhere to the target levels as set by the Commission for the Control Period. The Collection efficiency targets have already been specified in Clause 6.39 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 as 99.50% for the Petitioner.

"6.39 The minimum collection efficiency targets to be met during the Tariff Period by various Licensees are as follows:

Collection Efficiency Targets					
Utility	*2026-27*	*2027-28*	*2028-29*	*2029-30*	*2030-31*
JBVNL	*99.00%*	*99.00%*	*99.00%*	*99.00%*	*99.00%*
TSUISL	*99.50%*	*99.50%*	*99.50%*	*99.50%*	*99.50%*
SAIL-Bokaro	*99.50%*	*99.50%*	*99.50%*	*99.50%*	*99.50%*
TSL	*99.50%*	*99.50%*	*99.50%*	*99.50%*	*99.50%*
DVC	*99.50%*	*99.50%*	*99.50%*	*99.50%*	*99.50%*

Provided that in case the actual collection efficiency is greater than the target, the actual collection efficiency shall be considered for Tariff Determination purposes."

8.34 The Energy Balance and distribution loss trajectory approved (elaborately dealt in Chapter 7) for the Township by the Commission for the Control period from FY 26-27 to FY 30-31 is as tabulated below:

Table 92: Energy Balance and Distribution Loss as approved by the Commission

Sr. No.	Particulars	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Total Energy Sales - Township	MU	192.97	183.93	184.50	185.07	185.65
2	Overall Distribution Losses	%	14%	12%	10%	8%	5%
3	Energy Required for Township	MU	224.38	209.01	205.00	201.17	195.42
4	Energy Sales to Steel Plant	MU	1415.28	1415.28	1415.28	1415.28	1415.28
5	Total Energy requirement	MU	1639.66	1624.29	1620.28	1616.45	1610.70

Table 93: Collection Efficiency as approved by the Commission (in %)

Sr. No.	Consumer Category	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Collection Efficiency	99.50%	99.50%	99.50%	99.50%	99.50%

POWER PROCUREMENT PLAN

Petitioner's Submission

8.35 SAIL-BSL procures power from Damodar Valley Corporation (DVC) at 132 kV level, and the same source have been considered for the upcoming control period. In case requirement going more than the projections additional capacity will be tied up with approval of the Commission. The rationale for the same is already explained in the Business Plan petition.

8.36 The expected per unit derived rate for planned energy intake is given below. As per unit rate has the element of both fixed / capacity charge and energy charge, this will vary significantly based on variation in actual power taken from these units.

8.37 **Renewable Purchase Obligation**: SAIL-BSL is exempted from RPO for the energy procured from DVC vide Case No. 07 of 2016 of JSERC dated June 20, 2018. The relevant extracts are as follow:

"The petitioner (SAIL, Bokaro Steel Plant), Bokaro Steel City is exempted from complying with the Renewable Purchase Obligation for the part of the power

consumption which the petitioner is purchasing from DVC to the extent that it has to be complied by the DVC."

Table 94: Projected Power Procurement Plan as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31

r. No.	Consumer Category	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	**Total Power Purchase**	**MU**	**1,749.67**	**1,734.23**	**1,720.21**	**1,707.45**	**1,695.78**
2	Power Purchase – Township	MU	334.39	318.95	304.93	292.17	280.50
3	Power Purchase – Plant	MU	1,415.28	1,415.28	1,415.28	1,415.28	1,415.28
4	**Per unit power purchase cost**	**Rs. / kWh**	**4.52**	**4.66**	**4.79**	**4.94**	**5.09**
5	**Total Power Purchase Cost**	**Rs. Cr.**	**790.75**	**807.29**	**824.78**	**843.22**	**862.59**
6	Total Power Purchase Cost – Township	Rs. Cr.	151.12	148.47	146.21	144.29	142.68
7	Total Power Purchase Cost – Plant	Rs. Cr.	639.63	658.82	678.58	698.94	719.91

Commission's analysis

8.38 The Commission observes that Damodar Valley Corporation (DVC) continues to be the sole source of power supply for the Petitioner. The Commission further notes that the tariff of DVC for FY 2026-27 has already been determined by the Commission vide Tariff Order dated 30.03.2026 in Case (Tariff) No. 12 of 2025. In the said Order, the Commission approved the tariff applicable to DVC, which has a direct bearing on the power procurement cost of the Petitioner.

8.39 The Commission observes that while projecting the power purchase expenses for FY 2026-27, the Petitioner has not considered the impact of the tariff determined for DVC in the aforesaid Tariff Order. However, since the tariff order has already been issued and the applicable tariff has attained regulatory certainty, the Commission is required to factor its impact while approving the power procurement cost of the Petitioner.

8.40 Accordingly, the Commission has considered the approved DVC tariff for FY 2026-27 while determining the power purchase cost. The projected power procurement requirement has been derived based on the approved energy balance and distribution loss level for FY 2026-27. Therefore, the Commission has recalculated and approved the power purchase cost by considering the approved quantum of energy procurement and the tariff determined for DVC in Case (Tariff) No. 12 of 2025 dated 30.03.2026, as detailed in the subsequent paragraphs.

8.41 The Commission is of the view that prudent power procurement planning is essential to ensure reliable power supply at reasonable cost to consumers. The Petitioner should continuously monitor power requirement and optimize procurement through efficient planning and scheduling mechanisms.

8.42 The Commission further directs the Petitioner to comply with the JSERC's Framework for Resource Adequacy Regulations, 2024 and undertake appropriate long-term and medium-term power planning to ensure adequacy of supply during the Control Period.

8.43 The power purchase rate (in Rs./kWh) and power purchase cost (in Rs. Cr.) for the power purchased from DVC for Control Period as approved by the Commission is summarized in the table below:

Table 95: Projected Power Procurement Plan approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31

Sr. No.	Consumer Category	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Total Power Purchase	MU	1639.66	1624.29	1620.28	1616.45	1610.70
2	Power Purchase – Township	MU	224.38	209.01	205.00	201.17	195.42
3	Power Purchase – Plant	MU	1415.28	1415.28	1415.28	1415.28	1415.28
4	Per unit power purchase cost	Rs. / kWh	6.58	6.78	6.98	7.19	7.41
5	Total Power Purchase Cost	Rs. Cr.	1079.38	1101.34	1131.58	1162.77	1193.39
6	Total Power Purchase Cost – Township	Rs. Cr.	234.21	224.72	227.02	229.46	229.59
7	Total Power Purchase Cost – Plant	Rs. Cr.	845.16	870.52	896.63	923.53	951.24

CAPITAL INVESTMENT PLAN

Petitioner's Submission

8.44 Petitioner submitted that in accordance with the applicable Regulations, the Petitioner has formulated a comprehensive Capital Investment Plan for the ensuing Control Period, aimed at strengthening the electrical distribution network, improving operational reliability, enhancing safety standards, promoting energy efficiency, and supporting modernization and digitalization initiatives across plant and township areas.

8.45 The proposed capital expenditure for the Control Period focuses on system augmentation, replacement of aged and obsolete assets, infrastructure modernization, safety enhancement, and energy efficiency improvements. The major schemes are summarized below:

8.46 The proposed scheme-wise CAPEX for the Control Period is summarized below:

A. Procurement of Safety Tools & Tackles (Rs. 4.00 Cr)
Replacement/augmentation of safety tools to ensure statutory compliance and safe maintenance practices through competitive tendering.

B. Procurement of 600 Air Conditioners (Rs. 3.15 Cr)
Replacement of aged AC units in offices, control rooms, substations, and critical areas to improve efficiency, equipment protection, and workplace comfort.

C. Procurement of Cables, Wiring & Electrical Materials (Rs. 10.50 Cr)
Replenishment of LT/HT cables, control cables, accessories, and allied materials to ensure reliable maintenance, prevent outages, and support modernization works.

D. High Mast & Mini Mast Lighting (Rs. 1.25 Cr)
Supply and installation of 15 High Mast and 49 Mini Mast systems to improve illumination, safety, and security in plant areas.

E. HT Undergrounding Work (Rs. 100.00 Cr)
Undergrounding of identified HT overhead lines to enhance reliability, reduce faults, and improve operational safety.

F. Replacement of Electrification of 4 Pump Houses (Rs. 10.97 Cr)
Replacement of LT panels, switchgear, cabling, and protection systems to ensure reliable utility services.

G. Smart Metering Solution (Rs. 35.00 Cr)
Implementation of smart meters with centralized monitoring for improved energy management, billing accuracy, and digital integration.

H. Additional Substation in BSL Township (Rs. 1.00 Cr)
Erection of substation to strengthen distribution reliability in township areas.

I. Chemical Earthing (Rs. 1.82 Cr)

Installation of chemical earthing systems to improve grounding performance and enhance safety.

J. 60 Nos. 800 kVA Distribution Transformers (Rs. 8.10 Cr)
Procurement to address load growth, reduce failures, and improve voltage stability.

K. 60 Nos. LT Distribution Panels (Rs. 3.60 Cr)
Replacement of aged LT panels to enhance safety and reliability.

L. Aerial Working Platform (Rs. 1.22 Cr)
Procurement of AWP to improve safety and efficiency of maintenance at height.

M. Smart Street Lighting / Additional Mast Lighting (Rs. 1.25 Cr)
Installation of improved lighting systems to enhance safety, visibility, and security. All procurements shall be undertaken through competitive tendering in line with SAIL guidelines and applicable standards.

8.47 The total proposed Capital Expenditure for the Control Period FY2026-27 to FY 2030-31 amounts to Rs. 181.86 Cr., with corresponding capitalization planned over the same period. The capital outlay has been prudently phased on a yearly basis to ensure systematic implementation, optimal resource utilization, and minimal disruption to plant.

8.48 The petitioner has mentioned the detailed scheme wise note and year wise capex and capitalization with the Chapter 6 of the business plan. The petitioner requests the Commission to consider the above proposed capital expenditure and capitalization.

Table 96: Scheme wise Capital Expenditure and Capitalization as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	Capex Phasing Scheme						Capitalization Phasing					
		Total Scope	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Total Scope	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Procurement of safety related tools and tackles	**4.00**		1.00	1.00	1.00	1.00	**4.00**		1.00	1.00	1.00	1.00
2	Procurement of 600 nos of AC	**3.15**	1.58	1.58				**3.15**	1.58	1.58			
3	Procurement of cables and wires	**10.50**	2.50	2.00	2.00	2.00	2.00	**10.50**	2.50	2.00	2.00	2.00	2.00
4	Supply and installation of 15 nos of High mast and 49 nos of Mini mast	**1.25**		1.25				**1.25**		1.25			
5	HT Undergrounding	**100.00**		25.00	25.00	25.00	25.00	**100.00**		25.00	25.00	25.00	25.00
6	Replacement of complete electrics of 04 pump houses	**10.97**		10.97				**10.97**		10.97			
7	Smart Metering solution	**35.00**		12.00	12.00	11.00		**35.00**		12.00	12.00	11.00	
8	Erection of additional substation in BSL Township	**1.00**		1.00				**1.00**		1.00			
9	Chemical Earthing	**1.82**	1.82					**1.82**	1.82				
10	Procurement of 60 nos. of 800KVA Distribution transformer	**8.10**	8.10					**8.10**	8.10				
11	Procurement of 60 nos. of LT Distribution Panel	**3.60**	3.60					**3.60**	3.60				
12	Procurement of Aerial Working Platform	**1.22**	1.22					**1.22**	1.22				
13	Supply and installation of 15 nos of High mast and 49 nos of Mini mast	**1.25**	1.25					**1.25**	1.25				
14	**Total**	**181.86**	**20.07**	**54.80**	**40.00**	**39.00**	**28.00**	**181.86**	**20.07**	**54.80**	**40.00**	**39.00**	**28.00**

Commission's analysis

8.49 The Commission has carefully examined the Capital Investment Plan submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31, the scheme-wise proposed capital expenditure and capitalization, the justification furnished by the Petitioner, as well as the historical performance of the Petitioner with respect to implementation of capital works approved in earlier tariff orders.

8.50 The Commission observes that the Petitioner has proposed substantial capital expenditure during the Control Period primarily towards augmentation and strengthening of the distribution network, reduction of distribution losses, installation of smart metering infrastructure, replacement of ageing assets, enhancement of reliability of supply, and improvement of operational efficiency in the licensed area.

8.51 The Commission observes that the Petitioner has proposed procurement of 600 Air Conditioners (ACs) for use at its office premises during the Control Period. The Commission further notes that approval for procurement of 600 ACs had also been accorded in earlier tariff proceedings; however, the Petitioner failed to undertake the said procurement and no corresponding capitalization was achieved. Therefore, the Commission is not inclined to approve the entire quantity proposed by the Petitioner. Accordingly, the Commission provisionally approves procurement of 50 Air Conditioners (ACs) during the present Control Period. Further, capitalization and corresponding tariff impact, if any, shall be considered at the time of True-up based on actual capitalization details, asset-wise information, and adequate justification submitted by the Petitioner in support of such expenditure.

8.52 The Commission observes that the Petitioner has proposed significant capital investments during the Control Period towards underground HT cable network, procurement of Distribution Transformers, associated distribution panels, and Smart Metering infrastructure. The Commission is of the view that investments in underground HT cables, Distribution Transformers and associated distribution panels are essential for strengthening the distribution network, improving reliability and quality of power supply, reducing technical losses, minimizing theft and pilferage of electricity, enhancing operational efficiency, and facilitating reduction in overall distribution losses.

8.53 The Commission further notes that achievement of the approved distribution loss trajectory is contingent upon timely implementation of network strengthening and system improvement schemes. Considering the critical importance of these investments in improving consumer service standards and reducing distribution losses, the Commission decides to approve the entire capital expenditure proposed by the Petitioner for underground HT cables, procurement of Distribution Transformers and associated distribution panels, subject to prudence check at the time of true-up based on actual capitalization and asset put-to-use.

8.54 With regard to the proposed investment under Smart Metering, the Commission notes that the benefits of the scheme are expected to accrue progressively over the implementation period and are dependent upon actual deployment and operationalisation of smart meters. Therefore, considering the implementation risks and the need for regulatory prudence, the Commission provisionally approves 75% of the capital expenditure claimed by the Petitioner under Smart Metering. The balance expenditure shall be considered based on actual progress, capitalization and demonstrated benefits during subsequent true-up proceedings.

8.55 The Commission further observes that the approved capital investment programme is expected to contribute significantly towards reduction of technical and commercial losses, improvement in energy accounting, enhancement of billing and collection efficiency, and strengthening of the overall distribution system. Accordingly, while approving the distribution loss trajectory for the Control Period, the Commission has duly considered the impact of the approved capital expenditure and expects the Petitioner to achieve the loss reduction targets approved in this Order.

8.56 The Commission, therefore, directs the Petitioner to undertake all necessary measures for timely execution of the approved schemes and achieve the distribution loss trajectory specified for the Control Period. Any failure to achieve the approved loss reduction targets despite the approval of the requisite capital expenditure shall be examined by the Commission during future tariff and true-up proceedings in accordance with the applicable provisions of the JSERC Tariff Regulations.

8.57 In view of the above, the Commission approves the Capital Investment Plan amounting to Rs. 170.49 Crore against the Petitioner’s proposal of Rs. 181.86 Crore for the Control Period FY 2026-27 to FY 2030-31. The scheme-wise capital expenditure and capitalization approved by the Commission are provided in the table below. 2026-27 to FY 2030-31. provided in the table below:

Table 97: Scheme wise Capital Expenditure and Capitalization approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	Capex Phasing Scheme						Capitalization Phasing					
		Total Scope	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Total Scope	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Procurement of safety related tools and tackles	**4.00**		1.00	1.00	1.00	1.00	**4.00**		1.00	1.00	1.00	1.00
2	Procurement of 300 nos of AC	**0.53**	0.26	0.27				**0.53**	0.26	0.27			
3	Procurement of cables and wires	**10.50**	2.50	2.00	2.00	2.00	2.00	**10.50**	2.50	2.00	2.00	2.00	2.00
4	Supply and installation of 15 nos of High mast and 49 nos of Mini mast	**2.50**	0.50	0.50	0.50	0.50	0.50	**2.50**	0.50	0.50	0.50	0.50	0.50
5	HT Undergrounding	**100.00**		25.00	25.00	25.00	25.00	**100.00**		25.00	25.00	25.00	25.00
6	Replacement of complete electrics of 03 pump houses	**10.97**		10.97				**10.97**		10.97			
7	Smart Metering solution	**26.25**		9.00	9.00	8.25		**26.25**		9.00	9.00	8.25	
8	Erection of additional substation in BSL Township	**1.00**		1.00				**1.00**		1.00			
9	Chemical Earthing	**1.82**	1.82					**1.82**	1.82				
10	Procurement of 40 nos. of 800KVA Distribution transformer	**8.10**	2.70	5.40				**8.10**	2.70	5.40			
11	Procurement of 40 nos. of LT Distribution Panel	**3.60**	1.20	2.40				**3.60**	1.20	2.40			
12	Procurement of Aerial Working Platform	**1.22**	1.22					**1.22**	1.22				
13	**Total**	**170.49**	**10.20**	**57.53**	**37.50**	**36.75**	**28.50**	**170.49**	**10.20**	**57.53**	**37.50**	**36.75**	**28.50**

GROSS FIXED ASSETS

Petitioner's Submission

8.58 The Petitioner has submitted GFA for Control Period from FY 2026-27 to FY 2030-31. The table below provides the summary of the Gross Fixed Assets for Control Period:

Table 98: Gross Fixed Assets as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Opening GFA	63.17	83.24	138.03	178.03	217.03
2	Add: Additions during the year	20.07	54.80	40.00	39.00	28.00
3	Less: Disposal/ adjustment	0.00	0.00	0.00	0.00	0.00
4	**Closing GFA**	**83.24**	**138.03**	**178.03**	**217.03**	**245.03**
5	***Opening Wheeling GFA***	***56.85***	***74.91***	***124.23***	***160.23***	***195.33***
6	***Opening Supply GFA***	***6.32***	***8.32***	***13.80***	***17.80***	***21.70***

Commission's Analysis

8.59 T The Commission has considered the opening balance of Gross Fixed Assets (GFA) for FY 2026-27 based on the closing balance of GFA for FY 2025-26 as approved in this Order pursuant to the Annual Performance Review of FY 2025-26.

8.60 The Commission has examined the capitalization proposed by the Petitioner for the Control Period and carried out a prudence check of the approved Capital Investment Plan and capitalization schedule. Based on the capitalization approved in this Order, the Commission has determined the year-wise Gross Fixed Assets (GFA) for the Control Period. Accordingly, the closing balance of GFA for each year has been computed by adding the approved capitalization during the year to the opening balance of GFA. The approved closing GFA for the Control Period is summarized in the table below:

Table 99: Gross Fixed Assets approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Opening GFA	63.17	73.37	130.91	168.41	205.16
2	Add: Additions during the year	10.20	57.53	37.50	36.75	28.50
3	Less: Disposal/ adjustment	0.00	0.00	0.00	0.00	0.00
4	**Closing GFA**	**73.37**	**130.91**	**168.41**	**205.16**	**233.66**
5	***Opening Wheeling GFA***	**56.85**	**66.04**	**117.81**	**151.56**	**184.64**
6	***Opening Supply GFA***	**6.32**	**7.34**	**13.09**	**16.84**	**20.52**

DEPRECIATION

Petitioner's Submission

8.61 Petitioner submitted that 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: SAIL-BSL has considered an average depreciation rate of 4.22 % to arrive at the year-on-year depreciation for the control period FY 2026-27 to FY 2030-31.
- 4.22% is the average depreciation for the base year and the same has been considered for all years of control period. The same may be adjusted as per actuals during true-up.

8.62 Accordingly, the Petitioner has projected the Depreciation for the control period as under:

Table 100: Depreciation as submitted by Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Opening GFA	63.17	83.24	138.03	178.03	217.03
2	Closing GFA	83.24	138.03	178.03	217.03	245.03
3	**Average GFA**	**73.20**	**110.63**	**158.03**	**197.53**	**231.03**
4	**Average Depreciation rate**	**4.22%**	**4.22%**	**4.22%**	**4.22%**	**4.22%**
5	**Depreciation**	**3.09**	**4.67**	**6.67**	**8.34**	**9.75**

Commission's Analysis

8.63 The Commission after scrutinizing the submissions made by the Petitioner approves the depreciation for the Control Period according to Regulations 10.34 to 10.40 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, which are reproduced below:

"Depreciation

10.34 Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year as admitted by the Commission: Provided that depreciation shall not be allowed on assets funded by Consumer Contribution and Capital Subsidies/Grants. Provision for replacement of such assets shall be made in the Capital Investment Plan.

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

10.36 Depreciation shall be calculated annually, based on the straight-line method at the rates specified at Appendix-I. The base value for the purpose of depreciation shall be original cost of the asset: Provided that the Distribution Licensee shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.

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

10.38 The residual value of assets shall be considered as ten percent (10%) and depreciation shall be allowed to a maximum of ninety percent (90%) of the original cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing ninety percent (90%) of the original cost of the asset. Provided that the salvage value for IT equipment and software shall be considered as NIL and hundred percent (100%) value of the assets shall be considered depreciable;

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

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

8.64 In view of the above, the depreciation considered by the Commission for the Control Period from FY 2026-27 to FY 2030-31 is based on the provisions of the JSERC Tariff Regulations, 2025, the consolidated audited accounts of the Petitioner, and the Average GFA methodology as applicable. The depreciation considered for ARR purposes is provisional and shall be subject to prudence check at the time of truing-up, based on actual capitalisation, Commissioning dates, audited asset registers, and reconciliation with audited accounts.

Table 101: Depreciation approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Opening GFA	63.17	73.37	130.91	168.41	205.16
2	Closing GFA	73.37	130.91	168.41	205.16	233.66
3	**Average GFA**	**68.27**	**102.14**	**149.66**	**186.78**	**219.41**
4	**Average Depreciation rate**	**4.22%**	**4.22%**	**4.22%**	**4.22%**	**4.22%**
5	**Depreciation**	**2.88**	**4.31**	**6.32**	**7.88**	**9.26**

Operation and Maintenance Expenses

Petitioner's Submission

8.65 The Petitioner has submitted that Operation and Maintenance Expenses of Petitioner includes employee expense, Administrative & General Expenses and Repairs & Maintenance Expenses as per Regulation 10.5 of JSERC (Terms & Conditions of Determination of Distribution Tariff) Regulations, 2025.

8.66 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 45% weightage to the WPI index as per the following formula.

INDXn = 0.55*CPIn +0.45*WPIn

8.67 For the purpose of planning, indexation has been calculated based on WPI and CPI index of FY 2024-25 and FY 2023-24 has been considered. The month wise WPI data from office of economic advisor and CPI data from Bureau of Labor statistics for FY 2023-24 and FY 2024-25.

8.68 The derived inflation index (INDXFY 25 / INDX FY 24) comes out to be 3.12%. The same has been considered for the control period subject to true-up:

Table 102: Inflation Factor for WPI & CPI for the Control Period from FY 2026-27 to FY 2030-31

Particulars	WPI	CPI	Total
Weightage	0.45	0.55	1.00
Avg Indexation for FY 2024-25	154.86	410.64	
Avg Indexation for FY 2023-24	151.42	397.20	
Avg Indexation n (Index * Wt.)	69.69	225.85	295.54
Avg Indexation n-1 (Index * Wt.)	68.14	218.46	286.60
Combined Inflation {(Indxn/Indxn-1)-1}*100%	3.12%		

8.69 Normative Repair and Maintenance Expenses: The Commission has provided in the regulation to compute R&M expenses based on K-factor, GFA and indexation for inflation.

8.70 In line with the regulation, K-factor has been computed based on the ratio of R&M expense to GFA of the preceding year (FY 2024-25) of the base year (FY 2025-26). The petitioner would like to submit that there is no abnormal expense in the preceding year of the base year. The k-factor thus comes out to be 12.07%.

8.71 Indexation has been considered as 3.12% as computed above. The ‘K’ factor considered for the entire Control Period is 12.07 %. The computation of k-factor for all years of the control period is given below. However, for the purpose of business plan k-factor of FY 2024-25 has been considered as per regulation.

Table 103: Calculation of K Factor for the Control Period from FY 2026-27 to FY 2030-31

Particulars	Formula	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Opening GFA	A	44.45	45.52	45.03	**62.38**	62.14	51.90
Actual R&M expense	B	2.91	4.19	5.71	**7.53**	7.87	5.64
Derived K-Factor	C= B/A	6.55%	9.20%	12.68%	**12.07%**	12.66%	10.87%

8.72 Based on the foregoing paragraphs, the R&M expense for the Control Period is shown in the table below :

Table 104: R&M Expenses for the Control Period from FY 2026-27 to FY 2030-31

Particulars	Formula	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Opening GFA	A	63.17	83.24	138.03	178.03	217.03
"Derived K-Factor for the Control Period	B	12.07%	12.07%	12.07%	12.07%	12.07%
Opening GFA*Derived KFactor	C= A*B	7.63	10.05	16.66	21.49	26.20
Opening GFA* Derived K-Factor	D	3.12%	3.12%	3.12%	3.12%	3.12%
Add: Inflation factor for FY 2026-27	E		3.12%	3.12%	3.12%	3.12%
Add: Inflation factor for FY 2027-28	F			3.12%	3.12%	3.12%
Add: Inflation factor for FY 2028-29	G				3.12%	3.12%
Add: Inflation factor for FY 2029-30	H					3.12%
Normative R&M Exp.	E=C*(1+D) *(1+E)*(1+F) *(1+G)*(1+H)	7.86	10.68	18.27	24.30	30.55

8.73 **Normative Employee Expenses:** Employee expense has been projected based on the provisions under the regulation for cost to be incurred towards existing employees and additional employees to manage the projects, operation, maintenance and service requirements. As explained in the business plan there is an expected addition of approx. 7-8 employees every year. The cost of these employees has been considered under 'Growth factor'. For existing work force, some 'Growth factor' in employee expense is considered above inflation.

8.74 The cost due to additional manpower has been considered based on expected Employee expense at the prevailing average cadre/ designation wise CTC levels and escalated at the inflationary indices as per the regulatory provisions of JSERC (JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025). The total employee expenditure considering inflation factor, increase in contracted load and additional manpower for each year of the control period is as presented in the table below:

Table 105: Normative Employee Expenses for the Control Period from FY 2026-27 to FY 2030-31

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Normative Employee Cost (n-1) Excluding Terminal Liabilities	10.01	12.54	15.65	18.25	21.76
Weighted Avg. Inflation factor (in %)	3.12%	3.12%	3.12%	3.12%	3.12%
Growth Factor-Gn (in %)					
Growth Factor-Gn (in %) Considering new Employees	17.50%	17.02%	9.09%	11.67%	11.94%
Gn for existing employees over inflation	4.00%	4.00%	4.00%	4.00%	4.00%
Employee Cost as per normative basis	**12.54**	**15.65**	**18.25**	**21.76**	**26.02**

8.75 The Normative A&G expense for the control period computed as per regulations is shown below:

Table 106: Normative A&G Expenses for the Control Period from FY 2026-27 to FY 2030-31

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Total A&G Expenses	3.25	3.36	3.47	3.59	3.71
Add: Inflation factor (in %)	3.12%	3.12%	3.12%	3.12%	3.12%

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Sub-total	3.35	3.46	3.58	3.70	3.82
Add: Load Growth Factor (in %)	0.25%	0.25%	0.24%	0.24%	0.24%
Normative A&G Expenses	3.36	3.47	3.59	3.71	3.83
Add: CGRF Expenses	0.11	0.12	0.13	0.14	0.16
Add: Petition & other filing fees to JSERC	0.41	0.45	0.50	0.55	0.60
Normative A&G Expenses including CGRF expenses and Petition & other filing expenses	**3.88**	**4.04**	**4.22**	**4.40**	**4.59**

8.76 Based on the foregoing paragraphs, the summary of normative O&M expenses for the control period submitted by the Petitioner are as follows:

Table 107: Operation & Maintenance Expenses as submitted by Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	R&M Expenses	7.86	10.68	18.27	24.30	30.55
2	Employee Expenses	12.54	15.65	18.25	21.76	26.02
3	A&G Expenses	3.88	4.04	4.22	4.40	4.59
4	**Total O&M Expenses**	**24.28**	**30.37**	**40.73**	**50.46**	**61.16**

Commission's Analysis

8.77 The Commission has examined the O&M projections for the Control Period FY 2026-27 to FY 2030-31 with reference to the framework contained in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. In line with the said Regulations, the O&M components have been considered head-wise and escalated using the notified inflation construct. For the present tariff determination, the escalation has been applied at 55% of CPI and 45% of WPI. The JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 as under:

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

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

Where,

R&Mn – Repair and Maintenance Costs of the Licensee for the nth year;

EMPn – Employee Costs of the Licensee for the nth year, excluding terminal liabilities;

A&Gn – Administrative and General Costs of the Licensee for the nth year.

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

*a) R&Mn = K*GFA* (INDXn / INDX0)*

Where,

'K' is a constant (expressed in percentage (%)) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and shall be calculated based on the percentage (%) 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;

INDXn is the indexation for nth year of control period;

INDXo is the indexation for the base year of the control period;

b) EMPn + A&Gn = [(EMPn-1)(1+Gn) + (A&Gn-1)]*(INDXn/ INDXn-1) + provision for A&G (if any)*

Where,

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

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

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

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

Provision: Cost or initiatives or other one-time expenses as proposed by the Distribution Licensee subject to the prudence check and is validated by the Commission.

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

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

Note 2: Any variation due to changes recommended by the Pay Commission, wage revision agreement, etc., will be considered separately by the Commission;
Note 3: Terminal Liabilities will be approved as per actual submitted by the Licensee along with documentary evidence such as actuarial studies.”

8.78 The Commission notes that, for determination of the inflation and indexation factors for the Control Period, the Petitioner has considered the Wholesale Price Index (WPI) and Consumer Price Index (CPI) pertaining to FY 2023-24 and FY 2024-25. The Commission observes that the WPI data has been sourced from the Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade (DPIIT), Government of India, while the CPI data has been considered based on the published statistics of the concerned national statistical agencies. Accordingly, the Commission has considered the month-wise WPI and CPI data for FY 2023-24 and FY 2024-25 for computing the applicable inflation factors for the purpose of projections under the Business Plan.

8.79 The Commission approved the derived inflation index (INDXFY 25 / INDX FY 24) as 3.12%. The same has been considered for the control period subject to true-up:

Table 108: Inflation Factor for WPI & CPI for the Control Period from FY 2026-27 to FY 2030-31

Particulars	WPI	CPI	Total
Weightage	0.45	0.55	1.00
Avg Indexation for FY 2024-25	154.86	410.64	
Avg Indexation for FY 2023-24	151.42	397.20	
Avg Indexation n (Index * Wt.)	69.69	225.85	295.54
Avg Indexation n-1 (Index * Wt.)	68.14	218.46	286.60
Combined Inflation {(Indxn/Indxn-1)-1}*100%	3.12%		

8.80 Normative Repair and Maintenance Expenses: The Commission has provided in the regulation to compute R&M expenses based on K-factor, GFA and indexation for inflation.

8.81 In line with the regulation, K-factor has been computed based on the ratio of R&M expense to GFA of the preceding year (FY 2024-25) of the base year (FY 2025-26). The petitioner would like to submit that there is no abnormal expense in the preceding year of the base year. The k-factor thus comes out to be 12.07%.

8.82 Indexation has been considered as 3.12% as computed above. The 'K' factor considered for the entire Control Period is 12.07 %. The computation of k-factor for all years of the control period is given below. However, for the purpose of business plan k-factor of FY 2024-25 has been considered as per regulation.

Table 109: Calculation of K Factor for the Control Period from FY 2026-27 to FY 2030-31

Particulars	Formula	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening GFA	A	44.45	45.52	45.03	**62.38**	62.14
Actual R&M expense	B	2.91	4.19	5.71	**7.53**	7.87
Derived K-Factor	C= B/A	6.55%	9.20%	12.68%	**12.07%**	12.66%

8.83 The Commission observes that the Business Plan approved in this Order differs from the projections submitted by the Petitioner with regard to capital expenditure and capitalization. Accordingly, the approved Gross Fixed Assets (GFA) for the Control Period are also different from those considered by the Petitioner for computation of R&M expenses. Therefore, for determination of normative R&M expenses, the Commission has considered the approved opening GFA and the capitalization approved in this Order in accordance with the applicable Tariff Regulations. Based on the above analysis and approved asset base, the Commission has computed and approved the R&M expenses for the Control Period as shown in the table below:

Table 110: R&M Expenses for the Control Period as approved by Commission from FY 2026-27 to FY 2030-31

Particulars	Formula	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Opening GFA	A	63.17	73.37	130.91	168.41	205.16
"Derived K-Factor for the Control Period	B	12.07%	12.07%	12.07%	12.07%	12.07%
R&M value (Opening GFA*Derived K Factor)	C= A*B	7.63	8.86	15.80	20.33	24.76
Opening GFA* Derived K-Factor	D	3.12%	3.12%	3.12%	3.12%	3.12%
Add: Inflation factor for FY 2026-27	E		3.12%	3.12%	3.12%	3.12%

Particulars	Formula	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Add: Inflation factor for FY 2027-28	F			3.12%	3.12%	3.12%
Add: Inflation factor for FY 2028-29	G				3.12%	3.12%
Add: Inflation factor for FY 2029-30	H					3.12%
Normative R&M Exp.	E=C*(1+D)*(1+E)*(1+F)*(1+G)*(1+H)	7.86	9.42	17.33	22.99	28.88

8.84 Normative Employee Expenses: The Commission observes that the Petitioner has projected Employee Expenses in accordance with the provisions of the applicable Tariff Regulations. The projections include costs pertaining to the existing workforce as well as the additional manpower proposed to be engaged for operation, maintenance, implementation of capital works, and improvement of consumer services during the Control Period.

8.85 The Commission notes the Petitioner's submission that approximately 7–8 employees are expected to be added annually to cater to the increasing operational and maintenance requirements and execution of proposed capital investment schemes. The Commission finds the proposed manpower addition to be reasonable considering the projected activities during the Control Period.

8.86 The Commission further observes that the cost associated with such additional employees has been appropriately captured through the Growth Factor in the employee expense projections. Further, for the existing workforce, the Commission considers a reasonable growth in employee expenses over and above the inflationary impact to account for annual increments, promotions, statutory benefits, and related employee cost escalations.

8.87 Accordingly, the Commission has considered the employee expense projections based on the applicable regulatory framework, approved manpower growth assumptions, and inflation-linked indexation factors for determination of Employee Expenses for the Control Period.

8.88 The Commission observes that the Petitioner has considered the cost of additional manpower based on the prevailing average cadre-wise/designation-wise Cost to Company (CTC) levels. The Commission notes that the employee cost pertaining to the proposed additional manpower has been projected by applying the relevant inflation indices in accordance with the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

8.89 The Commission further notes that the employee expense projections take into account the impact of inflation, growth in contracted load, expansion of distribution activities, and the requirement of additional manpower for operation, maintenance, project implementation, and consumer service functions during the Control Period.

8.90 The Commission finds the methodology adopted by the Petitioner to be broadly in line with the regulatory provisions. Accordingly, the Commission has considered the employee expenses after prudence check and based on the approved growth parameters, inflation factors, and manpower requirements for the Control Period. The total Employee Expenses approved by the Commission, considering inflation factor, increase in contracted load, and additional manpower for each year of the Control Period, are presented in the table below:

Table 111: Normative Employee Expenses as approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Normative Employee Cost (n-1) Excluding Terminal Liabilities	10.01	12.54	15.65	18.25	21.76
Weighted Avg. Inflation factor (in %)	3.12%	3.12%	3.12%	3.12%	3.12%
Growth Factor-Gn (in %)					
Growth Factor-Gn (in %) Considering new Employees	17.50%	17.02%	9.09%	11.67%	11.94%
Gn for existing employees over inflation	4.00%	4.00%	4.00%	4.00%	4.00%
Employee Cost as per normative basis	**12.54**	**15.65**	**18.25**	**21.76**	**26.02**

8.91 The Commission has examined the Administrative and General (A&G) Expenses projected by the Petitioner for the Control Period. The Commission observes that the A&G Expenses have been computed in accordance with the methodology prescribed under the applicable JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

8.92 The Commission further notes that the Petitioner has projected the A&G Expenses by considering the approved base-year expenses and applying the relevant inflation indices as specified in the Regulations. The Commission finds the approach adopted by the Petitioner to be in line with the regulatory framework. Accordingly, after prudence check, the Commission approves the normative A&G Expenses for the Control Period as submitted by the Petitioner. The year-wise A&G Expenses approved by the Commission are presented in the table below. by Expenses approved by the Commission are presented in the table below:

Table 112: Normative A&G Expenses as approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Total A&G Expenses	2.88	2.97	3.06	3.16	3.26
Add: Inflation factor (in %)	3.12%	3.12%	3.12%	3.12%	3.12%
Sub-total	2.97	3.06	3.16	3.26	3.36
Add: Load Growth Factor (in %)	0	0	0	0	0
Normative A&G Expenses	2.97	3.06	3.16	3.26	3.36
Add: CGRF Expenses	0.11	0.12	0.13	0.14	0.16
Add: Petition & other filing fees to JSERC	0.41	0.45	0.50	0.55	0.60
Normative A&G Expenses including CCGRF expenses and Petition & other filing expenses	**3.49**	**3.64**	**3.79**	**3.95**	**4.12**

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

Table 113: Operation & Maintenance Expenses as approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	R&M Expenses	7.86	9.42	17.33	22.99	28.88
2	Employee Expenses	12.54	15.65	18.25	21.76	26.02
3	A&G Expenses	3.49	3.64	3.79	3.95	4.12

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
4	**Total O&M Expenses**	**23.89**	**28.70**	**39.36**	**48.70**	**59.02**

INTEREST ON NORMATIVE LOAN

Petitioner's Submission

8.94 Petitioner submitted that the opening debt for FY 2026-27 has been considered equal to closing value of FY 2025-26 as submitted above in chapter regarding APR for FY 2025-26 in accordance with the Regulation 10.21 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

8.95 Annual addition in Debt for next Control Period has been considered as calculated in above mentioned table. In line with the Regulation 10.23 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, repayment of loan for MYT Control Period has been considered equal to net Depreciation as calculated in above mentioned table.

8.96 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 (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

Table 114: Interest on Normative Loan as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Opening Balance of Normative Loan	19.69	30.65	64.34	85.67	104.63
2	Add: Deemed Additions during the year	14.05	38.36	28.00	27.30	19.60
3	Less: Deemed Repayments	3.09	4.67	6.67	8.34	9.75
4	Closing Balance of Normative Loan	30.65	64.34	85.67	104.63	114.48
5	Average Balance of Normative Loan	25.17	47.49	75.00	95.15	109.56

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
6	Bank Rate plus 200 BP as on 1st April of the respective years	10.75%	10.75%	10.75%	10.75%	10.75%
7	**Normative Interest Amount**	**2.71**	**5.11**	**8.06**	**10.23**	**11.78**

Commission's Analysis

8.97 The Commission has referred to clause 10.16,10.17 and 10.26 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations,2025 for computation of Interest on loan for the Petitioner. The relevant extract of the Regulation is stated as below:

"Debt-Equity Ratio:

10.16 Existing Schemes - In case of capital expenditure schemes capitalised prior to April 01, 2026, the debt-equity ratio as allowed by the Commission for determination of tariff for the period ending March 31, 2026, shall be considered.

10.17 New Schemes – For capital expenditure schemes to be capitalized after April 01, 2026:

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

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

c) In case the actual equity employed is less than thirty percent (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.

Note 1: Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on technoeconomic grounds but falling within the original scope of work shall be serviced in the normative debt- equity ratio specified in these Regulations;

Note 2: Any expenditure on replacement of old assets or on renovation and modernization or life extension shall be considered on normative debt-equity ratio *specified in these Regulations after writing off the entire book value of the original assets from the capital cost of the new asset;*

Note 3: Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt-equity ratio specified in these Regulations.

………………

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

Provided that Rate of Interest shall not exceed Bank Rate as on April 01 of the respective year of the Control Period plus two hundred (200) basis points.

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

8.98 The repayment for the year of the tariff period has been deemed to be equal to the depreciation allowed for that year. The opening values for FY 2026-27 have been considered as per the closing values for the FY 2025-26 as approved in the APR.

8.99 However, the Commission has computed the rate of interest on normative basis as per Clause 10.26 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 and has considered it to be equal to SBI one-year Marginal Cost of Lending Rate (MCLR) as on 1st April, 2026 plus 200 basis points throughout the control period for projection basis. However, the actual interest rate shall be considered while truing-up the respective years of the Control Period.

Table 115: Interest on Normative Loan approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Opening Balance of Normative Loan	19.69	23.95	59.92	79.85	97.69
2	Add: Deemed Additions during the year	7.14	40.27	26.25	25.73	19.95
3	Less: Deemed Repayments	2.88	4.31	6.32	7.88	9.26

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
4	Closing Balance of Normative Loan	23.95	59.92	79.85	97.69	108.38
5	Average Balance of Normative Loan	21.82	41.93	69.88	88.77	103.04
6	Bank Rate plus 200 BP as on 1st April of the respective years	10.75%	10.75%	10.75%	10.75%	10.75%
7	**Normative Interest Amount**	**2.35**	**4.51**	**7.51**	**9.54**	**11.08**

RETURN ON EQUITY

Petitioner's Submission

8.100 The Petitioner has considered the opening balance of normative equity for FY 2026-27 as per the closing balance for the FY 2025-26.

8.101 Further, the rate of Return on Equity (RoE) is considered to be 15.00 % as per the provisions of Regulation 10.19 & 10.20 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

Table 116: Return on Equity as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Normative Equity for GFA upto 31.03.2026	19.02	19.02	19.02	19.02	19.02
2	Normative Equity additions during the year upto FY 26	-	-	-	-	-
3	Normative equity for GFA added after 1.4.2026	6.02	16.44	12.00	11.70	8.40
4	Cumulative Normative Equity for GFA added after 1.4.2026	6.02	22.46	34.46	46.16	54.56
5	Total normative equity	25.03	41.47	53.47	65.17	73.57
6	Average Equity for GFA upto 31.03.2026	19.02	19.02	19.02	19.02	19.02
7	Average equity for GFA added after 1.4.2026	3.01	14.24	28.46	40.31	50.36

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
8	Return on Equity (for assets created upto 31.03.2026) @14.5%	2.76	2.76	2.76	2.76	2.76
9	Return on Equity (for assets created from 01.04.2026 onwards) @15.50%	0.47	2.21	4.41	6.25	7.81
10	Total Return on Equity	3.22	4.96	7.17	9.00	10.56
11	Tax Rate (in %)	25.17%	25.17%	25.17%	25.17%	25.17%
12	**Return on Equity including Tax**	**4.31**	**6.63**	**9.58**	**12.03**	**14.12**

Commission's Analysis

8.102 The Commission Considered return on equity as per the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

"Return on Equity

10.19 The base rate of Return on Equity (RoE) shall be 14.50% (post-tax) for assets capitalised prior to April 01, 2026

and

15.00% (post-tax) for assets capitalised from April 01, 2026, provided that in addition to the base RoE, the Commission may allow an additional 0.50% RoE for assets capitalised from April 01, 2026, to the Distribution Licensee that demonstrably ensures uninterrupted supply of electricity to Universal Supply Obligated Entities, including, but not limited to, Religious Institutions, Government Hospitals, Educational Establishments, Public Water Supply and Sanitation Services, Street Lighting Systems, critical infrastructure facilities, and renewable energy integration projects, eligibility for such additional RoE shall be linked to specific, measurable Key Performance Indicators (KPIs), including but not limited to SAIDI, SAIFI, outage duration, and supply reliability percentage to the above categories, as verified through independent certification by the State Load Despatch Centre (SLDC) and/or a Statutory Auditor or any third-party agency as approved by the Commission."

8.103 The Commission further notes that, as per the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, an additional Return on Equity (RoE) of 0.50% may be allowed to a Distribution Licensee that demonstrably ensures uninterrupted supply of electricity to Universal Supply Obligated Entities, including but not limited to Religious Institutions, Government Hospitals, Educational Establishments, Public Water Supply and Sanitation Services, Street Lighting Systems, critical infrastructure facilities, and renewable energy integration projects.

8.104 The Commission observes that eligibility for such additional Return on Equity is subject to fulfilment of the prescribed regulatory conditions and verification of the actual performance achieved by the Distribution Licensee during the relevant year.

8.105 Accordingly, the Commission decides that the additional RoE of 0.50%, if admissible, shall be considered at the time of the respective True-up proceedings based on actual performance and compliance with the relevant regulatory provisions, after carrying out a detailed prudence check. The Petitioner shall furnish requisite supporting documents and evidence to establish its eligibility for claiming such additional Return on Equity. Considered the view, return on equity as per the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

8.106 The Commission further observes that the Petitioner has incurred losses continuously. In view of the above, the Commission is of the considered opinion that no tax liability has been demonstrated by the Petitioner for the year under consideration. Accordingly, the Commission disallows the Income Tax amount claimed by the Petitioner on Return on Equity and approves the Return on Equity without any additional tax component. If The Petitioner will pay the tax at the time of finalization of books and filling of Income Tax and provide a tax payment proof then Income Tax will be allowed at the time True Up. Return on Equity approved by the commission are as follows:

Table 117: Return on Equity approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Normative Equity for GFA upto 31.03.2026	19.02	19.02	19.02	19.02	19.02
2	Normative Equity additions during the year upto FY 26	-	-	-	-	-
3	Normative equity for GFA added after 1.4.2026	3.06	17.26	11.25	11.03	8.55
4	Cumulative Normative Equity for GFA added after 1.4.2026	3.06	20.32	31.57	42.60	51.15

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
5	Total normative equity	22.08	39.34	50.59	61.61	70.16
6	Average Equity for GFA upto 31.03.2026	19.02	19.02	19.02	19.02	19.02
7	Average equity for GFA added after 1.4.2026	1.53	11.69	25.95	37.08	46.87
8	Return on Equity (for assets created upto 31.03.2026) @14.5%	2.76	2.76	2.76	2.76	2.76
9	Return on Equity (for assets created from 01.04.2026 onwards) @15.00%	0.23	1.75	3.89	5.56	7.03
10	**Total Return on Equity**	**2.99**	**4.51**	**6.65**	**8.32**	**9.79**

INTEREST ON WORKING CAPITAL (IoWC)

Petitioner's Submission

8.107 Wheeling Business: The Petitioner has submitted that the Interest on Working Capital (IWC) in the instant MYT Petition has been claimed in accordance with Regulations 10.30 and 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. The Petitioner has further submitted that the rate of interest on Working Capital has been taken as the one-year SBI MCLR as on September 30, 2025 plus 350 basis points, which works out to 12.25%, and the same rate of interest has been considered for all the years of the Control Period.

Table 118: Interest on Working Capital – Wheeling Business as submitted by Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Maintenance Spares - 1% of Opening Supply GFA	0.57	0.75	1.24	1.60	1.95
2	Expected Revenue from Wheeling Supply Charges - 2 Months	4.10	4.13	4.13	4.13	4.13
	Less:					
3	**Total Working Capital**	**4.67**	**4.88**	**5.37**	**5.73**	**6.08**
4	Interest on Working Capital	12.25%	12.25%	12.25%	12.25%	12.25%

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
5	**Interest on Working Capital (Rs. Cr.)**	**0.57**	**0.60**	**0.66**	**0.70**	**0.75**

8.108 Retail Supply Business: The Petitioner has submitted that the Interest on Working Capital (IWC) in the instant MYT Petition has been claimed in accordance with Regulations 10.31 and 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. The Petitioner has further submitted that the rate of interest on Working Capital has been taken as the one-year SBI MCLR as on September 30, 2025 plus 350 basis points, which works out to 12.25%, and the same rate of interest has been considered for all the years of the Control Period.

Table 119: Interest on Working Capital – Retail Business as submitted by Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Maintenance Spares - 1% of Opening Supply GFA	0.06	0.08	0.14	0.18	0.22
2	Expected Revenue from Retail Supply Charges - 2 Months	132.53	133.48	133.52	133.55	133.59
	Less:					
3	Power Purchase Cost - 1 Month	65.90	67.27	68.73	70.27	71.88
4	**Total Working Capital**	**66.69**	**66.29**	**64.92**	**63.46**	**61.93**
5	Interest on Working Capital	12.25%	12.25%	12.25%	12.25%	12.25%
6	**Interest on Working Capital**	**8.17**	**8.12**	**7.95**	**7.77**	**7.59**

Commission's Analysis

8.109 The Commission has outlined clause 10.30, clause 10.31 of JSERC (Terms and Condition of Determination of Tariff) Regulations 2025 for the approval of Interest on Working Capital which is reproduced below:

> *"Interest on Working Capital*
>
> *10.30 Working capital for the Wheeling Business for the Control Period shall comprise:*
>
> *a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*

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

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

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

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

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

minus

c) Amount held as security deposits under Clause (a) and Clause (b) of subsection (1) of Section 47 of the Act from 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."

8.110 Further, The Commission has outlined clause 10.32 of JSERC (Terms and Condition of Determination of Tariff) Regulations 2025 for the approval of Rate of interest on working capital on Working Capital which is reproduced below:

"10.32 Rate of interest on working capital shall be equal to the Bank Rates on September 30 of the financial year in which the MYT Petition is filed plus three hundred and fifty (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."

8.111 Regulation 6.5 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 states "*The Licensee shall segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business*" and Regulation 6.8 states "*In case clear and reasoned methodology for allocation is not submitted by the Distribution Licensee, the Commission may consider the segregation as approved for the previous Control Period as specified below or may decide on the manner in which such allocation can be done:*

Particulars	*Share of Supply Business*	*Share of Wires Business*
O&M Cost		
Employee cost	*40%*	*60%*
A&G Expense	*50%*	*50%*

R&M Cost	*10%*	*90%*
Power purchase (Including PGCIL & RLDC Charges)	*100%*	*0%*
Interest on security deposit	*100%*	*0%*
Interest Cost	*10%*	*90%*
Interest on working capital	*90%*	*10%*
Taxes on Income	*10%*	*90%*
Depreciation	*10%*	*90%*
Return on Equity	*10%*	*90%*
Less: Non-Tariff/Other Income	*90%*	*10%*

"

8.112 The Commission observes that IoWC submitted by Petitioner in his petition for MYT period is differ from the interest calculated in ARR model submitted to the Commission. The Commission further observed that the amount of IoWC shown in the model is correct, so the Commission has considered the same.

8.113 Rate of interest on working capital has been considered equal to SBI one-year Marginal Cost of Lending Rate (MCLR) as on the 30th September of the financial year plus 350 basis points as per Regulation 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on 1st April of the financial year for which truing up exercise has been undertaken.

8.114 Accordingly, the interest on working capital as computed by the Commission for the MYT Control period is summarized in the following table:

Table 120: Interest on Working Capital – Wheeling Business approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Maintenance Spares - 1% of Opening Supply GFA	0.57	0.66	1.18	1.52	1.85
2	Expected Revenue from Wheeling Supply Charges - 2 Months	4.11	4.07	4.07	4.08	4.08
	Less: Power Purchase Cost					
3	**Total Working Capital**	**4.67**	**4.73**	**5.25**	**5.59**	**5.92**

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
4	Interest on Working Capital	12.25%	12.25%	12.25%	12.25%	12.25%
5	**Interest on Working Capital (Rs. Cr.)**	**0.57**	**0.58**	**0.64**	**0.68**	**0.73**

Table 121: Interest on Working Capital – Retail Business approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Maintenance Spares - 1% of Opening Supply GFA	0.06	0.07	0.13	0.17	0.21
2	Expected Revenue from Retail Supply Charges - 2 Months	132.77	131.71	131.74	131.77	131.81
	Less:					
3	Power Purchase Cost - 1 Month	90.18	92.14	94.80	97.54	100.21
4	**Total Working Capital**	**42.65**	**39.64**	**37.07**	**34.40**	**31.80**
5	Interest on Working Capital	**12.25%**	**12.25%**	**12.25%**	**12.25%**	**12.25%**
6	**Interest on Working Capital**	**5.22**	**4.86**	**4.54**	**4.21**	**3.90**

Table 122: Net Interest on Working Capital approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	Maintenance Spares - 1% of Opening Supply GFA	0.63	0.73	1.31	1.68	2.05
2	Expected Revenue from Retail Supply Charges - 2 Months	136.87	135.78	135.81	135.85	135.88
	Less:					
3	Power Purchase Cost - 1 Month	89.95	91.78	94.30	96.90	99.45
4	**Total Working Capital**	**47.56**	**44.74**	**42.82**	**40.63**	**38.48**

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
5	Interest on Working Capital	**12.25%**	**12.25%**	**12.25%**	**12.25%**	**12.25%**
6	**Interest on Working Capital (Rs. Cr.)**	**5.83**	**5.48**	**5.25**	**4.98**	**4.71**

EXPENSE TOWARDS ENERGY SAVING & ELECTRICAL SAFETY INITIATIVES FOR CONSUMERS

Petitioner's Submission

8.115 Energy saving is an important aspect for the nation as it helps cut down wasteful usage of electricity and replacing inefficient equipment/ goods with more efficient ones. This is possible by creating awareness, facilitating buying of energy efficient equipment, assisting evaluation of technology and equipment.

8.116 Electrical safety is also one of the very important elements requiring focus. Because of low level of awareness on hazards related to electricity, several accidents are reported in the society. These accidents can be avoided by making users aware of the associated hazards of electricity through one-to-one interaction sessions, engaging with school children in school and planned engagement with customers' family in local community.

8.117 Petitioner plans to take initiatives to assist and engage with customers on energy efficiency and electrical safety by organizing training sessions, communication sessions, conferences, one to one interaction by volunteers, engaging experts to support industrial consumers.

8.118 Towards this an expenditure of approx. Rs. 0.60 Cr is proposed in each year of the control period.

Commission's Analysis

8.119 The Commission has examined the proposal of the Petitioner seeking approval of expenditure towards Energy Saving and Electrical Safety Initiatives for consumers amounting to Rs. 0.60 Crore per annum during the Control Period.

8.120 The Commission acknowledges the importance of promoting energy efficiency, consumer awareness, and electrical safety. However, the Commission observes that the Petitioner has not demonstrated any tangible benefits, measurable outcomes, or specific performance targets associated with the proposed expenditure. Further, no detailed implementation framework, cost-benefit analysis, or quantifiable energy-saving potential has been submitted for consideration.

8.121 The Commission also notes that the Petitioner has projected and claimed a relatively higher level of distribution losses during the Control Period. In such circumstances, the Commission is of the view that approval of separate expenditure towards energy-saving initiatives is not justified unless corresponding improvements in operational efficiency and reduction in distribution losses are demonstrably achieved.

8.122 The Commission observes that expenditures related to consumer awareness, training, outreach programs, and routine safety initiatives are generally expected to be managed within the normative Operation and Maintenance expenses approved under the Tariff Regulations. Therefore, allowing an additional expenditure under this head would impose an avoidable burden on consumers without adequate justification.

8.123 In view of the above, the Commission does not approve the proposed expenditure towards Energy Saving and Electrical Safety Initiatives for consumers for the Control Period. The Commission, however, directs the Petitioner to undertake necessary awareness and safety-related activities within the approved normative O&M expenses and demonstrate measurable reduction in distribution losses and improvement in operational efficiency before seeking consideration of such expenditure in future proceedings.

CGRF EXPENSE

Petitioner's Submission

8.124 CGRF expense has been projected by considering a normal increase of 10% year on year.

Table 123: CGRF expenses as submitted by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	CGRF Expenses	0.11	0.12	0.13	0.14	0.16

Commission's Analysis

8.125 The Commission approves the CGRF expenses as submitted by the petition for the control period from FY 2026-27 to FY 2030-31, which are as under:

Table 124: CGRF expenses as approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 (in Rs. Cr.)

Sr. No.	Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
1	CGRF Expenses	0.11	0.12	0.13	0.14	0.16

SUMMARY OF ARR COMPONENTS

8.126 The Commission has approved ARR for MYT Control Period from FY 2026-27 to FY 2030-31 vis-à-vis ARR submitted by the Petitioner as summarised below.

Table 125: ARR submitted by Petitioner and approved by the Commission for FY 2026-27 (Rs. Cr.)

S No.	Particulars	FY 2026-27	
		Petition	Approved
1	Power Purchase Cost Township	151.12	234.21
2	Total Power Purchase Expense including Steel Plant	790.75	1079.38
3	O&M Expenses (4+5+6)	24.28	23.89
4	*Employee cost*	12.54	12.54
5	*A&G Expense*	3.88	3.49
6	*R&M Cost*	7.86	7.86
7	Depreciation	3.09	2.88
8	Interest on Long Term Loan	2.71	2.35
9	Interest on Working Capital	8.74	5.83
10	Return on Equity	4.31	2.99
11	Energy efficiency & safety initiatives for customers	0.50	-
12	Total Expenditure including Steel Plant (2+3+7+8+9+10+11)	833.87	1117.31
13	**Net: Aggregate Revenue Requirement including Steel Plant (2+3+7+8+9+10+11)**	**833.87**	**1117.31**
14	Total Expenditure excluding steel plant (1+3+7+8+9+10+11)	194.74	272.15

Table 126: ARR submitted by Petitioner and approved by the Commission for FY 2027-28 (Rs. Cr.)

S No.	Particulars	FY 2027-28	
		Petition	Approved
1	Power Purchase Cost Township	148.47	224.72
2	Total Power Purchase Expense including Steel Plant	807.29	1101.34
3	O&M Expenses (4+5+6)	30.37	28.70
4	*Employee cost*	15.65	15.65
5	*A&G Expense*	4.04	3.64
6	*R&M Cost*	10.68	9.42
7	Depreciation	4.67	4.31
8	Interest on Long Term Loan	5.11	4.51
9	Interest on Working Capital	8.72	5.48
10	Return on Equity	6.63	4.51
11	Energy efficiency & safety initiatives for customers	0.55	-
12	**Total Expenditure including Steel Plant (2+3+7+8+9+10+11)**	**862.78**	**1148.85**
13	**Net: Aggregate Revenue Requirement including Steel Plant (2+3+7+8+9+10+11)**	**862.78**	**1148.85**
14	Total Expenditure excluding steel plant (1+3+7+8+9+10+11)	204.52	**272.23**

Table 127: ARR submitted by Petitioner and approved by the Commission for FY 2028-29 (Rs. Cr.)

S No.	Particulars	FY 2028-29	
		Petition	Approved
1	Power Purchase Cost Township	146.21	227.02
2	Total Power Purchase Expense including Steel Plant	824.78	1131.58
3	O&M Expenses (4+5+6)	40.73	39.36
4	*Employee cost*	18.25	18.25
5	*A&G Expense*	4.22	3.79
6	*R&M Cost*	18.27	17.33
7	Depreciation	6.67	6.32
8	Interest on Long Term Loan	8.06	7.51
9	Interest on Working Capital	8.61	5.25
10	Return on Equity	9.58	6.65
11	Energy efficiency & safety initiatives for customers	0.60	-
12	**Total Expenditure including Steel Plant (2+3+7+8+9+10+11)**	**898.44**	1196.67
13	**Net: Aggregate Revenue Requirement including Steel Plant (2+3+7+8+9+10+11)**	**898.44**	1196.67
14	Total Expenditure excluding steel plant (1+3+7+8+9+10+11)	220.46	292.11

Table 128: ARR submitted by Petitioner and approved by the Commission for FY 2029-30 (Rs. Cr.)

S No.	Particulars	FY 2029-30	
		Petition	Approved
1	Power Purchase Cost Township	144.29	229.46
2	Total Power Purchase Expense including Steel Plant	843.22	1162.77
3	O&M Expenses (4+5+6)	50.46	48.70
4	*Employee cost*	21.76	21.76
5	*A&G Expense*	4.40	3.95
6	*R&M Cost*	24.30	22.99
7	Depreciation	8.34	7.88
8	Interest on Long Term Loan	10.23	9.54
9	Interest on Working Capital	8.48	4.98
10	Return on Equity	12.03	8.32
11	Energy efficiency & safety initiatives for customers	0.65	
12	**Total Expenditure including Steel Plant (2+3+7+8+9+10+11)**	**932.76**	1242.19
13	**Net: Aggregate Revenue Requirement including Steel Plant (2+3+7+8+9+10+11)**	**932.76**	1242.19
14	Total Expenditure excluding steel plant (1+3+7+8+9+10+11)	234.48	308.88

Table 129: ARR submitted by Petitioner and approved by the Commission for FY 2030-31 (Rs. Cr.)

S No.	Particulars	FY 2030-31	
		Petition	Approved
1	Power Purchase Cost Township	142.68	229.59
2	Total Power Purchase Expense including Steel Plant	862.59	1193.39
3	O&M Expenses (4+5+6)	61.16	59.02
4	*Employee cost*	26.02	26.02
5	*A&G Expense*	4.59	4.12
6	*R&M Cost*	30.55	28.88
7	Depreciation	9.75	9.26
8	Interest on Long Term Loan	11.78	11.08
9	Interest on Working Capital	8.33	4.71
10	Return on Equity	14.12	9.79
11	Energy efficiency & safety initiatives for customers	0.70	
12	**Total Expenditure including Steel Plant (2+3+7+8+9+10+11)**	**967.72**	**1287.25**
13	**Net: Aggregate Revenue Requirement including Steel Plant (2+3+7+8+9+10+11)**	**967.72**	**1287.25**
14	Total Expenditure excluding steel plant (1+3+7+8+9+10+11)	248.52	323.44

REVENUE FROM SALE OF POWER AT APPLICABLE TARIFF FOR FY 2026-27

Petitioner's Submission

8.127 The petitioner has computed the revenue at existing tariff based on sales forecast for all category of consumers, there demand pattern, and two key changes that were done in recently notified regulation 2025.

8.128 In the new regulation, all consumers connected at 33 kV and 132 kV will get a rebate of 3% and 4% on energy charge and therefore, the revenue of the licensee will get negatively impacted to that extent. This impact has been considered while deriving the revenue at existing tariff.

Commission's Analysis

8.129 The total revenue from sale of power as approved by the Commission is summarized in the below table:

Table 130: Revenue from sale of Power at approved tariff as approved by the Commission for FY 2026-27 (Rs. Cr.)

S No.	Particulars	FY 2026-27
		Approved
1	Revenue from Sale of Power at Approved Tariff	919.43

REVENUE (SURPLUS)/GAP FOR THE CONTROL PERIOD

Petitioner's Submission

8.130 The Petitioner estimated the revenue gap for the Control Period based on the estimated ARR and revenue at existing tariff as per the table below:

Table 131: Revenue Gap/(Surplus) as submitted by the Petitioner and approved by the Commission (in Rs. Cr.)

S No.	Particulars	FY 2026-27	
		Petition	Approved
1	Approved ARR	833.87	1117.31
2	Revenue from sales at approved tariff		919.43
3	Revenue Gap/(Surplus)		197.88

CHAPTER 9: REVENUE GAP AND ITS TREATMENT

9. REVENUE GAP AND ITS TREATMENT

TREATMENT OF REVENUE GAP/(SURPLUS) FROM FY 2021-22 TILL FY 2026-27

Petitioner's Submission

9.1 The petitioner submit that The Hon'ble Commission has trued up the gap/surplus for FY 2021-22, FY 2022-23, FY 2023-24 in its earlier tariff orders issued on 22th February 2024, 20th August 2024, 22nd July 2025.

9.2 The opening Revenue Gap/ Surplus at the start of the 1st year i.e. FY2021-22 of control period was Rs -234.38 Cr.

9.3 The standalone revenue gap/(surplus) during the year FY2021-22, FY2022-23 and FY2023-24 as trued-up in respective orders of the Hon'ble Commission is as given below –

Table 132: Standalone revenue gap / surplus as per True-up orders (in Rs. Cr.)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
	Trued-up	Trued-up	Trued-up
Standalone Revenue Gap/(Surplus) for the year (in Rs. Cr.)	(29.84)	(73.95)	(60.85)

9.4 The Petitioner further submit that the expected revenue gap/(surplus) without considering the steel Plant for the true-up year FY2024-25 and APR year FY2025-26 as being filed in this petition is given below:

Table 133: Standalone revenue gap/surplus created/expected in FY 2024-25 and FY 2025-26 as submitted by the Petitioner (in Rs. Cr.)

Particulars	FY 2024-25	FY 2025-26
	Trued-up filed	APR filed
Standalone Revenue Gap/ (Surplus) excluding steel plant created / expected for the year (Rs Cr,)	101.22	173.56

9.5 The standalone revenue gap excluding steel plant for FY 2026-27 at existing tariff as estimated now is given below:

Table 134: Standalone revenue gap/surplus created in FY 2026-27 as submitted by the Petitioner (in Rs. Cr.)

Particulars	FY 2026-27
	ARR filed
Standalone Revenue Gap/ (Surplus) excluding steel plant created / expected for the year (Rs Cr,)	99.54

9.6 As per the provisions of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, carrying cost is calculated by considering the interest (MCLR+350 basis point).

> "The amount under-recovered or over-recovered, along with simple interest at the rate equal to Bank Rate as on April 01 of the respective year plus 350 basis points shall be carried forward to the Tariff approved for the subsequent years...."

9.7 The standalone revenue gap excluding steel plant at existing tariff for FY 2026-27 is expected to be Rs 99.54 Cr.

9.8 The petitioner herby submits that it will be extremely difficult to operate with such high level of revenue gap and sustain operations. For sustainable and reliable operations this revenue gap is required to be liquidated by appropriate tariff adjustments.

9.9 The petitioner therefore requests the Hon'ble Commission for tariff increase of 18%, which will liquidate the revenue gap.

Commission's Analysis

9.10 The Commission has examined the submissions of the Petitioner regarding the treatment of revenue gap/(surplus) from FY 2021-22 to FY 2026-27, including the trued-up revenue gap/(surplus), projected revenue gap, and carrying cost computations.

9.11 The Commission notes that the opening cumulative revenue surplus as on April 01, 2021 was Rs. 234.38 Crore. Further, as per the True-up Orders issued by the Commission for FY 2021-22, FY 2022-23 and FY 2023-24, the standalone revenue surplus approved for the respective years was Rs. 29.84 Crore, Rs. 73.95 Crore and Rs. 60.85 Crore. Accordingly, the cumulative revenue surplus position of the Petitioner increased during these years.

9.12 The Commission notes that the Petitioner has computed the cumulative revenue gap/(surplus) by considering the carrying cost on the opening revenue surplus as well as on the annual revenue gap/(surplus) based on the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. The standalone revenue for the FY 2024-25, FY 2025-26 & FY 2026-27 approved by the Commission are as follows:

Table 135: Standalone revenue gap/surplus including steel plant created/expected in FY 2024-25, FY 2025-26 and FY 2026-27 as approved by the Commission (in Rs. Cr.)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27
	Trued-up	APR	ARR
Standalone Revenue Gap/ (Surplus) including steel plant created / expected for the year (Rs Cr,)	(60.18)	(58.04)	197.88

9.13 The Commission observes that Regulation pertaining to treatment of revenue gap/(surplus) provides for carrying forward of under-recovery or over-recovery along with applicable carrying cost for adjustment in subsequent tariff determination. However, the admissibility of revenue gap/(surplus) and corresponding carrying cost shall be based on the revenue gap/(surplus) approved by the Commission after prudence check and not merely on the figures submitted by the Petitioner.

9.14 Accordingly, the Commission has recalculated the cumulative revenue gap/(surplus) and carrying cost based on the ARR, revenue and other parameters approved in this Order. The approved revenue gap/(surplus) along with the admissible carrying cost shall be carried forward and adjusted in accordance with the provisions of the applicable Tariff Regulations. The detailed computation of the approved cumulative revenue gap/(surplus) is provided as under:

Table 136: Cumulative Revenue Gap as approved by the Commission till FY 2026-27 (in Rs. Cr.)

Particulars (All figures in Rs. Cr.)	Formula	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY 2026-27
		Trued-up	Trued-up	Trued-up	True up being filed	APR being filed	ARR being filed
Opening Revenue Gap / (Surplus) as on 1 April of FY	A	-234.38	-290.40	-401.01	-513.63	-639.88	-779.19
Revenue Gap/ (Surplus) created during the year	B	-29.84	-73.95	-60.85	-60.18	-58.04	197.88
Total Gap/(Surplus)	C=A+B	**-264.22**	**-364.35**	**-461.86**	**-573.81**	**-697.92**	**-581.31**
Computation of Carrying Cost							
Rate of Interest	D	10.50%	11.20%	12.00%	12.15%	12.15%	12.15%
Carrying Cost on Opening Gap/ (Surplus)	E=A*D	-24.61	-32.52	-48.12	-62.41	-77.75	-94.67
Carrying cost on Gap/(Surplus) created during the FY	F=B*D/2	-1.57	-4.14	-3.65	-3.66	-3.53	0.00
Total Carrying Cost for FY	G=E+F	-26.18	-36.67	-51.77	-66.06	-81.27	-94.67
Total Gap/(Surplus) including carrying cost till FY 2026-27	H=C+G	**-290.40**	**-401.01**	**-513.63**	**-639.88**	**-779.19**	**-675.98**

9.15 The Commission observed that Petitioner file the petition after the expire of due date of filling and according to the para 7.4 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, no carrying cost on the duration of delay shall be allowed on unrecovered gap if the Licensee fails to submit the Petitions as per the timelines stipulated in Section A 24.

9.16 Accordingly, the Commission, based on the approved True-up for FY 2024-25, Annual Performance Review (APR) for FY 2025-26, and Aggregate Revenue Requirement (ARR) for FY 2026-27, has worked out the cumulative revenue gap/(surplus) position along with the admissible carrying cost in accordance with the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. The Commission observes that, after adjustment of the approved revenue gap/(surplus) for the aforesaid years and considering the applicable carrying cost, a cumulative revenue surplus of Rs. 675.98

Crore is available as on the end of FY 2026-27. Therefore, the Commission is of the view that the Petitioner has adequate surplus available for adjustment against future revenue requirements. The approved surplus shall be carried forward and treated in accordance with the provisions of the applicable Tariff Regulations.

CHAPTER 10: OPEN ACCESS CHARGES FOR FY 2026-27

10. OPEN ACCESS CHARGES FOR FY 2026-27

10.1 As per the provisions of Electricity Act 2003 the distribution licensees are mandated to provide the open access to consumers. Nationwide, the present tariff structure has cross subsidization mechanism whereby the tariff for some category of consumers is lower than cost of supply to them.

10.2 Section 2 (47) of the Electricity Act 2003 defines 'Open Access', the relevant extract of the same is reproduced as below:

"(47) "open access" means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Appropriate Commission;"

10.3 Further, Section 42 of the Electricity Act 2003 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. And the powers have been given to State Commission for specifying such charges. The relevant extract is reproduced as below:

"*Section 42*

………..

(2) 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:"

10.4 Further, Section 86 of electricity act 2003, 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;"

10.5 As per clause 2.2 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, the Commission shall determine wheeling tariff, cross-subsidy surcharge, additional surcharge and other Open Access (OA) related charges. The relevant extract of the Regulations has been reproduced below:

" *2.2*

…………

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

10.6 The Petitioner has submitted its proposal for the determination of Wheeling Charge, Cross Subsidy Surcharge and Additional Surcharge for FY 2026-27. The following Sections summarize the Petitioner's submission and Commission's analysis thereof:

WHEELING CHARGES

Petitioner's Submission

10.7 The Petitioner submitted that it had provided the allocation ratio for Wheeling & Retail Supply business in line with Regulation 6.8 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. Accordingly, the allocation for wire and supply business for each ARR component for FY 2026-27 is discussed in this Petition. The wheeling charges calculated by the petitioner as follows:

Table 137: Wheeling Charges as proposed by Petitioner for FY 2026-27

Voltage Level	Estimated sales for FY 2026-27	Energy Handled	Energy Ratio	Voltage wise assets	Voltage wise asset ratio	Voltage wise cost	Cost stacking	Voltage level wise cost	Wheeling charge per kWh
	MUs	MUs		Rs. Cr.		Rs. Cr.	Rs. Cr.	Rs./kWh	Rs./kWh
415 V/ 220 V	156.53	156.53	10%	52.17	11.78%	8.71	9.84	0.63	1.06
11kV	1452.69	1609.22	90%	321.02	72.50%	53.59	64.07	0.44	0.44
132 kV	0.00		0%	61.98	14.00%	10.35			
Common	0.00		0%	7.60	1.72%	1.27			
Total	1609.22		100%	442.77	100.00%	73.91	73.91		

Commission's Analysis

10.8 The Commission has outlined the 'clause 6.5 to Clause 6.8' of the Distribution Tariff Regulations, 2025 for approval of segregation of ARR into Wheeling and Retail ARR as reproduced below:

> *"6.5 The Licensee shall segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business.*
>
> *6.6 The ARR for Wheeling Business shall be used to determine Wheeling Tariff and the ARR for Retail Supply Business shall be used to determine Retail Supply Tariff.*
>
> *6.7 For such period until accounts are segregated, the Licensee shall prepare an Allocation Statement to apportion costs and revenues to respective business. The Allocation Statement, approved by the Board of Directors of the Licensee, shall be accompanied with an explanation of the basis and methodology used for segregation, which should be consistent over the Control Period.*
>
> *6.8 In case clear and reasoned methodology for allocation is not submitted by the Distribution Licensee, the Commission may consider the segregation as approved for the previous Control Period as specified below or may decide on the manner in which such allocation can be done;"*

10.9 Further, in absence of segregated accounts, the Petitioner is required to submit an allocation statement duly approved by the Board of Directors accompanied with an explanation of the basis and methodology used for segregation as stipulated in provision of JSERC Distribution Tariff Regulation 2025.

10.10 The Commission observes that no such segregation has been submitted by the Petitioner. Therefore, the Commission in absence of voltage wise assets segregation, deem fit to consider the voltage wise ratio of assets as per the sales ratio approved by the Commission.

10.11 Further, the Commission observes that the Petitioner has submitted the voltage-wise asset details amounting to Rs. 442.77 Crore, as reflected in the table above. However, the same is not consistent with the Gross Fixed Assets (GFA) of Rs. 62.14 Crore furnished in the Petition and discussed in the preceding chapters of this Order. The Commission considered the same as approved in this Order.

10.12 Based on above discussion the Commission approves the segregation of ARR into Wheeling (wire) and Retail (supply) Business for FY 2026-27 is tabulated hereunder:

Table 138: Segregation of ARR and Wheeling Charges as proposed by the Commission for FY 2026-27

Particulars	Share of Wheeling Business	Share of Retail Business	Wheeling Business ARR	Retail Business ARR	ARR
	%	%	Rs. Cr.	Rs. Cr.	Rs. Cr.
Power Purchase Cost	0%	100%	0.00	1079.38	1079.38
Net O&M Expenses			16.35	7.55	23.89
Employee Expenses	60%	40%	7.52	5.02	12.54
A&G Expenses	50%	50%	1.75	1.75	3.49
R&M Expenses	90%	10%	7.08	0.79	7.86
Petition Filing Charges & CGRF Expenses	50%	50%	0.00	0.00	0.00
Less: Sharing of Gain					0.00
Interest on Loan	90%	10%	2.11	0.23	2.35
Interest on Working Capital	10%	90%	0.58	5.24	5.83
Financing Cost of DPS FY	10%	90%	0.00	0.00	0.00
Interest on Security Deposit	0%	100%	0.00	0.00	0.00
Depreciation	90%	10%	2.59	0.29	2.88
Return on Equity	90%	10%	2.69	0.30	2.99
Gross Aggregate Requirement			**24.32**	**1092.99**	**1117.31**
Less: Non-Tariff Income	10%	90%	0.00	0.00	0.00
Aggregate Revenue Requirement			**24.32**	**1092.99**	**1117.31**

10.13 The Voltage-wise Wheeling Charges for FY 2026-27 as approved by the Commission has been tabulated below:

Table 139: Wheeling Charges as approved by the Commission for FY 2026-27

Voltage Level	Estimated sales for FY 2026-27	Energy Handled	Energy Ratio	Voltage wise assets	Voltage wise asset ratio	Voltage wise cost	Cost stacking	Voltage level wise cost	Wheeling charge per kWh
	MUs	MUs		Rs. Cr.		Rs. Cr.	Rs. Cr.	Rs./kWh	Rs./kWh
415 V/ 220 V	154.82	154.82	10%	5.98	9.63%	2.34	2.34	0.15	**0.45**
11kV	38.14	192.97	2%	1.47	2.37%	0.58	0.58	0.15	**0.30**
132 kV	1415.28	1608.25	88%	54.68	88.00%	21.40	21.40	0.15	**0.15**
Common	0.00		0%	0.00	0.00%	0.00			
Total	1608.25		100%	62.14	14.03%	24.32	24.32		

CROSS SUBSIDY SURCHARGE (CSS)

Petitioner's Submission

10.14 The Petitioner has determined the Cross-Subsidy Surcharge (CSS) as per the methodology outlined in National Tariff Policy 2016. Further, the Petitioner has submitted that the methodology keeps the interest of distribution companies as well as consumers in mind while determining a mathematical formula, thus ensuring the competition in electricity through open access is not constrained.

10.15 The Petitioner has submitted the calculations of Cross Subsidy Surcharge (CSS) for its consumers considering the proposed tariff, as indicated in the following table:

Table 140: Cross Subsidy Surcharges as proposed by Petitioner for FY 2026-27

Consumer Categories	Voltage Level	Tariff Payable ABR FY 2026-27 (Rs/kWh)	Power Purchase Cost FY 2026-27 (Rs/kWh)	System losses for applicable voltage FY2026-27 (%)	Wheeling Charges FY2026-27 (Rs/kWh)	Per unit cost of carrying Regulatory assets	Cross Subsidy Surcharge for FY2026-27 (Rs/kWh)
		T	C	L	D	R	
Domestic	LT & HT	3.55	4.52	12.50%	1.06	0.00	
Commercial	LT	6.53	4.52	12.50%	1.06	0.00	
HT	11 kV HT	6.32	4.52	3.30%	0.44	0.00	1.35
	132 kV HT	6.32	4.52	2.00%	0.44	0.00	1.35
LTIS	LT	7.83	4.52	12.50%	1.06	0.00	

Commission's Analysis

10.16 The Commission has outlined the 'clause 21.5' of JSERC (Terms and Conditions for Intra-State Open Access) Regulations, 2016, and 'clause 10.62' of JSERC Distribution Tariff Regulation 2025 while approving the Cross-Subsidy Surcharge (CSS) for approval of cross subsidy surcharge:

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

"10.62 The surcharge payable by consumers opting for open access on the network of the Licensee will be determined by the Commission as per the following 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."

10.17 The Commission observed that Petitioner has considered the power purchase cost "C" in the submission as Rs. 4.52 per kWh, which is based on the tariff approved for Damodar Valley Corporation (DVC) in its previous Tariff Order. However, applicable Tariff of DVC is revised vide Tariff Order dated 30.03.2026. Therefore, the Commission considered the revised tariff of DVC for the calculation of power purchase cost and the same is considered for calculation of CSS.

10.18 Further, the Commission has considered the Distribution losses of 15% as approved in the previous chapter for calculation of CSS.

10.19 Accordingly, the CSS approved by the Commission for FY 2026-27 is summarized below:

Table 141: Cross Subsidy Surcharges (CSS) as Approved by the Commission for FY 2026-27

Consumer Categories	Voltage Level	Tariff Payable ABR FY 2026-27 (Rs./kWh)	Power Purchase Cost FY 2026-27 (Rs./kWh)	System losses for applicable voltage FY2026-27 (%)	Wheeling Charges FY2026-27 (Rs/kWh)	Per unit cost of carrying Regulatory assets	CSS Approved for FY2026-27 (Rs./kWh)
		T	C	L	D	R	
HT	11 kV HT	7.59	6.59	15.00%	0.30	0.00	**0.69**
	132 kV HT	7.59	6.59	0.00%	0.15	0.00	**0.85**

CHAPTER 11: APPROVED RETAIL TARIFF FOR FY 2026-27

11. APPROVED RETAIL TARIFF FOR FY 2026-27

Petitioner's Submission

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

Table 142: Summary of Existing Tariff and Proposed Tariff submitted by Petitioner for FY 2026-27

Consumer Category	Existing component of Tariff (2025-26)		Proposed component of Tariff (2026-27)	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
LT Consumers:				
	(Rs/Conn./Month)	(Rs/kWh)	(Rs/Conn./Month)	(Rs/kWh)
Domestic Services - (DS-LT)	80.00	3.30	100.00	3.75
	(Rs/KW/Month)	(Rs/kWh)	(Rs/KW/Month)	(Rs/kWh)
Commercial Services (CS)	125.00	5.70	150.00	6.45
HT/LT - Street Light	50.00	4.50	60.00	5.10
HT Consumers:				
	(Rs/KVA/Month)	(Rs/kVAh)	(Rs/KVA/Month)	(Rs/kVAh)
Domestic Services – (DS-HT)	75.00	2.85	90.00	3.25
Low Tension Industrial Services (LTIS)	150.00	4.60	170.00	5.20
HTS-11 KV	300.00	5.05	340.00	5.80
RTS, MES & Other Distribution Licensees	300.00	5.05	340.00	5.75
HP Consumers				
	(Rs/HP/Month)	(Rs/HP)	(Rs/HP/Month)	(Rs/HP)
Irrigation & Agriculture Service	40.00	4.50	50.00	5.10

Commission's Analysis

11.2 The Commission observes that Damodar Valley Corporation (DVC) continues to be the sole source of power supply for the Petitioner. The Commission further notes that the tariff of DVC for FY 2026-27 has already been determined by the Commission vide Tariff Order dated 30.03.2026 in Case (Tariff) No. 12 of 2025. In the said Order, the Commission approved the tariff applicable to DVC, which has a direct bearing on the power procurement cost of the Petitioner.

11.3 The Commission observes that the average power purchase cost of DVC, being the sole source of power procurement for the Petitioner, works out to Rs. 6.59/kWh, which is substantially higher than the average tariff presently realized by the Petitioner from its consumers. The Commission further notes that the projected revenue gap of Rs. 198.68 Crore for FY 2026-27 is proposed to be met through adjustment of the surplus available from previous years. While such adjustment provides temporary relief to consumers, the Commission is of the considered view that continued reliance on past surplus is not a sustainable approach for ensuring the long-term financial viability of the utility.

11.4 The Commission's analysis indicates that once the accumulated surplus is exhausted, the higher power purchase cost payable to DVC would result in a significant revenue shortfall, thereby necessitating a substantial tariff increase in future years. Such deferred recovery is likely to lead to tariff shock for consumers. At the same time, non-recovery of prudent costs would adversely impact the liquidity position of the Petitioner and constrain its ability to undertake the capital expenditure and network strengthening works approved by the Commission for improving reliability, reducing losses, and enhancing consumer services.

11.5 Accordingly, balancing the interests of consumers and the financial sustainability of the utility, the Commission considers it prudent to provide for a 13% increase in tariff for FY 2026-27. The Commission is of the view that the proposed tariff revision will facilitate gradual recovery of rising power procurement costs, mitigate the risk of a larger tariff shock in subsequent years, and ensure adequate cash flow for the Petitioner to meet its operational obligations and fund the approved capital investment programme. The Commission, therefore, approves the tariff revision for FY 2026-27 as detailed in the subsequent sections of this Order.

11.6 Based on the above discussions, the summary of Tariff approved by the Commission for FY 2026-27 is as below:

Table 143: Summary of Existing and Approved Tariff for FY 2026-27

Consumer Category	Existing		Approved	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
LT Consumers:				
	(Rs/Conn./Month)	(Rs/kWh)	(Rs/Conn./Month)	(Rs/kWh)
Domestic Services - (DS-LT)	80.00	3.30	90.00	3.75
	(Rs/KW/Month)	(Rs/kWh)	(Rs/KW/Month)	(Rs/kWh)
Commercial Services (CS)	125.00	5.70	140.00	6.40
HT/LT - Street Light	50.00	4.50	60.00	5.00
HT Consumers:				
	(Rs/KVA/Month)	(Rs/kVAh)	(Rs/KVA/Month)	(Rs/kVAh)
Domestic Services – (DS-HT)	75.00	2.85	85.00	3.20
Low Tension Industrial Services (LTIS)	150.00	4.60	165.00	5.10
HTS-11 KV	300.00	5.05	340.00	5.75
RTS, MES & Other Distribution Licensees	300.00	5.05	340.00	5.75
HP Consumers				
	(Rs/HP/Month)	(Rs/HP)	(Rs/HP/Month)	(Rs/HP)
Irrigation & Agriculture Service	40.00	4.50	40.00	4.50

CHAPTER 12: TARIFF SCHEDULE FOR FY 2026-27

12. TARIFF SCHEDULE FOR FY 2026-27

This Tariff Schedule shall be applicable with effect from 1st October, 2026 across the various Consumer categories.

Consumer Tariff

Ceiling Tariff

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

Domestic Service – LT

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., including motor pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

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

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

Category of Services:

Domestic Service - LT: For Urban areas covered by notified Area Committee / municipality / Municipal Corporation / All District Town / All sub-divisional Town / All Block Headquarters /Industrial Area / contiguous sub-urban area/ all marketplaces (urban) including rural drinking water schemes.

Service Character:

For LT: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
DS-LT	Rs./Conn./month	90.00	3.75

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

Prompt Payment Rebate: In accordance with '*Clause VIII: Prompt Payment Rebate*" of Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

Domestic Service-HT

Applicability:

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

Category of Services:

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

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
DS-HT	Rs./kVA/month	85.00	3.20

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

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

Prompt Payment Rebate: In accordance with *'Clause VIII*: Prompt Payment Rebate' of Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

Commercial Service (CS)

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-storeyed commercial office/buildings, Dharmshalas, public Electric Vehicles Charging stations and such other installations not covered under any other tariff schedule whose Contracted Demand is 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 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.

Category of Services:

Commercial Service: This Schedule shall apply for areas covered by Notified Areas Committee /municipality / Municipal Corporation / All District Town / All Sub-divisional Town / All Block Headquarters /Industrial Area & Contiguous Sub-urban area, urban market place.

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
CS	Rs./kW/month	140.00	6.40

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

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

Installation of Shunt Capacitors: In accordance with *'Clause VI: Installation of Shunt Capacitors'* of Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

Prompt Payment Rebate: In accordance with *'Clause VIII: Prompt Payment Rebate'* of Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

Irrigation & Agriculture Service (IAS)

Applicability:

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

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
IAS	Rs./HP/month	40.00	4.50

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

Prompt Payment Rebate: In accordance with *'Clause VIII: Prompt Payment Rebate'* of Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

Low Tension Industrial Service (LTIS)

Applicability:

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

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
LTIS	Rs./kVA/month	165.00	5.10

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

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

Installation of Shunt Capacitors: In accordance with *'Clause VI: Installation of Shunt Capacitors'* of Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

Prompt Payment Rebate: In accordance with *'Clause VIII: Prompt Payment Rebate'* of Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

High Tension Service (HTS)

Applicability:

High Tension Service (HTS): This schedule shall apply to all consumers drawing power at voltage level at 6.6 kV and above except Domestic-HT consumers and HT-Institutional Consumers.

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HTS	Rs./kVA/month	340.00	5.75

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

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

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

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

Prompt Payment Rebate: In accordance with *'Clause VIII: Prompt Payment Rebate'* of Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

TOD Tariff: In accordance with *'Clause VII: ToD Tariff'* as provided in Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

Streetlight Service (SS)

Applicability:

Streetlight 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 that the number of lamps served from a point of supply is not less than 5.

Service Character:

Streetlight Service (SS): AC, 50 Cycles, Single phase at 230 Volts or Three phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
Streetlight Service	Rs./kW/month	60.00	5.00

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

Prompt Payment Rebate: In accordance with *'Clause VIII: Prompt Payment Rebate'* of Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

High Tension Institutional Service (HTIS)

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

Applicability:

Railway Traction Services (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 utilized in industrial units owned by it or its parent or affiliate company.

Service Character:

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

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

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HT Institutional Service	Rs./kVA/month	340.00	5.75

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

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

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

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

Prompt Payment Rebate: In accordance with *'Clause VIII: Prompt Payment Rebate'* of Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

TOD Tariff: In accordance with *'Clause VII: ToD Tariff'* as provided in Terms & Conditions of Supply as provided in **Chapter 13** of this Tariff Order.

RPO Compliance: RPO Compliance for Sale to Other Licensees, RTS and MES shall be made by the first Licensee which sells the power. viz., in case SAIL buys power from Discom-1, which in turn has procured such quantum of power from Discom-2, then, the onus to comply with RPO will be with Discom 2 only.

Temporary Connections

Applicability:

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

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

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

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

Tariff:

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

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

The Commission had notified the JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) Regulations, 2015, on November 10, 2015, and further notified its 1st amendment as JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) (1st Amendment) Regulations, 2019. The Tariff for sale of surplus power by Gross/Net metering of Rooftop Solar PV for FY 2026-27 for such eligible consumers of the Petitioner shall be as under:

Gross Metering: Rs. 4.16/kWh

Net Metering: Rs. 3.80/kWh

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

Schedule of Miscellaneous Charges

Sl. No.	Purpose	Scale of Charges	Manner in which payment will be realized
1.	**Application Fee**		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
2.	**Revision of Estimate on Consumer Request based on Revision in Original Application**		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
3.	**Testing of consumers Installation** (1)		
	LT Supply	Rs. 100	Payable with Energy Bill
	HT Supply	Rs. 500	
4.	**Meter test when accuracy disputed by consumer** (2)		
	Single phase/Three Phase	Rs. 100	Payable with Energy Bill
	Tri vector/ special type meter, HT, EHT Metering Equipment	Rs. 1000	
5.	**Removing/ Refixing of meter/ Changing of Meter or Meter Equipment/Fixing of Sub Meter on the request of the Consumer/Fixing of Sub Meter Resealing of Meter when seals are found broken**		
	Single phase/Three Phase	Rs. 200	Payable with Energy Bill
	Tri vector/ special type meter, HT, EHT Metering Equipment	Rs. 1000	
6.	**Fuse call – Replacement**		
	Consumer Fuse	Rs. 100	Payable with Energy Bill
7.	**Disconnection/Reconnection**		
	LT Connection	Rs. 200	Payable in advance along with the Consumer request. In case the same consumer is reconnected or disconnected within 12 months, 50% will be charged extra
	HT Connection	Rs. 1500	

Sl. No.	Purpose	Scale of Charges	Manner in which payment will be realized
8.	**Replacement of meter card, if lost or damaged by Consumer**	Rs. 100	Payable with Energy Bill
9.	**Security Deposit**	As per the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time	
10.	**Replacement of Brunt Meter**	Cost of Meter	Payable with Energy Bill
11.	**Transformer Rent (3)**		
	Upto 200 kVA	Rs. 5,500/Month	Payable with Energy Bill
	Above 200 kVA	Rs. 7,500/Month	

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

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

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

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

CHAPTER 13: TERMS AND CONDITIONS OF SUPPLY

13. TERMS AND CONDITIONS OF SUPPLY

Clause I: Penalty for exceeding Billing/Contract Demand

In case the Recorded/Actual Demand exceeds 110% of the Contract Demand, the consumer shall pay penal charges. The penal charges would be charged as follows:

If the Recorded Demand exceeds 110% of Contract Demand, then the Demand Charge up to Contract Demand will be charged as per the normal Tariff rate. The remaining Recorded Demand over and above the Contract Demand will be charged at 1.5 times the normal Tariff rate.

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

Clause II: Jharkhand Electricity Duty

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

Clause III: Delayed Payment Surcharge

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

Clause IV: Voltage Rebate

The Commission is considered view that providing a higher voltage rebate for supply at higher voltage levels is technically and economically justified. Consumers availing supply at higher voltages draw power closer to the transmission system, thereby reducing the burden on the distribution network and associated transformation stages. Supply at higher voltage levels results in lower I^2R losses, reduced current flow for the same quantum of power, improved voltage profile, and better overall system efficiency. Consequently, such consumers impose comparatively lower costs on the distribution infrastructure and contribute to optimisation of network investments.

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	3.00%
HTS/HT Institutional - 132 kV	5.00%

** Note:*

1) *It is clarified that, if a consumer who is eligible to get supply at 11kV as per classification as mentioned in Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and then the consumer opts for connection at 33kV then consumer shall be eligible for voltage rebate of 3%. Similarly, if a consumer who is eligible to get supply at 33kV as per Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and opts for connection at 132kV then consumer shall be eligible for voltage rebate of 5%. Further, no voltage rebate shall be applicable above voltage level of 132 kV. It is further clarified that the existing consumers at 11kV and 33kV opts for higher voltage, rebate shall be applicable for such consumers.*
2) *The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.*

Clause V: Load Factor Rebate

The Load factor rebate shall be allowed to all the consumers whose load factor exceeds 65%. For any ‘X’ % increase in the load factor over and above 65%, the rebate shall be allowed at the rate of ‘X’ % on the total energy charges corresponding to total energy consumption of the consumer subject to a maximum ceiling rebate of 15%.

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

Load Factor Rebate - Load Factor Rebate incentivises energy consumption by customers and it leads to better capacity utilisation of infrastructure to DVC and reduced losses. High load factor of consumers reduces the *transmission losses and consequently power purchase cost. Higher load factor also reduces the transformer losses.*

Clause VI: Installation of Shunt Capacitors

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

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

Clause VII: ToD Tariff

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

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

Clause VIII: Prompt Payment Rebate

The due date for making payment of energy bills or other charges shall be as specified in Clauses 10.1.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

Prompt Payment Rebate shall be allowed for payment of bills by the Consumers in accordance with Clauses 10.76 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time.

Further no rebate shall be allowed after due date, irrespective of the mode of payment.

Clause IX: Rebate for Prepaid Metering

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

Clause X: Rebate for Delayed Billing

The Commission has introduced rebate in case of delayed billing to consumers to promote prompt billing by the Licensees. In case the bill is not received for two continuous billing cycles, a rebate at the rate of 1.00% on the bill amount per month for delay beyond two months or part thereof shall be applicable subject to a ceiling of 3%. The Utility shall not be eligible to claim such Rebate as a part of ARR. The same shall be treated as a Compensation for the consumers out of the RoE of the Licensee. This clause shall be applicable for all consumers.

Clause XI: Other Terms and Conditions

Reduction in Fixed Charges

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

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

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

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

Point of Supply

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

Dishonoured Cheques

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

Stopped/Defective Meters

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

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

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

Sale of Energy

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

Release of New Connections

No new connections shall be provided without appropriate meter.

Conversion Factors

The following shall be the conversion factors, as and where applicable: (PF=0.90):
1 kiloWatt (kW) = 1.176 kiloVolt Ampere (kVA)
1 kiloWatt (kW) = 1/0.746 Horse Power (HP)
1 Horse Power (1 HP) = 0.878 kiloVolt Ampere (kVA)

Fuel & Power Purchase Cost Adjustment (FPPCA)

The Licensee is exempt from Fuel & Power Purchase Cost Adjustment (FPPCA) as it is procuring power in consumer mode from Damodar Valley Corporation (DVC).

Single Part Tariff applicable for public EV charging stations

The Commission approves the Single Part Tariff equal to the Average Cost of Supply (ACoS) as approved by this Commission which shall be applicable for public EV charging stations operating in the supply area of Damodar Valley Corporation in the State of Jharkhand till further orders.

CHAPTER 14: STATUS OF EARLIER DIRECTIVES

14. STATUS OF EARLIER DIRECTIVES

14.1 The Commission has time and again issued various directives in order to improve the functioning of the Petitioner. The Commission notes with concern the continued non-compliance by the Petitioner with some of the directives of the Commission. The Commission directs the Petitioner to comply with the directives with utmost sincerity failing which penal action may be taken.

Directives	Petitioner's Submission / Status	Views of the Commission
Segregation of Accounts of the Electricity Distribution Business and Audit of Accounts:		
The Petitioner is directed to undertake an exercise for full and final segregation of accounts and get it certified.	SAIL has an integrated Steel Production Business, and the Company has been incorporated under the Companies Act. It prepares the Audited Annual Accounts as a statutory requirement since inception. Further, the licensed Electricity Distribution Business i.e., SAIL- BSL is a part of this overall integrated Steel Production business. The standalone audited accounts submitted by SAIL-BSL include all the details of revenues, costs, assets, liabilities, reserves, and provisions pertaining to SAIL-BSL electricity distribution business only. SAIL-BSL submits that the majority of expenses for distribution business has been booked on actual basis as incurred for the electricity distribution segment. As directed by the Commission, SAIL-BSL has prepared accounts for its Electricity Business duly certified by the statutory auditors while claiming truing up of completed years. The copy of the Audited Accounts is enclosed as Annexure 2 of this Petition. Further, SAIL-BSL has requested for approval from the management of SAIL for Segregation of Accounts of the Electricity Distribution Business and Audit of Accounts, and the proposal is in under consideration by the SAIL-Management. SAIL, as a distribution business, there is no separate company. Township has been developed by SAIL for their employees.	The Commission notes the submissions made by the Petitioner regarding preparation of separate audited accounts for the electricity distribution business. However, full segregation of accounts remains a critical regulatory requirement for ensuring transparency, accurate determination of cost of supply, and prudent tariff determination. The Petitioner is directed to expedite the process of complete segregation of accounts and submit a fully segregated and independently auditable account structure for the licensed distribution business within a time-bound manner. The Commission shall review the progress in the subsequent tariff proceedings.

Directives	Petitioner's Submission / Status	Views of the Commission
Employee Details		
The Petitioner is directed to maintain and submit to the Commission separate lists of all the employees who are partially and wholly engaged in the electricity distribution business, along with their role and responsibility and salary drawn during the past financial year as on March 31, 2021 with the next tariff petition.	As directed by the Hon'ble Commission, SAIL-BSL has submitted the total employee expense pertaining to electricity distribution business duly certified by the Auditor in the Audited Accounts is enclosed as Annexure 2 of this Petition. Further, SAIL-BSL is in preparation of providing detailed breakup of all its employee (TA Electrical) and their expense for FY 2023-24 duly verified and audited by a Chartered Accountant and same shall be submitted during the Regulatory proceedings of the current Petition.	The Commission observes that detailed employee-wise allocation and expenditure pertaining to the distribution business is essential for proper assessment of employee expenses and benchmarking of operational efficiency. The Petitioner is directed to maintain and submit comprehensive employee details, including designation-wise deployment and cost allocation methodology, duly certified by the statutory auditor in future filings.
Maintenance of Fixed Asset Register		
Maintenance of Fixed Asset Register	As per the directive of the Commission, SAIL-BSL has prepared the Fixed Assets Register for the township which encompasses all the assets of SAIL-BSL pertains to electricity distribution business with certain allocation matrix. The copy of the Audited Accounts is enclosed as Annexure 2 of this Petition. The petitioner hereby appraises Hon'ble Commission that it has started the process of hiring external Consultants to prepare FAR.	The Commission appreciates the steps initiated by the Petitioner towards preparation of a Fixed Asset Register. Further, Petitioner is directed to complete the FAR expeditiously and ensure that the same is updated regularly, asset-wise and location-wise, duly reconcilable with the audited accounts. Compliance status shall be submitted in the next tariff petition.
Cost of supply		
The Commission directs the Petitioner to conduct a CoS study for each category of consumers and submit it to the Commission along with the next Tariff Petition.	In order to calculate losses at various voltage levels to determine the category wise cost of supply, SAIL-BSL has taken an initiative to install smart meters and CT/PT sets at strategic points within substation network. The Smart meter initiative is under the advance stage of technical specification finalisation. Further, upon technical specification finalisation, the Stage I approval of the scheme shall happen. Accordingly,	The Commission has taken a note on the compliance of the Petitioner. The Petitioner is directed to prepare a detailed roadmap with timelines for undertaking these studies and submit the same before the next tariff filing.

Directives	Petitioner's Submission / Status	Views of the Commission
	SAIL-BSL will be in a position to calculate the category wise cost of supply only after installation of such CTs /PTs and smart meters. SAIL-BSL acknowledge the directive of Hon'ble Commission for submission of detailed plan for the cost of study. However, SAIL BSL humbly submits that the cost of supply study can only be done upon implementation of Smart meter initiative.	
Energy Audit & T&D Loss Reduction Plan		
The Commission directs the Petitioner to conduct Energy Audit & prepare T&D loss Reduction Plan.	SAIL-BSL acknowledges the directive of Hon'ble Commission and notes that a detailed feeder wise the energy audit is required to assess the high loss pockets and feeder wise/cluster wise loss reduction. However, before initiation of energy audit for the township, the installation of feeder level energy meters is necessary. Furthermore, in this regard SAIL-BSL is planning to install smart meters on each of the feeders Substation as envisaged in the measures undertaken for the loss reduction plan. The Smart meter initiative is under the advance stage of technical specification finalisation. Further, upon technical specification finalisation, the Stage I approval of the scheme shall happen. SAIL-BSL requests the Commission to allow them to submit the detailed plan regarding energy audit in upcoming years upon finalisation of Smart meter scheme.	The Commission directs the Petitioner to implement feeder-wise energy accounting and submit a comprehensive loss reduction action plan, indicating specific targets, timelines, capital investments, and expected outcomes.
Voltage-wise Cost of Supply		
The Commission directs the Petitioner to carry out a detailed technical study on voltage wise losses on Distribution network and furnish a report along with the next Tariff Petition.	In order to calculate losses at various voltage levels to determine the category wise cost of supply, SAIL-BSL has taken an initiative to install smart meters and CT/PT sets at strategic points within substation network. The Smart meter initiative is under the advance stage of	The Commission has taken a note on the compliance of the Petitioner.

Directives	Petitioner's Submission / Status	Views of the Commission
	technical specification finalisation. Further, upon technical specification finalisation, the Stage I approval of the scheme shall happen. Accordingly, SAIL-BSL will be in a position to calculate the category wise cost of supply only after installation of such CTs /PTs and smart meters. SAIL-BSL acknowledge the directive of Hon'ble Commission for submission of detailed plan for the cost of study. However, SAIL BSL humbly submits that the cost of supply study can only be done upon implementation of Smart meter initiative. SAIL-BSL requested the Commission to allow them to submit the detailed plan regarding voltage wise cost of supply in upcoming years upon finalisation of Smart meter scheme.	
Meter separation for Commercial-cum-Residential Consumer Premises		
The Commission directs the licensee to identify and segregate all Commercial-cum Residential Consumer Premises, and issue separate bills for each type of usage. The licensee is directed to submit a report on such compliance of directive within three (3) months of issual of this Order.	SAIL-BSL submits that plots in the City Centre and Sector markets have been allocated for commercial purposes. For the allocation of the plots, SAIL-BSL has invited a public advertisement application in the year 1987 for the transaction of business i.e. on purely commercial plots. Further, SAIL-BSL has taken a step forward in this regard and raised a query note sheet to Town Administration Department, SAIL-BSL dated 3rd February 2024, immediately after the public hearing held at Bokaro dated 02nd February 2024, to substantiate that the plots in SAIL-BSL Township have been allotted on commercial terms only. In reply to this, the Town Administration department has clarified that the Plots had been allotted by SAIL-BSL on purely commercial basis and all the	The Commission has taken a note on the compliance of the Petitioner.

Directives	Petitioner's Submission / Status	Views of the Commission
	lessees are using the said premises as commercial uses. The relevant extract of the reply is as below: *"Kindly refer attached Advertisement inviting application for allotment of plot in the year 1987 wherein **applications were invited for the transaction of business i.e. on purely commercial plots.*** *Thereafter, lessee applied for a particular trade in the application form i.e. also commercial. **There was no provision for residential use.*** *After accepting terms and conditions and depositing requisite charges mentioned in Proposal letter, Allotment order was issued mentioning the trade allotted for. It is clearly mentioned in the allotted trade in Allotment letter **i.e. purely commercial**.* ***The allotted trade which is purely commercial has also reflected in the subsequent Agreement for Lease Agreement executed by and between the Lessee and SAIL/BSL, there is no provision in residential in lease agreement. Hence, it is ample clear that Plots had been allotted by SAIL/BSL on purely commercial basis and all the lessees are using the said premises as commercial uses. (emphasis added)"*** **In view if above, SAIL-BSL submits that it is making all efforts to ensure that consumers are put in appropriate categories with appropriate tariff is charged to them. Further, in this case plots in City Centre and Sector**	

Directives	Petitioner's Submission / Status	Views of the Commission
	markets have been allotted for the commercial purposes, as per the lease agreement executed between the lessee and SAIL-BSL. **Further, there is no residential demarcation in the lease terms. Hence, such bifurcation of electricity tariff on the basis of residential and commercial use cannot be allowed in this case**. However, SAIL-BSL acknowledge the directive of Hon'ble Commission to put consumer in appropriate categories and accordingly, appropriate tariff is charged to them. In this regard, as a next step in the benefit of the Consumers, SAIL-BSL is planning to hold a meeting with the concerned consumers only having contract lease agreement of Commercial cum Residential to discuss their grievance to the concerned officer appointed by SAIL-BSL through a public notice in the newspaper. Further, the grievances and suggestions in the meeting would be forwarded to the concerned department of Town Administration for verification and necessary actions. Accordingly, based on the Town Administration recommendation, SAIL-BSL would ensure that consumers are put in appropriate categories with appropriate tariff is charged to them. **The SAIL-BSL request Hon'ble Commission to allow SAIL-BSL to charge these consumers on commercial tariff as per the agreement between commercial plot holders and SAIL-BSL.**	

Directives	Petitioner's Submission / Status	Views of the Commission
Legal Action against Theft of Electricity		
The licensee is directed to identify and take legal action against all cases of Electricity Theft including theft due to encroachment of unregistered commercial establishments. In all cases if identified theft, the consumer shall be offered a load appropriate metered connection. The licensee shall submit bi-annual reports to the Commission in such regard.	SAIL- BSL is striving hard for disconnection of unauthorized power tapping across its Township & performs various measures to minimize power theft. SAIL-BSL is addressing theft by taking certain initiatives as discussed in earlier in this Petition. Further, SAIL-BSL has also formed groups consisting of senior officials along with CISF team and visiting the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections. Details of the roster are annexed as Annexure 3 of this Petition.	The Commission has taken a note on the compliance of the Petitioner.
Consumer Awareness Programs		
The Commission directs the Petitioner to conduct a minimum of two (2) Consumer Awareness Programs per year to enhance awareness of the consumers about Consumer Grievance Redressal Mechanism, Electricity Tariffs, Standards of Performance and Other Regulations as applicable. These programs shall also be used to redress the grievances of consumers, as the case may be.	In compliance to the directive given by the Hon'ble Commission, SAIL-BSL is in discussion with the internal team regarding the Customer Interaction Meeting (CIM) for the redressal of consumer complaints at General Manager level. A MoM of the discussion is annexed as an Annexure 4 of this Petition. Further, in this regards, SAIL BSL is in process of publishing the advertisement in the newspaper through public relation office. Once the approval is in place, SAIL-BSL would submit the newspaper advertisement to Hon'ble Commission. The meeting in regard to the grievance of consumer complaints are brought under the notice & resolved on regular basis in the office of GM I/C TA-Electrical. Consumer-awareness sessions were held every month the latest on 10 Feb 2026, led by the GM (TA-Electrical) with the CGRF chairperson and members. Consumers voiced their complaints which were promptly	The Commission has taken a note on the compliance of the Petitioner.

<table>
<tr><th>Directives</th><th>Petitioner's Submission / Status</th><th>Views of the Commission</th></tr>
<tr><td></td><td>registered and later those consumer grievances have been sent for early resolution.</td><td></td></tr>
<tr><td colspan="3">Trajectory for reduction of Cross-subsidy</td></tr>
<tr><td>The Petitioner is directed to submit a proposal with regard to the category/sub category wise trajectory for cross-subsidy reduction and take steps to reduce such subsidy to (+/-) 20% of the Average Cost of Supply (ACoS) in compliance with the provisions of the Electricity (Amendment) Rules, 2022.</td><td>The Consumer Mix of SAIL-BSL is quite different from other utilities in the Jharkhand as ~90% consumers come under highly subsidized residential category.

However, SAIL-BSL acknowledge the directive of the Commission and proposes the cross-subsidy trajectory to (+/-) 20% of the Average Cost of Supply (ACoS) with the provisions of the Electricity (Amendment) Rules, 2022 as below:

<table>
<tr><th>CSS</th><th>FY 2025-26</th><th>FY 2026-27</th><th>FY 2027-28</th><th>FY 2028-29</th><th>FY 2029-30</th></tr>
<tr><td>DS-LT</td><td>50%</td><td>57%</td><td>65%</td><td>72%</td><td>80%</td></tr>
<tr><td>DS-HT</td><td>46%</td><td>54%</td><td>63%</td><td>71%</td><td>80%</td></tr>
<tr><td>CS</td><td>97%</td><td>103%</td><td>108%</td><td>114%</td><td>120%</td></tr>
<tr><td>LTIS</td><td>99%</td><td>105%</td><td>110%</td><td>115%</td><td>120%</td></tr>
<tr><td>HTS</td><td>123%</td><td>122%</td><td>121%</td><td>121%</td><td>120%</td></tr>
<tr><td>HT/LT</td><td>105%</td><td>109%</td><td>112%</td><td>116%</td><td>120%</td></tr>
</table>

Further, in this regards, SAIL-BSL has assumed that the ACoS would increase by 4% Y-o-Y.</td><td>The Commission has taken a note on the compliance of the Petitioner.</td></tr>
<tr><td colspan="3">Timeliness and Data Adequacy in the Next Tariff Petition</td></tr>
<tr><td>The Commission directs the licensee to file the next tariff petition, after removing deficiencies highlighted in this Tariff Order. The Petitioner should ensure that the data submitted to the Commission is accurate and justified with adequate certification.
The Commission also directs the licensee to ensure submission of the next tariff petition within the time frame as stipulated in Section A 24 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.</td><td>SAIL-BSL submits that the delay in the submission of the present petition was due to the finalization of audited accounts and the issuance of the MYT order. SAIL-BSL humbly requests the Hon'ble Commission to condone this delay. Moving forward, SAIL-BSL is committed to ensuring strict adherence to the timelines stipulated in Section A 24 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and will take</td><td>The Commission has taken a note on the compliance of the Petitioner.</td></tr>
</table>

Directives	Petitioner's Submission / Status	Views of the Commission
	necessary measures to enhance the accuracy and adequacy of data submission with proper certification.	
Establishment of Customer Care helpline		
The Commission directs the licensee to establish customer care helpdesk (both online and offline) which shall act as support system designed to assist customers with their inquiries, issues, and requests. It shall act as the frontline of customer service, offering solutions to problems, providing information about queries, and ensuring customer satisfaction. The customer care should be equipped with knowledgeable agents and efficient tools such that helpdesk can handle a wide range of customer interactions, from technical issues to addressing billing concerns. The details of the helpline numbers should also be mentioned in electricity bills and should also have wide circulation in all offices of the licensee.	In compliance with the directive for the establishment of a Customer Care Helpline, SAIL-BSL has established a centralized Call Centre to address all electrical complaints related to TA – Electrical. This facility operates round the clock, including holidays, allowing consumers to lodge complaints and track their resolution status. The helpline numbers (06542-286111, 06542-286222) are widely circulated, including on electricity bills and in all offices of the licensee. Additionally, an online complaint portal has been introduced, enabling consumers to register complaints and receive feedback upon resolution. The helpdesk is equipped with trained personnel and efficient tools to handle technical issues, billing concerns, and general inquiries, ensuring prompt and effective customer service.	The Commission has taken a note on the compliance of the Petitioner.

CHAPTER 15: DIRECTIVES

15. DIRECTIVES

Distribution Loss

15.1 Petitioner has submitted higher distribution loss was contributed due to electricity usage by non-consumers through unauthorized means. The Commission directs the Petitioner to do a large scale check in coordination with chairperson / secretary of District Authority to stop such unauthorized uses of electricity.

15.2 The Commission, in this Order, has approved the capital expenditure proposed by the Petitioner for strengthening the distribution network and improving the efficiency, reliability, and quality of electricity supply. The Commission has also approved the trajectory for reduction of Distribution Losses for the Control Period. Accordingly, the Petitioner is directed to submit, along with Tariff Petition each year, a detailed status report on the implementation of the approved capital investment schemes and achievement of the approved Distribution Loss reduction targets. The Commission may also impose the penalty for non-achievement of the target. The report shall clearly indicate the physical and financial progress of the schemes, milestones achieved, and reasons for any deviation from the approved trajectory.

Submission of Account Audited by Comptroller and Auditor General of India (CAG)

15.3 The Commission directs the Petitioner to perform all auditing work related to Tariff Orders from Comptroller and Auditor General of India (CAG), and the auditor-certified details shall be submitted to the Commission at the time of true-up for verification in accordance with the applicable regulatory framework.

Contact Details of Consumer Grievance Redressal Forum (CGRF)

15.4 The Petitioner to include the contact details of CGRF in every bill issued to its consumers after the issuance of this order.

The Petitioner to bring to notice to the consumers the CGRF forum for redressal of grievances and conduct monthly camps with Chairperson and members of CGRF and submit the report of the same with the Commission.

The relevant clause of Jharkhand State Electricity Regulatory Commission (Guidelines for Establishment of Forum for Redressal of Grievances of the Consumers, Electricity Ombudsman and Consumer Advocacy) Regulations, 2020 are reproduced as follows:

"6. Duty of the Distribution licensee:-

(1) Every Distribution licensee shall notify and bring to the notice of the consumers by whatsoever means deemed fit including publication in the newspapers/ website etc, the details of the Forum for Redressal of Grievances of the Consumers."

(4) The bills issued by the Distribution licensee to the consumers for the electricity supplied, shall contain the address and telephone numbers of the Forum for redressal of grievances of the consumers. The statement 'consumers whose grievance is not resolved by the Distribution licensee can approach the Forum' shall also be printed on such bills."

Simplify bills

15.5 The Petitioner to simplify the bills issued to its consumers detailing the various charges being paid by the consumers in line with JSERC (Electricity Supply Code) (Second Amendment) Regulations, 2024 quoted as follows:

"3. Insertion of sub-clause (g) and (h) under clause 10.1.1 under Chapter A10 Billing

(g) Easy to understand bills.

(h) Bills should also be issued in local language along with English."

15.6 The Petitioner to attach a one comparative copy (before / after) of first bill issued after the issuance of this order along with next tariff petition as compliance of this directive outlining the changes and their importance.

100% Installation of Smart Meter

15.7 The Commission directs the Licensee to ensure the installation of Smart Meters for 100% of its consumers in a time-bound manner. The Commission notes that the necessary CAPEX for implementation of the Smart Metering programme has already been approved and, therefore, expects the Petitioner to expedite its deployment without any further delay. The Commission is of the view that universal smart metering will improve energy accounting, billing efficiency, and monitoring of consumption patterns, while also strengthening the detection and prevention of electricity theft. The Commission further observes that, upon completion of the smart metering programme, the Petitioner shall be in a better position to identify theft and unauthorized consumption of electricity and take appropriate action under the provisions of Section 126 & 135 of the Electricity Act, 2003.

Meter separation for Commercial-cum-Residential Consumer Premises

15.8 The Commission directs the licensee to identify and segregate all Commercial cum-Residential Consumer Premises, and issue separate bills for each type of usage. The licensee is directed to submit a report on such compliance of directive within three (3) months of issuance of this Order.

Timeliness and Data Adequacy in the Next Tariff Petition

15.9 The Commission directs the Licensee to submit its next Tariff Petition in accordance with the timelines specified under the applicable Regulations, i.e., by 30th November. The Commission cautions that non-compliance with the prescribed timeline shall be viewed seriously and may result in the initiation of proceedings for imposition of penalty in addition to other liability with the provisions of the Electricity Act, 2003.

15.10 The Petitioner should ensure that the data submitted to the Commission is accurate and justified with adequate certification. The Commission also directs the licensee to ensure submission of the next tariff petition within the time frame as stipulated in Section A 24 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

15.11 In addition to above new directives, the Petitioner is directed to comply with the earlier directives issued by the Commission which are still pending.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on September 18, 2026.

Date: 18.09.2026
Place: Ranchi

Sd/-	**Sd/-**
Mahendra Prasad	**Justice Navneet Kumar**
Member (Law)	**Chairperson**

ANNEXURE - I

Name of Public participated in the Public Hearing

Sr. No.	Name	Address / Organisation
Place: Bokaro, Date July 28, 2026		
1	Mr. Laxmi Narayan Kesari	Bokaro Steel City
2	Mr. Yash Pal	Bokaro Steel City
3	Mr. A. N. Singh	BSL
4	Mr. Tanmoy Chatterjee	Deloitte
5	Mr. Rajeev Kumar Singh	BSL
6	Mr. D. N. Ram	BSL
7	Mr. R.P. Chaurasia	Bokaro, Sector 3-E
8	Mr. Nitish Kumar Singh	Bokaro, Sector 12
9	Mr. Rahul Kisku	Tupkadih
10	Mr. Mukhram Singh	Bokaro, Sector 3A
11	Mr. Ram Kumar Sharma	Bokaro, Sector 4
12	Mr. Vinod Kumar	Jaina More
13	Mr. Sudarshan Singh	Bokaro, Sector 2B
14	Mr. Upendra Suna	1158/4C, Bokaro Steel City
15	Mr. Ritesh Kumar	Ranchi
16	Md. Shams Perwez	Bokaro
17	Mr. Ashok Kumar Mahto	Bokaro
18	Mr. Rajendra Pd.	Bokaro Steel City
19	Mr. Suraj Balmiki	Sector 9B, St.-13, Q. No. 553
20	Mr. Om Prakash Narayan	Sector 2B, 3-027
21	Mr. Ram Sujan Prasad	Sector 2B, 2-332
22	Mr. Bhaiya Pritam	GF-2, City Centre
23	Mr. Pradeep Kumar	Jaina More
24	Mr. Sandeep Prasad	Jaina More
25	Mr. Mishri Lal Gupta	Sector 12B
26	Mr. Hari Om	3B-69, Bokaro Steel City
27	Mr. Rajat Kumar	9B-363
28	Mr. Umesh Prasad Mahto	Sector 9B, Q. No. 839
29	Mr. Mahtab Ali Ahmad	Sector 9B, Q. No. 617
30	Mr. G.S. Karmakar	Sector 9B, Q. No. 663
31	Mr. Jagdeep Hansda	Sector 9B, Q. No. 838

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