Jharkhand State Electricity Regulatory Commission

Order on

Petition for Business Plan and Multi Year Tariff for the period FY 2026-27 to FY 2030-31

for

Tenughat Vidyut Nigam Limited

(A Govt of Jharkhand Undertaking)

Hinoo, Doranda, Ranchi-834002

Ranchi

September 18, 2026

Contents

List of Abbreviations

Abbreviation	Description
AAD	Advance Against Depreciation
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
ATE	Appellate Tribunal for Electricity
BOQ	Bill of Quantity
CCL	Central Coal Fields
CEA	Central Electricity Authority
COD	Date of Commercial operation
DPR	Detailed Project Report
EA	Electricity Act
ECR	Energy Charge Rate
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GOI	Government of India
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
IDC	Interest During Construction
Kcal	Kilocalorie
Kg	Kilogram
kWh	Killowatt-Hour
MAT	Minimum Alternative Tax
Ml	Miililitre
MT	Metric Tonnes
MU	Million Units
MW	Megawatt
MYT	Multi Year Tariff
NAPAF	Normative Annual Plant Availability Factor
O&M	Operation and Maintenance
PAF	Plant Availability Factor
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
RoE	Return on Equity
Rs	Rupees
SBI	State Bank of India

Abbreviation	Description
SERC	State Electricity Regulatory Commission
SFC	Secondary Fuel Consumption
SLDC	State Load Dispatch Centre
SLM	Straight Line Method
TTPS	Tenughat Thermal Power Station

List of Tables

BEFORE

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 02 of 2026

In the matter of:

Petition for

Business Plan and MYT Petition for the Control Period (FY 2026-27 to FY 2030-31) for 2x210 MW Tenughat TPS of Tenughat Vidyut Nigam Limited (TVNL).

In the matter:

Tenughat Vidyut Nigam Limited
Hinoo, Doranda,
Ranchi-834002.. Petitioner

PRESENT

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

Order dated

September 18, 2026

Tenughat Vidyut Nigam Limited (hereinafter referred to as 'TVNL' or 'the Petitioner') has filed the Petition dated 19th March, 2026 for approval of Business Plan and Multi Year Tariff for the control period FY 2026-27 to FY 2030-31.

Chapter 1: INTRODUCTION

Jharkhand State Electricity Regulatory Commission

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

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

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

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

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

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

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

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

a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

b) 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;

c) 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;

d) facilitate intra-State transmission and wheeling of electricity;

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

f) 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;

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

h) levy fee for the purposes of this Act;

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

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

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

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

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

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

b) promotion of investment in electricity industry;

c) reorganization and restructuring of electricity industry in the State;

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

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

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

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

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

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

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

Tenughat Vidyut Nigam Limited

1.8 Tenughat Vidyut Nigam Limited is a power generating company incorporated on 26th November 1987 under Indian Company's Act, 1956. With the creation of Jharkhand State on 15th November 2000 from the erstwhile Bihar State, TVNL became an undertaking of the Government of Jharkhand. TVNL owns and operates an installed power generation capacity of 420 MW with two units of 210 MW each at Tenughat Thermal Power Station located at Lalpania at the banks of Tenughat reservoir in Bokaro district with its head office at Ranchi. The units are under commercial operation as detailed below:

a) Unit I - September 1996

b) Unit II - September 1997

1.9 Tenughat Thermal Power Station (TTPS) is located at village Lalpania in the District of Bokaro (Jharkhand). It is situated on the left bank of Tenughat reservoir. The nearest railway station is Gomia which is at a distance of 20 km (approx.) by road. The project site is developed with all modern infrastructure like school, hospital, bank, post office, market complex etc.

1.10 TTPS has an acquired land of 1800 acres (approx.) TVNL has planned its future expansion of existing site/plant by addition of 2x660 MW super critical units. The consultant for extension project has been appointed, and the consultancy work is under progress. The DPR has been prepared and global tender for selection of EPC contractors shall be floated shortly for installation of 2x660 MW units. The needed fuel requirement will be met by its allocated coal block Rajbhar E & D located in the district of Latehar. Activity for commencement of coal mining is under progress. Water requirements will be met from Tenu Reservoir of Water Resources Department of the Govt. of Jharkhand. With grey field expansion the total installed capacity of 1740 (2x210 +2x660 MW) MW of TTPS shall be dedicated to the service of the State/Nation.

Petitioner's Prayer

1.11 The Petitioner in the Filing of Petition for MYT of the fourth control period i.e. FY 2026-27 to FY 2030-31 has prayed before the Commission:

a) To admit this MYT Petition for Control Period FY 2026-27 to FY 2030-31.

b) To approve Revenue Requirement and Capital Expenditure for MYT Control Period FY 2026-27 to FY 2030-31.

c) To approve the operational and financial parameters as proposed by TVNL considering the constraints of the old machines and to consider the same for full cost recovery.

d) To approve the Station's operating parameters viz. PAF, Auxiliary Consumption, Station Heat Rate, Transit Loss, Specific Oil Consumption and actual fuel rate for recovery of variable cost considering the constraints of the old machines as well as site specific constraints.

e) To consider special allowance for both units from FY 2026-27 onwards.

f) To condone the delay in filing this Petition.

g) To grant any other relief as the Commission may consider appropriate.

h) To approve the ARR based on the operating parameters as per the norms provided in the Regulation and allow the Petitioner to retain the gains on account of the efficiency improvement in the Operating Parameters.

i) The Petitioner craves leave of the Commission to allow further submissions, addition and alteration to this Petition as may be necessary from time to time.

j) Pass any other order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

k) To allow recovery of Application filing fee and Publication expenses separately.

Chapter 2: PROCEDURAL HISTORY

Background

2.1 The Commission issued the Tariff Order for Tenughat Vidyut Nigam Limited (TVNL) for FY 2004-05 on 23rd August 2004.

2.2 Subsequently, the Commission issued the Tariff Order for TVNL for FY 2005-06 on 30th March 2006.

2.3 The Tariff Order for TVNL for FY 2007-08 was issued by the Commission on 3rd January 2008.

2.4 The Commission, vide its Order dated 5th March 2010, approved the Annual Revenue Requirement (ARR) and Determination of Generation Tariff of TVNL for FY 2008-09 & 2009-10.

2.5 The Commission issued the Tariff Order on ARR and Determination of Generation Tariff for TVNL for FY 2009-10 and FY 2010-11 on 22nd November 2010.

2.6 Thereafter, the Commission issued the Tariff Order on ARR and Determination of Generation Tariff for TVNL for FY 2010-11 and FY 2011-12 on 31st May 2011.

2.7 The Commission issued the Multi Year Tariff (MYT) Order on the Business Plan, ARR and Determination of Generation Tariff for the First Control Period, i.e., FY 2012-13 to FY 2015-16, for TVNL on 30th May 2012.

2.8 The Commission issued the Order on the Annual Performance Review (APR) Petition of TVNL for FY 2012-13, including truing-up of FY 2011-12, on 2nd July 2014.

2.9 The Commission issued the Order on the APR Petition of TVNL for FY 2014-15, including truing-up of FY 2012-13 and FY 2013-14, on 30th September 2016.

2.10 The Commission issued the MYT Order for the period FY 2017-18 to FY 2020-21, including truing-up of FY 2014-15 and provisional truing-up of FY 2015-16, for TVNL on 28th February 2020.

2.11 The Commission issued the Order on the True-up Petition of TVNL for the First Control Period, i.e., FY 2012-13 to FY 2015-16, on 14th December 2023.

2.12 In the instant Petition, the Petitioner has sought approval of the Business Plan and determination of Multi Year Tariff (MYT), including Annual Revenue Requirement (ARR) and

Generation Tariff, for the Fourth Control Period covering FY 2026-27 to FY 2030-31.

Information Gaps in the Petition

2.13 In exercise of Tariff determination process, several deficiencies/information gaps were found in the Petition submitted by the Petitioner and the same were communicated to the Petitioner vide letter no. JSERC/Case (T) no: 02 of 2026/177 dated 8th June 2026.

2.14 In response thereto, the Petitioner has furnished the requisite additional data/information to the Commission vide letter no: Ref 380/26-27 dated 19th June 2026.

2.15 The Commission examined the Petition along with the additional submissions made by the Petitioner and considered the information furnished in response to the deficiencies identified during the scrutiny process while undertaking the tariff determination exercise and passing this Order.

2.16 In accordance with the provisions of Section 64(3) of the Electricity Act, 2003 and the relevant Regulations framed by the Commission, and with a view to ensuring transparency in the tariff determination process as well as providing adequate opportunity to all stakeholders and members of the general public to submit their views, comments, and suggestions on the Petition, the Commission decided to conduct a Public Hearing on 27th July 2026.

Inviting Public Comments/Suggestions

2.17 On scrutiny of the Petition, the Commission directed the Petitioner to publish a Public Notice inviting comments/suggestions from public and to make available copies of the Petition to the members of general public on request.

2.18 Accordingly, Public Notice was published by the Petitioner in the newspapers, and a period of twenty-one (21) days was given for submitting the comments/suggestions by the general public:

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

Newspaper	Language	Date of Publication
Prabhat Khabar	Hindi	14.04.2026 & 16.04.2026
Dainik Bhaskar	Hindi	14.04.2026 & 16.04.2026
Hindustan Times	English	14.04.2026 & 16.04.2026
Times of India	English	14.04.2026 & 16.04.2026

2.19 Further, the Commission had also published the same in various newspapers as mentioned in the table below and had also organized a Public Hearing on 27th July 2026 where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above-mentioned Petition. The details of the newspapers wherein the Notice was published by the Commission are as under:

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

Newspaper	Language	Date of Publication
Prabhat Khabar	Hindi	09.07.2026 & 26.07.2026
Dainik Bhaskar	Hindi	09.07.2026, 22.07.2026 & 26.07.2026
The Times of India	English	09.07.2026, 22.07.2026 & 26.07.2026
Hindustan Dainik	Hindi	22.07.2026
The Hindustan Times	English	26.07.2026

Submission of Comments/Suggestions and Conduct of Public Hearing

2.20 Comments/Suggestions on the Petition were received from various Stakeholders. The Comments/Suggestions of the Public, Petitioner's Responses and Commission's views thereon are detailed in **Chapter 4** of this Order.

Chapter 3: BRIEF FACTS OF THE PETITION

Business Plan and Capital Investment Plan for the control period FY 2026-27 TO FY 2030-31.

Capital Expenditure and Capitalization

3.1 The Petitioner has submitted the proposed capital investment plan in accordance with the provisions of Clauses 6.6 (a) and 6.7 of the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025 which states that:

"6.6 The Business Plan shall be for the entire Control Period and shall inter-alia Contain :- a) Capital Investment Plan: The Generating Company shall submit the Capital Investment Plan for the entire Control Period, detailing the investments planned by the Generating Company along with the corresponding capitalisation schedule and financing plan. This Plan shall also include capacity enhancement plan, if any, and proposed efficiency improvements and its cost benefit analysis. It shall also submit plant-wise details of Capital Structure and cost of Financing (interest on Debt) and return on equity, after considering the existing market conditions, terms of the existing loan agreements, risk associated in generating business and creditworthiness;

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

1. *Purpose of investment;*
2. *Approval of Competent Authority;*
3. *Detailed Project Report;*
4. *Capital Structure;*
5. *Capitalisation Schedule;*
6. *Implementation schedule including timelines;*
7. *Cost-benefit analysis & Rate reasonability;*
8. *Improvement in operational efficiency envisaged in the Control Period;*
9. *On-going schemes that will spill over into next financial year under review along with justification;*

> *10. New schemes that will commence during the Control Period but may be completed within or beyond the Control Period".*

3.2 The Petitioner has also mentioned that as per Regulation 14.11 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025 a generating company may opt to avail a special allowance for meeting the requirement of expenses including R&M beyond the Useful Life of the generating station or a Unit thereof, and in such an event revision of the capital cost shall not be allowed and the applicable operational norms shall not be relaxed but the special allowance shall be included in the annual fixed cost.

3.3 The Petitioner has submitted that Unit-I has completed 25 years in FY 2021-22 and Unit-II has completed its age of 25 years in FY 2022-23. TVNL has decided to opt special allowance for Unit-I and Unit-II from FY 2026-27 onwards as per Regulation 14.12 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025. Accordingly, the Petitioner has not proposed any capex/ capitalization towards renovation & modernization from FY 2026-27 onwards.

3.4 The Petitioner has further submitted that, in order to comply with the revised emission norms for coal-based power plants notified by Ministry of Environment Forest and Climate Change, Govt. of India (MoEFCC); TVNL has proposed the installation of FGD, D-NOx and ESP systems as per Regulation 14.13 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025. These expenditures arises on account of a change in law and, therefore, should not be treated as Renovation & Modernization capex.

3.5 In accordance with the specified provisions 14.11 and 14.12 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025, TVNL prays to allow special allowance for both units during the MYT control period from FY 2026-27 to FY 2030-31.

> *"14.11 In case of coal fired generating stations, the Generating Company, at its discretion, may opt to avail a special allowance in accordance with the norms specified in this Regulation, as compensation for meeting the requirement of expenses including renovation and modernization beyond the Useful Life of the generating station or a Unit thereof, and in such an*

event revision of the capital cost shall not be allowed and the applicable operational norms shall not be relaxed but the special allowance shall be included in the annual fixed cost: Provided also that such option shall not be available for a generating station or Unit, which is in a depleted condition or operating under relaxed operational and performance norms.

14.12 A Generating Company (coal-based/lignite fired thermal generating station) on opting for Special Allowance shall be allowed at rate of Rs. 9.50 lakh/MW/year for the Control Period from FY 2026-27 to FY 2030-31, Unit-wise from the financial year following the completion of useful life of the respective Unit of generating station: Provided that if a Unit is in commercial operation for more than 25 years as on April 01, 2026, this allowance shall be admissible from FY 2026-27: Provided further that if special allowance is granted by the Commission, the expenditure incurred or utilized from special allowance shall be maintained separately by the generating station and details of same shall be made available to the Commission immediately thereafter.

3.6 In line with specified provisions of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025, the Petitioner has submitted a summary of Capitalization for the MYT control period for FY 2026-27 to Fy 2030-31 as tabulated below:

Table 3: Summary of Capitalization schedule submitted by the Petitioner for *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Opening CWIP	151.59	151.59	151.59	151.59	151.59
Add: Capex during the year	0	0	0	0	0
Less: Capitalization	0	0	0	0	0
Closing CWIP	151.59	151.59	151.59	151.59	151.59
Opening GFA	1,631.62	1,631.62	1,631.62	1,631.62	1,631.62
Add: Capitalization	0	0	0	0	0
Closing GFA	1,631.62	1,631.62	1,631.62	1,631.62	1,631.62
Debt (70%)	0	0	0	0	0
Equity (30%)	0	0	0	0	0

3.7 The Petitioner has also submitted human resource plan as per sub clause (c) of Regulation 6.6 of JSERC Generation

Tariff Regulations,2025 which is being reproduced as follows:

> *"c) Human Resource Plan: Human Resource Plan with manpower planning including details of the estimated year wise manpower addition and retirements for the Control Period to run the power plant efficiently and effectively;"*

3.8 Accordingly, the Petitioner has provided details of manpower to retire in the next control period i.e. FY 2026-27 to FY 2030-31 as follows:

Table 4: Details of manpower to retire in the next Control Period as submitted by the Petitioner

Retirement		FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Technical Stream	C.E/E.I.C	0	0	0	0	1	1
	E.S.E	0	0	2	3	0	5
	E.E	3	3	2	4	5	17
Non-Technical	C.E	0	0	0	0	0	0
	E.S.E	0	0	0	0	0	0
	E.E	0	0	0	0	0	0
HR	HR Posts	0	0	0	0	0	0
Finance	Finance Posts	0	2	2	1	1	6

ARR for 4th MYT control period (FY 2026-27 to FY 2030-31)

3.9 The summary of operational parameters, as submitted by the Petitioner for both the units of the project for the period FY 2026-27 to FY 2030-31 is as follows:

Table 5: Operational Parameters as submitted by the Petitioner

Particulars	UoM	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
PAF	%	85%	85%	85%	85%	85%
PLF	%	85%	85%	85%	85%	85%
Aux Power Consumption	%	9.5%	9.5%	9.5%	9.5%	9.5%
Station Heat Rate	Kcal/kWh	2547	2547	2547	2547	2547
Secondary Fuel Consumption	ml/kWh	1	1	1	1	1
Transit Loss	%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Generation	MUs	3,127.32	3,135.89	3,127.32	3,127.32	3,127.32

Aggregate Revenue Requirement (ARR)

3.10 The summary of Annual Revenue Requirement (ARR) & Energy

Charge Rate, as submitted by the Petitioner for both the units of the project for the period FY 2026-27 to FY 2030-31, are as follows:

Table 6: Summary of Annual Fixed Cost as submitted by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
O&M Expenses	246.46	251.16	256.04	261.09	266.33
Depreciation	18.02	18.02	18.02	18.02	18.02
Interest on normative loan	4.93	3.40	1.87	0.55	0.00
Return on Equity	27.70	27.70	27.70	27.70	27.70
Special Allowance	39.90	39.90	39.90	39.90	39.90
Water Charges	12.00	12.00	12.00	12.00	12.00
Interest on Working Capital	36.11	36.36	36.47	36.67	36.88
Total Fixed Cost	385.12	388.54	392.00	395.93	400.83

Table 7: Energy Charge Rate as submitted by the Petitioner *(Rs/kWh)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Capacity (MW)	420	420	420	420	420
PLF (%)	85%	85%	85%	85%	85%
Gross Generation (MUs)	3,127.32	3,135.89	3,127.32	3,127.32	3,127.32
Auxiliary Consumption (%)	9.50%	9.50%	9.50%	9.50%	9.50%
Net Generation (MUs)	2,830.22	2837.98	2,830.22	2,830.22	2,830.22
Station Heat Rate (Kcal/kWh)	2,547.00	2547.00	2,547.00	2,547.00	2,547.00
Secondary fuel oil consumption (ml/kWh)	1.00	1.00	1.00	1.00	1.00
Gross Calorific value of coal(kcal/kg)	3,470.39	3470.39	3,470.39	3,470.39	3,470.39
Gross Calorific value of oil (Kcal/Kl)	9,359.00	9,359.00	9,359.00	9,359.00	9,359.00
Total heat required(kcal)	7965284.04	7987106.73	7965284.04	7965284.04	7965284.04
Oil Consumption (KL)	3,127.32	3,135.89	3,127.32	3,127.32	3,127.32
Heat from oil (Kcal)	29,268.59	29348.59	29,268.59	29,268.59	29,268.59
Heat from coal (Kcal)	7936015.45	7957757.96	7936015.45	7936015.45	7936015.45
Transit Loss (%)	0.80%	0.8%	0.80%	0.80%	0.80%
Total Coal consumption including transit loss (MT)	2305224.09	2311539.78	2305224.09	2305224.09	2305224.09
Cost of oil (Rs/KL)	71,854.72	71,854.72	71,854.72	71,854.72	71,854.72
Cost of coal (Rs./MT)	4,544.74	4,544.74	4,544.74	4,544.74	4,544.74

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Total cost of oil (Rs. Cr..)	22.47	22.53	22.47	22.47	22.47
Total cost of coal (Rs. Cr..)	1,047.66	1,050.53	1,047.66	1,047.66	1,047.66
Energy charge rate (Rs./kWh)	3.781	3.781	3.781	3.781	3.781

Chapter 4: PUBLIC CONSULTATION PROCESS

4.1 On the Petition submitted by the Petitioner, several Stakeholders have responded. A Public Hearing was held by the Commission on 27th July 2026 to give additional opportunity to all the stakeholders to submit their comments/suggestions on the said petition for ensuring maximum public participation and transparency. Accordingly, stakeholders voiced their comments and suggestions, and the list of the attendees is attached to Chapter 8 of this Order.

4.2 The comments and suggestions of the public along with the response of the Petitioner and the views of the Commission are summarized in this Chapter. The issues raised by the stakeholders, which do not have meaning to the petition have not been discussed in this Chapter.

Projections of Gross & Net Generation.

Public Comments/Suggestions

4.3 JBVNL submitted that the projections made by TVNL are not consistent with its actual generation levels and that TVNL has not submitted any plan or supporting justification demonstrating how the benchmarks prescribed by the Commission would be achieved. JBVNL further stated that the projections lack a reasonable basis and appear to have been made primarily to avail the special allowance provided by the Commission.

Petitioner's Response

4.4 TVNL submitted that the projected gross generation of 3,127.32 MU and net generation of 2,830.22 MU have been determined based on the station's operational capability, expected availability, auxiliary consumption, planned outages, fuel availability and applicable operating norms under the JSERC Generation Tariff Regulations, 2025. TVNL clarified that these are normative projections for MYT tariff determination and do not constitute a guarantee of actual generation, which may vary depending on scheduling, grid conditions, coal quality, fuel supply and outages. TVNL further stated that the allegation that the projections have been made solely to avail the special allowance is misconceived, as the projections remain subject to the Commission's prudence check.

Views of the Commission

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

High Energy Charge Rate

Public Comments/Suggestions

4.6 JBVNL submitted that the Energy Charge Rate (ECR) of Rs.

3.781/unit proposed by TVNL for the Control Period is excessively high, particularly considering that the plant has already completed its useful life.

Petitioner's Response

4.7 TVNL in its reply submitted that the Energy Charge Rate (ECR) is determined based on fuel cost and normative operating parameters prescribed under the JSERC Generation Tariff Regulations, 2025, and not on the age of the generating station. The ECR primarily covers primary fuel cost, secondary fuel oil cost and applicable limestone/reagent costs. Accordingly, the proposed ECR of Rs. 3.781/unit has been computed based on landed fuel cost and normative parameters such as station heat rate, auxiliary consumption and secondary fuel oil consumption. TVNL further submitted that completion of the useful life does not eliminate fuel, transportation, statutory levies, reagent and other fuel-related costs. Therefore, the objection to reducing the ECR solely on the ground that the plant has completed its useful life is not justified.

Views of the Commission

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

High Fixed Cost.

Public Comments/Suggestions

4.9 JBVNL submitted that the fixed cost claimed by TVNL is excessively high and should be negligible since the generating station has already completed its useful life and, according to JBVNL, has substantially recovered its costs. JBVNL also objected to TVNL's proposal to avail the special allowance provided under the JSERC Regulation.

Petitioner's Response

4.10 The TVNL submitted that its fixed cost has been computed strictly in accordance with the components permitted under the JSERC Generation Tariff Regulations, 2025 and is not arbitrary. The Annual Fixed Cost comprises Return on Equity, Interest on Loan Capital, Depreciation, Interest on Working Capital and O&M expenses, after adjustment of Non-Tariff Income and Income from Other Business.

4.11 TVNL further submitted that completion of the useful life does not eliminate fixed costs, as the station continues to incur employee, R&M, administrative and working capital expenses and remains available for scheduling. TVNL has opted for the special allowance mechanism for renovation/modernization in accordance with the

Regulations instead of claiming R&M capitalisation, thereby avoiding additional capitalisation burden. Accordingly, TVNL submitted that its fixed cost claim may be admitted, subject to the Commission's prudence check.

Views of the Commission

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

Capital Investment Plan & Capitalization

Public Comments/Suggestions

4.13 JBVNL submitted that TVNL Unit-I completed 25 years in FY 2021-22 and Unit-II in FY 2022-23, and TVNL has opted for the special allowance from FY 2026-27 onwards. Accordingly, TVNL has not proposed any capital expenditure or capitalization, including Renovation & Modernisation, during the Control Period. JBVNL noted that no capitalization has been proposed by TVNL for the entire Control Period.

Petitioner's Response

4.14 TVNL submitted that not proposing regular R&M/Renovation capital expenditure during the Control Period is a conscious and prudent decision aimed at avoiding additional financial burden on consumers and beneficiaries. TVNL has opted for the special allowance mechanism permitted under the JSERC regulatory framework instead of seeking regular R&M capitalisation.

4.15 TVNL further submitted that, although the Regulations require a Business Plan with a Capital Investment Plan, no regular R&M capex has been proposed or claimed in the Petition. This approach avoids additional return on equity, depreciation and interest arising from fresh capital expenditure. However, expenditure required for statutory compliance, change in law or revised emission standards would constitute separate requirements and shall be dealt with in accordance with the applicable Regulations.

Views of the Commission

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

Installing FGD, D-NOx and ESP systems as per Regulation 14.13 of JSERC (Terms & Conditions for Determination of Generation Tariff), Regulations 2025.

Public Comments/Suggestions

4.17 JBVNL submitted that TVNL's proposed FGD, D-NOx and ESP expenditure under Regulation 14.13 should be allowed only after examining its cost-effectiveness, particularly since the plant is nearing the end of its useful life. JBVNL contended that such expenditure may not be economically beneficial at this stage and should not be passed on to consumers and therefore did not support its approval.

Petitioner's Response

4.18 The Petitioner, TVNL submitted that expenditure required for statutory environmental compliance and revised emission norms cannot be treated as discretionary R&M/Renovation & Modernization capex. The JSERC Generation Tariff Regulations recognize assets installed for compliance with revised emission standards as part of the existing project, with expenditure arising from Change in Law being admissible subject to prudence check.

4.19 TVNL further clarified that FGD installation is not required for TTPS considering its geographical location. Accordingly, TVNL submitted that JBVNL's objection based solely on the age of the plant is not tenable where such expenditure is required for continued operation and regulatory compliance. TVNL stated that the cost, phasing, technology, tendered cost and cost-benefit aspects would be subject to the Commission's prudence check, and any claim would be made strictly in accordance with the applicable regulatory framework and conditions.

Views of the Commission

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

Depreciation

Public Comments/Suggestions

4.21 JBVNL submitted that TVNL has considered a salvage value of Rs. 163.16 Cr. JBVNL further stated that TVNL has not provided a Fixed Asset Register (FAR) or any clear commitment in this regard, making it difficult to ascertain the actual Gross Fixed Assets (GFA) of TVNL and, consequently, to determine the depreciation correctly.

Petitioners Response

4.22 TVNL submitted that it has considered closing GFA of Rs. 1,631.62 Cr and accumulated depreciation of Rs. 1,378.34 Cr as on 31.03.2026, based on actual accounts up to March 2025 and the GFA and depreciation approved by the Commission in the previous MYT Order dated 14.12.2023 for FY 2025-26.

4.23 TVNL stated that, as per the JSERC Generation Tariff Regulations, 2025, depreciation is to be computed using the Straight Line Method on the admitted capital cost, subject to a residual/salvage value of

10% and maximum depreciation of 90% of the original cost. Accordingly, TVNL has considered a salvage value of Rs. 163.16 Cr and maximum depreciable value of Rs. 1,468.45 Cr. After considering accumulated depreciation of Rs. 1,378.34 Cr as on 31.03.2026, the remaining depreciable value of Rs. 90.12 Cr has been spread over the Control Period, resulting in annual depreciation of Rs. 18.02 Cr .

Views of the Commission

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

Chapter 5: BUSINESS PLAN FOR THE MYT CONTROL PERIOD FY 2026-27 TO FY 2030-31.

5.1 The Commission has outlined clause 6.5 and clause 6.6 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025, for the approval of Business plan and Tariff for MYT Control period FY 2026-27 to FY 2030-31 as reproduced below:

> *"Business Plan*
>
> *6.5 Each Generating Company shall file for the Commission's approval a Business Plan approved by an authorized signatory, as per the timelines specified in Section A 39 of these Regulations.*
>
> *6.6 The Business Plan shall be for the entire Control Period and shall inter-alia contain:-*
>
> *a) Capital Investment Plan: The Generating Company shall submit the Capital Investment Plan for the entire Control Period, detailing the investments planned by the Generating Company along with the corresponding capitalization schedule and financing plan. This Plan shall also include capacity enhancement plan, if any, and proposed efficiency improvements and its cost benefit analysis. It shall also submit plant-wise details of Capital Structure and cost of Financing (interest on Debt) and return on equity, after considering the existing market conditions, terms of the existing loan agreements, risk associated in generating business and creditworthiness;*
>
> *b) Operational Plan: A set of targets proposed for performance parameters such as Annual Plant Availability Factor (PAF), Plant Load Factor (PLF), Gross Station Heat Rate (SHR), Secondary Fuel Oil Consumption, Auxiliary Power Consumption (Aux)etc., and shall also include Unit-wise Outage Plan;*
>
> *c) Human Resource Plan: Human Resource Plan with manpower planning including details of the estimated year wise manpower addition and retirements for the Control Period to run the power plant efficiently and effectively;*
>
> *d) Proposals for Non-Tariff Income with item-wise description and details;*
>
> *e) Proposals in respect of income from Other Business; and*
>
> *f) 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, capacity enhancement plan, if any, proposed efficiency improvements and its cost benefit analysis, quality improvement measures undertaken, Employee Expenses, Repair &Maintenance Expenses 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 generating plant, such information is required to be submitted for the period of operations up to the start of the Control Period.

Operational Plan

Plant Availability Factor

Petitioners Submission

5.2 The Petitioner has submitted 85% normative plant availability factor for the Control Period as per clause 16.1 of the JSERC Generation Tariff Regulations, 2025 as shown in the table below:

Table 8: Plant Availability Factor submitted by Petitioner *(%)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Plant Availability Factor	85%	85%	85%	85%	85%

Commissions Analysis

5.3 The Commission has considered and approved Normative Annual Plant Availability Factor (NAPAF) of 85% as specified in clause 16.1 of JSERC Generation Tariff Regulations, 2025 for projection of Availability during each year of the Control Period i.e. from FY 2026-27 to FY 2030-31 as referred below:

Table 9: Plant Availability Factor approved by the Commission *(%)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Plant Availability Factor	85%	85%	85%	85%	85%

Plant Load Factor (PLF)

Petitioners Submission

5.4 The Petitioner has projected 85% normative plant load factor for the Control Period as per clause 16.1 of JSERC Generation Tariff Regulations, 2025 as shown in the table below:

Table 10: Plant Load Factor submitted by the Petitioner *(%)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Plant Load Factor	85%	85%	85%	85%	85%

Commissions Analysis

5.5 The Commission has considered Normative Plant Load Factor (PLF) of 85% as specified in clause 16.1 of the JSERC Generation Tariff Regulations 2025, for each year of the Control Period i.e. from FY 2026-27 to FY 2030-31 as shown in the table below:

Table 11: Plant Load Factor as approved by the Commission *(%)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Plant Load Factor	85%	85%	85%	85%	85%

Gross Generation

Petitioners Submission

5.6 The Petitioner in its Tariff Petition has projected the gross generation for both the units as follows:

Table 12: Gross Generation as projected by the Petitioner *(MUs)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Gross Generation	3,127.32	3,135.89	3,127.32	3,127.32	3,127.32

Commissions Analysis

5.7 The Commission has computed and approved the gross generation for each year of the Control Period i.e. from FY 2026-27 to FY 2030-31 considering the approved values of the PLF (approved in clause 5.5) as shown in the table below:

Table 13: Gross Generation as approved by the Commission *(MUs)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Gross Generation	3,127.32	3,135.89	3,127.32	3,127.32	3,127.32

Auxiliary Consumption

Petitioners Submission

5.8 The Petitioner has projected auxiliary consumption for both the units during the control period as shown below:

Table 14: Auxiliary Consumption as projected by the Petitioner *(%)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Auxiliary Consumption	9.5%	9.5%	9.5%	9.5%	9.5%

Commissions Analysis

5.9 In accordance with clause 16.1 of JSERC Generation Tariff Regulation 2025, the Commission approves the auxiliary consumption as given below:

Table 15 Auxiliary Consumption as approved by the Commission *(%)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Auxiliary Consumption	9.5%	9.5%	9.5%	9.5%	9.5%

Net Generation

Petitioners Submission

5.10 The Petitioner has submitted the net generation of 2830.22 MUs on the basis of gross generation of 3127 MU and 9.50% auxiliary consumption for the fourth control period.

Table 16: Net Generation projected by Petitioner *(MUs)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Net Generation	2,830.22	2,837.98	2,830.22	2,830.22	2,830.22

Commission's Analysis

5.11 The Commission approves net generation for the control period FY 2026-27 to FY 2030-31 as given in the table below:

Table 17: Net Generation as approved by the Commission *(MUs)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Gross Generation (MUs)	3,127.32	3,135.89	3,127.32	3,127.32	3,127.32
Aux Consumption (%)	9.5%	9.5%	9.5%	9.5%	9.5%
Aux Consumption (MU)	297.09	297.90	297.09	297.09	297.09
Net Generation (MUs)	2,830.22	2,837.98	2,830.22	2,830.22	2,830.22

Gross Station Heat Rate (GSHR)

Petitioners Submission

5.12 For the Control Period (FY 2026-27 to FY 2030-31), the Petitioner projects its Station Heat Rate at 2547 kcal/kWh in accordance with clause 16.1 of the JSERC Generation Tariff Regulations, 2025. The year-wise projected Station Heat Rate is tabulated below:

Table 18: Station Heat Rate projected by the Petitioner *(kCal/kWh)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Gross Station Heat Rate (kCal/kWh)	2,547	2,547	2,547	2,547	2,547

Commissions Analysis

5.13 The Commission has specified the norms of operation for the two Units of TVNL as per clause 16.1 of JSERC Generation Tariff Regulation 2025. The norms of operation were fixed by the Commission after studying the past performance for each plant in the state and as per the data made available by the Generation companies including the Petitioner for the two units. Before finalization of the norms, the Commission had also conducted a public hearing in which all the stakeholders, including the Petitioner, participated. The Commission, after due deliberation, has finalized the Regulations and accordingly approves Gross Station Heat Rate of the plant for the period FY 2026-27 to FY 2030-31 as highlighted in the table below:

Table 19: Gross Station Heat Rate as approved by the Commission *(kCal/kWh)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Gross Station Heat Rate	2,547	2,547	2,547	2,547	2,547

Secondary Fuel Oil Consumption

Petitioners Submission

5.14 The Petitioner projects Secondary Fuel Consumption of 1.0 ml/kWh for the control FY 2026-27 to FY 2030-31 as per clause 16.1 of the JSERC Generation Tariff Regulations, 2025 and requests the Commission to approve the same.

Commissions Analysis

5.15 The Commission approves the secondary fuel oil consumption of the plant as per clause 16.1 of JSERC (Terms & Conditions for Determination of Generation Tariff) Regulations,2025 for FY 2026-27 to FY 2030-31 as shown below:

Table 20 Secondary fuel oil consumption as approved by the Commission *(ml/kWh)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Specific fuel oil Consumption (ml/kWh)	1	1	1	1	1

Transit Loss

Petitioners Submission

5.16 The Petitioner has submitted a transit loss of 0.8% to be considered for the control period of FY 2026-27 to FY 2030-31.

5.17 The Petitioner has mentioned that as per Clause 17.11 of Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025 a transit loss of 0.8% can be considered for arriving at the landed cost of fuel per month for non-pithead generating plants. Since the operationalization of the railway line, TVNL has been using the same to procure coal from the allocated mines located at a distance of 40-60 kms. Earlier, the same was made available to the plant via road. As such, the transit loss has been considered as 0.8% for non-pithead generating plants which was in earlier years considered as 0.2% for pithead generating plants.

Commissions Analysis

5.18 The Commission refers to Clause 17.11 of the Generation Tariff Regulations,2025 which states that:

> *"The landed cost of fuel for the month shall include price of fuel corresponding to the grade and quality of fuel inclusive of royalty, taxes and duties as applicable, transportation cost by rail/road or any other means, and, for the purpose of computation of energy charge, and in case of coal/lignite shall be arrived at after considering normative transit and handling losses as percentage of the quantity of coal or lignite dispatched by the coal or lignite supply company during the month as given below:*
>
> *Pithead generating stations: 0.2%*
>
> *Non-pithead generating stations: 0.8%*
>
> *Provided that in case of pithead stations if coal or lignite is procured from sources other than the pithead mines, which is transported to the station through rail, transit loss of 0.8% shall be applicable:*
>
> *Provided further that in case of imported coal, the transit and handling losses shall be 0.2%."*

5.19 After scrutinizing the submission made by the Petitioner and as per regulation mentioned in the above para, the Commission approves transit loss of 0.8% for the control period of FY 2026-27 to FY 2030-31.

Table 21: Transit loss as approved by the Commission *(%)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Transit Loss	0.8%	0.8%	0.8%	0.8%	0.8%

Unit wise Outage Plan

Petitioners Submission

5.20 In accordance with Clause 6.6 of Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025, Petitioner submitted the following unit wise outage plan for the Control Period FY 2026-27 to FY 2030-31 for planned maintenance activities.

Table 22: Unit wise outage plan as submitted by the Petitioner

Outage Plan (Days & Hours)	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Unit-I	30 days (720 hrs.)	30 days (720 hrs.)	30 days (720 hrs.)	30 days (720 hrs.)	30 days (720 hrs.)
Unit-II	30 days (720 hrs.)	30 days (720 hrs.)	30 days (720 hrs.)	30 days (720 hrs.)	30 days (720 hrs.)

5.21 TVNL proposes a month's shutdown for each unit for each year due to ageing of the units (Unit-I and Unit-II) and as such the efficiency levels have reduced. So, enhanced focus on Repair and Maintenance activities becomes even more essential for efficient operation and running of the plant.

Commissions Analysis

5.22 The Commission has examined the Unit-wise Outage Plan submitted by the Petitioner for FY 2026-27. The Petitioner was directed to furnish documentary evidence of communication with the concerned SLDC and its approval in respect of the proposed outage schedule vide letter no Case(T) 2 of 2026/177 dated 08.06.2026.

5.23 In response, the Petitioner submitted the Load Generation Balance Reports for FY 2025-26 and FY 2026-27, containing the proposed generation and maintenance schedules. The FY 2026-27 report indicates a 30-day overhaul of Unit-I from 01.07.2026 to 30.07.2026, with no scheduled overhaul of Unit-II.

5.24 The Commission has considered the submissions of the Petitioner and notes that the proposed outage schedule forms part of the generation and maintenance programme furnished to the concerned SLDC. The Commission further observes that a 30-day overhaul of Unit-I has been proposed during FY 2026-27, while no overhaul is scheduled for Unit-II. In the absence of any adverse observation on record and considering the operational requirements of the generating station, the Commission finds the proposed outage programme to be reasonable and accordingly approves the Unit-wise outage schedule for FY 2026-27, subject to compliance with the applicable Regulations.

Capital Investment Plan

Petitioner's Submission

5.25 TVNL submits that under Regulations 6.6(a) and 6.7 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025, a generating company is required to file a Capital Investment Plan for the entire Control Period along with its Business Plan, covering the capitalisation schedule, financing plan, capital structure, cost of financing, and scheme-wise details including purpose, approvals, DPRs, implementation timelines, and cost-benefit analysis.

5.26 TVNL submitted that its Unit-I and Unit-II are completing 25 years of operation in FY 2021-22 and FY 2022-23 respectively, and that it has opted to avail the "Special Allowance" for both units from FY 2026-27 onwards under Regulations 14.11 to 14.13, in lieu of further capex/capitalization (including renovation & modernization) for these units. Consequently, TVNL states it is not seeking any capex/capitalization claims for these units from that year onward, except for FGD, D-NOx, and ESP installations mandated by revised MoEFCC emission norms — which it characterizes as change-in-law expenditure and therefore claims these should not be treated as ordinary capex/R&M and should be permitted to be availed alongside the Special Allowance.

5.27 Accordingly, TVNL prays that the Commission allows Special Allowance for both Units for the MYT Control Period FY 2026-27 to FY 2030-31, in accordance with Regulations 14.11 and 14.12, and has submitted a summary of its proposed Capitalization Plan for the Control Period for the Commission's consideration.

Table 23: Summary of capitalization schedule as submitted by the Petitioner *(Rs. Crore)*

Capital Expenditure	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Opening CWIP	151.59	151.59	151.59	151.59	151.59
Add: Capex during the year	0	0	0	0	0
Less: Capitalization	0	0	0	0	0
Closing CWIP	151.59	151.59	151.59	151.59	151.59
Opening GFA	1,631.62	1,631.62	1,631.62	1,631.62	1,631.62
Add: Capitalization	0	0	0	0	0
Closing GFA	1,631.62	1,631.62	1,631.62	1,631.62	1,631.62
Debt (70%)	0	0	0	0	0
Equity (30%)	0	0	0	0	0

5.28 The Petitioner has proposed the above Capital Investment Plan for the Control Period (FY 2026-27 to FY 2030-31) before the Commission and has prayed for approval of the same.

Commissions Analysis

5.29 The Commission has outlined clause 6.6(a) of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025, for the approval of capital investment plan for MYT Control period FY 2026-27 to FY 2030-31 as reproduced below:

> *"Business Plan*
>
> *6.6 The Business Plan shall be for the entire Control Period and shall inter-alia contain: -*
>
> *a) Capital Investment Plan: The Generating Company shall submit the Capital Investment Plan for the entire Control Period, detailing the investments planned by the Generating Company along with the corresponding capitalization schedule and financing plan. This Plan shall also include capacity enhancement plan, if any, and proposed efficiency improvements and its cost benefit analysis. It shall also submit plant-wise details of Capital Structure and cost of Financing (interest on Debt) and return on equity, after considering the existing market conditions, terms of the existing loan agreements, risk associated in generating business and creditworthiness;*

5.30 On scrutiny of the petition, Commission observes that the Petitioner has claimed the Opening Gross Fixed Assets (GFA) for the period FY 2026-27 to FY 2030-31 at Rs. 1631.62 Cr. However, the Petitioner has not furnished adequate documentary evidence in support of the said claim. The Petitioner was directed to submit the documentary evidence substantiating the same. The details should have included specific heads such as, land, building, P&M etc, duly certified by statutory auditors.

5.31 In response, the Petitioner relied upon the observations recorded by the Commission in Paragraph 6.26 of the MYT Order dated 14th December 2023, wherein the Commission recorded GFA and accumulated depreciation as on 31.03.2021 owing to non-availability of actual audited accounts. The relevant excerpt of the aforesaid Order is reproduced as under:

> *"6.26. Considering the information presented in above para and the fact that the Petitioner has not conducted true up exercise of the plant since FY 2016-17, hence the Commission is not inclined to accept the depreciation submitted by the Petitioner in the MYT Petition. The Commission has however referred to the provisional accounts of FY 2020-21 submitted by the Petitioner and observed that the GFA as per accounts as on 31.03.2021 is Rs 1646.82Cr. The accumulated depreciation as on 31.03.2021 is Rs.1390.58 Cr which is 84.44% of the GFA."*

5.32 The Commission observes that mere reliance on findings recorded in an earlier MYT Order cannot substitute the requirement of furnishing contemporaneous documentary evidence in support of the opening asset base. The Petitioner has failed to place on record adequate supporting documents reconciling the claimed opening GFA with the audited books of accounts. Accordingly, the Commission is not inclined to approve the opening GFA of Rs. 1,631.62 Crore as claimed by the Petitioner.

5.33 The Commission has further observes that the Petitioner has not proposed any Capital Expenditure (Capex) or addition to Gross Fixed Assets (GFA) for the Control Period. Accordingly, the Commission approves the Capital Investment Plan as submitted by the Petitioner, with Nil Capex and Nil GFA addition for the Control Period.

5.34 The Commission has also examined the Petitioner's proposal relating to installation of FGD, D-NOx and ESP systems. In view of the provisions of the MoEF&CC Environment (Protection) Fourth Amendment Rules, 2025, and the MPERC order dated 12.08.2025, FGD installation is not required for

Category 'C' Thermal Power Plants complying with the prescribed stack-height criteria. Accordingly, the proposed FGD expenditure is not approved under the Capital Investment Plan.

Human Resource Plan

Petitioner's Submission

5.35 The Petitioner has not projected any addition in Human Resource Plan for MYT control period FY 2026-27 to FY 2030-31. However, the Petitioner has submitted details of personnel to retire in the control period as given below:

Table 24: Details of manpower to retire in the Control Period as submitted by the Petitioner

Retirement		FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Technical Stream	C.E/E.I.C	0	0	0	0	1	1
	E.S.E	0	0	2	3	0	5
	E.E	3	3	2	4	5	17
Non-Technical	C.E	0	0	0	0	0	0
	E.S.E	0	0	0	0	0	0
	E.E	0	0	0	0	0	0
HR	HR Posts	0	0	0	0	0	0
Finance	Finance Posts	0	2	2	1	1	6

Commission's Analysis

5.36 The Commission has acknowledged the submission made by the Petitioner and has not considered any addition in manpower for the control period. The Commission has also taken a note of the manpower to be superannuated during the control period as submitted by the Petitioner.

Non-Tariff Income

5.37 The Petitioner submitted that, for projecting Non-Tariff Income, the average year-on-year growth rate for FY 2021-22 to FY 2024-25, based on audited financial accounts, has been considered, resulting in an average annual decline of 7.91%. Accordingly, the Petitioner has projected Non-Tariff Income for FY 2026-27 by applying a 7.91% reduction to the previous year's figure as specified in the FY 2025-26 MYT Order. The same decline rate has been applied for the remaining Control Period from FY 2027-28 to FY 2030-31.

5.38 The Petitioner has submitted Non-Tariff Income for the fourth control period as below:

Table 25: Non-Tariff Income as submitted by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Non-Tariff Income	19.97	18.39	16.93	15.59	14.36

Commissions Analysis

5.39 The Commission approves the Non-Tariff income as submitted by the Petitioner and directs the Petitioner to submit detail description regarding non-tariff income at the time of True-up.

Table 26: Non-Tariff Income as approved by the Commission *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Non-Tariff Income	19.97	18.39	16.93	15.59	14.36

Chapter 6: DETERMINATION OF TARIFF FOR THE MYT CONTROL PERIOD FY 2026-27 TO FY 2030-31.

6.1 The Petitioner, in the instant Petition has outlined the Operational and financial projections for both the units and has computed each element of ARR for the fourth Control Period i.e. FY 2026-27 to FY 2030-31, keeping in view the following consideration:

- Norms and Principles outlined in the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations 2025.
- Multi Year Tariff Business Plan covering Operational and Financial Plan submitted for the Control Period from FY 2026-27 to FY 2030-31;
- Actual Operational and Financial Performance of the last Control Period i.e. FY 2021-22 to FY 2025-26 (provisional data) along with the performance parameters to be used for the Base Year i.e. FY 2025-26;

6.2 In accordance with the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations 2025, the Commission has scrutinized the Petition filed by the Petitioner for determination of Generation Tariff for the MYT Control Period i.e. FY 2026-27 to 2030-31. The aspect-wise description of the Petitioner's submission and the Commission's analysis thereon is given below.

Operational Performance

Petitioner's Submission

6.3 The Petitioner has projected the Operational Performance Parameters in accordance with JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations 2025.

Commission's Analysis

6.4 The Commission has approved the Operational Performance Parameters for MYT Control Period FY 2026-27 to FY 2030-31 in chapter 5 of the order.

Fuel Cost Parameter

GCV OF PRIMARY FUEL, LANDED PRICE OF COAL, GCV OF SECONDARY FUEL, LANDED PRICE OF SECONDARY FUEL

Petitioners Submission

6.5 The Petitioner has submitted that as per the Clause 17.15 of JSERC Generation Tariff Regulations, 2025, which states:

> *"Initially the Base value of gross calorific value of fuel oils and gross calorific value of coal incurred by the Generating Company/ generating Station shall be taken based on actuals of the weighted average gross calorific value of the three preceding months and in the absence of weighted average gross calorific value for the three preceding months, latest weighted average gross calorific value for the generating station, before the start of the year."*

6.6 In line with the aforesaid regulations, the Petitioner has considered the Gross Calorific Value of Coal and Secondary fuel for the preceding three months from the start of Control Period (i.e. Nov'25 to Jan'26) and based on the same has computed the weighted average GCV of Coal, the computation of which is provided below:

Table 27: Weighted average GCV of coal as submitted by the Petitioner for Control Period *(kcal/kg)*

S. No	Particulars	Coal Consumption (MT)	GCV of Coal(kCal/kg)
1	Nov-25	164083	3,463.65
2	Dec-25	163389	3,475.49
3	Jan-26	143816	3,472.27
Weighted Average GCV of Coal (kCal/kg)			**3,470.39**

Table 28: Weighted average GCV of secondary fuel as submitted by the Petitioner for Control Period *(Kcal/L)*

S. No	Particulars	Oil Consumption (KL)	GCV of oil (kCal/L)
1	Nov-25	130	9,359
2	Dec-25	273.5	9,359
3	Jan-26	342	9,359
Weighted Average GCV of Secondary fuel(kCal/L)			**9,359**

Commissions Analysis

6.7 Clause 17.15 of the Generation Tariff Regulations,2025 states the following:

> *"Initially the Base value of gross calorific value of fuel oils and gross calorific value of coal incurred by the Generating Company/ generating Station shall be taken based on actuals of the weighted average gross calorific value of the three preceding months and in the absence of weighted average gross calorific value for the three preceding months, latest weighted average gross calorific value for the generating station, before the start of the year."*

6.8 The Commission has examined the fuel consumption and GCV data for coal and secondary fuel oil submitted by the Petitioner for the relevant preceding year. Based on the weighted average GCV derived from the submitted data and after duly accounting for stacking losses in accordance with the provisions of the Regulations, the Commission approves the base GCV of coal as 3470.39 kCal/kg and GCV of secondary fuel oil as 9359 kCal/Ltr for the fourth control period i.e. FY 2026-27 to FY 2030-31.

Table 29: GCV of Coal *(kCal/kg)* & Secondary fuel oil *(kCal/Ltr)* approved by the Commission

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
GCV of Coal	**3,470.39**	**3,470.39**	**3,470.39**	**3,470.39**	**3,470.39**
GCV of Secondary Fuel Oil	**9,359**	**9,359**	**9,359**	**9,359**	**9,359**

Price of Coal and Secondary fuel oil

Petitioners Submission

6.9 The Petitioner, in line with clause 17.10 of JSERC Generation Tariff Regulations, 2025 has considered the cost of coal and secondary fuel for the preceding three months from the start of Control Period (i.e. Nov'25 to Jan'26) and based on the same has computed the weighted average rate of coal, the computation of which is provided below:

Table 30 : Weighted average rate of Coal as submitted by the Petitioner

S. No	Particulars	Coal Consumption (MT)	Rate of Coal (Rs/MT)
1	Nov-25	164083	4,579.60
2	Dec-25	163389	4,517.31
3	Jan-26	143816	4,536.12

S. No	Particulars	Coal Consumption (MT)	Rate of Coal (Rs/MT)
Weighted Average rate of Coal(Rs/MT)			**4,544.74**

Table 31: Weighted average rate of secondary fuel oil as submitted by the Petitioner

S. No	Particulars	Oil Consumption (KL)	Rate of Oil (Rs/KL)
1	Nov-25	130	72,423.59
2	Dec-25	273.5	71,950.25
3	Jan-26	342	71,562.08
Weighted Average rate of secondary fuel oil (Rs/KL)			**71,854.72**

Commissions Analysis

6.10 Clause 17.10 of the Generation Tariff Regulations,2025 states the following:

> *"17.10 The landed fuel cost of primary fuel and secondary fuel for tariff determination shall be based on actual weighted average cost of primary fuel and secondary fuel of the three preceding months, and in the absence of landed costs for the three preceding months, latest procurement price of primary fuel and secondary fuel for the generating station, before the start of the Control period for existing stations and immediately preceding three months in case of new generating stations shall be taken into account."*

6.11 The Commission has examined the methodology adopted by the Petitioner for determination of the landed cost of coal and secondary fuel oil and finds the same to be in line with the provisions of the JSERC Generation Tariff Regulations, 2025. The Commission notes that the Petitioner has submitted the actual cost data for the months of November 2025, December 2025 & January 2026 for the purpose of computing the base fuel prices.

6.12 Based on the scrutiny of the documents submitted by the Petitioner, the Commission approves the base rate of coal and secondary fuel oil as Rs.4544.74/MT & Rs.71854.72/Kl respectively for the fourth control period i.e. FY 2026-27 to FY 2030-31. However, the approved fuel rates shall be subject to prudence check and review during the truing-up of the respective years based on actuals and supported by relevant documentary evidence.

Table 32: Rate of Coal & Secondary fuel as approved by the Commission

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Rate of Coal (Rs./MT)	4,544.74	4,544.74	4,544.74	4,544.74	4,544.74
Rate of Secondary fuel (Rs/Kltr)	71,854.72	71,854.72	71,854.72	71,854.72	71,854.72

6.13 Also, as per clause 17.13 of Generation Tariff Regulations,2025 which specifies as:

> *"Any variation in fuel prices on account of change in the Gross Calorific Value (GCV) of coal or gas or liquid fuel shall be adjusted on a monthly basis on the basis of weighted average GCV of coal or gas or liquid fuel in stock, received and burnt and weighted average landed cost incurred by the Generating Company for procurement of coal, oil, or gas or liquid fuel, as the case may be for a power station."*

6.14 The Commission observes that the aforesaid provision adequately addresses variations in fuel cost through a defined adjustment mechanism based on actual fuel parameters and procurement costs. Accordingly, the base fuel price approved by the Commission for the Control Period shall remain constant and serve as the reference price for tariff determination.

Energy Charge Rate (ECR)

Petitioners Submission

6.15 The Petitioner has submitted that the Energy Charge Rate has been computed as per clause 17.8 of JSERC Generation Tariff Regulations, 2025 which is shown below:

Table 33: Energy Charge Rate (ECR) as projected by the Petitioner

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Capacity (MW)	420	420	420	420	420
PLF(%)	85%	85%	85%	85%	85%
Gross Generation (MUs)	3,127.32	3,135.89	3,127.32	3,127.32	3,127.32
Auxiliary Consumption (%)	9.5%	9.5%	9.5%	9.5%	9.5%
Net Generation (MUs)	2,830.22	2837.98	2,830.22	2,830.22	2,830.22
Station Heat Rate (Kcal/kWh)	2547	2547	2547	2547	2547
Secondary fuel oil consumption (ml/kWh)	1.00	1.00	1.00	1.00	1.00
Gross Calorific value of coal (kcal/kg)	3,470.39	3470.39	3,470.39	3,470.39	3,470.39
Gross Calorific value of oil	9,359	9359	9,359	9,359	9,359

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
(Kcal/Kl)					
Total heat required(kcal)	7965284.04	7987106.74	7965284.04	7965284.04	7965284.04
Oil consumption (KL)	3,127.32	3,135.88	3,127.32	3,127.32	3,127.32
Heat from oil (Kcal)	29,268.59	29348.59	29,268.59	29,268.59	29,268.59
Heat from coal(Kcal)	7936015.45	7957757.96	7936015.45	7936015.45	7936015.45
Transit Loss(%)	0.8%	0.8%	0.8%	0.8%	0.8%
Total Coal consumption including transit loss(MT)	2305224.09	2311539.78	2305224.09	2305224.09	2305224.09
Cost of oil(Rs/KL)	71,854.72	71,854.72	71,854.72	71,854.72	71,854.72
Cost of coal(Rs./MT)	4,544.74	4,544.74	4,544.74	4,544.74	4,544.74
Total cost of oil (Rs. Cr..)	22.47	22.53	22.47	22.47	22.47
Total cost of coal (Rs. Cr..)	1,047.66	1,050.53	1,047.66	1,047.66	1,047.66
Energy charge rate (Rs./kWh)	3.781	3.781	3.781	3.781	3.781

Commission's Analysis

6.16 As per Clause 17.14 of JSERC Generation Tariff Regulations, 2025, which states:

"Initially, the Base value of price of fuel oils, price of coal incurred by the Generating Company/ generating station shall be taken based on actuals of the weighted average price of the three preceding months and in the absence of weighted average landed costs for the three preceding months, latest respective weighted average procurement price for the generating station, before the start of the year."

6.17 Also, as per clause 17.8 of JSERC Generation Tariff Regulations, 2025, the energy charge rate (in Rs/kWh) on ex-power plant basis shall be determined to three decimal places in accordance with the following formulae:

"For coal-based stations and lignite fired stations:

Energy Charge Rate (ECR) = {(SHR - SFC x CVSF) x LPPF/CVPF+SFC x LPSFi+ LC x LPL} / (1 – Aux)

For gas and liquid fuel-based stations:

ECR = SHR x LPPF / {CVPF x (1 – Aux)}

Where, Aux: Normative auxiliary energy consumption (%);

CVPF: (a)Weighted Average Gross calorific value of coal as received, in kcal per kg for coal based stations;

Weighted Average Gross calorific value of primary fuel as *received in kcal per kg, per litre or per standard cubic meter, as applicable for lignite, gas and liquid fuel based stations;*

In case of blending of fuel from different sources, the weighted average Gross calorific value of primary fuel shall be arrived in proportion to blending ratio.

CVSF: Calorific value of secondary fuel (kcal/ml); ECR - Energy Charge Rate (Rs. /kWh);

SHR - Gross Station Heat Rate (kcal/kWh);

LC = Normative limestone consumption (kg/kWh);

LPPF - Weighted average landed price of primary fuel, in Rupees per kg, per litre or per standard cubic metre, as applicable, during the month. (In case of blending of fuel from different sources, the weighted average landed price of primary fuel shall be arrived in proportion to blending ratio);

LPSFi=Weighted Average Landed Price of Secondary Fuel in Rs. /ml during the month;

LPL = Weighted average landed price of limestone in Rupees per kg; SFC - Specific fuel oil consumption, in ml per kWh

6.18 The Commission has calculated the ECR to be charged by the Petitioner as per the formula stated above and considered the approved values of the various fuel parameters. The table below contains the ECR for each year of the Control Period i.e. from FY 2026-27 to FY 2030-31 as approved by the Commission

Table 34: Energy charge rate as approved by the Commission

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Capacity (MW)	420	420	420	420	420
PLF(%)	85%	85%	85%	85%	85%
Gross Generation (MUs)	3,127.32	3,135.89	3,127.32	3,127.32	3,127.32
Auxiliary Consumption (%)	9.5%	9.5%	9.5%	9.5%	9.5%
Net Generation (MUs)	2,830.22	2837.98	2830.22	2830.22	2830.22
Station Heat Rate (Kcal/kWh)	2547	2547	2547	2547	2547
Secondary fuel oil consumption (ml/kWh)	1.00	1.00	1.00	1.00	1.00
Gross Calorific value of coal (kcal/kg)	3470.39	3470.39	3470.39	3470.39	3470.39

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Gross Calorific value of oil (Kcal/Kl)	9359	9359	9359	9359	9359
Total heat required(kcal)	7965284.04	7987106.73	7965284.04	7965284.04	7965284.04
Oil consumption (KL)	3,127.32	3,135.88	3,127.32	3,127.32	3,127.32
Heat from oil (Kcal)	29,268.59	29348.59	29268.59	29268.59	29268.59
Heat from coal(Kcal)	7936015.45	7957757.96	7936015.45	7936015.45	7936015.45
Transit Loss(%)	0.8%	0.8%	0.8%	0.8%	0.8%
Total Coal consumption including transit loss(MT)	2305220.09	2311539.78	2305220.09	2305220.09	2305220.09
Cost of oil(Rs/KL)	71,854.72	71,854.72	71,854.72	71,854.72	71,854.72
Cost of coal(Rs./MT)	4,544.74	4,544.74	4,544.74	4,544.74	4,544.74
Total cost of oil (Rs. Cr..)	22.47	22.53	22.47	22.47	22.47
Total cost of coal (Rs. Cr..)	1,047.66	1,050.53	1,047.66	1,047.66	1,047.66
Total Energy Charge	1,070.13	1,073.07	1,070.13	1,070.13	1,070.13
Energy charge rate (Rs./kWh)	3.781	3.781	3.781	3.781	3.781

Determination of Fixed Cost

Depreciation

Petitioners Submission

6.19 TVNL submitted that, for FY 2026-27, the opening GFA and accumulated depreciation have been considered at Rs. 1,631.62 Cr and Rs. 1,378.34 Cr, respectively.

6.20 The Petitioner stated that depreciation has been determined in accordance with Clauses 15.28 to 15.31 of the JSERC Generation Tariff Regulations, 2025, which provide for depreciation on the admitted capital cost, on a straight-line basis, at the prescribed rates, subject to a 10% residual value and a maximum depreciation of 90% of the original cost of the asset. TVNL also noted that land is excluded while computing the depreciable value

6.21 As on 31.03.2026, the accumulated depreciation of Rs. 1,378.34 Cr represents 84.48% of the GFA of Rs. 1,631.62 Cr. Considering the prescribed 10% salvage value of Rs. 163.16 Cr, the maximum depreciable value of the existing assets is Rs. 1,468.45 Cr. Accordingly, TVNL submitted that the balance depreciable value of Rs. 90.12 Crore remains to be depreciated and proposed to spread this balance over the years of the MYT Control Period FY 2026-27 to FY 2030-31.

6.22 The Petitioner has submitted depreciation expenses for the fourth control period as shown in the table below:

Table 35: Depreciation Expense as projected by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Depreciation	18.02	18.02	18.02	18.02	18.02

Commissions Analysis

6.23 The Commission, with reference to Clauses 15.28 to 15.32 of the JSERC Generation Tariff Regulations, 2025, notes as follows:

> *" 15.28. Depreciation shall be calculated every year, on the amount of Capital Cost of the assets as admitted by the Commission. In case tariff of multiple Units of a generating station is determined, weighted average life for the generating station shall be applied:*
>
> *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.*
>
> *15.29 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in these Regulations.*
>
> *15.30 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 Generating Company 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;*
>
> *Provided that in case the tenure of PPA executed between the Generating plant and Beneficiaries is more than that of the Useful life of the plant, the Commission after prudence check may consider the PPA life for spreading the remaining depreciable value as on March 31 of the year instead of useful life;*
>
> *Provided that in case after carrying out the residual life assessment, it is found that the residual life of the generating station or unit as the case may be is beyond the useful life specified in these regulations the*

Commission after prudence check, may spread the remaining depreciable value to be recovered over the extended life of the plant.

15.31 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 pro-rata basis:

Provided that any depreciation disallowed on account of lower availability of the generating station shall not be allowed to be recovered at a later stage during the useful life and the extended life.

15.32 The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset……

15.33 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 Generating Company. 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"

6.24 The Commission has examined the submissions made by the Petitioner, the audited accounts and the depreciation computation furnished for the Control Period. The Commission observes that, after considering the admissible GFA, accumulated depreciation and necessary adjustments made in the audited accounts, the accumulated depreciation as on 31.03.2025 works out to Rs. 1,360.02 Crore, against a closing GFA of Rs. 1,581.77 Crore. Accordingly, the accumulated depreciation of Rs. 1,360.02 Crore has been considered as the opening accumulated depreciation for determining the depreciation for each year of the Control Period.

6.25 The Commission further notes that the closing GFA as on 31.03.2025 was Rs. 1,581.77 Crore and no addition to GFA have been proposed during FY 2025-26 and the Control Period from FY 2026-27 to FY 2030-31.

6.26 The Commission observes that, after considering the normative salvage value of 10% of the GFA, the maximum depreciable value works out to Rs. 1,423.59 Crore. Against this, the accumulated depreciation as on 31.03.2025 stands at Rs. 1,360.02 Crore, leaving a balance depreciable value of Rs. 63.57 Crore available for recovery during the Control Period.

6.27 Accordingly, the Commission has apportioned the balance depreciable value of Rs. 63.57 Crore equally over the five years of the Control Period (FY 2026-27 to FY 2030-31) and APR year of FY 2025-26, resulting in an annual depreciation of Rs. 10.59 Crore for each year of the Control Period and APR year of FY 2025-26. Accordingly, the Commission approves an annual depreciation of Rs. 10.59 Crore for each year of the Control Period, subject to reconciliation and prudence check during the respective True-up proceedings.

6.28 In accordance with JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025 the Commission approves the depreciation as given in the table below.

Table 36: Depreciation Expense approved by the Commission *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Depreciation	10.59	10.59	10.59	10.59	10.59

Operation and Maintenance (O&M) Expense

Petitioners Submission

6.29 The Petitioner has submitted O&M expense as per the clause 15.35, 15.40 & 15.41 of the JSERC Generation Tariff Regulations 2025, which includes expenditure incurred in the operation and maintenance of the generating station, including employee cost, repairs and maintenance, consumption of stores and spares, water charges, ash disposal, pollution control cess, insurance and other administrative and general expenses of the Petitioner corporate office at Ranchi.

6.30 The Petitioner submitted that the R&M, Employee and A&G costs for the "nth" year shall be indexed using inflationary factors, comprising a combination of the CPI and WPI for the year immediately preceding the base year, and that as per Regulation15.42(c), the Inflation Factor is calculated by assigning a weightage of 55% to the CPI index and 45% to the WPI index as per the formula $INDX_n = 0.55 \times CPI_n + 0.45 \times WPI_n$; in line with this formula, the Inflation Factor for the Control Period, works out as follows:

Period	WPI	CPI	Total
Weightage	0.45	0.55	1
Avg Indexation for FY 23-24	151.4	184.1	
Avg Indexation n-1 (Index * Wt.)	68.13	101.26	169.39
Avg Indexation for FY 24-25	154.9	192.62	
Avg Indexation n (Index * Wt.)	69.71	105.94	175.64
Combined Inflation (Indxn/Indxn-1)	3.70%		

6.31 Further, TVNL envisages no additional manpower recruitment during the Control Period FY 2026-27 to FY 2030-31 and hence considered growth factor Gn as 0 for entire Control Period.

6.32 The Petitioner further submitted that the employee costs (except the Terminal Benefits) for next control period have been projected on the basis of an inflationary increase of 3.70% (based on 45% weightage of WPI & 55% weightage of CPI) over actual employee cost of FY 2024-25.

6.33 The petitioner submitted that as per Note-3 of Regulation 15.42 of the JSERC Generation Tariff Regulations, 2025, Terminal Liabilities are to be approved as per actuals submitted by the Generating Company, along with documentary evidence, at the time of True-up for the relevant year. The petitioner further submitted that, for the purpose of the present Petition, TVNL has considered the Terminal Benefits for FY 2024-25 (comprising Pension, Gratuity and NPS) for projecting Terminal Benefits during the Control Period, without any escalation. The petitioner submitted that the same shall be trued up as per the actual terminal liabilities incurred by the Petitioner, subject to due prudence check by the Commission.

6.34 Based on the above paragraphs, the Employee Expenses projected for the Control Period (FY 2026-27 to FY 2030-31) is tabulated below:

Table 37: Employee expense as projected by the Petitioner *(Rs. Crore)*

Particulars	FY 25-26 (Base)	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Employee expense-Base Year	88.35					
Inflation factor		3.70%	3.70%	3.70%	3.70%	3.70%
Employee expense projected		91.62	95.01	98.52	102.16	105.93
Terminal expense	49.46	49.46	49.46	49.46	49.46	49.46
Employee Expenses	**137.81**	**141.08**	**144.46**	**147.97**	**151.61**	**155.39**

6.35 The petitioner submitted that it has considered the base Administrative & General (A&G) Expense of Rs. 34.31 crore, based on actual accounts for FY 2024-25. The petitioner further submitted that A&G Expenses have been projected for the ensuing MYT Control Period (FY 2026-27 to FY 2030-31) by escalating the base year figure at an annual inflation rate of 3.70% on a year-on-year basis, derived based on a weightage of 45% for WPI and 55% for CPI Based on the above, the projected A&G Expenses for the MYT Control Period (FY 26-27 to FY 30-31) is provided below:

Table 38: A&G Expense projected by Petitioner *(Rs. Crore)*

Particulars	FY 25-26 (Base)	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
A&G Expense-Base Year	34.31					
Inflation Factor		3.70%	3.70%	3.70%	3.70%	3.70%
A&G expense		**35.58**	**36.89**	**38.25**	**39.67**	**41.13**

6.36 The Petitioner has referred to clause 15.42 (a) of the JSERC Generation Tariff Regulations, 2025 wherein R&M Expense is to be projected as per the following formulae:

*"(Repair & Maintenance) n = K*GFA*(INDXn/ INDXn-1)*

Where,

'K' is a constant (expressed in %) governing the relationship between Repair & Maintenance costs and Gross Fixed Assets (GFA) and shall be calculated based on the % of Repair & Maintenance to GFA of the preceding years of the Base Year in the MYT Order after normalizing any abnormal expenses; 'GFA' is the opening value of the gross fixed asset of the nth year;"

6.37 The Petitioner further submitted that the value of K, i.e, R&M

expense as a percentage of opening GFA for the preceding year FY 2024-25 has been calculated as 4.13% as per JSERC Generation Tariff Regulations, 2025 as shown in the table below:

Table 39: Calculation of K Factor by the Petitioner

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Opening GFA	1646.82	1646.82	1646.82	1646.82
R&M expenses	62.05	65.83	69.84	74.09
R&M expense/Opening GFA	3.77%	4.00%	4.24%	4.50%
K factor (Avg of annual ratios)	4.13%			

6.38 Based on the above calculation of K factor the Petitioner has projected R&M expense for the fourth control period i.e. FY 2026-27 to FY 2030-31 as shown in the table below:

Table 40: R&M Expense projected by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Opening GFA	1,631.62	1,631.62	1,631.62	1,631.62	1,631.62
K Factor	4.13%	4.13%	4.13%	4.13%	4.13%
Indexation Factor	3.70%	3.70%	3.70%	3.70%	3.70%
Total R&M expense	**69.81**	**69.81**	**69.81**	**69.81**	**69.81**

6.39 The summary of O&M expense as submitted by the Petitioner for FY 2026-27 to FY 2030-31 is shown in the table below:

Table 41: Summary of O&M Expense projected by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Employee Expenses	91.62	95.01	98.52	102.16	105.93
Terminal Liability	49.46	49.46	49.46	49.46	49.46
A&G Expenses	35.58	36.89	38.25	39.67	41.13
R&M Expenses	69.81	69.81	69.81	69.81	69.81
Total	**246.46**	**251.16**	**256.04**	**261.09**	**266.33**

Commissions Analysis

6.40 The Commission has analyzed the submissions made by the Petitioner.

6.41 The Commission, referring to definition 51 and Regulation 15.35 of the Generation Tariff Regulations,2025 which specifies as follows:

> *"44. 'Operation and Maintenance Expenses' or 'O&M expenses' means the expenditure incurred for operation and maintenance of the project, or part thereof, and*

includes the expenditure on manpower, repairs and maintenance, spares, consumables, insurance and overheads, and fuel other than used for generation of electricity;"

"15.35 Operation and Maintenance (O&M) expenses shall comprise of the following:

1. *Salaries, wages, pension contribution and other employee costs;*
2. *Administrative and General costs;*
3. *Repairs and maintenance expenses;"*

6.42 Further referring to clauses 15.40 to clause 15.44 of the Generation Tariff, Regulations 2025 which specifies the methodology to be adopted for computation of employee expense, repair and maintenance expense and administrative and general expense referred as below:

"Existing Generating Stations

The O&M Expenses for the Base Year of the Control Period shall be approved by the Commission taking into account the audited accounts of FY 2020-21 to FY 2024-25, Business Plan filed by the Generating Company, estimates of the actual for the Base Year, prudence check and any other factor considered appropriate by the Commission.

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 Generating Company for the nth year;

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

A&Gn – Administrative and General Costs of the Generating Company for the nth year

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

*a) (Repair &Maintenance) n = K*GFA*(INDXn/ INDXn-1)*

Where, 'K' is a constant (expressed in %) governing the relationship between Repair &Maintenance costs and Gross Fixed Assets (GFA) and shall be calculated based on the % of Repair &Maintenance to GFA of the preceding years of the Base Year in the MYT Order after normalizing *any abnormal expenses;*

'GFA' is the opening value of the gross fixed asset of the nthyear;

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

Where, EMPn-1 – Employee Costs of the Generating Company for the (n-1)th year excluding terminal liabilities;

A&Gn-1 – Administrative and General Costs of the Generating Company 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 Generating Company 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-1 at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

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

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

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

15.40 The additional Operation and Maintenance expenses on account of implementation of revised emission standards shall be approved on case to case basis."

6.43 The Commission has considered the approved O&M expenses for FY 2025-26 as the Base Year for projecting O&M expenses over the Control Period FY 2026-27 to FY 2030-31. Employee Expenses and A&G Expenses for the Base Year have been escalated at the rate of 3.12% per annum, based on the trued-up inflation factor for FY 2024-25.

6.44 With regard to R&M Expenses, the Commission has reviewed the trued-up R&M expenses expressed as a percentage of Opening GFA (K-Factor) for the years FY 2020-21 to FY 2024-25, which stand at 3.73%, 4.13%, 4.55%, 3.80%, and 3.78% respectively. Taking the average of these figures, the Commission has arrived at a K-Factor of 4.00%, which has been applied to determine the Base Year R&M expenses. These Base Year figures have subsequently been escalated at 3.12% per annum to compute the R&M expenses for each year of the Control Period. any further expenditure actually incurred towards O&M expenses shall be examined at the time of True-up for the respective years of the Control Period.

6.45 The Operations and Maintenance expense as approved by the Commission for the fourth control period i.e. FY 2026-27 to FY 2030-31 is given in the table below:

Table 42: Summary of O&M Expenses as approved by the Commission *(Rs. Crore)*

Particulars	FY 25-26 (Base)	Escalation	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Employee Expenses	68.82	3.12%	70.96	73.18	75.46	77.81	80.24
Terminal Liability	55.12		55.12	55.12	55.12	55.12	55.12
A&G Expenses	27.31	3.12%	28.16	29.04	29.95	30.88	31.85
R&M Expenses	59.25	3.12%	65.23	65.23	65.23	65.23	65.23
Total	**210.50**		**219.48**	**222.57**	**225.76**	**229.05**	**232.44**

Interest and Financing charges on Debt

Petitioners Submission

6.46 Petitioner submitted that for computation of normative debt for next Control Period, the Petitioner has considered the opening debt of Rs. 158.58 Cr for FY 2021-22 as approved by the Commission during the last MYT order dated 14th December 2023, and capitalization during the Control Period between years FY 2021-22 and FY 2025-26 as available from the provisional balance sheets of each of the years.

6.47 Further, the Petitioner has taken addition in normative loans as 70% of the capitalization for the year as per Regulation 15.6 and 15.7 of JSERC Generation Tariff Regulations 2025 and the repayment for a particular year has been considered equal to depreciation considered for that year as per Regulation 15.15 of JSERC Generation Tariff Regulations 2025. The capitalization and depreciation for FY 2025-26 has been taken as the values approved by the Commission during the last MYT order dated 14th December 2023 i.e. at 'nil' and Rs. 18.31 respectively.

6.48 In the Current Petition, the Petitioner has considered the Interest and Finance Charges for the control Period as given below:

a) Interest Charges on the loans outstanding as on 31st March 2026 - Refers to the interest charge payable by the Petitioner on the outstanding loans at the end of FY 24-25 i.e. 13% as per actual account of FY 2024-25.

b) Interest on additional capitalization – Interest charges payable for the loans projected to be raised for additional capitalization projected for the fourth Control Period i.e. FY 2026-27 to FY 2030-31. In accordance with the JSERC Generation Tariff Regulations 2025, the Normative Debt on account of Additional Capitalization has been considered as 70%.

c) Repayment of Loan – The repayment has been considered equal to the depreciation computed for the Control Period in accordance with the clause 15.15 of JSERC Generation Tariff Regulations 2025.

d) Rate of Interest – The Interest charges for the on-going loans have been considered as per the actual rate of Interest. For the new loans projected during the Control Period, the Interest Rate has been considered in accordance with clause 15.18 of JSERC Generation Tariff Regulations, 2025, i.e. SBI Base Rate plus 200 basis points. As on 01st April 2025, the SBI Base Rate was 6.50% and accordingly, the Interest Rate on Normative Loan comes out to be 8.50%.

6.49 Based on the Opening Normative Debt, Normative Debt addition during the Control Period on account of Additional Capitalization and Rate of Interest, the Interest on Debt during the fourth Control Period (FY 2026-27 to FY 2030-31) is calculated in the table below:

Table 43: Interest Cost as submitted by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Opening Balance	67.03	49.01	30.98	12.96	0
Loan received during the year	0	0	0	0	0
Repayment during the year	18.02	18.02	18.02	12.96	0
Balance outstanding at the end of the year	49.01	30.98	12.96	0	0
Average Loan	58.02	40.00	21.97	6.48	0
Rate of interest	8.5%	8.5%	8.5%	8.5%	8.5%
Interest Amount	**4.93**	**3.40**	**1.87**	**0.55**	**-**

6.50 The Petitioner has requested the Commission to approve the Interest Cost as projected above.

Commissions Analysis

6.51 The Commission has examined the submissions of the Petitioner with regards to Interest and Financing Charges on Debt for the MYT Control Period FY 2026-27 to FY 2030-31 in accordance with the provisions of the JSERC Generation Tariff Regulations, 2025.

6.52 During the scrutiny of the Petition, the Commission had sought details of the loan considered by the Petitioner for computation of Interest on Loan along with the supporting loan schedule and documentary evidence identifying the lending institutions against the loan amount of Rs. 67.03 Crore considered for FY 2026-27.

6.53 In response to the data gap, the Petitioner submitted that the loan considered for computation of IoL is the normative loan carried forward from the previous MYT Control Period and not an actual loan. The Petitioner stated that the outstanding normative loan as on 31.03.2026 is Rs. 67.03 Crore, as approved by the Commission in the MYT Order for

FY 2021-22 to FY 2025-26, and accordingly claimed interest at 8.50% in terms of the provisions of the JSERC Generation Tariff Regulations, 2025.

6.54 The Commission, while carrying out the Truing-up exercise for FY 2023-24 and FY 2024-25, has also determined the Interest on Loan for FY 2025-26 on a normative basis in accordance with the applicable Regulations. Accordingly, the closing normative loan balance determined for FY 2025-26 has been considered as the opening loan balance for FY 2026-27. The loan balances for the subsequent years of the Control Period have thereafter been determined by considering the normative repayment of loan.

6.55 For determination of Interest on Loan for FY 2026-27 to FY 2030-31, the Commission has considered the interest rate of 11.00%, comprising the Bank Rate, i.e. SBI MCLR as on 1 April 2025 of 9.00%, plus 200 basis points. The Interest on Loan has been computed on the basis of the average normative loan balance for each year of the Control Period

6.56 Accordingly, the Commission approves the Interest on Loan for FY 2026-27 to FY 2030-31, respectively, for both Units, as shown in Table 44 below, subject to prudence check at the time of True-up.

Table 44: Interest on Loan approved by the Commission *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Opening Balance	326.00	315.41	304.81	294.22	283.62
Loan received during the year	-	-	-	-	-
Repayment during the year	10.59	10.59	10.59	10.59	10.59
Balance outstanding at the end of the year	315.41	304.81	294.22	283.62	273.03
Average Loan	320.70	310.11	299.51	288.92	278.33
Rate of interest	11%	11%	11%	11%	11%
Interest Amount	**35.28**	**34.11**	**32.95**	**31.78**	**30.62**

Return on Equity

Petitioners Submission

6.57 The Petitioner submitted that it has considered an opening equity of Rs. 184.64 Cr. for FY 2021-22 as approved by the Commission in the last MYT Order dated 14th December 2023. The Commission has not approved any capital expenditure for the Control Period FY 2021-22 to FY 2025-

26 due to delay in submission of detailed justifications in the Order on Petition for Multi Year Tariff for the period FY 2022-26 dated 14th December 2023.

6.58 The Petitioner further submitted that there hasn't been a true-up after FY 2021-22, therefore the Petitioner has considered the capitalization in the previous control period (FY 2021-22 to FY 2025-26) as approved by Commission during the last MYT order dated 14th December 2023. The addition in the Equity has been considered at 30% of addition in GFA as per Regulation 15.6 and 15.7 of JSERC Generation Tariff Regulations 2025. The Petitioner has further considered no addition in GFA and equity for FY 2025-26 as per previous MYT order dated 14th December 2023. Accordingly Opening Equity for FY 2026-27 has been calculated at Rs. 184.64 Cr.

6.59 Petitioner further submitted that as per the Clause 15.10 of JSERC Generation Tariff Regulations 2025, the Return on Equity shall be computed on post-tax basis at the base rate of 15.00%. Since there is no income tax envisaged to be paid by the Petitioner during the Control Period, the Post Tax Rate of Equity has been considered. Based on the opening Normative Equity, addition during the Control Period on account of Additional Capitalization on RoE, the Return on Equity claimed by the Petitioner for the Control Period FY 2026-27 to FY 2030-31 is provided in the table given below:

Table 45: Return on Equity as submitted by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Opening Balance	184.64	184.64	184.64	184.64	184.64
Addition	0	0	0	0	0
Closing Balance	184.64	184.64	184.64	184.64	184.64
Average	184.64	184.64	184.64	184.64	184.64
Rate of Equity	15%	15%	15%	15%	15%
Return on Equity	**27.70**	**27.70**	**27.70**	**27.70**	**27.70**

Commissions Analysis

6.60 The Commission has noted the submissions made by the petitioner. The Commission has considered the closing equity balance of FY 2025-26 as the opening equity balance for the current MYT period.

6.61 In accordance with Clause 15.9 & 15.10 of the JSERC Generation Tariff Regulations, 2025, the Commission approves the Return on Equity at 15.00%. as shown below.

Table 46: Return on Equity as approved by the Commission *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Opening Balance	232.07	232.07	232.07	232.07	232.07
Addition	0	0	0	0	0
Closing Balance	232.07	232.07	232.07	232.07	232.07
Average	232.07	232.07	232.07	232.07	232.07
Rate of Equity	15.00%	15.00%	15.00%	15.00%	15.00%
Return on Equity	**34.81**	**34.81**	**34.81**	**34.81**	**34.81**

Interest on Working Capital

Petitioners Submission

6.62 The Petitioner has projected the Interest on Working Capital (IoWC) requirement in accordance with Clause 15.23, Clause 15.26 of the JSERC Generation Tariff Regulations, 2025, as tabulated hereunder.

Table 47: Interest on Working Capital as submitted by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Cost towards Coal for 20 days stocking	57.41	57.56	57.41	57.41	57.41
Cost towards Coal for 30 days Generation	86.11	86.35	86.11	86.11	86.11
Cost of Secondary fuel (2 months)	3.69	3.70	3.69	3.69	3.69
O&M Expenses (1 month)	21.24	21.63	22.03	22.45	22.88
Receivable equivalent to 45 days average billing	170.53	171.51	171.75	172.40	173.16
Maintenance Spares @20% O&M	49.29	50.23	51.21	52.22	53.27
Total Working Capital	388.28	390.98	392.20	394.28	396.51
Interest Rate	9.30%	9.30%	9.30%	9.30%	9.30%
Interest on Working Capital	**36.11**	**36.36**	**36.47**	**36.67**	**36.88**

Commissions Analysis

6.63 The Commission has outlined clause 15.23 and clause 15.26 JSERC Generation Tariff Regulation 2025 for the approval of interest on working capital for a generating station as reproduced below:

"15.23 The Commission shall determine the Working Capital requirement on normative basis for coal-based

generating stations, which shall comprise the following components:

1. Cost of coal or lignite and limestone towards stock, if applicable, for 10 days for pit-head generating stations and 20 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal/ lignite stock storage capacity, whichever is lower;

2. Cost of coal or lignite and limestone for 30 days for generation corresponding to normative annual plant availability factor;

3. Cost of secondary fuel oil for two months for generation corresponding to the Normative Annual Plant Availability Factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;

4. Operation and Maintenance expenses, including water charge and security expenses for one month;

5. Maintenance spares @ 20% of Operation and Maintenance Expenses;

6. Receivables equivalent to 45days of capacity charges and energy charges for sale of electricity calculated on the Normative Annual Plant Availability Factor:

Provided that the cost of primary fuel shall be based on the landed cost incurred (taking into account normative transit and handling losses) by the generating station and gross calorific value of the fuel on 'as received basis' as per actual weighted average for three months preceding the first month for which tariff is to be determined

Provided further that in case of new generating station, the cost of fuel for the first financial year shall be considered based on landed fuel cost (taking into account normative transit and handling losses) and gross calorific value of the fuel as per actual weighted average for three months, as used for infirm power, preceding date of commercial operation for which tariff is to be determined.

15.26 The rate of Interest on Working Capital shall be on normative basis and shall be equal to Bank Rate plus 350 basis points as on September 30 of the financial year in which the MYT Petition is filed on or as on April 01, of the year during the Control Period from FY 2026-27 to FY 2030-31 in which the generating station or a Unit thereof, is declared under commercial operation, whichever is later:

Provided that the rate of interest on working capital shall be trued up on the basis of Bank Rate plus 350 basis *points as applicable on April 01, of the respective financial year at the time of true up."*

6.64 The Commission has examined the Petitioner's submission and has determined the Interest on Working Capital (IoWC) in accordance with the above-mentioned Regulations. As per the applicable provisions, the Bank Rate shall be considered for determination of IoWC. The State Bank of India MCLR prevailing as on 30TH September of FY 2025-26 is 8.75%. Accordingly, the applicable rate of interest on working capital works out to 12.25% (8.75% + 3.50%).

6.65 Since the petitioner's claim for rate of interest for computation of IoWC is lower than that allowed by the regulation as computed above the commission, thereby approves the rate of interest as per the Petitioner. Accordingly, the Commission approves the IoWC at the interest rate of 9.30% for the respective years of the fourth control period as shown below.

Table 48: Interest on Working Capital as approved by the Commission *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Cost towards Coal for 20 days stocking	57.41	57.41	57.41	57.41	57.41
Cost towards Coal for 30 days Generation	86.11	86.11	86.11	86.11	86.11
Cost of Oil for Generation (60 days)	3.75	3.76	3.75	3.75	3.75
O&M Expenses (1 month)	19.29	19.55	19.81	20.09	20.37
Receivables (45 days)	172.38	172.71	173.27	173.71	174.15
Maintenance Spares (20% O&M)	46.30	46.91	47.55	48.21	48.89
Total Working Capital	385.22	386.44	387.89	389.27	390.67
Interest Rate	9.30%	9.30%	9.30%	9.30%	9.30%
Interest on Working Capital	**35.83**	**35.94**	**36.07**	**36.20**	**36.33**

Water Charges

Petitioners Submission

6.66 The Petitioner in line with its submission and approved values of water charges from last MYT order dated 14th December 2023 has projected water charges @Rs. 1 Cr per month during the Control Period of FY 2026-27 to FY 2030-31 and has submitted as follows:

Table 49: Water Charges as submitted by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Water Charges	12	12	12	12	12

Commissions Analysis

6.67 The Commission has outlined clause 15.46 of JSERC Generation Tariff Regulation 2025 for the approval of water charge, capital spare, security spare for a generating station as reproduced below:

> *"15.46. The Water Charges, Security Expenses and Capital Spares for thermal generating stations shall be allowed separately after prudence check:*
>
> *Provided that Water Charges shall be allowed based on water consumption, depending upon type of plant, type of cooling water system, subject to prudent check. The details regarding the same shall be furnished along with the Petition.*
>
> *Provided that the generating station shall submit the details of year wise actual capital spares consumed at the time of truing up with appropriate justification for incurring the same and substantiating that the same is not funded through special allowance as per Clause 14.11 and 14.12 of the Regulation or claimed as a part of additional capitalization or consumption of stores and spares and renovation and modernization".*

6.68 The Commission has scrutinized the details as submitted by the Petitioner and has observed that charges submitted by the Petitioner is in line with the approved values from the Third Control Period MYT Order. Hence the Commission approves water charges for the fourth control period as mentioned in the table below:

Table 50: Water charges as approved by the Commission *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Water Charges	12	12	12	12	12

Special Allowance for Thermal Generating Stations

Petitioners Submission

6.69 The two units of TVNL (Unit – I and Unit – II) commenced operation in September 1996 and September 1997 respectively. They are in commercial operation for more than 25. Thus, as per Clause 14.12 of JSERC Generation Tariff Regulations, 2025 which states that:

> *"A Generating Company (coal-based/lignite fired thermal generating station) on opting for Special Allowance shall be allowed@ Rs. 9.50 lakh/MW/year for the Control Period from FY 2026-27 to FY 2030-31, Unit-wise from the financial year following the completion of useful life of the*

respective Unit of generating station: Provided that if a Unit is in commercial operation for more than 25 years as on April 01, 2026, this allowance shall be admissible from FY 2026-27:

Provided further that if special allowance is granted by the Commission, the expenditure incurred or utilized from special allowance shall be maintained separately by the generating station and details of same shall be made available to the Commission immediately thereafter."

6.70 The Petitioner has claimed Special Allowance for both units for the period FY 2026-27 to FY 2030-31as follows:

Table 51: Special Allowance as claimed by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Special Allowance @9.50 lakh/MW/year	39.90	39.90	39.90	39.90	39.90

Commissions Analysis

6.71 The Commission, referring to clause 14.11 of the Generation Tariff Regulations 2025 which mentions about provisions for special allowance for plant in operation beyond its useful life i.e. 25 years notes that both the units of the plant has exhausted the useful life of 25 years i.e. Unit-1 has completed its useful life on 2021 and Unit-2 has completed its useful life on 2022 respectively.

6.72 The Commission observes that Unit-I and Unit-II of TVNL had completed 25 years of commercial operation prior to the commencement of the current Control Period and are, therefore, eligible for consideration of Special Allowance under the provisions of the JSERC Generation Tariff Regulations, 2025. Accordingly, the Commission has considered the Petitioner's claim in accordance with the applicable Regulations and approves the Special Allowance for both the generating units (subject to prudence check at the time of true-up) for the Control Period FY 2026-27 to FY 2030-31 as detailed in the following table:

Table 52: Special Allowance as approved by the Commission *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
Special Allowance @9.50 lakh/MW/year	39.90	39.90	39.90	39.90	39.90

Summary of Annual Fixed Charge (AFC) for MYT Control

Period FY 2026-27 to FY 2030-31

Petitioners Submission

6.73 The table below provides the summary of the annual capacity charges claimed in the instant petition on account of Multi Year Tariff for FY 2026-27 to FY 2030-31:

Table 53: Summary of Fixed charge as submitted by the Petitioner *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
O&M Expense	246.46	251.16	256.04	261.09	266.33
Depreciation	18.02	18.02	18.02	18.02	18.02
Interest on Normative Loan	4.93	3.40	1.87	0.55	0.00
Return on Equity	27.70	27.70	27.70	27.70	27.70
Special Allowance	39.90	39.90	39.90	39.90	39.90
Other Charges: Water Charges & other expenses	12.00	12.00	12.00	12.00	12.00
Interest on Working Capital	36.11	36.36	36.47	36.67	36.88
Total Fixed Cost	385.12	388.54	392.00	395.93	400.83
Less: Non- Tariff Income	19.97	18.39	16.93	15.59	14.36
Annual Fixed Charge	**365.15**	**370.15**	**375.07**	**380.34**	**386.47**

Commission's analysis

6.74 The Commission, upon consideration of the submission and details furnished by the Petitioner and after scrutinizing and analyzing the same, approves the Annual Fixed Cost (AFC) for FY 2026-27 to FY 2030-31 which is summarized below:

Table 54: Summary of Fixed charge as approved by the Commission *(Rs. Crore)*

Particulars	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
O&M Expense (Including terminal liabilities)	219.48	222.57	225.76	229.05	232.44
Depreciation	10.59	10.59	10.59	10.59	10.59
Interest on Normative Loan	35.28	34.11	32.95	31.78	30.62
Return on Equity	34.81	34.81	34.81	34.81	34.81
Water Charges	12.00	12.00	12.00	12.00	12.00
Interest on Working Capital	35.83	35.94	36.07	36.20	36.33
Total Fixed Cost	347.99	350.03	352.19	354.44	356.79
Less: Non- Tariff Income	19.97	18.39	16.93	15.59	14.36
Annual Fixed Charge	**328.02**	**331.64**	**335.26**	**338.85**	**342.43**
Special Allowance	39.90	39.90	39.90	39.90	39.90
Total Energy Charge	1,070.13	1,073.07	1,070.13	1,070.13	1,070.13
Annual Revenue Requirement	**1438.05**	**1444.61**	**1445.29**	**1448.88**	**1452.47**

6.75 The Petitioner would recover the capacity charges in accordance with Clause 17.1 to Clause 17.5 of the Generation Tariff Regulations, 2025 on the basis of the actual monthly availability.

Chapter 7: DIRECTIVES

Detailed RLA Submission of Residual Life Assessment (RLA) Report for Unit-II

7.1 The Commission notes that the Petitioner has submitted only a recommendation/fitness certificate based on NDT, indicating that the boiler assembly may continue to operate for a further period of six years. However, the complete RLA report, including the detailed scope of work, assessment methodology, component-wise NDT findings, test reports, residual life evaluation, and the technical basis for recommending a six-year life extension, has not been furnished. Accordingly, the Petitioner is directed to submit the complete RLA report for Unit-II before the next true-up petition, along with all supporting technical documents, test reports, and recommendations issued by the competent third-party agency.

7.2 The Commission further observes from the RLA report submitted for Unit-I that the unit has already been granted a life extension of six years and is approaching the expiry of the said extended operating period. Therefore, in the event the Petitioner proposes to continue operation of Unit-I beyond the currently approved extended life, the Petitioner shall undertake a fresh RLA study and submit the corresponding RLA report covering all relevant major components and critical equipment. The report shall be accompanied by the supporting technical documents referred to above, together with the recommendations of the competent third-party agency regarding the feasibility and extent of any further extension of the unit's operational life.

Electrical Safety Measures and Inspection Report

7.3 The Petitioner is directed to undertake and maintain all necessary electrical and plant safety measures at the generating station in accordance with the applicable safety standards, rules and regulations. The Petitioner shall also get the generating station inspected by the Electrical Inspector or any other competent authority, as applicable, and submit the latest Electrical Safety Inspection Report/Certificate along with the compliance status of the observations, if any, raised therein, to the Commission within six month of passing of this order.

Timely Repayment of Loan and Avoidance of Penal Charges

7.4 The Commission directs the Petitioner to take all necessary and proactive measures to ensure timely servicing and repayment of its outstanding loans and to avoid any levy of penalty, interest on delayed payment, or other financial charges arising on account of delayed debt servicing. The Petitioner shall make all requisite efforts, including timely follow-up and appropriate correspondence with JBVNL for recovery of outstanding dues, to ensure availability of adequate funds for servicing its debt obligations within the stipulated timelines.

7.5 The Petitioner shall also maintain proper records of the efforts undertaken in this regard and submit the same to the Commission, as and when required. Any penalty or additional financial liability arising due to delay in servicing of loans, where such delay could have been avoided through timely and diligent action by the Petitioner, shall be subject to scrutiny by the Commission and may not be allowed in the Aggregate Revenue Requirement (ARR), as per the applicable Regulations and norms.

Recovery of Pending Dues from JBVNL

7.6 It appears from the Petition that, as per note 16 of the audited account for FY 2024-25, the Petitioner has trade receivable amounting to Rs. 6207.82 Cr. Since JBVNL is the only distribution licensee purchasing electricity from the Petitioner, the majority of the aforesaid receivables are attributable to JBVNL.

7.7 In order to make generating company/Petitioner viable, the Commission directs the Petitioner to take appropriate steps for recovery of pending dues from JBVNL within a month from the issue of this order and submit report in this Commission in this regard.

Conversion of loan to grant

7.8 The Commission observed in the earlier Petition and had already issued a directive in the last Tariff Order regarding the Petitioner's inability to service its loan obligations in a timely manner due to external constraints. Further, the Commission observed that the Petitioner has been incurring penal interest on a regular basis while servicing its loan obligations.

7.9 In this regard, the Petitioner is directed to proactively pursue the matter with the Government of Jharkhand for conversion of the loan into a grant, with a view to reducing the financial burden on the beneficiaries and, consequently, the end consumers of the Power Plant.

Improvement in performance of Operational parameters

7.10 The Commission notes with concern that the operational performance of the Petitioner is very low. In particular, the SHR and PLF can be improved further to the extent of approved operational norms. The Commission re-directs the Petitioner, same as directive in the previous tariff order to submit an improvement plan for both its units within three months of the issue of this order.

Ash Utilization & Management

7.11 The Commission has observed that the Petitioner has only mentioned regarding ash utilization and its management; which can be looked upon as a source of revenue; in the FY 2023-24 and not in FY 2024-25. Moreover, Ministry of Environment, Forest and Climate Change on 31st December 2021 has notified the norms for fly ash utilization by coal fired power plants. In this regard the Commission directs the Petitioner to submit information of the existing practice adopted by the Petitioner.

Accounting for R&M through Special Allowance

7.12 As per regulation 14.12 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2025

> *"14.12. A Generating Company (coal-based/lignite fired thermal generating station) on opting for Special Allowance shall be allowed@ Rs. 9.50 lakh/MW/year for the Control Period from FY 2026-27 to FY 2030-31, Unit-wise from the financial year following the completion of useful life of the respective Unit of generating station:*
>
> *Provided that if a Unit is in commercial operation for more than 25 years as on April 01, 2026, this allowance shall be admissible from FY 2026-27:*
>
> *Provided further that if special allowance is granted by the Commission, the expenditure incurred or utilized from special allowance shall be maintained separately by the generating station and details of same shall be made available to the Commission immediately thereafter."*

7.13 Accordingly, The Petitioner to maintain separate accounts for the works undertaken by the funding of the special allowance and duly submit it in filing of the next petition, since when the Special Allowance is granted by this Commission.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on September 18th 2026.

Date: 18.09.2026

Place: Ranchi

Sd/-	**Sd/-**
(Mahendra Prasad)	**(Justice Navneet Kumar)**
MEMBER (Law)	**Chairperson**

Chapter 8: ANNEXURE

List of members of public who participated in the Public Hearing and submitted their Suggestions/Comments

Table 55: Details of participants in the Public Hearing

Sr. No.	Name	Address/Organization
1	Shri Ram Singh	ESE, TVNL
2	Ashish Kumar Sharma	ESE, TVNL
3	Rakesh Kumar Singh	DDP, TVNL
4	Birendra Kisku	Sr. Manager (PGT), JBVNL
5	Radha Krishna Tripathy	Consultant, JBVNL
6	Vijay Ukani	Crisil (Consultant, TVNL)
7	Nikit Bhardwaj	PwC (Consultant, TVNL)
8	Krishna Kumar Singh	DDA, TVNL
9	Anil Kr Sharma	HD, TVNL
10	Imroz Alam	TVNL
11	Ashok Prasad	ESE, TVNL
12	Dharmendra Kumar	ESE, TTPS
13	Pradeep Dungdung	ESE, TTPS
14	Rajesh Birua	AEE, JBVNL
15	Sunil Kumar	EEE, TVNL
16	Vijay Kumar Chaudhary	AEE (HR)
17	Rajan Kumar	JBVNL
18	Mahadeo K.	B.D.O. Gonta
19	Sukhdeo Mahto	Personal Officer, TTPS