

Jharkhand State Electricity Regulatory Commission



Order on

True-up for FY 2024-25, APR for FY 2025-26, ARR for MYT Period
from FY 2026-27 to FY 2030-31 and Determination of Tariff for
FY 2026- 27

for

Damodar Valley Corporation (DVC)

Ranchi - March 30, 2026



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LIST OF ABBREVIATIONS

| Abbreviation | Description |
|-------------------|---|
| ABR | Average Billing Rate |
| ACS/ACoS | Average Cost of Supply |
| AFC | Annual Fixed Charges |
| APPC | Average Power Procurement Cost |
| APR | Annual Performance Review |
| APTEL | Appellate Tribunal for Electricity |
| ARR | Aggregate Revenue Requirement |
| BCCL | Bharat Coking Coalfields Limited |
| BG | Bank Guarantee |
| BTPS | Bokaro Thermal Power Station |
| CAGR | Compound Average Growth Rate |
| CCL | Central Coalfields Limited |
| CERC | Central Electricity Regulatory Commission |
| CGRF | Consumer Grievance Redressal Forum |
| CSGS | Central Sector Generating Stations |
| CSS | Cross Subsidy Surcharge |
| CTPS | Chandrapura Thermal Power Station |
| DPS | Delayed Payment Surcharge |
| DVC | Damodar Valley Corporation |
| DSTPS | Durgapur Steel Thermal Power Station |
| DTPS | Durgapur Thermal Power Station |
| EA | Electricity Act, 2003 |
| ECR | Energy Charge Rate |
| EHT | Extra High Tension |
| ERPC | Eastern Region Power Committee |
| FPA | Fuel Purchase Adjustment |
| FSTPS | Farakka Super Thermal Power Station |
| FY | Financial Year |
| GFA | Gross Fixed Assets |
| GoI | Government of India |
| GoJ | Government of Jharkhand |
| GOMD | Grid Operation and Maintenance Division |
| HP | Horsepower |
| HT | High Tension |
| IAS | Irrigation and Agriculture Services |
| IEX | Indian Energy Exchange |
| IoWC | Interest on Working Capital |
| IPP | Independent Power Producer |
| JBVNL | Jharkhand Bijli Vitran Nigam Limited |
| JSEB | Jharkhand State Electricity Board |
| JSERC | Jharkhand State Electricity Regulatory Commission |
| JUSCO | Jamshedpur Utilities & Services Company |
| KBUNL MTPS | Kanti Bijlee Utpadan Nigam Limited- Muzaffarpur Thermal Power Station |



| Abbreviation | Description |
|----------------|--|
| KHTPS | Kahalgaon Thermal Power Station |
| KTPS | Koderma Thermal Power Station |
| kVA(h) | kilo Volt-Ampere (hour) |
| kW(h) | kilo Watt (hour) |
| LF | Load Factor |
| LT | Low Tension |
| LTIS | Low Tension Industrial Services |
| MD | Maximum Demand |
| MDI | Maximum Demand Indicator |
| MES | Military and Engineering Services |
| MHS | Maithon Hydropower Station |
| MOD | Merit Order Despatch |
| MoP | Ministry of Power |
| MPL | Maithon Power Limited |
| MTPS | Mejia Thermal Power Station |
| MU | Million Units |
| MVA | Mega Volt Ampere |
| MW | Megawatt |
| MYT | Multi Year Tariff |
| NTI | Non-Tariff Income |
| O&M | Operation & Maintenance |
| P&G | Pension & Gratuity |
| PAF | Plant Availability Factor |
| PF | Power Factor |
| PGCIL | Power Grid Corporation of India Limited |
| PHS | Panchet Hydropower Station |
| POSOCO | Power System Operation Corporation Limited |
| PPA | Power Purchase Agreement |
| PSU | Public Sector Undertaking |
| RE | Renewable Energy |
| REC | Renewable Energy Certificates |
| RPO | Renewable Purchase Obligation |
| RTPS | Raghunathpur Thermal Power Station |
| RTS | Railway Traction Services |
| SAIL | Steel Authority of India Limited |
| SBI | State Bank of India |
| SD | Security Deposit |
| SERC | State Electricity Regulatory Commission |
| SS | Streetlight Services |
| T&D | Transmission & Distribution |
| THS | Tilaiya Hydropower Station |
| TOD | Time of Day |
| TSL | Tata Steel Limited |
| TSTPS | Talcher Super Thermal Power Station |



| Abbreviation | Description |
|---------------------|--|
| TVS | Technical Validation Session |
| UDAY | Ujwal Discom Assurance Yojana |
| UI | Unscheduled Interchange |
| USO | Universal Supply Obligation |
| WB | West Bengal |
| WBERC | West Bengal Electricity Regulatory Commission |
| WBSEB | West Bengal State Electricity Board |
| WBSEDCL | West Bengal State Electricity Distribution Company Limited |



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True-up for FY 2024-25, APR for FY 2025-26, MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27

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True-up for FY 2024-25, APR for FY 2025-26, MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27

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BEFORE

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 12 of 2025

In the matter of:

Petition for

Determination of ARR for MYT Period from FY 2026-27 to FY 2030-31

and

Tariff for FY 2026-27

In the matter:

Damodar Valley Corporation (DVC)

DVC Towers, V.I.P. Road, Kolkata- 700 054..... **Petitioner**

PRESENT

Hon'ble Justice Navneet Kumar

Chairperson

Hon'ble Mahendra Prasad

Member (Law)

Order dated March 30, 2026

Damodar Valley Corporation (hereinafter referred to as 'DVC' or the 'Petitioner') has filed Petition dated November 28, 2025, for approval of MYT Petition for the period from FY 2026-27 to FY 2030-31 and tariff determination for FY 2026-27.



CHAPTER 1: INTRODUCTION



1. INTRODUCTION

JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

- 1.1. The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as the JSERC or the Commission) was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commission Act, 1998 on August 22, 2002. The Commission became operational with effect from April 24, 2003.
- 1.2. The Government of Jharkhand vide its notification dated August 22, 2002 had defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commission Act, 1998 to be the following, namely:
 - a. to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in Section 29;
 - b. to determine the tariff payable for the use of the transmission facilities in the manner provided in Section 29;
 - c. to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
 - d. to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.
- 1.3. After the Electricity Act, 2003 came into force, the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the functions of State Electricity Regulatory Commissions (SERCs) are now defined under Section 86 of the Act.
- 1.4. In accordance with Section 86 (1) of the Act, the JSERC discharges the following functions:
 - a. determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:
provided that where open access has been permitted to a category of consumers under Section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
 - b. regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;



- c. facilitate intra-state transmission and wheeling of electricity;
 - d. issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
 - e. promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
 - f. adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
 - g. levy fee for the purposes of this Act;
 - h. specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
 - i. specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
 - j. fix the trading margin in the intra-state trading of electricity, if considered, necessary;
 - k. discharge such other functions as may be assigned to it under this Act.
- 1.5. The Commission has also to advise the State Government as per sub section 2 of Section 86 of the Act, on all or any of the following matters, namely:
- a. promotion of competition, efficiency and economy in activities of the electricity industry;
 - b. promotion of investment in electricity industry;
 - c. reorganisation and restructuring of electricity industry in the State;
 - d. matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.
- 1.6. The State Commission ensures transparency while exercising its powers and discharging its functions.
- 1.7. In discharge of its functions, the State Commission is also guided by the National Tariff Policy as brought out by GoI in compliance to Section 3 of the Act. The objectives of the National Tariff Policy are to:
- a. ensure availability of electricity to consumers at reasonable and competitive rates;
 - b. ensure financial viability of the sector and attract investments;
 - c. promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
-
-



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

DAMODAR VALLEY CORPORATION (DVC)

- 1.8. Damodar Valley Corporation (hereinafter referred to as DVC or the Petitioner), is a statutory body incorporated under the Damodar Valley Corporation Act, 1948, having multifarious functions. Regarding the electricity, DVC undertakes generation of electricity and is therefore a generating company within the meaning of Section 2 (28) of the Electricity Act, 2003. DVC also undertakes transmission of electricity in the Damodar valley area which falls within the territorial limits of the two states namely, West Bengal and Jharkhand. It, therefore, undertakes inter-state transmission of electricity and operates inter-state transmission system within the meaning of Section 2 (36) of the Electricity Act, 2003. DVC also undertakes the sale of electricity to West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Jharkhand Bijli Vitran Nigam Limited (JBVNL) in its capacity generally as a generating company. This is bulk sale of electricity by a generating company to a distribution licensee within the meaning of Section 62 (1) (a) of the Electricity Act, 2003. In addition to the above, DVC undertakes the retail sale and supply of electricity to the consumers in the Damodar Valley area under the provisions of Section 62 (d) read with Section 86 (1) of the Electricity Act, 2003.
- 1.9. DVC, being a statutory body constituted under the DVC Act, 1948, is a Public Sector Undertaking (PSU). As envisaged under Section 79 (1) (a) of the Electricity Act, 2003, the tariff for generation of electricity is to be decided by the Central Electricity Regulatory Commission (CERC). Similarly, with regards to the inter-state transmission, DVC again is regulated by CERC and tariff for composite (inter-state) generation & transmission is to be determined by the CERC in terms of Section 79 (1) (c) and (d) of the Electricity Act, 2003.
- 1.10. With regards to the retail sale and supply of electricity, DVC covers the entire Damodar Valley area which falls in two contiguous States, namely, the State of West Bengal and the State of Jharkhand. Thus, tariff for retail sale and supply of electricity in the Damodar Valley area is governed by the provisions of Section 62 (d) read with Section 86 (1) of the Electricity Act, 2003 and has to be determined by the respective Electricity Regulatory Commissions in the states of West Bengal and Jharkhand. The Petitioner is a Distribution Licensee under the provisions of the Electricity Act, 2003 (EA, 2003) having licence to supply electricity in the State of Jharkhand.



THE PETITIONER'S PRAYERS

1.11. The Petitioner in this Petition has made the following prayers:

- a. Admit the present petition, determine the Trued-up Aggregated Revenue Requirement (ARR) for FY 2024-25 and determine the Annual Performance Review (APR) for FY 2025-26 based on the submissions herein made by DVC;
- b. Admit the present petition, determine the Aggregate Revenue Requirement (ARR) for FY 2026-27 to FY 2030-31 and the Retail Tariff for FY 2026-27 based on the submissions herein made by DVC;
- c. Determine the new tariff schedule for the applicable categories of supply, considering the revenue gap based on the submissions made in the present petition;
- d. Review the regulatory assets created from the period of FY 2012-13 to FY 2025-26, as provided above, and approve a roadmap for recovery of the same;
- e. Settle other commercial terms and conditions as proposed in the present petition;
- f. Pass such other order(s) as the Hon'ble Commission may deem fit and proper keeping in view the facts and circumstances of the case.

SCOPE OF THE PRESENT ORDER

1.12. The Commission in this Order has approved the True-up for FY 2024-25, APR for FY 2025-26, ARR for MYT period for the Control Period from FY 2026-27 to FY 2030-31 and the Petitioner's Tariff proposal for FY 2026-27.

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

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

1.14. Accordingly, the Commission has scrutinized the Petition in detail and hereby issues the Order on approval of MYT Petition for the Control Period from FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27 for DVC.



CHAPTER 2: PROCEDURAL HISTORY



2. PROCEDURAL HISTORY

BACKGROUND

- 2.1 The Commission issued Order on True-up for FY 2016-17, Annual Performance Review for FY 2017-18 & FY 2018-19 and determination of ARR & Tariff for FY 2019-20 dated May 28, 2019.
- 2.1. The Commission has also issued Order on True-up for FY 2017-18 vide its Order dated September 29, 2020.
- 2.2. The Commission has approved the True up for FY 2018-19, Annual Performance Review for FY 2019-20 and ARR & Tariff for FY 2020-21 on September 30, 2020 while disposing the Petition No. 01 of 2020 & 02 of 2020.
- 2.3. The Commission has approved the True-up for FY 2019-20 and Annual Performance Review for FY 2020-21 vide Order dated January 30, 2023.
- 2.4. Further, the Commission vide Order dated January 30, 2023, has approved the Petition for MYT for the Control Period from FY 2021-22 to FY 2025-26 and Tariff determination for FY 2021-22.
- 2.5. The Commission has passed the Order on True-up for FY 2020-21, APR for FY 2021-22 and ARR & Tariff for FY 2022-23 vide Order dated September 21, 2022.
- 2.6. The Commission had passed the True-up for FY 2021-22, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24 vide Order dated January 22, 2024, before the Commission.
- 2.7. The Commission had passed the True-up for FY 2022-23, Annual Performance Review for FY 2023-24, and Aggregate Revenue Requirement & Tariff for FY 2024-25, and Business Plan for 11 kV vide Order dated September 30, 2024.
- 2.8. The Commission had passed the True-up for FY 2023-24, Annual Performance Review for FY 2024-25, and Aggregate Revenue Requirement & Tariff for FY 2025-26 vide Order dated May 27, 2025.
- 2.9. The Petitioner filed the current petition on November 28, 2025, and sought approval of True-up for FY 2024-25, APR for FY 2025-26, ARR for MYT Control Period from FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27.



DVC CASE HISTORY

- 2.10. Central Electricity Regulatory Commission (CERC) by Order dated October 3, 2006, decided the tariff for DVC for its functions of inter-state generation and transmission of electricity and directed that the tariff so determined should be made effective for the period April 1, 2006, to March 31, 2009.
- 2.11. DVC, aggrieved by the order dated October 3, 2006, passed by CERC, had filed an appeal against the said Order before the Hon'ble APTEL. Hon'ble APTEL, before passing its final Judgment in the appeal filed by DVC against the aforementioned Order by CERC, issued several interim orders dated December 6, 2006, January 15, 2007, and February 26, 2007, restraining the State Commissions of West Bengal and Jharkhand from passing orders for determination of distribution and retail tariffs for DVC till its final judgment. Hon'ble APTEL, by Judgment dated November 23, 2007, allowed the appeal filed by DVC and directed CERC to determine the revenue requirements and inter-state generation and transmission tariff for DVC for the period FY 2006-07 to FY 2008-09, *de-novo*, in the terms laid down in its Order. Subsequently, the CERC in accordance with the directions of the Hon'ble APTEL revised the ARR and tariff for inter-state generation and transmission of electricity for the period FY 2006-07 to FY 2008-09 by its Order dated August 6, 2009.
- 2.12. Aggrieved by the Order passed by the CERC on August 6, 2009, DVC again filed an appeal against the said Order before Hon'ble APTEL. Hon'ble APTEL vide Interim Order dated September 16, 2009, allowed WBERC and JSERC to fix the retail supply tariff for FY 2010-11 after considering the generation tariff as fixed by CERC in its Order dated August 6, 2009, as the input cost but not issue any final orders in this regard. Consequently, DVC filed the Petition for determination of ARR and retail tariffs for the period FY 2006-07 to FY 2010-11 to the Commission on October 31, 2009. Since the matter was sub-judice before the Hon'ble APTEL and there was a direction for not passing any final retail tariff Order, the Commission kept the Petition pending awaiting final order of the Hon'ble APTEL.
- 2.13. The Hon'ble APTEL, vide its Order dated May 10, 2010, directed DVC to implement the generation tariff as determined by the CERC in its Order dated August 6, 2009, and to give effect to any refund to its consumers arising out of implementation of the said Order. The relevant extract of the said Order is reproduced below:

“107. Since we do not find any substance in the grounds raised in the Appeal, we deem it fit to dismiss the Appeal as devoid of merits. Consequently, we direct the Appellant (DVC) to implement the Tariff as determined by the Central Commission vide its Order dated, 6th August 2009. DVC is also directed to revise the electricity bills raised by it for electricity consumption during April, 2006 onwards of its licensees and HT



consumers and refund the excess amount billed and collected along with the interest at the rate of 6 per cent per annum in line with Section 62 (6) of The Electricity Act, 2003... ” (Emphasis added)

2.14. Aggrieved by the said Order of the Hon’ble APTEL, DVC filed an appeal before the Hon’ble Supreme Court of India, being No. C.A. No. 4881/ 2010. The Hon’ble Supreme Court in its Order dated July 9, 2010, stayed refund. The relevant part of the said Order is reproduced below:

*“In the meantime, parties will submit before us the various disputed items to be taken into account in Tariff Fixation as well as the relevant documents on which Damodar Valley Corporation would be relying upon at the final hearing...**Until further orders, there shall be stay on refund.**” (Emphasis added)*

2.15. From the said Order, it is clear that the entire Order of the Hon’ble APTEL has not been stayed by the Hon’ble Supreme Court, and the stay is related to only refund.

2.16. The Commission, in line with the Judgment dated May 10, 2010, of the Hon’ble APTEL in its aforementioned Order, initiated the process of review of the Tariff Petitions submitted by the Petitioner and issued the provisional Order on ARR for FY 2006-07 to FY 2012-13 on November 22, 2012.

2.17. The Petitioner subsequently submitted the final True-up Petition for FY 2006-07 to FY 2012-13 along with the MYT Petition for the Control Period from FY 2013-14 to FY 2015-16 on February 28, 2014. The Commission while issuing the MYT Order for the Control Period FY 2013-14 to FY 2015-16 on September 04, 2014, did not undertake the final True-up for FY 2006-07 to FY 2012-13 as the matter was sub-judice. The Commission, in the said Order, observed as follows:

“5.7 In the Tariff Order dated 22nd November 2012, the Commission had approved a cumulative revenue surplus of Rs.424.38 Cr for the period FY 2006-07 to FY 2008-09. However, as the true up for the above-mentioned years was provisional subject to the final decision of the Hon’ble Supreme Court in its appeal C.A. No. 4881/2010, the Commission had not allowed any pass through of this surplus along with the revenue gap approved for FY 2010-11 and FY 2011-12 to be adjusted once the final decision is made in this regard.

5.8 In view of above, the Commission is of the opinion that as the True up for period FY 2006-07 to FY 2008-09 is still subject to final judgement of the Hon’ble Supreme Court with respect to the appeal No. C.A. No. 4881/2010 filed by DVC against the Order of APTEL dated 10th May 2010; the Commission has not made any adjustment in revenue surplus approved for this period. This would be a pass through once the final judgement is issued in this matter.



5.9 With respect to True up for FY 2009-10 to FY 2012-13 in accordance with the Final Tariff orders issued by CERC, the Commission is of the view that detailed analysis should be carried out to assess the impact of the orders. In this regard, several consumers have represented in front of the Commission for approval of compensation as per the CERC regulations due to them for refund of excess capacity charges recovered by DVC. M/s Bihar Foundry & Castings Ltd being a HT consumer within the command area of DVC has preferred an appeal before the Hon'ble Supreme Court vide appeal No. SLP (Civil) No 10945 of 2012 for refund of excess of capacity charges realised by DVC.

....

5.14 In view of above, the Commission is of the opinion that final true up for the period FY 2009-10 to FY 2012-13 shall be undertaken on finalisation of compensation as per the CGRF and final judgement of Supreme Court in appeal no. SLP (Civil) No 10945 of 2012 for refund of excess of capacity charges realised by DVC.

5.15 Accordingly, the Commission has not considered any true up for previous years revenue gap/surplus in this order.”

2.18. One of the HT consumers of DVC, Anjaney Ferro Alloys, filed an Appeal before the Hon'ble APTEL, against the Commission's Order dated September 04, 2014, submitting that the Commission ought to have undertaken final True-up of the of ARR for FY 2006-07 to FY 2012-13. The Hon'ble APTEL, agreeing with the view of the Commission that the matter of True-up was sub-judice, upheld the Order of the Commission. Anjaney Ferro Alloys preferred an appeal before the Hon'ble Supreme Court of India (CA No. 7383/2016) against the Order dated March 23, 2016, passed by the Hon'ble APTEL.

2.19. The Hon'ble Supreme Court of India, vide its judgment dated October 26, 2016, directed the Commission to take-up the issue of True-up of previous years and make the decision subject to the result of Civil Appeal No. 4881 of 2010. It reads as:

“.. Therefore, this appeal is disposed of with a direction to Respondent No.1-Jharkhand State Electricity Regulatory Commission to take up the true-up issue and pass the required Orders within a period of six months from today.

However, the Commission is free to make the decision subject to the result of Civil Appeal No. 4881 of 2010 in case the said civil appeal is not disposed of before the said period.”

2.20. In accordance with the above, the Commission issued an Order on True-up from FY 2006-07 to FY 2013-14 and Annual Performance Review for FY 2014-15 on April 19, 2017, and the Order on True-up for FY 2015-16 and ARR for FY 2016-17 to FY 2020-21 on May 18, 2018.



2.21. The Commission in its MYT Order dated May 18, 2018, has not considered the surplus till FY 2014-15 to be passed on to the consumers considering the following Judgment in Order dated 19.01.2018 in Case No 07 of 2017:

“In view of the said admitted position and the facts and circumstances appearing on record, we are of the view that during the pendency of Appeal No. 198 of 2017 filed by the Petitioner in this case and Appeal No. 163 of 2017 filed by the respondent, DVC, before the Hon’ble Appellate Tribunal for Electricity, the order dated 19.4.2017 passed in Case (T) No. 02 of 2016 cannot be said to have attained its finality and it would not be proper to pass any order in the instant case for refund of excess charges claimed by the Petitioners at this stage.”

2.22. The Hon’ble Supreme Court in its Judgment in Civil Appeal No. 4881 of 2010, dated December 3, 2018, dismissed the appeal as:

*“... The upshot of the above discussion is that the appellant has not made out a case for interference. **The appeal fails and is dismissed.** The parties will bear their respective costs.” (Emphasis Added)*

2.23. The Commission in its Order dated May 28, 2019, also directed the Petitioner as below:

“... 8.10 In addition, since the Appeal I.A. no. 1188 of 2018 & DFR No. 2430 of 2018, filed on the Order of the Commission dated May 18, 2018, is sub-judice, the Commission has not proposed any recovery for the past gaps.

8.11 The Commission however notes that the said surplus shall increase as carrying cost is to be allowed on the amount not adjusted/refunded. It would be very difficult to refund/adjust the previous years’ surplus if it is not gradually reduced.

8.12 The Commission, therefore, directs the Petitioner to propose a roadmap for adjustment of the abovementioned surplus clearly stating the period of treatment and the manner in which it proposes to do within two months of issue of this Order.”

2.24. The Petitioner has submitted a separate petition for determination of ARR and category wise tariff schedule for the period from FY 2006-07 to FY 2011-12 and adjustment of Revenue Gap/(Surplus) till FY 2014-15 for distribution activity of DVC in the State of Jharkhand. The above said petition has been disposed of vide Order dated October 31, 2023.

INFORMATION GAPS IN THE PETITION



- 2.25. As part of tariff determination exercise, several deficiencies/information gaps were observed in the Petition submitted by the Petitioner which was communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 12 of 2025/697 dated February 12, 2026.
- 2.26. In response to the aforesaid letter the Petitioner has furnished additional data/information letter no. Coml./Tariff/JSERC/ (16)1517 dated February 19, 2026.
- 2.27. As part of tariff determination exercise, several deficiencies/information gaps were observed in the Petition submitted by the Petitioner which was communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 12 of 2025/741 dated March 12, 2026.
- 2.28. In response to the aforesaid letter the Petitioner has furnished additional data/information vide letter no.: ED/Coml./Tariff/JSERC (17)/1605 dated March 20, 2026.
- 2.29. As part of tariff determination exercise some additional deficiencies/ information gaps were observed in the petition submitted by the Petitioner, which was communicated to the Petitioner vide Letter No.: JSERC/Case (Tariff) No.12 of 2025/788 dated March 20, 2026.
- 2.30. In response to the aforesaid letter the Petitioner has furnished additional data/information vide letter No.: ED/Coml./Tariff/JSERC (17)/1610 dated March 24, 2026.
- 2.31. The Commission has scrutinized the additional data/information submitted by the Petitioner in response to the discrepancies pointed out and has considered the same while passing this Order.
- 2.32. In order to provide adequate opportunity to all stakeholders and general public as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulation(s) framed by the Commission and further in order to ensure transparency in the process of tariff determination, the Commission decided to conduct public hearings on February 24, 2026 at Hazaribagh and on February 25, 2026 at Maithon Dam, Dhanbad for inviting comments / suggestion / objection.

INVITING PUBLIC COMMENTS/SUGGESTIONS

- 2.33. After the initial scrutiny of Petition filed by the Petitioner, the Commission directed the Petitioner to issue a public notice inviting comments/ suggestions on the Petition from public and to make available copies of the Petitions to the members of general public on request.
- 2.34. The public notice was subsequently issued by the Petitioner in various newspapers and a period of twenty-one (21) days was given to the members of the general public for submitting their comments/suggestions.



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

| Newspaper | Date of Publication |
|-------------------------------|-------------------------|
| Prabhat Khabar (Hindi) | 15.01.2026 & 16.01.2026 |
| Dainik Jagran (Hindi) | 15.01.2026 & 16.01.2026 |
| Times of India (English) | 15.01.2026 & 16.01.2026 |
| The Hindustan Times (English) | 15.01.2026 & 16.01.2026 |

2.35. The Commission has also organized a public hearing on February 24, 2026, at Hazaribagh and on February 25, 2026, at Maithon where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above said Petition. The details of newspapers wherein the notice was published by the Commission are as under:

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

| List of Hindi News Paper | List of English News Paper | Date of Publication |
|--------------------------|----------------------------|---------------------|
| Prabhat Khabar | The Times of India | 08.02.2026 |
| Hindustan Dainik | The Pioneer | |
| Prabhat Khabar | Times of India | 23.02.2026 |
| Dainik Bhasker | The Hindustan Times | |

SUBMISSION OF COMMENTS/SUGGESTIONS AND CONDUCT OF PUBLIC HEARING

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

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



CHAPTER 3: BRIEF FACTS OF THE PETITION



3. BRIEF FACTS OF THE PETITION

TRUE-UP FOR FY 2024-25

3.1. The summary of Aggregate Revenue Requirement for FY 2024-25 as approved in the APR Tariff Order dated May 27, 2025, vis-a-vis that claimed by the Petitioner is tabulated below:

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

| Particulars | APR | Petition |
|---|-----------|-----------|
| Cost of Own Generation | 9,472.72 | 9,771.01 |
| Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses) | 864.85 | 1,032.91 |
| Tariff filling fees & publication expenses to CERC | - | 4.37 |
| Legal Charge & Consultancy Fee | - | - |
| Environmental Protection and Other Cess | - | - |
| Open Access Charges Bill for Transmission system | (91.16) | (90.50) |
| Total ARR of DVC (Distribution) | 10,246.41 | 10717.79 |
| Ratio of sales in Jharkhand | 51.08% | 51.88% |
| ARR Apportioned to Jharkhand | 5,233.66 | 5,560.80 |
| Cost of 11 kV infrastructure for Jharkhand State | - | 32.03 |
| Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand | 398.43 | 205.63 |
| Non-Tariff Income (NTI) | (106.08) | (2.22) |
| Interest on Temporary Financial Accommodation for Jharkhand State | - | 0.44 |
| Interest on Working Capital for Jharkhand | 6.92 | 67.19 |
| Interest on security deposit for Jharkhand consumers | 24.52 | 22.84 |
| Tariff Filing Fees & Publication Expenses in JSERC | - | 1.49 |
| Legal Charges for distribution activity of DVC in the state of Jharkhand | - | 3.57 |
| Rebate and discount allowed to consumers of Jharkhand | - | - |
| ARR for Jharkhand | 5,557.46 | 5,891.78 |
| Sale in Jharkhand | 10,156.38 | 10,004.42 |
| Average Cost of Supply (Rs./kWh) | 6.25 | 5.89 |



ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2025-26

3.2. The summary of Aggregate Revenue Requirement for FY 2025-26 as approved in the ARR vide Tariff Order dated May 27, 2025 vis-a-vis that claimed by the Petitioner is tabulated below:

Table 4: ARR projected by Petitioner for APR of FY 2025-26 (Rs. Crore)

| Particulars | ARR | Petition |
|--|-----------|----------|
| Cost of Own Generation | 9748.85 | 7687.26 |
| Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses) | 835.59 | 2149.81 |
| Tariff filing fees & publication expenses to CERC | - | 4.76 |
| Legal Charge & Consultancy Fee | - | 3.75 |
| Environmental Protection and Other Cess | - | 0.59 |
| Open Access Charges Bill for Transmission system | (91.16) | (91.16) |
| Total ARR of DVC (Distribution) | 10493.27 | 9754.42 |
| Ratio of sales in Jharkhand | 50.93% | 53.88% |
| ARR Apportioned to Jharkhand | 5344.51 | 5,255.80 |
| Add: Cost of 11 kV infrastructure for Jharkhand State | - | 82.11 |
| Add: Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand | 504.29 | 615.84 |
| Non-Tariff Income (NTI) | (106.08) | (2.42) |
| Add: Interest on Temporary Financial Accommodation for Jharkhand State | - | 1.65 |
| Add: Interest on Working Capital for Jharkhand | 7.19 | 60.04 |
| Add: Interest on security deposit for Jharkhand consumers | 25.01 | 38.2 |
| Add: Tariff Filing Fees & Publication Expenses in JSERC | - | 1.25 |
| Add: Rebate and discount allowed to consumers of Jharkhand | - | - |
| ARR for Jharkhand Area | 5774.93 | 6,052.45 |
| Sale in Jharkhand | 10,299.46 | 10073.42 |
| Per Unit Cost | 5.61 | 6.01 |



Table 5: ARR as submitted by Petitioner for FY 2026-27 to FY 2030-31 (Rs. Crore)

| S No. | Station/item | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|-------|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Petitioned | Petitioned | Petitioned | Petitioned | Petitioned |
| 1 | Cost of Own Generation | 7,398.54 | 7,605.66 | 8,083.57 | 9,827.03 | 10,390.37 |
| 2 | T & D System | 1,229.88 | 1,289.90 | 1,350.21 | 1,421.56 | 1,499.58 |
| 3 | POWER PURCHASE Cost (Including Transmission & Other Charges excluding RPO) | 1,028.60 | 1,005.47 | 1,124.63 | 1,150.57 | 1,165.65 |
| 4 | Tariff filling fees & publication expenses to CERC | 4.59 | 4.82 | 5.30 | 5.83 | 6.42 |
| 5 | Environmental and Other Cess | 0.85 | 0.87 | 0.89 | 0.90 | 0.92 |
| 6 | Add: Beta (β) Incentive | 13.43 | 13.19 | 13.53 | 13.66 | 13.79 |
| 7 | Add: AMC on ULDC Charges | 0.37 | 0.40 | 0.41 | 0.36 | 0.37 |
| 8 | Less: Open Access Charges for Transmission System | 94.16 | 96.04 | 97.96 | 99.92 | 101.92 |
| 9 | Total | 9,582.10 | 9,824.27 | 10,480.59 | 12,319.99 | 12,975.18 |
| 10 | Ratio of sales in Jharkhand part to total firm sale in entire DVC | 1.05 | 1.06 | 1.08 | 1.08 | 1.07 |
| 11 | ARR before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand | 5,051.77 | 5,192.74 | 5,676.31 | 6,638.72 | 6,959.01 |
| 12 | Fixed Charges for Distribution Assets (11 KV) | 133.59 | 183.80 | 205.85 | 210.29 | 210.30 |
| 13 | Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand | 1,058.25 | 1,057.42 | 1,211.13 | 1,363.49 | 1,395.85 |
| 14 | Interest on Working Capital | 71.13 | 74.63 | 86.25 | 108.42 | 114.65 |
| 15 | Interest on security deposit | 46.79 | 47.73 | 48.68 | 49.66 | 50.65 |
| 16 | Legal Charges (JH region) | 3.72 | 3.79 | 3.87 | 3.95 | 4.03 |
| 17 | Add: Interest on Temporary Financial Accommodation | 0.46 | 0.47 | 0.48 | 0.49 | 0.50 |
| 18 | Gap/(Surplus)- Regulatory Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 19 | Tariff Filing Fees, licensee Fee & Publication Expenses in JSERC | 1.55 | 1.58 | 1.61 | 1.64 | 1.67 |
| 20 | Less: Non Tariff Income (NTI) | 0.46 | 2.36 | 2.41 | 2.46 | 2.51 |
| 21 | NET ARR Jharkhand | 6,366.80 | 6,559.80 | 7,231.77 | 8,374.19 | 8,734.15 |
| 22 | ARR for the Year | 6,366.80 | 6,559.80 | 7,231.77 | 8,374.19 | 8,734.15 |
| 23 | Sale in Jharkhand (MU) | 9,816.98 | 10,071.30 | 10,962.31 | 12,514.02 | 12,851.54 |
| 24 | Average Cost of Supply (Rs. / kWh) | 6.49 | 6.51 | 6.60 | 6.69 | 6.80 |



CHAPTER 4: PUBLIC CONSULTATION PROCESS



4. PUBLIC CONSULTATION PROCESS

4.1 The Petition filed by the Petitioner evoked responses from several Stakeholders. Public hearings were held on February 24, 2026, at Hazaribagh and on February 25, 2026, at Maithon Dam, Dhanbad to ensure maximum Public participation and transparency wherein Stakeholders can air their comments and suggestions before the Commission in the presence of the Petitioner. The list of the attendees is attached as **Annexure-I** to this Order.

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

4.3 The Commission wishes to inform that the annexures referred to in this Chapter on the Public Consultation Process were submitted by the Petitioner as part of its replies to the objections/comments received during the public hearing. The Commission further clarifies that the annexures so referred to in the Petitioner's replies have not been annexed or reproduced as part of the present Order, as they form part of the Petitioner's response submissions already available on record. However, the Commission has duly considered the contents of the said annexures while examining the objections raised and finalising the issues dealt with in this Order.

OBJECTOR: - ASSOCIATION OF DVC HT CONSUMER

OWN GENERATION COST - RECOVERY OF CONTRIBUTION TO SINKING FUND

The Objector has contested the prayer of DVC seeking recovery of Sinking Fund as part of Annual Fixed Charges (AFC).

4.4 At the outset, sinking fund has been established by the DVC with the approval of Comptroller and Accountant General of India vide letter dated 29.12.1992 under the provisions of Section 40 of the DVC Act and as per sub-section 2 of Section 40 of DVC Act. Accordingly, Hon'ble CERC allowed the said expenses part of the AFC of the DVC's generating station. The AFC so determined by the Hon'ble CERC (FY 2006-09) was considered as an input cost in the DVC Retail supply business in Jharkhand and West Bengal. Notably, such an expense item was allowed in addition to the Expense items admissible as per the applicable CERC Tariff Regulations.



4.5 Notably, the question of admissibility of Contribution to sinking fund was dealt by the Hon'ble APTEL in the judgement dated 23.11.2007 wherein the Hon'ble APTEL held that the Contribution towards sinking fund is to be taken as an item of expenditure to be recovered through tariff. The said judgement of Hon'ble APTEL was also upheld by the Hon'ble Supreme Court vide judgement dated 23.07.2018 in Bhaskar Shrachi Alloys Ltd. V. Damodar Valley Corporation (2018) 8 SCC 281. Hon'ble CERC has been allowing Contribution to Sinking fund to DVC during the subsequent Control periods (FY 2009-14, FY 2014-19 and FY 2019-24) as well.

4.6 It is relevant to mention that many of such Orders of CERC (attributable to the Control period FY 2009-14, FY 2014-19 and FY 2019-24) are/ were challenged by various Consumer Associations before the Hon'ble APTEL. Notably, the Hon'ble APTEL taking reliance of the Hon'ble Supreme Court judgement dated 23.07.2018 once again dismissed the Appeals (refer Judgement dated 17.05.2019 in Appeal No. 17 of 2014 and batch) preferred by various consumer associations which were filed against the CERC issued Tariff Orders for the FY 2009-14 Control period.

4.7 The primary contention raised by the Appellant in all these Appeals is that the Contribution to Sinking fund is an additional Tariff element which make out a case of "double allowance". The said interpretation by the Hon'ble APTEL in the judgement dated 23.11.2007 has resulted into the DVC being allowed with two (2) cost items i.e. Depreciation and Contribution to Sinking fund both of which inherently are attributable to the Capital Cost of the Generating asset.

4.8 The judgement dated 17.05.2019 of the Hon'ble APTEL was reviewed by various consumer associations in Review Petition no. 4 of 2019. Hon'ble APTEL vide judgement dated 20.08.2024 allowed the Review and held as under:

"34 In view thereof, it is manifest that this Tribunal has committed a patent error, which stares in the eye, by misinterpreting the provisions of Section 40 of DVC Act, 1948 and holding that allowing depreciation on the capital assets created by utilizing the bond amount do not makeout a case of "double allowance". To sustain such an erroneous interpretation of statutory provisions would neither be in the interest of justice nor in the interest of the consumers. Since, the judgment under review is manifestly at variance with the language and spirit of the relevant provisions of DVC Act as well as the Electricity Act, 2003, as discussed hereinabove, there is no escape from the conclusion that it suffers from error apparent on the face of record as envisaged under Order XLVII Rule 1 CPC



and deserves to be rectified. We find sufficient reasons to review / rectify the judgment dated 17.05.2019 of this Tribunal in appeal No.17 of 2014.

35. Accordingly, the petition is allowed. We hold that allowing depreciation on the capital assets created by utilizing bond amount makes out a case of “duplication” or “double allowance” which would be a double burden for the consumers and thus, not permissible. The 2nd respondent DVC can claim only one of the two elements namely (a) contribution to sinking fund for payment of bond amount to subscribers at the time of redemption or (b) depreciation of capital assets created by utilizing the bond amount, as pass through in tariff.”

4.9 The principal contention that the Contribution to Sinking fund is a double allowance and merits disallowance has therefore been settled in terms of the above referred judgement. Therefore, the Objector argues that the Contribution to Sinking fund as admitted by Hon’ble CERC should not be allowed as a pass through in the Retail tariff in the interest of consumers as held by Hon’ble APTEL.

4.10 Prior to the Hon’ble APTEL’s judgement dated 20.08.2024 in RP 04 of 2019, this Hon’ble Commission in the past had allowed the recovery of Contribution to sinking fund based on the Plant availability factor (PAF) which as per the judgement in Review Petition 04 of 2019 is not good law.

4.11 Notwithstanding, the Objector humbly submits before the Hon’ble Commission that the Orders issued by this Hon’ble Commission in respect of True up/ Tariff in the past needs to be revisited in terms of the Hon’ble APTEL’s above judgement dated 20.08.2024.

4.12 It is prudent to state that DVC has been enjoying an additional Tariff element since FY 2006-07 in the form of Contribution to Sinking fund taking by misinterpreting Section 40 of the DVC Act and burdening the Retail consumers within the state of Jharkhand and West Bengal with undue Tariffs.

4.13 While it is an accepted fact that the Contribution to Sinking fund (which is a part of Annual Fixed Charge) is approved by the Hon’ble CERC, it is argued that this Hon’ble Commission has the jurisdiction under all circumstances to re-consider the components of AFC in accordance with the law (read with Sec 61 of the Electricity Act 2003). Moreover, the Electricity Act 2003 does not mandate a mechanical adoption of Hon’ble CERC approved AFC by this



Hon'ble Commission. Under the scheme of the Act, the State Commissions have plenary jurisdiction in matters assigned to them, including retail tariff determination and they are not subordinate to the Central Commission in any manner. Being an independent quasi-judicial body (or Hon'ble JSERC), tasked with the mandate to safeguard consumers' interest by determining a reasonable cost-reflective retail tariff, cannot perform its role if it has to mechanically adopt the CERC approved AFC, which, it may be relevant to mention, constitutes about 85% of retail tariff.

4.14 In the backdrop, the Commission is of the view that it is a fit case not to allow the contribution towards Sinking Fund as a part of the Annual Fixed Charge (AFC) of DVC's generating stations, while allowing the Cost of Generation to DVC. Accordingly, for FY 2024-25, FY 2025-26 and the MYT period from FY 2026-27 to FY 2030-31, the Commission has considered the Annual Fixed Charges (AFC) towards DVC's generating stations for the computation of own generation cost, as approved by the Ld. CERC. The AFC approved by the Ld. CERC for FY 2023-24 has been adopted as the base for this purpose.

Admissible AFC towards DVC Own Generating Stations for FY 2024-25

| Particulars | AFC as per CERC Order for FY 2023-24 (Rs. Crore) (Excluding Ash Evacuation Expenses) | Contribution to Sinking fund | Admissible AFC for computation of own generation cost |
|------------------|--|------------------------------|---|
| MTPS Unit-3 | 450.96 | - | 450.96 |
| MTPS Unit-4 | 146.68 | - | 146.68 |
| MHS | 42.78 | - | 42.78 |
| PHS | 39.71 | - | 39.71 |
| TTS | 12.69 | - | 12.69 |
| T & D System** | 510.77 | - | 510.77 |
| MTPS Units-5 & 6 | 387.64 | 22.47 | 365.17 |
| MTPS Units-7 & 8 | 1,027.80 | 38.6 | 989.2 |
| CTPS Units-7 & 8 | 513.32 | 40.77 | 508.55 |
| DTPS Units-1 & 2 | 1,056.92 | 79.73 | 977.19 |
| KTPS Units-1 & 2 | 1,134.04 | 86.89 | 1,047.15 |
| BTPS 'A' | 724.27 | - | 724.27 |
| RTPS Units-1 & 2 | 1,339.48 | 12.41 | 1,327.07 |
| Total | 7,423.05 | 280.87 | 7,142.18 |

4.15 Since the AFC of DVC's generating stations for FY 2024-25 has not yet been issued by the Ld. CERC, the admissible AFC as shown above for FY 2024-25 shall also be considered for FY



2025-26 and the MYT period from FY 2026-27 to FY 2030-31. Further, ash evacuation expenses shall be considered as per the values approved for FY 2023-24 in the relevant CERC Orders for the respective DVC generating stations.

Petitioner's Response

4.16 The objector has pointed out that the Hon'ble APTEL in the Judgment dated 20.08.2024 in the Review Petition No. 04 of 2019 has held that DVC can claim only one element, 'contribution to sinking fund' or 'depreciation of the capital assets.

4.17 In this regard it is to submit that the stated review order has been passed by APTEL against the Judgement of the same Tribunal dated 17.05.2019 passed in Appeal No. 17 of 2014. The Appeal No. 17 of 2014 was filed by Maithon Alloys Ltd. against the Tariff Order dated 07.08.2013 passed by CERC in respect of Durgapur TPS unit of DVC for the period 2009-14. Therefore, in terms of the above-mentioned review order, Ld. Central Commission is the appropriate Commission to issue necessary modifications in its impugned order dated 07.08.2013. Until then this Hon'ble Commission seems to have no jurisdiction to modify the CERC order dated 07.08.2013.

4.18 Earlier, being aggrieved, the judgment dated 17.05.2019 of the Hon'ble Tribunal was challenged by consumers before Hon'ble APTEL and Hon'ble APTEL in its judgment dated 20.08.2024 has reviewed its earlier order in the matter of sinking fund issue. The relevant portion of the order is reproduced below:

“-----We find sufficient reasons to review / rectify the judgment dated 17.05.2019 of this Tribunal in appeal No.17 of 2014-----“.

4.19 DVC, being aggrieved by the aforementioned judgment, filed an appeal before the Hon'ble Supreme Court on October 10, 2024. The matter is currently under sub judice before Hon'ble Apex Court and subsequently, issuance of any final order/review in this regard (post Supreme Court's Order) will fall under the purview of the Hon'ble CERC.

4.20 Moreover, DVC in the True-up petition for FY 2024-25, APR for FY 2025-26 & ARR for MYT 2026-31 period has claimed the Annual Fixed Charge (AFC) for its own generating plants as per the approved Tariff determined by CERC in the respective tariff orders for the MYT control period of FY 2019-24. The relevant CERC orders issued for each of the own generating plants



of DVC has already been referred in the main tariff petition. The cost element of “Contribution to Sinking Fund” is a part of these approved AFC as per the respective tariff orders of CERC. It is important to note that the beneficiaries of the different DVC TPSs are paying the fixed cost as per the AFC approved by CERC.

4.21 Further, CERC, in line with the Judgement of Hon’ble Tribunal dated 23 .11.2007, held that Section 40 of the DVC Act provides that DVC shall make provision for Depreciation and for Reserve and other funds, including Sinking Fund, in terms of the direction of C&AG and allowed Sinking Fund contribution and Depreciation as a pass through in tariff. In terms of the Ld. Tribunal Judgment dated 23.11.2007, CERC amended its Tariff Regulations 2009 and expressly recognized the unique statutory framework governing DVC and the requirement under the DVC Act to maintain a Sinking Fund for redemption of bonds. CERC noted that no other entity in the power sector is under any such legal obligation. Accordingly, CERC not only acknowledged this distinction but also mandated through its Regulations (Regulation 43) that DVC shall be entitled to recover both Depreciation and Sinking Fund contributions in tariff i.e., Depreciation towards replacement of Asset, and Sinking Fund contributions towards meeting the statutory liability of bond redemption. Such similar provisions have been consistently incorporated for subsequent control periods in later Tariff Regulations i.e., Regulation 53 of Tariff Regulations 2014, Regulation 72 of Tariff Regulations 2019 and Regulation 96 of Tariff Regulations 2024, reaffirming the continued recognition of the Sinking Fund as a distinct and admissible tariff component applicable exclusively to DVC. Further, Hon'ble Supreme Court in Bhaskar Shrachi Judgement reaffirmed the findings of the Ld. Tribunal in the Judgement dated 23.11.2007 that DVC is a special statutory entity distinct from other utilities. The Hon'ble Court held that DVC's additional social and developmental obligations like flood control and afforestation are integral to its mandate. Further, Part IV of the DVC Act, providing for creation of a Sinking Fund, is not inconsistent with the Electricity Act. The Apex Court also specifically upheld the Hon’ble Tribunal's findings on Depreciation and Sinking Fund, thereby affirming that both are allowed as a pass through in the tariff.

4.22 The relevant portion of the CERC Tariff Regulations for FY 2009-14, 2014-19, 2019-24 and FY 2024-29 wherein it is stated that the fund created u/s 40 of the DVC Act is to be recoverable through tariff is reproduced below:

CERC Tariff Regulations for FY 2009-14 (Regulation 43 (3)(iv) of Tariff Regulations, 2009):

“43. Special Provisions relating to Damodar Valley Corporation.

...



(3) The following special provisions shall apply for determination of tariff of the projects owned by DVC:

(iv) Funds under section 40 of the Damodar Valley Corporation Act, 1948: The Fund(s) established in terms of section 40 of the Damodar Valley Corporation Act, 1948 shall be considered as items of expenditure to be recovered through tariff.”

CERC Tariff Regulations for FY 2014-19 (Regulation 53 (2)(iv) of Tariff Regulations, 2014):

53. Special Provisions relating to Damodar Valley Corporation

.....

(2) The following special provisions shall apply for determination of tariff of the projects owned by DVC:

.....

(iv) Funds under section 40 of the Damodar Valley Corporation Act, 1948: The Fund(s) established in terms of section 40 of the Damodar Valley Corporation Act, 1948 shall be considered as items of expenditure to be recovered through tariff.”

CERC Tariff Regulations for FY 2019-24 (Regulation 72(2)(iv) of Tariff Regulations, 2019):

“72. Special Provisions relating to Damodar Valley Corporation:

.....

(2) The following special provisions shall apply for determination of tariff of the projects owned by DVC:

.....

(iv) Funds under section 40 of the Damodar Valley Corporation Act, 1948: The Fund(s) established in terms of section 40 of the Damodar Valley Corporation Act, 1948 shall be considered as items of expenditure to be recovered through tariff.”

CERC Tariff Regulations for FY 2024-29 (Regulation 96(2)(iv) of Tariff Regulations, 2024):

“96. Special Provisions relating to Damodar Valley Corporation:

.....



(2) *The following special provisions shall apply for the determination of tariff of the projects owned by DVC:*

.....

(iv) Funds under section 40 of the Damodar Valley Corporation Act, 1948 The Fund(s) established in terms of section 40 of the Damodar Valley Corporation Act, 1948 shall be considered as items of expenditure to be recovered through tariff.”

4.23 In terms of Rule 8 of Electricity Rule, 2005, the Tariff Determined by the Central Commission shall not be re-determined by the State Commission. The relevant portion of the rule is reproduced below.

.....

“Tariffs of generating companies under section 79.- The tariff determined by the Central Commission for generating companies under clause (a) or (b) of subsection (1) of section 79 of the Act shall not be subject to re-determination by the State Commission in exercise of functions under clauses (a) or (b) of sub-section (1) of section 86 of the Act and subject to the above the State Commission may determine whether a Distribution Licensee in the State should enter into Power Purchase Agreement or procurement process with such generating companies based on the tariff determined by the Central Commission.”

.....

4.24 Further, it is wrong to claim that this Hon’ble Commission has the plenary jurisdiction to modify the Tariff Order issued by Hon’ble CERC, that too when the review order has been issued by the Hon’ble APTEL in a challenge made against a CERC Tariff Order. Therefore, it is not proper to dis-allow the claim of Contribution of Sinking Fund until the same is modified by the Hon’ble CERC, subject to final outcome of challenge/appeal made by DVC before the Hon’ble APEX Court against the stated Review Order of APTEL dated 20.08.2024. This issue of jurisdiction of the State Commission has also been clarified by the Hon’ble Tribunal in the recent judgment dated 05.02.2024 & 15.10.2024 in Appeal No. 845 of 2023 and APL No 332 of 2024 wherein the Hon’ble Tribunal has held as under:

Appeal No. 845 of 2023:

“-----Even if the CERC had not taken into consideration the non-tariff income derived by the Appellant from its generation, transmission and other businesses, in determining its tariff, such an error could only have been corrected by the CERC; and the mere fact that it may have a bearing on the input cost, while determining the tariff of the Appellant’s distribution business in the Sate of Jharkhand, would not confer jurisdiction on the 1st Respondent to reduce such non-tariff income from the annual



revenue requirement of the Appellant for its distribution business in State of Jharkhand.
-----"

Appeal No. 332 of 2024:

"27. Thus the remand order categorically states that i) Jurisdiction of JSERC is limited to retail supply business of DVC i.e., Distribution business in the state of Jharkhand ii) JSERC has no jurisdiction to include NTI of DVC arising out from Generation, transmission and other business as its NTI with respect to distribution business iii) JSERC to ascertain the break-up of the non-tariff income of the Appellant, as reflected in the audited accounts for FY 2006-07 to FY 2011-12, between its generation, transmission, distribution and other businesses; and treat only the non-tariff income, relating to the Appellant's distribution business in the State of Jharkhand, as its non-tariff income for working out the requirement of ARR for FY 2006-07 to FY 2011-12.
-----"

4.25 It is therefore important to mention here that, the query raised by the objector in para 2.1.15(Table: 5) regarding deduction of contribution to sinking fund from the approved AFC of various thermal generating stations as applicable does not fall under the purview of Hon'ble JSERC, rather it falls under the jurisdiction of Hon'ble CERC.

DVC, therefore, humbly submits before this Hon'ble Commission that the generation and transmission tariff orders, already issued by CERC, can only be altered or modified by the Hon'ble Central Commission (that too after issuance of Order by Hon'ble Supreme Court where proceedings on the matter is undergoing) and not by the Hon'ble State Commission as urged by the objector.

OWN GENERATION COST - ENERGY CHARGES RATE OF DVC OWN GENCOS

4.26 The Energy Charge Rate (ECR) claimed by DVC for its own generating stations indicates a clear bias towards allocation of expensive power for own consumption. The table below depicts the plant-wise Energy Charge Rate along with the percentage of "firm allocation" for each of DVC's own generating stations.

DVC (Own Generating Stations) - Plant-wise ECR and % Allocation for Firm Consumers



| Station | ECR for FY 2024-25 (Rs./kWh) | % Firm Allocation | ECR for FY 2023-24 (Rs./kWh) | % Firm Allocation |
|-------------------|------------------------------|-------------------|------------------------------|-------------------|
| MTPS Unit 4 | 378.69 | 100% | 395.10 | 100% |
| MTPS Units 5 & 6 | 364.42 | 74% | 374.80 | 66% |
| MTPS Units 7 & 8 | 333.32 | 21% | 358.20 | 39% |
| CTPS Units 7 & 8 | 346.27 | 44% | 322.90 | 55% |
| DSTPS Units 1 & 2 | 345.54 | 50% | 344.60 | 66% |
| KTPS Units 1 & 2 | 306.19 | 5% | 302.40 | 1% |
| BTPS 'A' | 296.77 | 58% | 267.90 | 60% |
| RTPS Units 1 & 2 | 338.22 | 32% | 343.10 | 37% |

4.27 From the above table, it can be inferred that most of the least expensive plants owned by DVC's generating company have been allocated lesser firm consumption, whereas the costliest plants are being substantially allocated for firm consumption.

As a result:

- At least 50% of own MTPS Units 7 & 8 plants are running on optimum performance parameters, while
- Less than 50% firm allocation is being provided to DVC consumers.

The above assessment raises the following questions pertinent to the issue:

- What parameters should DVC adopt while allocating power from own consumption? DVC should be directed to provide the details of how allocation for firm consumers is fixed.
- Further, the allocation of power from Own Generation is not fixed, as evident from FY 2024-25 vs FY 2023-24 allocation data.

4.28 Therefore, there is lack of transparency, and the Hon'ble Commission is humbly requested to kindly seek adequate clarification from the Petitioner in this regard.



4.29 In view of the lack of clarity on the above heads, the Objector submits that the plant-wise ECR claimed by DVC is inappropriate and against the interest of own consumers. Accordingly, the Objector proposes that only ECR which comes out to be Rs. 3.30 per Unit be allowed to be recovered through Tariff.

4.30 Accordingly, the computed overall ECR for DVC own generating stations comes out to be Rs. 3.30 per Unit, as detailed below.

Allowable ECR for DVC Own Generating Stations for FY 2024-25

| Particulars | Value | Remarks |
|---------------------------------------|-----------|------------------|
| Cost of Power (Rs. Crore) | 13,334.52 | Audited Accounts |
| Energy Generated from Own Gencos (MU) | 40,421.84 | Tariff Formats |
| Rate (Rs./kWh) | 3.30 | - |

4.31 Further analysis of the ECR claimed by DVC over the years reveals a clear upward trend post FY 2023-24. Given the cold-averaged cost impact is on account of increased reliance on imported coal, the trend also highlights serious concerns regarding DVC's control over landed coal cost and Gross Calorific Value (GCV).

Such lack of oversight on coal cost and quality could lead to inefficiencies, further aggravating the issue of higher energy charges. Considering the significant impact on overall energy charges, it is imperative to address this matter comprehensively.

4.32 In light of these circumstances, it is crucial that the Hon'ble Commission conduct a thorough forensic investigation into the matter. Such an investigation would help in ascertaining the root causes of rising costs, ensure accountability, and protect consumer interest by preventing undue financial burden arising from inefficiencies in coal procurement and handling.

4.33 DVC has claimed an escalation of 3% over the Energy Charge Rate (ECR) for certain plants, namely MTPS Units 1-3, CTPS Units 7 & 8 and DSTPS Units 1 & 2, for FY 2024-25 to arrive at the ECR for FY 2025-26. However, for other plants, the ECR claimed for FY 2025-26 is lower than that claimed for FY 2024-25.

At the outset, the ECR claimed by DVC appears arbitrary and without any meaningful rationale.



4.34 It is pertinent to note that the Ministry of Coal (MoC) vide notification dated 20.05.2022 projected coal supply and demand on a medium-term basis, based on projected supply of domestic coal. The relevant extract from the MoC notification is reproduced below.

Medium Term Coal Projections (in Million Tonnes)

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2028-29 |
|----------------------|---------|---------|---------|---------|---------|---------|---------|
| Overall Coal Demand | 956 | 906 | 980 | 997 | 1,131 | 1,314 | 1,448 |
| Domestic Coal Supply | 707 | 691 | 765 | 974 | 1,304 | 1,456 | 1,511 |
| Imported Coal | 249 | 215 | 210 | 186 | 172 | 173 | 170 |

4.35 The actual data for FY 2025-26 (April-November 2025) further substantiates the strengthening of domestic coal supply. Total production during the period stands at 619.40 MT and total dispatch at 651.78 MT, while production from Captive & Other mines has increased by 9.11% and dispatch by 6.61%. This demonstrates that incremental coal demand is being met through diversified domestic sources rather than high-cost imports. Increased participation of captive coal reduces supply concentration risk, enhances procurement competitiveness, and exerts downward pressure on fuel cost. When this actual increase in captive production and dispatch is read alongside the projected expansion of captive coal supply, it is evident that domestic coal availability is strengthening rather than tightening. In such circumstances, any upward revision of the Energy Charge Rate (ECR) from FY 2024-25 levels lacks economic justification. Relevant extracts from the Ministry of Coal in this regard are shown below.

| Company | Production* | | | |
|------------------|----------------|---------------|---|--------------|
| | Target | Ach. (Prov) | Actual During Cores period of previous year | Growth (%) |
| CIL | 875.00 | 453.54 | 470.98 | -3.71 |
| SCCL | 72.00 | 37.98 | 40.15 | -5.42 |
| Captive & Others | 210.00 | 127.908 | 117.231 | 9.11 |
| Total | 1157.00 | 619.40 | 628.37 | -1.43 |

*Production/Despatch (Apr-25 to Nov-25)
Source: DDG, Office, Ministry of Coal



| Offtake/Dispatch* | | | |
|-------------------|--------------|---|------------|
| Target | Ach. (Prov.) | Actual During Cores period of previous year | Growth (%) |
| 900.00 | 479.73 | 493.11 | -2.71 |
| 72.00 | 38.50 | 40.40 | -4.69 |
| 210.00 | 133.5405 | 125.261 | 6.61 |
| 1182.00 | 651.78 | 658.77 | -1.06 |

4.36 Considering the evolving dynamics of coal supply and demand, along with the projected decline in imported coal usage, it becomes crucial to ensure that the estimation of the Energy Charge Rate (ECR) is aligned with the broader interest of consumers. In this context, it is respectfully submitted that Hon'ble Commission may examine the escalation rates claimed by the Damodar Valley Corporation (DVC) for ECR projections and undertake appropriate adjustments.

Specifically, it is proposed that the admissible ECR for FY 2024-25 (Rs. 3.30 per Unit), as mentioned in a table above, be reduced by 5% while determining the ECR for FY 2025-26, and thereafter carried forward for the entire MYT period from FY 2026-27 to FY 2030-31, in order to ensure a fair and balanced determination of the retail Aggregate Revenue Requirement (ARR).

4.37 The admissible Energy Charge Rate (ECR) for DVC Own Generating Stations for FY 2024-25 and FY 2025-26 is shown below.

Energy Charge Rate for DVC Own Gencos - Claimed vs Admissible for FY 2025-26 and FY 2026-27

| Particulars | FY 2025-26 - Claimed (Rs./Unit) | FY 2025-26 - As per Objector's Assessment (Rs./Unit) | FY 2026-27 - Claimed (Rs./Unit) | FY 2026-27 - As per Objector's Assessment (Rs./Unit) |
|-------------------|---------------------------------|--|---------------------------------|--|
| MTPS Units 1-3 | 369.44 | 313.39 | 378.19 | 313.39 |
| MTPS Unit 4 | 369.44 | 313.39 | 378.69 | 313.39 |
| MTPS Units 5 & 6 | 363.79 | 313.39 | 364.42 | 313.39 |
| MTPS Units 7 & 8 | 335.05 | 313.39 | 333.32 | 313.39 |
| CTPS Units 7 & 8 | 340.37 | 313.39 | 346.07 | 313.39 |
| DSTPS Units 1 & 2 | 329.64 | 313.39 | 345.54 | 313.39 |



| Particulars | FY 2025-26 - Claimed (Rs./Unit) | FY 2025-26 - As per Objector's Assessment (Rs./Unit) | FY 2026-27 - Claimed (Rs./Unit) | FY 2026-27 - As per Objector's Assessment (Rs./Unit) |
|------------------|---------------------------------|--|---------------------------------|--|
| KTPS Units 1 & 2 | 338.56 | 313.39 | 306.19 | 313.39 |
| BTPS 'A' | 325.78 | 313.39 | 296.77 | 313.39 |
| RTPS Units 1 & 2 | 348.99 | 313.39 | 338.22 | 313.39 |

Petitioner's Response

4.38 It is to submit that in the instant petition, DVC has claimed the ECR of its Thermal Generating Stations based on the Regulation 64 of CERC Tariff Regulation 2024. As per the Regulation, ECR is calculated based on the normative values of Station Heat Rate, Auxiliary Consumption and Specific Fuel Oil Consumption (SFC) as allowed by CERC and the actual cost of fuel and gross calorific value of fuel on as received basis. Therefore, the landed price of coal and the calorific value of coal need to be taken based on the actual cost arrived and actual calorific value as received. As such, the price of coal and its calorific value is considered as an uncontrollable factor for tariff determination and therefore, is passed on to the consumers for ensuring cost reflective tariffs.

4.39 Now, the ECR claimed in the instant petition is already submitted as Annexure- 7 (Page 171-188) duly Audited by Auditor. It is to further submit that in the relevant Regulations of CERC there is no such procedure of comparing the ECR of one generating station with the ECR of another generating station (for the obvious reason of different factors viz. APC, SHR, SFC related to station wise ECR) and to bill the lowest one. Moreover, the ECR claimed before this Hon'ble Commission has also been claimed from different beneficiaries of DVC located outside the valley area. As such DVC, in the instant petition has not claimed any arbitrary energy charge rate of its own thermal generating station from its firm consumers.

4.40 The objector claims that the least expensive plants owned by DVC are allocated disproportionately to firm consumers, an objection liable to be rejected on first instance. According to the data in the True-up petition, DVC allocated 58% from BTPS 'A', a plant with the lowest ECR of Rs. 2.968/kWh, to firm consumers, DVC also allocated 5% from KTPS "A" having comparatively low ECR of Rs. 3.062/kWh which is 4% more than that of last year submission i.e. FY 2023-24. This allocation percentage (to firm consumers in valley area) varies



from one DVC TPS to another depending on different PPAs DVC has entered into with beneficiaries spread across different parts of the country, resulting in varying energy charges recovery.

4.41 DVC has previously clarified that its ECR computation methodology is in line with CERC Tariff Regulations 2024 (Reg. 64) for FY 2024-25. The relevant CERC regulations state that the ECR is calculated using various parameters, including Station Heat Rate (SHR), Normative auxiliary power consumption (APC), Gross Calorific Value (GCV), Normative Specific Fuel Oil Consumption (SFC) & Landed price of fuel as received etc. The relevant portion of the CERC Tariff reg. 2024 is reproduced below,

*“64. Computation and Payment of Energy Charge for Thermal Generating Stations and Supplementary Energy Charge for Coal or Lignite based Thermal Generating Stations:
----- Energy charge rate (ECR) and Supplementary Energy charge rate in Rupees per kWh on ex power plant basis shall be determined to three decimal places in accordance with the following formulae:*

(a) ECR for coal based and lignite fired stations:

$$ECR = [(SHR - SFC \times CVSF) \times LPPF / CVPF] + (SFC \times LPSFi) + (LC \times LPL)] \times 100 / (100 - AUX)$$

(b) Supplementary ECR for coal and lignite based thermal generating stations:

$$Supplementary ECR = (\square ECR) + [(SRC \times LPR / 10) / (100 - (AUXn + AUXen))]$$

4.42 These parameters differ by installed capacity; for instance, the normative APC is 9.8% for 210 MW/250MW units (Viz.MTPS U# 1-4, MTPS U# 5-6) versus 5.25% for 500 MW & above units (Viz. MTPS U# 7-8, RTPS U# 1-2). And further APC for emission control system of Wet Limestone based FGD system is 1%.

4.43 The average ECR of Rs. 3.30/kWh calculated by the objector is flawed since CERC does not allow an overall average ECR across all plants but allows plant specific ECR depending on different factors mentioned above. As such the concept of average ECR put forth by the objector herein does not have any merit and regulatory cognisance and liable for rejection.

4.44 DVC has consistently used a weighted average methodology for calculating individual plant ECRs, audited by a Chartered Accountancy firm, and acknowledged by the Hon'ble JSERC in past true-up orders.

4.45 For FY 2025-26, DVC computed the ECR for different thermal power stations using the average actual LPPF of domestic coal for the first half of FY 2025-26, then escalated by the CERC-



notified rate of 3.25%. The notification regarding these escalation rates is included in the original petition as Annexure-27 (Pages 390). It remains unclear how the objector derived escalation rates of 3%.

4.46 In view of above, the allegation made by the objector that lack of oversight and management of DVC caused a substantially higher energy charge rate is devoid of any merit, hence liable to be rejected. DVC should be allowed to recover the actual cost of fuel already incurred in terms of CERC Tariff Regulation, 2024 and its subsequent Amendments thereof.

OWN GENERATION COST - INCENTIVE FOR ACHIEVING TARGET PLF

4.47 The Petitioner has claimed incentive for its own generating stations which have attained the target PLF and have achieved an Average Monthly Frequency Response Performance (β) above 0.30, as provided under Clauses 62(5) and 62(6) of the CERC Tariff Regulations, 2024.

(5) In addition to the AFC entitlement as computed above, the generating station shall be allowed an incentive of up to 1.00% of the AFC approved for a given year, which shall be billed monthly as per the following:

$$\text{Incentive} = (1.00\% \times \text{AFC/year}) \times \beta \times \text{CF}/12$$

Where:

β = Average Monthly Frequency Response Performance for that generating station, as certified by RPCs, which shall be computed by considering primary response as per the methodology prescribed by the NLDC with approval of the Commission, and β shall range between 0 to 1.

Provided that the incentive shall be payable only if the Beta value is higher than 0.30.

CC/y = Capacity Charges for the Year.

(6) In addition to the capacity charge, an incentive shall be payable to a generating station on achievement of 75 percentile kWh for ex-bus scheduled energy during peak hours and 55 percentile kWh for ex-bus scheduled energy during off-peak hours corresponding to scheduled generation in excess of ex-bus energy corresponding to Normative Annual Plant Load Factor (NAPLF), derived on a cumulative basis, as specified in Clause (8) of Regulation 70 of these Regulations.

4.48 While the said provisions provide for (i) a frequency-response-linked incentive up to 1% of AFC based on Beta Performance and (ii) a NAPLF-linked incentive for generation in excess of ex-bus energy corresponding to NAPLF of 85%, the applicability of these incentives is contingent upon proper beneficiary linkage and enforceable supply commitments.



- 4.49 The Petitioner's claim for such incentives towards its own generating stations is fundamentally flawed. The generating station incentives, except MTPS Units 1-3 and MTPS Unit-4, supply electricity to multiple beneficiaries. The command-area consumers do not enjoy any station-specific firm commitment from DVC's generating stations, unlike bilateral beneficiaries who have clearly identified supply obligations under specific arrangements.
- 4.50 In this context, the PLF-based incentive under Clause (6), linked to achievement of normative PLF of 85% or above, and the frequency-response incentive under Clause (5), linked to Beta Performance above 0.30, become inapplicable to command-area consumers. These incentives are station-specific and performance-based. In the absence of enforceable, station-wise supply commitments to command-area consumers, such incentives cannot be attributed to or recovered from them.
- 4.51 The Petitioner has wrongly linked station-wise PLF achievement and Beta performance to command-area consumption. There are no station-specific Power Purchase Agreements governing supply to the command area, and therefore such linkage is not justified. Moreover, attributing the benefit of frequency response performance to the grid as a whole, and subsequently burdening command-area consumers with the incentive cost, violates the principle of cost causation and results in inequitable tariff burden.
- 4.52 In the absence of specific Power Purchase Agreements, the provisions under Clauses 62(5) and 62(6) of the CERC Tariff Regulations cannot be applied to command-area consumption. Accordingly, the Petitioner's claim towards incentive for achieving target PLF of 85% and frequency-response-based incentive for FY 2024-25, and the claim towards frequency-response-linked incentive for the MYT period from FY 2026-27 to FY 2030-31, deserves to be rejected by the Hon'ble Commission.

Petitioner's Response

- 4.53 The allegation made by the objector is liable to be outrightly rejected. DVC has claimed incentive on over achievement of target PLF as per clause 62(6) of CERC Tariff Regulations 2024.



4.54 It is pertinent to note that the incentive claimed by DVC in this petition against consumers in Jharkhand is in accordance with the CERC regulations and has not been recovered from the other beneficiaries. Instead, the incentive claimed herein in the ARR is proportionate with the generation actually utilised for sale to the firm consumers.

4.55 At first, incentive has been derived for that generating station who's actual PLF is more than Normative PLF of 85%. Thereafter, the incentive has been claimed before the Ld. JSERC based on the % utilization of the power generated from such generating station for the distribution activity of DVC after due apportionment between the state of West Bengal and Jharkhand based on sales ratio.

4.56 Hon'ble Commission may be pleased to appreciate that if a plant achieved PLF of more than 85%, then such generation was utilized to meet the demand of the consumers. As such, DVC firm consumers have benefited from such high-performing plants. Had such plants not achieved such high PLF, then there would have been shortfall corresponding to the under-achievement, which otherwise would have been managed through power purchase from the market at higher rate or else consumers would have been underserved/undersupplied.

4.57 It is also noteworthy to mention that this Hon'ble Commission in its earlier True-Up orders dated 30.09.2024 for FY 2022-23 (True up) & dated 27.05.2025 for FY 2023-24 (True up) has allowed the claim of DVC in regards with the Incentive i.r.o. CTPS 7&8 , MTPS U# 4, MTPS U# 7-8,, KTPS U# 1&2 , DSTPS U# 1&2, BTPS U#A for achieving PLF for more than 85%. Relevant portion of the order is attached herewith as Annexure - 01.
As such the claim of the objector is devoid of any merit, hence liable to be rejected.



ADDITIONAL AFC AND ECR TOWARDS EMISSION CONTROL SYSTEM (FGD)

- 4.59 The Stakeholder objects to the claim made by the Petitioner towards recovery of Annual Fixed Charge (AFC) and supplementary Energy Charge Rate (ECR) on account of the Flue Gas Desulphurisation (FGD) / Emission Control System for FY 2024-25, FY 2025-26 and the MYT Control Period from FY 2026-27 to FY 2030-31.
- 4.60 The Stakeholder submits that although the Petitioner has stated that the FGD systems have been commissioned and are in commercial operation for various generating units, the recovery of AFC and supplementary ECR on a pro-rata or projected basis, merely on account of commissioning, is not permissible under the applicable CERC Tariff Regulations, 2024. The Stakeholder points out that the Petitioner has relied on submissions and petitions filed before the Hon'ble CERC, whereas the present proceedings pertain to True-up and ARR, wherein only such costs that are finally determined, approved and actually incurred can be considered.
- 4.61 The Stakeholder further relies on Regulation 29 of the CERC Tariff Regulations, 2024, which governs Additional Capitalisation on account of Revised Emission Standards. As per the said regulation, recovery of tariff and expenditure relating to FGD is allowed only after completion of implementation and upon filing of a petition for determination of tariff, subject to prudence check by the Commission. The Stakeholder emphasises that the Regulations do not permit recovery of tariff or supplementary ECR based on projections, estimates or advance filings.
- 4.62 It is also contended that Regulation 10 of the CERC Tariff Regulations, 2024, mandates that billing during a tariff period must strictly comply with the approved tariff order and not on the basis of tentative or projected values. Billing based on projections undermines tariff certainty, results in regulatory instability, and places an undue financial burden on consumers.
- 4.63 The Stakeholder further submits that recovery of AFC and supplementary ECR for FGD in the absence of a final Tariff Order issued by the Hon'ble CERC would amount to a re-determination of tariff by the State Commission, which is impermissible in view of Rule 8 of the Electricity Rules, 2005. Under the said Rule, tariff once determined by the Hon'ble CERC under Section 79 of the Electricity Act, 2003 cannot be re-opened, modified, or substituted by the State Commission.
- 4.64 It is further argued that since the present exercise concerns True-up for FY 2024-25, APR for FY 2025-26 and ARR for FY 2026-27, only those costs that are duly approved by the Hon'ble CERC and actually incurred during the relevant period can be considered. In the absence of a tariff order approving AFC and ECR relating to the FGD system, such costs fall outside the scope of True-up and ARR and therefore cannot be recovered from consumers.



4.65 The Stakeholder also objects to the inclusion of Transmission Tariff for new transmission and distribution elements on the basis of pending petitions before the Hon'ble CERC, submitting that unless the tariff is finally determined by the competent authority, recovery based on assumptions or projections is not legally sustainable.

4.66 In light of the above, the Stakeholder submits that the claim towards AFC and supplementary ECR for the Emission Control System (FGD) for FY 2024-25, FY 2025-26 and the MYT Control Period lacks regulatory basis, violates the applicable tariff framework, and should therefore be rejected. The Stakeholder prays that only such AFC and ECR that are finally approved by the Hon'ble CERC through a tariff order be considered recoverable, and all projected or ad-hoc claims be disallowed in the interest of consumers and tariff discipline.

Petitioner's Response

4.67 At the outset, DVC would like to submit that the work of implementation of FGD for all the 500 MW units as a package had started from FY 2020-21 and the FGD systems have already been operationalized in all generating stations like MTPS U#7&8, BTPS A, KTPS U#1&2, DSTPS U#1&2, RTPS U#1&2. For other units, the commissioning is expected to be completed within the ensuing year. The date of operationalization (ODe) of the different plants is provided below:

| Sr. No. | Plant | Date of Operationalization |
|---------|----------------------------------|--|
| 1 | MTPS 7&8 (2X500 MW) | Unit 7: 26.01.2024 Unit 8: 29.03.2024 |
| 2 | BTPS A (1X500 MW) | 22.06.2024 |
| 3 | KTPS (2X500 MW) | Unit I: 02.07.2024 Unit II: 01.04.2025 |
| 5 | DSTPS (2X500 MW) | Unit I: 01.04.2024 Unit II: 27.12.2024 |
| 6 | RTPS (2X600 MW) | Unit I: 21.04.2024 Unit II: 14.12.2024 |
| 7 | MTPS 1 to 6 (4X210 +2X250 MW) | Block I (U#4,5&6): April '26 (Expected) Block II (U#1,2&3): June '26 (Expected) |

4.68 It can be observed from the above table that, FGDs have already been installed and operating in most of the Power Plants of DVC except MTPS U# 1-6. As such, in terms of the CERC Tariff Regulation, the supplementary tariff for the emission control system is applicable from the Commercial Operation Date of such installation. Accordingly, DVC has filed the respective



Tariff Petitions before the Hon'ble Central Commission towards determination of tariff for the FGDs of all the plants mentioned above and the orders are expected to be issued in due course except MTPS U# 1-6.

- 4.69 As and when CERC determines the tariff for the FGD system, the consumers will be liable to bear the cost of such system effective from the respective CODs/ODEs.
- 4.70 This, however, does not prohibit to charge the supplementary ECR since after start of operation of ECS system, the auxiliary consumption of thermal power plants increases and the utility starts incurring cost of reagents, limestone etc. However, such provisional charges will be adjusted subsequently after approval of ECS Tariff by CERC.
- 4.71 If the cost of the FGDs is not considered now, the same shall only result in increase of the carrying cost on the same, which, in turn, would increase burden on the consumers. In order to avoid delay in recovery of such legitimate costs and prevent increase in carrying cost, it is requested to allow recovery of the cost incurred on account of implementation of FGDs as per the ODEs mentioned above.
- 4.72 By the way of objection, JCADVC has only tried to delay the recovery of the legitimate cost on account of implementation of the FGD system which is operational as on date. Such attempt will in turn, hamper the environment protection issues as directed by Hon'ble Supreme Court. This legitimate cost, if not allowed to be recovered now through Tariff, will ultimately burden the consumers in long run. Otherwise, the tariff claimed by DVC will not reflect the cost of power.
- 4.73 Moreover, the tariff for the FGD system claimed before CERC, which in turn has been claimed before this Hon'ble Commission as an input cost, was based on realistic projection with conservative estimation.
- 4.74 Further, as the FGD system is operational in most of its power plants, DVC is raising the supplementary ECR in accordance with regulation 64 of CERC Tariff Regulation 2024. The actual supplementary ECR (paise/kWh) in respect of the FGD system installed at various DVC power plants for last few months is Tabulated below Paise/kWh:

| DVC TPSs | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sept'25 | Oct'25 | Nov'25 | Dec'25 |
|-------------|--------|--------|--------|--------|--------|---------|--------|--------|--------|
| MTPS U#7-8 | 6.9 | 7.1 | 7 | 7.2 | 6.7 | 7.3 | 7.4 | 7.2 | 7.8 |
| DSTPS U#1-2 | 7.9 | 7.7 | 7.7 | 7.9 | 9.1 | 8.8 | 8.5 | 8.6 | 8.7 |
| KTPS U#1-2 | 7.3 | 8.2 | 8.7 | 8.3 | 7.2 | 7.0 | 6.4 | 6.5 | 6.6 |
| RTPS U#1-2 | 7.7 | 7.2 | 7.4 | 7.6 | 8.9 | 8.6 | 8.0 | 8.2 | 7.7 |



| DVC TPSs | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sept'25 | Oct'25 | Nov'25 | Dec'25 |
|----------|--------|--------|--------|--------|--------|---------|--------|--------|--------|
| BTPS-A | 0 | 6.2 | 7.0 | 7.2 | 7.2 | 6.1 | 5.9 | 6.9 | 6.9 |

4.75 As such, from the above Table it is amply clear that, while submitting the instant petition, DVC has not projected the cost of the FGD system arbitrarily.

4.76 Against the above backdrop, it is submitted that the contention of the objector is devoid of any merit and hence liable for rection.

HIGHER ALLOCATION OF T&D CHARGES TO FIRM CONSUMERS

4.77 The Stakeholder strongly objects to the manner in which the Petitioner has proposed recovery of Transmission & Distribution (T&D) charges predominantly from firm consumers in the command area, without proportionate allocation based on actual utilisation of DVC's T&D network.

4.78 The Stakeholder submits that the Petitioner has understated revenue from Open Access charges and has claimed recovery of T&D fixed charges mainly from command area consumers, despite the fact that DVC's T&D system is extensively utilised for export of power under bilateral PPAs and open access transactions. The sale portfolio of DVC clearly includes supplies to consumers in Jharkhand and West Bengal, export to PPA beneficiaries under schedule mode, sales to JBVNL, SAIL, BSL, Tata Steel and Indian Railways in consumer mode, all of whom avail supplies using DVC's own T&D network.

4.79 It is submitted that the recoverable T&D fixed charges determined under CERC Orders, which are based on Transmission Availability, cannot be allocated entirely to command area consumers when the same T&D assets are also used for supply to beneficiaries outside the command area. The Stakeholder highlights that, for FY 2024-25, while the total generation was 40,421.84 MU, the share of command area consumption (Jharkhand + West Bengal) was only 17,519.05 MU, i.e., 43.34%. Accordingly, only 43.34% of the T&D charges can be legitimately attributable to command area consumers for that year, with the balance required to be apportioned to non-command area beneficiaries.

4.80 The Stakeholder further draws attention to the physical configuration of DVC's transmission network, which demonstrates that generating stations such as Mejia TPS Units 5 & 6 and Chandrapura TPS Units 7 & 8 are connected through 220 kV transmission lines primarily used for evacuation of power to beneficiaries outside the command area. These facts have been specifically noted by the Hon'ble APTEL in its Judgment dated 15.09.2025 in Appeal No. 275 of 2015 & IA No. 724 of 2025, wherein it was categorically held that loading 100% of CERC-approved T&D costs on command area consumers violates Section 61 of the Electricity



Act, 2003, as it ignores utilisation of the network for bilateral supply, export of power and open access wheeling.

- 4.81 The Stakeholder submits that DVC has been supplying power to beneficiaries outside the command area under bilateral PPAs, wherein the delivery point is specified as “Bus at DVC Periphery”, and DVC has agreed to bear transmission charges only up to that point. Beyond the delivery point, transmission charges are required to be borne by such bilateral beneficiaries. Consequently, loading the entire T&D cost of the network on command area consumers results in double recovery and unjust enrichment, which has been expressly disapproved by the Hon’ble APTEL.
- 4.82 The Hon’ble APTEL has further held that T&D cost allocation must be undertaken in two distinct stages: first, between command and non-command area users based on actual utilisation of the T&D network, and second, apportionment between Jharkhand and West Bengal consumers within the command area based on sales. Failure to undertake such allocation violates the principles of reasonable cost recovery and equity and results in unfair burden on command area consumers.
- 4.83 The Stakeholder also points out that DVC’s T&D network is being utilised for open access transactions, wheeling of power by third parties, and evacuation of surplus power from Tata Steel Limited, including power flows from Jamshedpur captive generation through DVC’s network. Despite such widespread usage, the Petitioner has proposed recovery of the entire T&D cost exclusively from firm consumers, disregarding the quantum of power wheeled and exported.
- 4.84 In view of the above, the Stakeholder submits that the continued loading of entire T&D charges on command area consumers, without proportionate allocation based on network utilisation, is contrary to binding judicial precedents, violative of Section 61 of the Electricity Act, and results in inequitable tariff treatment. The Stakeholder prays that the Hon’ble Commission reallocate T&D costs strictly on the basis of actual utilisation, disallow excess recovery from firm consumers, and ensure compliance with the principles laid down by the Hon’ble APTEL to protect consumer interest and maintain tariff discipline.

Petitioner’s Response

- 4.85 At the outset, it is humbly submitted that the objection raised by the Consumer Association is misconstrued and liable to be rejected. The Objector has wrongly conceptualized on the power evacuation from Generating stations of DVC to different beneficiaries of DVC.
- 4.86 The objector has alleged that DVC undertakes sales in three categories which utilize the integrated Transmission and Distribution network of DVC. In this regard it is humbly submitted
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that sale to firm consumers both in Jharkhand and West Bengal states and the sale to the open access consumers utilizes the integrated Transmission and Distribution network of DVC. Accordingly, cost of the integrated Transmission and Distribution to be shared between these two categories of consumers. In this regards, relevant portion of the order issued by the Central Commission (in petition no. 482/TT/2020 and 713/TT/2020) is attached herewith as Annexure - 02.

- 4.87 Further, DVC has claimed the entire Annual Fixed Charge (AFC) of its integrated T&D network in the instant petition after deducting the open access charges received from the open access consumers who are utilizing DVC's own T&D network for evacuation of power in terms of the CERC order dated. 07.08.2023. A copy of the relevant part of said CERC order is attached as Annexure-03.
- 4.88 DVC has not understated the revenue realized from the open access consumer during the FY 2024-25. The details of the open access charges received from the consumers during FY 2024-25 has already been submitted, duly certified by a chartered accountant firm while submitting the main petition along with additional information to the Hon'ble JSERC.
- 4.89 Regarding the claim that the sale made to the beneficiary on export also utilizes the integrated T&D network of DVC, it is submitted that the sale to different licensees in scheduled mode is undertaken by DVC in its capacity as generator and is guided by CERC regulations. The scheduling to the beneficiaries is done at the Ex-bus of the respective generating stations, thereafter the responsibility of evacuation of power through CTU network lies with the beneficiaries. The tariff of CTU network is being directly recovered from such licenses by PGCIL through POC / GNA mechanism. As such, DVC's unified Transmission and Distribution network is not being utilized in the said evacuation process except in case of MTPS 5&6 and CTPS 7&8. As in those generating stations there is no direct connectivity with the CTU, these generating stations relate to the CTU in the nearby DVC substation having CTU connectivity.
- 4.90 In this regard it is also pertinent to mention that a portion of the power from RTPS 1-2 and MTPS 7-8 is being utilized by the firm consumers, however, such generating stations are solely connected with the CTU network. The firm consumers do not have to bear proportionate cost of the transmission lines evacuating power meant for firm consumers from those stations.
- 4.91 DVC's T&D network is primarily designed to meet the demand of valley consumers, factoring in future load growth and maintaining sufficient redundancy. As a generating company, DVC sells power to various licensees nationwide at the ex-bus point of its generating stations, with evacuation carried out through the CTU network. Notably, the sales to beneficiaries outside the valley area began much later and only after fully meeting the power requirements of valley consumers. Almost all new generating stations set up by DVC for supplying power outside the valley area are directly connected to the CTU grid at their station bus. However, there are only



two exceptions, i.e., MTPS Units 5 & 6 and CTPS Units 7 & 8. For the two Generating Stations i.e. MTPS Unit 5&6 and CTPS Unit 7&8, power evacuation to outside beneficiaries was done by utilizing miniscule part of DVC's existing T&D Network. Notably, MTPS Units 5 & 6 are connected to the CTU at DVC's Kalyaneswari sub-station via the 134.2 km MTPS-Kalyaneswari lines, while CTPS Units 7 & 8 are connected to the CTU at DVC's Dhanbad sub-station via the 45.6 km CTPS-Dhanbad lines.

4.92 DVC's total existing T&D network length of 4,671 km, the lines used for CTU connectivity constitute only 0.97% (CTPS) and 2.9% (MTPS) of the network. Furthermore, these lines are not exclusively dedicated to evacuating power for supply to beneficiaries outside the DVC area but are also utilized for supplying power to consumers served by these generating stations. They are multi-purpose lines used for supplying to outside beneficiaries, DVC's firm consumers as well as receiving power from tie-lines as explained below:

- Supplying power to DVC's own consumers from the aforementioned generating stations.
- Facilitating the transmission of power procured by DVC from external sources to meet internal Valley demand.

4.93 The quantum of utilization of these lines for supplying power to external beneficiaries is marginal in comparison to their utilization for DVC's internal consumer obligations. The Interconnecting lines (as stated above) are also utilized to transmit power purchased by DVC from sources outside its area to meet the valley consumers' load. Hence, their use for supplying power to outside beneficiaries is minimal compared to their primary use for consumer supply.

4.94 The T&D tariff for DVC's existing network is determined by the Ld. CERC on a consolidated basis, without approving any line-specific tariff, unlike in the case of Power Grid Corporation of India Ltd. ("PGCIL"), where line-specific tariffs are determined. Consequently, the cost attributable to the utilization of a minuscule portion of DVC's network cannot be separately ascertained to allow any adjustment on this account.

4.95 Meanwhile this Hon'ble Commission deducted a certain portion of the AFC of DVC's own T&D system based on export sale from MTPS 5-6 & CTPS 7-8 while issuing the True-up for FY 2023-24 period. Being aggrieved, with this computation DVC has challenged the issue before the Hon'ble APTEL in Case No. 227 of 2025. After due deliberations before the Hon'ble Tribunal, the Judgement has been reserved.

4.96 Further, ERPC, after extensive study, declared four nos. of 400 kV lines of DVC as Non-ISTS line carrying ISTS Power during 2017-18 vide letter dated 24.08.2017. CERC thereafter has separately determined the AFC for such assets and directed to recover the cost of such lines from the POC pool. Accordingly, the tariff of such assets is serviced through POC mechanism. Therefore, DVC did not include AFC of such lines in the ARR of its Distribution Activity. A



copy of relevant portion of the latest CERC orders of 466/TT/202020 is attached herewith as Annexure-04.

4.97 Therefore, DVC prays before this Hon'ble Commission to continue with the settled methodology of the previous orders regarding the recovery of the AFC of unified T&D network of DVC utilized in the Distribution and Retail Sale activity.

4.98 In light of the above, the objection raised by the objector is devoid of any merit and liable to be rejected. Further also that the findings of the Hon'ble Tribunal Order dated 15.09.2025 in the matter Appeal No. 275 of 2015 & IA No.724 of 2025 is challenged by DVC at the Hon'ble Apex Court bearing the Civil Appeal No(s). 13634-13636/2025 which is under sub judice.

TRANSMISSION AND DISTRIBUTION (T&D) LOSSES

4.99 The Stakeholder objects to the claim and proposed relaxation of Transmission and Distribution (T&D) losses by the Petitioner for FY 2024-25, FY 2025-26 and the MYT Control Period from FY 2026-27 to FY 2030-31. The Stakeholder submits that the Petitioner has claimed T&D losses of 3.54% for FY 2024-25 and has proposed T&D losses of 3.80% and above for subsequent years of the Control Period, without adequate technical justification or prudence-based substantiation.

4.100 The Stakeholder notes that the Hon'ble Commission, in previous Orders, has consistently allowed T&D losses at 3.00% for the Control Period based on past performance and approved loss trajectory. Any upward deviation from the approved trajectory constitutes a controllable factor under Regulation 6.44 of the JSERC Tariff Regulations, 2020, and therefore requires strong technical justification supported by verifiable data. Mere projections or generalized submissions cannot be a valid basis for relaxation of approved loss levels.

4.101 The Stakeholder further submits that the Petitioner has attributed the claimed increase in T&D losses to an assumed rise in sales at lower voltage levels, namely LT and 33 kV, during the Control Period. However, the Stakeholder points out that actual sales data for FY 2024-25 shows sales of only 1,261.46 MU at lower voltages, which constitutes merely 3.49% of total energy requirement. Given this marginal proportion, the claim that such sales have resulted in a steep increase in T&D losses from 3.00% to 3.54% appears to be disproportionate and unjustified.

4.102 It is further submitted that the scale of increase in lower-voltage sales does not align with the magnitude of increase in T&D losses claimed by the Petitioner. This disparity raises serious concerns regarding the credibility of the Petitioner's assumptions and warrants a detailed



examination. Allowing such relaxation without rigorous prudence check would undermine regulatory discipline and shift the burden of inefficiencies onto consumers.

4.103 The Stakeholder also highlights that under the tariff framework, surplus power procured due to excess T&D losses should not be fully passed through to consumers. In particular, for FY 2024-25, surplus power of 53.35 MU, claimed to have been procured due to higher T&D losses, is sought to be adjusted through Unscheduled Interchange (UI) purchases. The Stakeholder submits that such surplus procurement, arising from controllable inefficiencies, cannot be allowed as a pass-through and should be disallowed.

4.104 Based on the energy balance analysis, the Stakeholder submits that the allowable excess export through UI should be restricted to 53.35 MU, as against the 57.38 MU claimed by the Petitioner, and the balance UI charges should be disallowed. Any financial implications arising from such adjustment must be addressed through the Commission's regulatory scrutiny.

4.105 The Stakeholder further submits that for the future years of the MYT Control Period, any excess surplus energy attributable to higher-than-approved T&D losses must be offset against short-term or unscheduled interchange procurement, instead of being loaded onto consumers. Allowing continued relaxation of T&D losses without corrective measures defeats the principles of efficiency, accountability and consumer interest enshrined in the Electricity Act.

4.106 In view of the above, the Stakeholder submits that T&D losses should be restricted to 3.00%, in line with the approved loss trajectory, and any excess power procurement resulting from higher claimed losses should be disallowed. The Stakeholder prays that the Hon'ble Commission undertake a strict prudence check, disallow unjustified relaxation of T&D losses, and protect consumers from bearing the burden of inefficiencies attributable to controllable factors.

Petitioner's Response

4.107 It is pertinent to mention here that, this Hon'ble Commission has provisionally approved T&D loss target of 3.00% for FY 2024-25 in the APR Order for FY 2024-25 dated 27.05.2025 (refer Para 6.25 of Order) and allowed DVC to operate within the T&D loss of 3.80% on overall sales for the Control period FY 2021-22 to 2025-26, without any incentive/penalty while issuing the Multi Year Tariff order for the period FY 2021-22 to FY 2025-26 on order dated 30.01.2023 (para 5.15-5.16). Para 5.15 of the order dated 30.01.2023 is reproduced below:

"5.15 The Commission has scrutinized the actual loss and approved value of losses for the past years. The Commission provisionally approves the Transmission & Distribution (T&D) loss target of 3.00% on overall sales for each year of the Control Period



considering the past trend in previous period from FY 2016-17 to FY 2020-21. Further, the Petitioner shall be allowed to operate within the distribution loss of 3.80% on overall sales for the Control Period without any incentive/penalty.

4.108 However, DVC has already submitted the cause of higher T&D loss to the tune of 3.54% with all the detailed justification in the instant petition (kindly refer to para 38 of True up Petition for FY 2024-25). Therefore, the claim of the objector regarding higher T &D loss is devoid of any merit and liable to be rejected.

POWER PURCHASE COST - UI CHARGES

4.109 The Stakeholder objects to the recovery of Unscheduled Interchange (UI) / Deviation Settlement Mechanism (DSM) charges claimed by the Petitioner in the power purchase cost for FY 2024-25 True-up and for the ensuing MYT period. The Stakeholder submits that UI charges are fundamentally a commercial and regulatory mechanism intended to enforce grid discipline and are not designed to function as a source of routine power procurement or trading.

4.110 The Stakeholder relies on the Statement of Reasons issued by the Hon'ble CERC while framing the UI Regulations, 2009, wherein it has been categorically stated that UI pricing serves the twin objectives of ensuring grid discipline and minimisation of generation cost and that the UI mechanism should discourage market participants from using UI as a trading instrument. UI charges are thus meant to act as a deterrent against deviations and penalise indiscipline by generators or distributors.

4.111 Further, the Stakeholder draws attention to the Statement of Reasons to the Unscheduled Interchange Regulations, 2009, wherein Hon'ble CERC has clearly observed that UI charges and Additional UI charges shall operate as financial dis-incentives and that UI cost for overdrawl beyond prescribed frequency limits (below 49.2 Hz) is not allowable as pass-through in the Annual Revenue Requirement. The intention of the regulation is to ensure that utilities internalise the cost of persistent deviations rather than pass them on to consumers.

4.112 The Stakeholder also refers to the decision of the Forum of Regulators, endorsed in the CERC Press Release dated 23.07.2009, which clearly records that the additional UI charges imposed for excessive overdrawl should not be allowed to be recovered from consumers with effect from 01.08.2009. The rationale is that UI charges are in the nature of damages for inefficiency or incompetence and therefore cannot be treated as legitimate power purchase cost.

4.113 Despite this settled regulatory position, the Stakeholder submits that for FY 2024-25 True-up, the Petitioner has loaded UI energy in the power purchase cost amounting to Rs. 14.18 Crore, corresponding to 35.78 MU of net imported UI energy. Additionally, excess energy procured



on account of higher T&D losses has been adjusted through UI and IEX transactions, contrary to regulatory intent.

- 4.114 The Stakeholder submits that excess energy procured due to controllable inefficiencies, including unjustified relaxation of T&D losses, cannot be allowed to be settled through UI or exchange purchases and recovered from consumers. In view of the excess energy, the Stakeholder has submitted that UI charges to the extent of Rs. 14.19 Crore and excess IEX charges amounting to Rs. 35.35 Crore deserve to be disallowed, aggregating to a total disallowance of Rs. 49.54 Crore from the claimed power purchase cost for FY 2024-25.
- 4.115 The Stakeholder submits that allowing recovery of UI charges defeats the core objective of grid discipline, encourages lax scheduling practices, and shifts the burden of system indiscipline onto consumers. Accordingly, the Stakeholder prays that UI charges and excess exchange-based power procurement arising from deviations or controllable inefficiencies be fully disallowed, and that the Hon'ble Commission ensure strict adherence to the UI/DSM framework in the interest of consumers and grid discipline.

Petitioner's Response

- 4.116 It is respectfully submitted that the objective of the Unscheduled Interchange (UI) mechanism is to maintain grid discipline and stability through commercial mechanism. UI is a part and parcel of Schedule and Despatch mechanism of energy accounting. It is a well settled principle that the DC/Schedule of the next day (D+1) is submitted to the respective RLDC on estimation basis on the previous day (D). Thereafter, the actual over/under injection/drawl is taken care of by the UI mechanism through commercial terms as specified in the DSM regulation, as power generated cannot be stored and has to be evacuated simultaneously. The objector has alleged that due to inefficiency or incompetency on the part of DVC, the UI cost was incurred. It can be inferred from the said contention, that in order to be efficient in operation, the day ahead estimation of DC/Schedule need to be absolutely accurate for all 96 blocks in a day and for entire 365 days in a year which is not practically possible for any human being/advanced software/AIs etc. Real scenario of load generation balance actually depends on many factors and eventualities which keep on changing continuously. Under the present circumstances UI is bound to happen for maintaining grid stability and therefore, there is mechanism for Deviation Settlement in place under the Electricity Act and relevant regulations to take care of the deviation through commercial terms.
- 4.117 The objector has wrongly placed reliance on some old press release and discussion paper. They have not shown any concrete Regulations or Act which mandates against the cost of UI.
- 4.118 In fact, under the present arrangement of power drawl by the Consumers in firm mode, they are free to reduce or increase their drawl irrespective of the grid frequency. But DVC, being a grid



connected entity, is responsible for making payment in the form of UI/DSM charges for any overdraw/underdraw from the grid. Whenever the total generation of DVC along with power purchase becomes insufficient to meet up the demand of the consumers, then only the net drawl of UI comes into the picture and so comes the commitment of UI payment. In fact, power so drawn through UI from the grid into the DVC system, is solely used by the consumers themselves.

4.119 So, in one hand while Consumers are enjoying the uninterrupted power supply at the time of their overdraw without sharing any responsibility to maintain the grid frequency, on the other hand they are questioning on the UI charges being paid by DVC to make good the deficit for supply to consumers.

4.120 It has always been a commitment of DVC to maintain 24x7 power supply to our consumers except for some technical exigency which is beyond DVC's control. In doing so, the instantaneous mismatch of load and generation is equated through the UI mechanism.

4.121 It is also relevant to mention, DVC's own generation fulfils almost 90% of its total energy requirement and remaining 10% is fulfilled by power procurement. Total UI amount claimed by DVC under the head of power purchase is almost less than 0.75% of total power purchase cost. Moreover, in the annual accounts of DVC, UI import booked as Rs.53.43 Cr. under the head of power purchase whereas DVC has claimed only Rs. 14.19 Cr as net UI which is much lower than the booked amount. Furthermore, UI claim of DVC has drastically decreased (Rs. 134 Cr. in FY 2022-23 to Rs. 80 Cr. in FY 2023-24 to Rs. 14.19 Cr. In FY 2024-25) which reflects efficiency in DVC's energy scheduling and power management during periods of such high frequency variation.

4.122 Apart from above, DVC has already submitted the detailed break up of UI (Import/Export) both in terms of energy quantum (MU) and Amount (Rs. Crs.) duly certified by Chartered Accountant Firm and attached as Annexure-13 (refer Pages 260) in original petition.

4.123 Therefore, it is humbly prayed before this Hon'ble Commission to allow the cost of UI which has already been incurred to maintain the 24x7 power supply by accommodating demand variations arbitrarily caused by consumers. It is also submitted that, this Hon'ble Commission has persistently, over the years, has allowed the cost of UI in its pervious True-up orders for DVC appreciating the uncontrollable nature of the element. Hon'ble WBERC has also allowed the cost of UI in its various past True-up orders. Moreover, in accordance with the JSERC Distribution Tariff Regulation 2020 for distribution activity, Power Purchase Cost which includes the UI purchase is uncontrollable in nature.



4.124 In light of the above, the objection raised by the objector is devoid of any merit and liable to be rejected as such there is no such amount of Rs. 99.14 Cr. as referred in the objection at Para 2.3.6, which is being claimed by DVC in the instant petition of True-up for FY 2024-25.

RATE OF PROCUREMENT FROM GDAM

4.125 The Stakeholder objects to the rate of procurement from GDAM (Solar) proposed by the Petitioner for meeting renewable power requirements. The Stakeholder notes that DVC has proposed a procurement rate of Rs. 4.75 per unit for FY 2025-26 and Rs. 4.47 per unit for the MYT Control Period from FY 2026-27 to FY 2030-31. The Stakeholder submits that the proposed rates are significantly higher than prevailing market-discovered prices for renewable energy and do not reflect current market realities.

4.126 The Stakeholder submits that the renewable energy market has witnessed a consistently declining price trend across technologies. Recent bids discovered by SECI demonstrate substantially lower tariffs. For instance, the latest round of SECI bidding discovered tariffs of Rs. 3.12 per unit for 1200 MW Solar + 600 MW/3600 MWh ESS (bid opened in May 2025) and Rs. 2.86 per unit for 2000 MW Solar + 1000 MW/4000 MWh ESS (bid opened in September 2025). In view of these benchmarks, the GDAM procurement rates projected by DVC are unjustifiably high.

4.127 The Stakeholder further submits that DVC's approach reflects sub-optimal utilisation of financial resources, particularly when cheaper and abundant renewable power is available through competitive bidding mechanisms. The Stakeholder argues that market-based short-term instruments like GDAM or REC should be used only as interim measures and not as a substitute for long-term, competitively bid renewable procurement, which ensures price certainty and consumer protection.

4.128 Under a regulated tariff regime, such reliance on higher-priced market mechanisms undermines tariff efficiency and is contrary to the objective of minimising power procurement cost for consumers. In safeguarding consumer interest and promoting efficient resource utilisation, the Stakeholder submits that renewable procurement should be aligned with weighted-average market-discovered tariffs rather than arbitrary GDAM assumptions.

4.129 Accordingly, the Stakeholder proposes that, for FY 2026-27 onwards, the rate of renewable power procurement be capped at the weighted average market rate, which works out to approximately Rs. 3.39 per unit for the period April 2025 to February 2026. Adoption of such a rate would reflect market realism and ensure fair tariff outcomes.

4.130 The Stakeholder further submits that any surplus power attributable to excess T&D losses must not be settled through higher-cost GDAM procurement. Instead, such surplus should be offset



against excess generation or adjusted through lower-cost alternatives, to avoid passing the burden of controllable inefficiencies onto consumers.

4.131 In view of the above, the Stakeholder prays that the Hon'ble Commission reject the proposed GDAM procurement rates, direct DVC to align its renewable procurement costs with market-discovered competitive tariffs and ensure that consumers are protected from avoidable and unjustified power procurement expenses.

Petitioner's Response

4.132 It is respectfully submitted that the Damodar Valley Corporation (DVC) has been strategically procuring power from the Green Day Ahead Market (GDAM) for both non-solar and solar energy to fulfil its Renewable Purchase Obligation (RPO) in accordance with the Jharkhand State Electricity Regulatory Commission (JSERC) (Renewable Energy Purchase Obligation and its Compliance) Regulations, 2016, along with subsequent amendments thereto.

4.133 It is pertinent to highlight that the actual costs incurred for GDAM solar and non-solar power for FY 2024-25 were Rs 4.47 and Rs 4.56 per unit, respectively. Despite this, DVC has forecasted a procurement cost of Rs 4.80 per unit in its Annual Performance Review (APR) filings for FY 2025-26 on the basis of 6-month actual and 6-month projected data which is purely on estimation basis. The projection for FY 2026-27 onwards is done on the actual value of FY 2024-25. Furthermore, the average market clearing price on GDAM for FY 2024-25 stands at Rs. 4.86 per kWh. However, it is essential to clarify that this figure represents the average price calculated on a daily basis across the entire year. In contrast, DVC procures power from the GDAM to address the actual supply-demand deficit occurring in specific time slots. Consequently, the average rate referenced herein is not directly comparable to the actual average rate incurred by DVC.

4.134 Additionally, DVC remains obligated to meet its Renewable Purchase Obligations, which necessitate sourcing a defined percentage of energy from renewable resources. Procurement through GDAM allows DVC to adhere to RPO regulations effectively, preventing potential penalties while aligning operations with long-term sustainability targets.

4.135 GDAM transactions also afford DVC flexibility and enable dynamic portfolio management, allowing for immediate adjustments in energy procurement based on real-time demand and market conditions. This agility mitigates risks associated with potential supply shortages and bolsters DVC's capability to offer continuous and reliable power service to its consumers, enhancing overall grid reliability.



4.136 Further, DVC has established a Joint Venture with NTPC Renewable Energy Ltd., namely M/s Green Valley Renewable Energy Limited (M/s GVREL), aimed at developing Floating and Ground Solar Photovoltaic parks/projects with an approximate capacity of 2000 MW in and around the dam reservoirs at Maithon, Panchet, Tilaiya, and Konar, under the Ultra Mega Renewable Energy Power Parks (UMREPPs) scheme of the Ministry of New and Renewable Energy (MNRE), GoI. The Joint Venture will implement solar projects in phases, commencing with 755 MW in the first phase, which has been approved by the MNRE, as evidenced by their letter dated 24th February 2022 (Annexure-05). This initial stage encompasses 260 MW of floating solar installations at Tilaiya and Panchet Dam reservoirs and a 50 MW ground-mounted project at DVC Panchet. Moreover, DVC has executed a Power Usage Agreement with NTPC REL for the purchase of 100 MW of solar power and a Power Sale Agreement with SECI for acquiring 200 MW of Assured Peak Power with storage capabilities.

4.137 Above mentioned RE projects (including RE procurement from outside sources) are under pipeline and will take some more time to get commissioned or has just been commissioned and started supplying power to DVC very recently.

4.138 Moreover, of late, more and more consumers are applying for Green Energy from DVC in order to comply their own obligation on consumption of certain percentage of power from green source. This Hon'ble Commission also vide Order dated 20.01.2025 (enclosed as Annexure - 06) has duly declared green tariff to facilitate green power purchase from DISCOMs. As stated above, DVC, as of now, does not have enough renewable sources on their own to cater to demand for green power from consumers. Against the above backdrop, DVC has to resort to purchase of some quantum of Green Power (physical power with green attributes) through GDAM as a responsible DISCOM.

4.139 Above mentioned RE projects of DVC, once commissioned, will help in meeting green power demand from Jharkhand consumers and RPO obligations and consequently gradually reduce dependency on GDAM purchase.

4.140 In light of the foregoing, the objections raised by the objector are unwarranted and fall beyond the scope of legitimate critique.

REC CHARGES

4.141 The Stakeholder objects to the claim of Renewable Energy Certificate (REC) charges loaded by the Petitioner in the power purchase cost for the MYT Control Period from FY 2026-27 to FY 2030-31. The Stakeholder submits that the Petitioner has claimed REC charges amounting to Rs. 2,276.46 crore for FY 2026-27, Rs. 2,451.28 crore for FY 2027-28, Rs. 3,482.71 crore for



FY 2028-29 and Rs. 5,365.57 crore for FY 2029-30, aggregating to a substantial financial burden on consumers.

4.142 The Stakeholder submits that REC charges are intended to be a regulatory compliance mechanism under the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate) Regulations, 2010, and not a routine pass-through of cost without exploring the least-cost options for meeting Renewable Purchase Obligations (RPO). The Stakeholder emphasizes that REC procurement is meant to act only as a residual option, applicable when physical procurement of renewable energy is not feasible, and not as a substitute for competitive and economical renewable power procurement.

4.143 The Stakeholder refers to the Statement of Reasons issued by the Hon'ble CERC, wherein it has been clearly provided that RPO compliance should be achieved primarily through direct purchase of renewable energy, while REC purchase is envisaged only as a facilitative mechanism. The Regulations further provide that an obligated entity is required to create and maintain a separate RPO Regulatory Fund, into which expenditures related to RPO compliance, including REC charges, are to be routed and accounted for distinctly.

4.144 In this regard, the Stakeholder submits that the Petitioner has failed to demonstrate the existence, maintenance and utilisation of a dedicated RPO Regulatory Fund as required under the Regulations. Instead, the Petitioner has directly loaded REC charges into the ARR, thereby burdening consumers without ensuring transparency, segregation or regulatory discipline in RPO compliance expenditure.

4.145 The Stakeholder further submits that REC charges should not be automatically allowed as a pass-through unless the Petitioner establishes that:

- (i) all lower-cost physical renewable power options have been fully exhausted,
- (ii) REC procurement represents the least-cost compliance pathway, and
- (iii) the expenditure has been incurred strictly in accordance with the RPO Regulations, including maintenance of a separate RPO Fund.

4.146 The Stakeholder also submits that the Petitioner's proposed REC cost trajectory reflects a steadily increasing dependence on REC purchases, which is contrary to the objective of progressively increasing physical renewable energy procurement and self-development of renewable capacity. Such increasing reliance on REC procurement indicates inadequate long-term renewable planning and shifts the burden of compliance inefficiencies onto consumers.

4.147 In view of the above, the Stakeholder prays that the Hon'ble Commission may disallow the REC charges claimed in the ARR unless the Petitioner demonstrates full compliance with the



RPO Regulations, including establishment and operation of a separate RPO Regulatory Fund. The Stakeholder further prays that the Commission may direct the Petitioner to prioritize physical renewable power procurement and restrict REC procurement strictly to residual compliance, in order to safeguard consumer interest and uphold the principles of cost-efficient regulation.

Petitioner's Response

4.148 The objector has cited a regulation of Hon'ble Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) issued long back and has stressed upon for creation of a separate fund in place of purchase of REC. Ultimately, they have claimed that the cost of Renewable Energy Certificate (REC) is to be disallowed as it is not consistent with the UPERC Regulation.

4.149 In this regard it is submitted that, such claim of the objector against the instant petition is unjustified and misleading. The objector must be well versed with the rules & regulations of the electricity sector; hence they could have raised such issue during the formulation of the Tariff Regulation by the Hon'ble Regulators itself. Instead of raising such concerns at an appropriate time, they are misleading this Hon'ble Commission by citing a regulation of another state.

4.150 In fact, the referred clause itself clearly states that the separate fund provided in the regulations may be used for purchase of certificates, (i.e., the Renewable Energy Certificates). The relevant clause is again reproduced here:

“Provided further that the RPO regulatory fund so created shall be utilized, as may be directed by the Commission, for purchase of the certificates or for development of transmission and distribution infrastructure in the state related to generating stations based on renewable energy sources or in any manner as may be stipulated by the Commission.”

4.151 Moreover, the regulations do not provide anywhere that the cost incurred for RPO compliance should not be allowed to be passed through in the tariff. In fact, it only provides, that the RPO compliance should be enforced through maintaining a separate fund which could be utilized for fulfilling of RPO directly or indirectly.

4.152 Disallowance of cost incurred for RPO compliance, shall only deter the obligated entities to plan for the compliance of the regulations set by the Hon'ble Commission. REC (green attributes of RE power) is a mechanism which allows the obligated entities to comply with the RPO target set by the respective SERCs, in case they are not able to purchase power from the



renewable energy sources. DVC at present has very limited capacity of renewable energy sources and is planning for significantly increasing its renewable energy capacity gradually in the next 2-3 years and relevant efforts are in the progress. However, till such time, DVC needs to purchase RECs to comply with the RPO regulations. Needless to say, here that as per Regulation A6 of the JSERC (Renewable Energy Purchase obligation and its compliance) Regulation 2016, REC is a valid instrument for fulfilment of Renewable Purchase Obligation.

4.153 Accordingly, DVC has already acted upon in terms of such regulation notified by this Hon'ble Commission and purchased a considerable amount of REC to fulfil its RPO. Therefore, DVC humbly prays before this Hon'ble Commission to allow the cost of REC purchase as already incurred by DVC. Moreover, price of RECs has significantly gone down in recent times compared to earlier times (Rs. 1.27/kWh in FY 2022-23, Rs. 0.64/kWh in FY 2023-24 and Rs. 0.24/kWh in FY 2024-25) As such the observation of the objector is incorrect.

INTEREST ON TEMPORARY FINANCIAL ACCOMMODATION

4.154 The Stakeholder objects to the claim made by the Petitioner towards Interest on Temporary Financial Accommodation for FY 2024-25, FY 2025-26 and FY 2026-27. The Stakeholder submits that the Petitioner has claimed an amount of Rs.0.44 Crore for FY 2024-25, Rs.1.65 Crore for FY 2025-26, and Rs.0.46 Crore for FY 2026-27 by linking the said claim to the Delayed Payment Surcharge (DPS) booked during the respective years. Such a linkage, according to the Stakeholder, is untenable and contrary to the applicable regulatory framework.

4.155 The Stakeholder submits that the JSERC Distribution Tariff Regulations, 2020 do not recognise or permit recovery of Interest on Temporary Financial Accommodation as a distinct element of the Aggregate Revenue Requirement. In the absence of any enabling provision under the applicable Tariff Regulations, the Petitioner's claim is outside the regulatory scope and therefore liable to be disallowed. The Stakeholder further submits that reliance on provisions or practices under regulations or orders of other State Commissions does not confer any right upon the Petitioner to claim such costs before this Hon'ble Commission.

4.156 It is further submitted that the Tariff Regulations already provide an adequate financial cushion to the distribution licensee through recognised mechanisms such as Interest on Working Capital, read together with the provisions of the Supply Code relating to Security Deposit. Allowing additional interest on alleged temporary financial accommodation would result in double recovery of financing costs and render the existing regulatory framework redundant.

4.157 The Stakeholder also submits that the Petitioner has failed to provide any cogent explanation, documentary evidence, or detailed computation justifying the requirement for such temporary financial accommodation. No material has been placed on record to establish the necessity,



quantum, duration, or actual utilisation of such funds. The absence of substantiated evidence renders the claim unfounded, speculative and unsupported, lacking both factual and regulatory basis.

4.158 The Stakeholder further submits that the approach adopted by the Petitioner effectively seeks to penalise timely-paying consumers for alleged delays by defaulting consumers. Recovery of interest linked to delayed payments from the general body of consumers promotes inefficiency and moral hazard and is contrary to the principles of equity, efficiency and consumer protection embedded in the Electricity Act, 2003.

4.159 In view of the above, the Stakeholder submits that the claim towards Interest on Temporary Financial Accommodation for FY 2024-25, FY 2025-26 and FY 2026-27 is baseless, unjustified and impermissible under the applicable Tariff Regulations. Accordingly, the Stakeholder prays that the Hon'ble Commission disallow the entire claim towards such interest and ensure that consumers are not burdened with costs arising out of the Petitioner's internal cash-flow or collection inefficiencies.

Petitioner's Response

4.160 The grounds that have been raised now by the objector were also raised by them on the earlier occasions. DVC has already submitted detailed justifications for requirement of Interest on temporary financial accommodation to be passed through in tariff in its True-up petition for FY 2016-17 submitted vide letter dated 10.10.2018 (copy attached as Annexure -07). In the said petition, DVC referred to various APTEL judgements (Reliance Infrastructure Ltd. vs. MERC (Appeal No. 117 of 2008), North Delhi Power Ltd. vs. DERC (Appeal No. 153 of 2009)) which validates that interest on temporary financial accommodation to be passed through in Tariff in lieu of the delayed payment surcharge (DPS) being deducted from the ARR as NTI. Relevant portion of the order passed by this Hon'ble Commission dated 28.05.2019 and 29.09.2020 for trueing up of 2016-17 and 2017-18 respectively are attached as Annexure -08(Colly.) wherein relevant APTEL order is mentioned. Further, during the course of Public Hearing held at Hazaribagh and Maithon on 24.02.2026 and 25.02.2026 respectively, the matter was discussed at length and APTEL judgements in favour of TFA were shared with this Hon'ble Commission as directed for the kind consideration of the Commission.

4.161 It is to be appreciated that, bills against DPS are raised when there is a delay in recovery of the bill amount within the due date. The Interest on the working capital (IWC) should be allowed to cover the expenditure up to the due date of payment. When a consumer makes the payment beyond the due date, the licensee has to bear the additional cost of arranging such shortfall in cash flow beyond the due date up to the date when the payment is actually realised by taking loan from the market. Working capital and the cost thereto is already a defined and determined



part of tariff and does not cover any unpaid bill. This additional burden is not serviced through the Tariff as determined by this Hon'ble Commission. However, on the other hand, the entire DPS claimed from defaulting consumer on account of delay in payment is deducted from ARR as NTI.

4.162 As the DPS is considered as NTI and is deducted from the ARR, the timely paying consumers are getting benefit on account of the penalty being paid by some others.

4.163 In this regard, this Hon'ble Commission in its previous tariff orders dated 18.05.2018, 28.05.2019, 29.09.2020, 30.09.2020, 30.01.2023 and 22.01.2024 has justifiably allowed the Interest on Temporary Financial Accommodation against the deduction of DPS from the ARR. Relevant portion of the tariff order dated 30.09.2020 (True-up for FY 2018-19) is reproduced below:

“The Commission is of the view that the Petitioner be allowed the Interest on Temporary Financial Accommodation on the principal amount of the Delayed Payment Surcharge. It is observed that the DPS amount is charged at 18.00% p.a. on the Principal Amount, whereas the interest rates for accommodating such shortfall is 12.20%. However, as per the submissions made by Petitioner, it is observed that the amount claimed for Interest on Temporary Financial Accommodation is higher than the Delayed Payment Surcharge claimed. The Commission has approved the interest of 12.20% on the principal amount outstanding on which DPS was charged for improving the liquidity of the Petitioner.”

Interest on Temporary Financial Accommodation (TFA) submitted by the Petitioner and Approved by the Commission (Rs. in Crore)

| Particulars | FY 2018-19 | |
|---|------------|----------|
| | Petition | Approved |
| DPS | 288.68 | 288.68 |
| Principal Payment Outstanding (DPS/18%) | 1603.79 | 1603.79 |
| Interest on TFA | 374.49 | 195.66 |

4.164 The same approach was adopted by this Hon'ble Commission while issuing True-up order for FY 2019-20:

Interest on Temporary Financial Accommodation submitted by the Petitioner and Approved by the Commission (Rs. Crore)

| Particulars | FY 2019-20 | |
|---|------------|----------|
| | Petition | Approved |
| Delay Payment Surcharge (DPS) | 21.74 | 21.74 |
| Principal Payment Outstanding (DPS/18%) | 120.76 | 120.76 |



| | | |
|-----------------|-------|-------|
| Interest on TFA | 15.16 | 15.16 |
|-----------------|-------|-------|

4.165 Thus, it is clear from the above-mentioned portion of the tariff order that the matter related to Interest on Temporary Financial Accommodation is already settled by the Hon'ble Commission through its previous orders. Thus, the objection raised by the Consumers Association is baseless and liable to be rejected.

NON-TARIFF INCOME (NTI)

4.166 The Stakeholder objects to the manner in which the Petitioner has claimed and computed Non-Tariff Income (NTI) in the True-up for FY 2024-25 and its projection for the MYT Control Period from FY 2026-27 to FY 2030-31. The Stakeholder submits that the Petitioner has claimed NTI of Rs. 2.22 Crore for FY 2024-25, primarily on account of Delayed Payment Surcharge (DPS) billed to command-area consumers in Jharkhand, while excluding several other income components that are otherwise reflected in the audited accounts.

4.167 The Stakeholder draws attention to the definition of Non-Tariff Income under the JSERC Tariff Regulations, 2020, which clearly provides that NTI includes any income from sources other than tariff, excluding limited items such as cross-subsidy surcharge and additional surcharge. The Regulations further require that all income attributable to the distribution business, as approved by the Commission, must be deducted from the ARR while determining the Retail Supply Tariff. The Regulations also specify various heads of income such as income from investments, interest on loans and advances to employees, interest on deposits, supervision charges, profit on sale of assets, and other miscellaneous income which qualify as NTI unless specifically excluded.

4.168 The Stakeholder submits that, contrary to these Regulations, the Petitioner has restricted NTI largely to DPS alone, despite the audited accounts for FY 2024-25 indicating several other income streams falling squarely within the ambit of NTI. A review of the audited accounts placed on record reveals income under multiple heads including interest from non-current investments, interest on security deposits, interest on CLTD, interest on short-term deposits, profit from service charges, interest income, and other miscellaneous receipts, which have not been fully considered while computing NTI for the distribution business.

4.169 The Stakeholder further submits that the Petitioner has failed to segregate NTI attributable to the distribution business from that attributable to generation and transmission activities, despite repeated regulatory and judicial directions. The Hon'ble APTEL has consistently held that NTI attributable to the distribution business must be identified and deducted from the ARR, and that loading only DPS as NTI, while excluding other relevant income streams, results in artificial inflation of ARR and undue burden on consumers.



4.170 It is further submitted that the Petitioner's approach results in under-statement of NTI, as the total NTI reflected in the audited accounts is significantly higher than the NTI admitted by the Petitioner. The Stakeholder has demonstrated, based on the audited financials for FY 2024-25, that the total NTI works out to approximately Rs. 660.68 Crore, as against Rs. 2.22 Crore considered by the Petitioner. Even after applying reasonable exclusions and allocation, the admissible NTI attributable to the distribution business remains substantially higher than what has been claimed.

4.171 The Stakeholder also submits that, in the absence of audited accounts for FY 2025-26 and beyond, the Commission ought to adopt the Final True-up NTI of FY 2024-25 as the base for subsequent years, with suitable adjustments at the time of true-up, rather than accepting the Petitioner's proposed NTI projections which lack firm documentary support.

4.172 In view of the above, the Stakeholder prays that the Hon'ble Commission reject the restricted NTI approach adopted by the Petitioner, determine NTI strictly in accordance with the JSERC Tariff Regulations, 2020, duly consider all income heads reflected in the audited accounts, and ensure that the correct and complete NTI is deducted from the ARR so as to prevent unjust and inequitable tariff burden on consumers.

Petitioner's Response

4.173 The contents of the objection are vehemently denied. In this regard, it is submitted that only Delayed Payment Surcharges ("DPS") pertaining to the distribution activity of DVC is liable to be treated as NTI because the entire capital expenditure incurred by DVC is allocated exclusively towards its generating stations and the deemed unified inter-state transmission network. Consequently, no capital expenditure is specifically attributable to its distribution activity. As a result, entire capital expenditure made by DVC for its electricity business is serviced either through Generation Tariff or through Transmission Tariff determined by the Ld. CERC.

4.174 NTI, as specified in the Distribution Tariff Regulation of this Hon'ble Commission, only pertains to the regulated business which in this case is limited to the Retail Supply activity of DVC in the Jharkhand State.

4.175 The objector has consistently misconstrued other income of DVC as per the audited books of Accounts as non-tariff income of the distribution activity. In this respect it is once again reiterated that, this Hon'ble Commission does not allow any tariff pertaining to the capital base of the corporation as well as the manpower cost. The entire capital expenditure, O&M expenditure inclusive of the manpower cost of the corporation, are being determined by the Central Commission. This Hon'ble Commission only allows incidental expenditure regarding



the retail supply activity of the corporation in Jharkhand area, such as Interest on Security Deposit, Interest on Working Capital, Tariff Filling Fees and publication Expenses, etc. Therefore, as per the definition of the NTI, all other heads except the DPS, are not applicable in case of DVC.

4.176 This Hon'ble Commission, in the past has consistently held DPS as the only NTI in case of the Distribution Activity of DVC. However, in the tariff order dated 31.10.2023, for the first time, this Hon'ble Commission has departed from their earlier stand, by citing the reasons that as the other income of DVC has not been considered by CERC, and Tariff so determined by the Central Commission ultimately impacts the end users, hence the entire other income is considered as the NTI of the distribution activity. Being aggrieved, DVC filed an appeal (Appeal No. 845 of 2023) before the APTEL.

The Hon'ble Tribunal vide order dated 05.02.2024 was pleased to set aside the order of this Hon'ble Commission by holding as follows:

“The 1st Respondent Commission’s jurisdiction to determine the tariff is confined only to the retail supply business of the Appellant within the State of Jharkhand, and not beyond. Consequently, the 1st Respondent Commission lacked jurisdiction to include the non-tariff income of the Appellant arising from its generation, transmission and other businesses as its non-tariff income with respect of its distribution business. The tariff of the Appellant, with respect to its generation and transmission business, is determined by the CERC in terms of its Regulations; determination of the tariff for its distribution business in the State of West Bengal falls within the jurisdiction of WBERC, and in the State of Jharkhand within the jurisdiction of the 1st Respondent Commission. Even if the CERC had not taken into consideration the non-tariff income derived by the Appellant from its generation, transmission and other businesses, in determining its tariff, such an error could only have been corrected by the CERC; and the mere fact that it may have a bearing on the input cost, while determining the tariff of the Appellant’s distribution business in the State of Jharkhand, would not confer jurisdiction on the 1st Respondent to reduce such non-tariff income from the annual revenue requirement of the Appellant for its distribution business in State of Jharkhand....”

4.177 Hon'ble JSERC, thereafter, directed DVC to submit segregated NTI among its various business. DVC complied with the same and submitted the relevant details. However, in the revised order dated 23.07.2024, this Hon'ble Commission did not change their earlier stand and considered entire 'Other Income' as Non-Tariff Income for distribution business as was decided in the order dated 31.10.2023.

4.178 Being aggrieved, DVC filed another appeal before APTEL (being the appeal no. 332 of 2024 & IA No. 1282 of 2024) against the order dated 23.07.2024. After detailed hearing and



deliberation on the matter, the Hon'ble APTEL in its judgment dated 15.10.2024 has held as under:

“Based on the above deliberations, the impugned order is stayed to the extent that it considers entire balance NTI, other than DPS, as NTI for distribution business and JSERC is directed, as observed in the impugned order, to calculate category wise tariff for the period under consideration, taking into account only delayed payment Surcharge (DPS) as non-tariff Income for Distribution Business, after apportioning it to Jharkhand area of sales vs total sales of DVC.”

4.179 Relying on the aforesaid judgment, DVC humbly submits that even though the afore-stated judgments belong to the period FY 2006-07 and 2011-12, but so far as the legitimacy for consideration of the different line items of 'Other Income' of DVC as per the Audited Annual Accounts is concerned, it is already settled by the Hon'ble APTEL through judgments dated 05.02.2024 and 15.10.2024. More precisely, Hon'ble APTEL has specifically directed this Hon'ble Commission in the judgment dated 15.10.2024 to consider only the DPS arising out of Jharkhand consumers as NTI for finalizing the ARR and Tariff therefrom. It is also not out of place to mention again that this Hon'ble Commission in previous orders (issued prior to 31.10.2023) also acted in the same line. Meanwhile, APTEL vide Order dated 5th August 2024 has also set aside this Hon'ble Commission's order dated 22.01.2024 (True-Up for FY 21-22; APR for FY 22-23 and Tariff for FY 23-24) to the limited extent of NTI as determined from 2006-07 onwards and directed this Commission to pass Judgement after hearing both sides on NTI.

4.180 Moreover, Hon'ble APTEL in its judgement dt. 29.11.2024 passed in APL No. 135 of 2024 filed by DVC against the impugned order for True-up FY 2020-21, APR for FY 2021-22 and ARR & Tariff for FY 2022-23, has given direction to this Hon'ble Commission to determine the DVC's Non-Tariff income only to the extent of its retail supply business in the State of Jharkhand, and not beyond. The relevant portion of the Judgement is reproduced below:

“In the light of the earlier order passed by this Tribunal in Appeal No. 845 of 2023 dated 05.02.2024, the order under Appeal is set aside and the matter is remanded to the JSERC directing it to determine the Appellant's non-tariff income only to the extent of its retail supply business in the State of Jharkhand, and not beyond.”

4.181 Further, it is noteworthy that the Order dated 05.02.2024 has attained finality due to the following reasons:

- Order dated 05.02.2024 has not been challenged before the Hon'ble Supreme Court. In terms of Section 125 of the Electricity Act 2003, any person aggrieved by APTEL Order can file Appeal before the Supreme Court within 120 days. If the Appeal is not filed within 120 days, the APTEL Order attains finality.



- Hon'ble APTEL has relied on the Order dated 05.02.2024 passed in APL No. 845 of 2023 to decide the subsequent Appeals on this issue of NTI:

(i) Order dated 15.10.2024 passed in APL No. 332 of 2024 (Interim Order) , wherein, this Hon'ble Commission has been directed to consider only DPS as the NTI for DVC distribution business in Jharkhand. Notably, this Order dated 15.10.2024 in APL No. 332 of 2024 has been challenged in CA No. 6087 of 2024 before the Hon'ble Supreme Court and on the first day of the hearing i.e., 27.01.2025, the Hon'ble Supreme Court has dismissed the Civil Appeal upholding the APTEL Order.

(ii) Order dated 29.11.2024 passed in APL No. 135 of 2024, wherein, the NTI determination for the true-up for FY 2020-21, APR for FY 2021-22 and ARR & Tariff for FY 2022-23 has been remanded basis the Order dated 05.02.2024. Remand proceedings of APL No. 135 of 2024 has concluded and the Hon'ble JSERC has issued the remand order for FY 2020-21 on 30.01.2026.

Thus, the crux of the issue is that the Hon'ble APTEL is relying on its Order date-d 05.02.2024 in APL No. 845 of 2023 by considering it final to decide the issue of NTI in other proceedings, therefore it cannot be said that the issue of NTI has been left open to decide. Further, Hon'ble APTEL's judgment dated 15.10.2024 categorically directing this Hon'ble Commission to consider 'only delayed payment Surcharge (DPS) as non-tariff Income for Distribution Business' and the affirmation of the Hon'ble Supreme Court by its Order dated 27.01.2025 further strengthens the claim of DVC.

Meanwhile, DVC filed the True-up petition before this Hon'ble Commission for FY 2023-24 whose order came on 27.05.2025. In this order, Hon'ble Commission for very first time computed the Non-Tariff Income with proportion after considering various other incomes viz. sale of scrap, booked in the Audited Annual Accounts of DVC of FY 2023-24 apart from DPS which ought to be treated as the only NTI attributable for the distribution business in the state of JH. Further, this Hon'ble Commission derived the applicable NTI of DVC after applying the method of approximation on these components. It is very relevant to mention here that this Hon'ble Commission seems to have ignored the binding CERC Tariff Regulations, 2019 and 2024, which clearly recognize and allocate NTI such as rent from land/buildings, sale of scrap, and advertisement income within the tariffs for generation and transmission businesses. Being aggrieved with this adaptation, DVC filed the review petition against the order dated 27.05.2025 before the Hon'ble APTEL registered as Case No. APL 227 of 2025. Oral hearings and written submissions of the case have been completed after detailed deliberations by both the parties (appellants & respondents) and the judgement has been reserved.

4.182 Further also that the findings of the Hon'ble Tribunal Order dated 15.09.2025 in the matter Appeal No. 275 of 2015 & IA No.724 of 2025 is challenged by DVC at the Apex Court bearing



the Civil Appeal No(s). 13634-13636/2025 which is under hearing stage right now and is expected to have a direction soon. Additionally, the Hon'ble WBERC has filed an IA on 09.03.2026 before Hon'ble Supreme Court (copy attached as Annexure 8(Colly.) in the Civil Appeal filed by DVC wherein the Hon'ble Commission has highlighted the difficulties in identifying and segregating the distribution assets from the composite T&D system of DVC as it lacks the jurisdictional substrate to apportion the NTI until CERC segregates the assets, which is the sole competent statutory body to undertake the said exercise.

4.183 Also, the new-methodology as derived i.r.o. NTI (Non-Tariff Income) in the True-up Order dated 27.05.2025 for FY 2023-24 has been challenged by DVC in Hon'ble APTEL vide APL No 227 of 2025 and it is worth mentioning here that the Learned 2 member bench has listened to the pleading of both parties at length and have reserved the order which will be pronounced any day soon to close the matter of NTI once and for all.

4.184 Based on the above facts and figures, the submissions made by the Consumer Association is found to be bereft of merits and are liable to be summarily rejected.

INTEREST ON WORKING CAPITAL

4.185 The Stakeholder objects to the claim made by the Petitioner towards Interest on Working Capital (IoWC) for FY 2024-25 and its projections for FY 2025-26 and FY 2026-27. The Stakeholder submits that the Petitioner has claimed Rs. 67.19 Crore as Interest on Working Capital for FY 2024-25 and has further projected Rs. 60.03 Crore for FY 2025-26 and Rs. 71.12 Crore for FY 2026-27, which is stated to be in deviation from the established and consistently applied approach of the Hon'ble Commission for computation of eligible working capital.

4.186 The Stakeholder submits that as per Clauses 10.30 and 10.31 of the JSERC Distribution Tariff Regulations, Working Capital for Wheeling and Retail Supply businesses is to be computed strictly based on specified components, namely maintenance spares at 1% of Opening Gross Fixed Assets, two months' equivalent of expected revenue from wheeling/sale of electricity at prevailing tariffs, one month's cost of power purchase (for retail supply), and amounts held as security deposits, which are to be deducted. The Petitioner's computation, however, departs from these prescribed components and therefore does not conform to the regulatory framework.

4.187 The Stakeholder further submits that the Hon'ble Commission, in its earlier Tariff Orders including the Tariff Order dated 22.11.2012 (FY 2012-13), has expressly observed that the Gross Fixed Assets and O&M cost of DVC cannot be segregated between generation, transmission and distribution businesses, and accordingly, the Commission has consistently adopted a revenue-based methodology for determining Working Capital entitlement. The Stakeholder submits that this methodology has been followed by the Hon'ble Commission in



several subsequent Orders dated 28.05.2018, 21.08.2019, 30.01.2022 and 31.01.2024, and there exists no justification for the Petitioner to now seek deviation from this well-settled approach.

4.188 It is submitted that under the consistent approach adopted by the Hon'ble Commission, the Working Capital entitlement of DVC has been restricted to 1% of revenue from sales, and not based on notional Gross Fixed Assets or inflated power purchase assumptions. The Petitioner's claim, by contrast, seeks to substantially enhance the Working Capital base, resulting in an unjustified increase in Interest on Working Capital and consequent burden on consumers.

4.189 The Stakeholder also points out that the Petitioner has failed to demonstrate any exceptional circumstance warranting such deviation from the established methodology. No supporting justification has been provided to explain why the Commission's earlier findings and observations should be disregarded. The Stakeholder submits that allowing such deviation would lead to regulatory inconsistency and would undermine tariff certainty.

4.190 Based on the Stakeholder's assessment, the allowable Interest on Working Capital for FY 2024-25 works out to only Rs. 5.41 Crore, as against Rs. 67.19 Crore claimed by the Petitioner. Similarly, the Stakeholder submits that the projected claims for FY 2025-26 and FY 2026-27 are grossly overstated and should be recomputed strictly in line with the Commission's settled methodology.

4.191 In view of the above, the Stakeholder prays that the Hon'ble Commission disallow the Petitioner's claim towards Interest on Working Capital as submitted for FY 2024-25, FY 2025-26 and FY 2026-27, and instead allow Interest on Working Capital only in accordance with the revenue-linked methodology consistently adopted by the Commission in its earlier Tariff Orders, in order to protect consumer interest and maintain regulatory consistency.

Petitioner's Response

4.192 Regarding the claim of DVC for Interest on Working Capital in respect of its distribution activity, it is submitted respectfully that the tariff in respect of the entire assets related to generation and T&D network is determined by the Hon'ble CERC. In terms of para 111 of the judgment dtd. 23.11.2007 by Hon'ble APTEL, the T&D System of DVC has been considered as unified deemed inter-state transmission system for the purpose of tariff determination. As such T&D network of DVC is not segregated into assets specifically assigned to its distribution activity and transmission activity within the two contiguous states namely Jharkhand and West Bengal. Hence jurisdiction of determination of tariff lies with the Central Commission.

Relevant portion of the judgment of Hon'ble APTEL dtd. 23.11.2007 in Appeal No. 271, 272, 273 etc. of 2006 and 08 of 2007:



“

Taking an integrated view of the above provisions and applying them to the instant case, it is clear that any ‘transmission line’ i.e. high pressure (HT) Cables and overhead lines (HT), excluding the lines which are essential part of distribution system of a licensee (WBSEB and JSEB as the case may be), used for the conveyance of electricity from a generating station owned by DVC and located in the territory of one State (either State of West Bengal or Jharkhand) to generating station or a sub-Station located in the territory of another State (either in the State of Jharkhand or West Bengal) together with any step-up and step down transformer, switch gear and other works necessary to and used for the control of such cables or overhead lines and such building or part thereof as may be required to accommodate such transformers, switch-gear and other works shall constitute the “Inter-State Transmission system” of DVC. Further, the transmission segments from the generating Stations to HT Consumers located in the same territory of a State are deemed ‘dedicated transmission lines’ and are to be maintained and operated by DVC.

DVC has been supplying power from its generating stations to West Bengal Electricity Board and Jharkhand Electricity Board along with nearly 120 HT-Consumers either through inter-state transmission lines or through the point-to-point ‘dedicated transmission lines’. We, therefore, conclude that all transmission systems of DVC be considered as unified deemed inter-state transmission system, insofar as the determination of tariff is concerned and as such regulatory power for the same be exercised by the Central Commission.”

4.193 It is also a fact that while determining the tariff in respect of generating stations and T&D network of DVC, the Hon’ble CERC allows Interest on Working Capital based on the norms specified in the applicable Tariff Regulations for relevant periods under consideration. The Hon’ble CERC allows the tariff based on the assets but not based on its activities. In other words, it may be concluded that a pure transmission licensee (say Licensee A) having the assets similar to DVC would get a similar transmission tariff like DVC even though Licensee-A does not indulge in any distribution activity. Therefore, going by the fact that since CERC allows IWC on account of Generation and Transmission activity, it will not be justified to say that DVC is not entitled to the IWC for distribution activity as per the applicable SERC Regulations. The elements of Working Capital computed for generation tariff and Transmission tariff are entirely different from the elements of working capital for the distribution activity of DVC.

4.194 DVC in its reply to this Hon’ble Commission’s order dtd. 14.02.2020 pointed out that in order to manage its distribution activity, DVC incurs additional expenses which is in addition to maintaining its composite T&D network.

4.195 For providing quality Service to the consumers’, additional rolling fund is required for the aforesaid activities which are not serviced either through normative O&M or through normative



Working Capital and Interest on Working Capital as approved in the generation and transmission tariff by the Hon'ble CERC. It is once again reiterated that such an additional fund requirement which is directly related to DVC's distribution activity remains un-serviced in the IWC allowed by the Hon'ble CERC. The Hon'ble CERC while fixing the norms in the Tariff Regulations for determination of Transmission Tariff envisages the activity of Transmission business only and not any distribution activity. As such the claim of DVC in respect of IWC in terms of applicable Regulations of the two State Commissions in its different petitions related to determination of distribution tariff are a pressing requirement of DVC and disallowing the same as proposed by the objector's Association on the ground of any computational difficulty is misleading and devoid of any merit.

4.196 This Hon'ble Commission while passing the provisional tariff order of DVC dtd. 22.11.2012 held as under (at para 7.40 at page no. 69) on the issue of DVC's claim towards IWC.

"7.40 However, the Commission noticed that the GFA and O&M cost of the Petitioner cannot be segregated into that of pertaining to generation and transmission business and that for distribution and retail business at present. Hence, applying the aforementioned methodology for computation of IWC is not possible. Therefore, the Commission decided to continue with the methodology as applied by the Commission for truing up the ARR for FY 2006-07 to FY 2011-12 in this Order".

4.197 This Hon'ble Commission has notified a comprehensive, component-wise IoWC framework under Regulations 10.30 and 10.31 of the JSERC Tariff Regulations, 2020, which expressly specify the components of working capital for Retail Supply, including:

- (a) maintenance spares at 1% of Opening GFA;
- (b) two months of expected revenue;
- (c) deduction of consumer security deposits;
- (d) one month of power purchase cost including transmission and SLDC charges.

DVC has computed IoWC strictly in accordance with this notified statutory methodology.

4.198 DVC submits that IoWC for distribution activity must be independently assessed, as the working capital allowed by CERC pertains only to generation and transmission. The distribution business has its own expenditure cycle, such as consumer metering and billing systems, data acquisition and communication, field-level vigilance, safety and security, and other O&M functions, which are not serviced through CERC norms.

4.199 The flat 1% allowance neither reflects the normative components prescribed under the 2020 Regulations nor captures the actual working capital requirement for ensuring reliable and quality supply. Such an artificial limitation is inconsistent with Section 61(d) of the Electricity Act, which mandates reasonable cost recovery.



4.200 In support of its claim under the 2020 Regulations, DVC encloses the detailed justification for IoWC earlier submitted in response to the Commission's queries vide letter no. Coml./Tariff/JSER/Adl. info 18-19/23 dated 03.03.2020 and is attached as Annexure-17 in original petition dated 28.11.2025.

4.201 In view of the above submissions, DVC humbly prays that IoWC be determined strictly in line with Regulations 10.30-10.31 of the 2020 Tariff Regulations, instead of continuing with the non-normative 1% approach, which is inadequate and inconsistent with the present regulatory framework.

4.202 As explained above, the claim of DVC in respect of IWC in the present petition is only a bare necessity for quality and reliable power supply to the consumers and licensees and overall development of the Valley Area. This Hon'ble Commission is therefore requested to discard the contention and proposal of the objector as the same are devoid of any merit.

ENVIRONMENTAL PROTECTION AND OTHER CESS

4.203 The Stakeholder objects to the inclusion of expenditure towards Environmental Protection and Other Cess in the Distribution ARR of DVC and submits that such expenses are exclusively linked to the generation business of DVC, which falls under the jurisdiction of the Hon'ble Central Electricity Regulatory Commission (CERC) for tariff determination. The Stakeholder submits that these expenses cannot be reimbursed or passed through within the framework of Distribution Tariff, as they do not pertain to the retail supply function.

4.204 The Stakeholder further contends that the Petitioner's claim that these expenses have not been considered in the CERC-determined tariff is misleading and factually incorrect. During the formulation of Operation and Maintenance (O&M) expenses for central generating companies under the CERC Tariff Regulations, 2019, the Hon'ble CERC had explicitly required submission of historical O&M data, which included expenses relating to Environmental Protection and Other Cess. It is submitted that DVC, through its generating stations (for example, Bokaro Thermal Power Station), had duly submitted such data to CERC covering a historical period of five years (FY 2012-13 to FY 2016-17), and the same formed part of the normative O&M framework.

4.205 The Stakeholder highlights that the detailed break-up of O&M expenses submitted before CERC clearly captured heads such as Water Charges, Pollution Control Expenses, Environment-related levies and Other Statutory Charges, thereby establishing that these costs are embedded in the generation cost and have already been factored into tariffs determined by CERC. Allowing the same expenses again in the distribution ARR would therefore result in double recovery from consumers.



4.206 It is further submitted that, similar to the approach of the Hon'ble CERC Tariff Regulations, 2019, the normative O&M expenses determined for generation assets already cover all historical and projected expenditure, including environmental costs. Accordingly, there is no regulatory basis for separately considering environmental protection expenses under the Distribution Tariff framework.

4.207 In view of the above, the Stakeholder submits that the Petitioner is effectively seeking a double allowance of expenses incurred towards Environmental Protection and Other Cess-first as part of CERC-approved generation costs and again through the Distribution ARR. Such treatment is contrary to regulatory principles, unjustified, and prejudicial to consumer interest.

4.208 Accordingly, the Stakeholder prays that the Hon'ble Commission reject the Petitioner's claim towards Environmental Protection and Other Cess in the Distribution ARR and ensure that such expenses remain confined to the generation tariff framework governed by the Hon'ble CERC, in order to prevent double recovery and safeguard tariff discipline.

Petitioner's Response

4.209 The expenses incurred for Environmental protection and other Cess charges such as Pollution Cess, Air pollution Cess are paid on actual basis to the respective State authorities as part of its distribution business. As such, these expenses cannot be claimed before CERC under its Generation business. Therefore, the contention of the objector that Environmental Protection and other Cess are included in the Tariff as determined by CERC, hence claiming the same separately before this Hon'ble Commission will be double allowance is outrightly rejected as it is misleading.

4.210 DVC has claimed such expenditure separately, because such expenditure is not factored in the normative O&M as set out by the Hon'ble Central Commission.

Just because DVC has submitted such amount in the operational data before CERC for last five years, does not establish that it is covered in the normative O&M expenses. First of all, the normative O&M as specified by CERC is not dedicatedly fixed for DVC only, it is set for all other entities considering the national average.

More importantly, as per Regulation 77 of the CERC Tariff Regulation 2024 the statutory charges are allowable to the generator over and above the normative O&M. This clearly establishes the fact that statutory charges were not included in the normative O&M as fixed by the CERC.

The relevant CERC "Terms and Conditions of Tariff" Regulation, 2024 is reproduced below:



“77. Recovery of Statutory Charges: The generating company shall recover the statutory charges imposed by the State and Central Government such as electricity duty, water cess by considering normative parameters specified in these regulations. In case the electricity duty is applied to the auxiliary energy consumption, such amount of electricity duty shall apply to the normative auxiliary energy consumption of the generating station (excluding colony consumption) and apportioned to each of the beneficiaries in proportion to their schedule dispatch during the month.”

4.211 The Commission has allowed the cost related to Environmental Protection and other Cess charges as part of the ARR of distribution business. For FY 2025-26, the projection of Environment Protection and other cess has been carried out based on the average cess paid to different authorities in the States of Jharkhand and West Bengal during the past period. For the MYT control period FY 2026-27 to FY 2030-31, projections have been made by applying an escalation rate of 2% on the cess values.

4.212 This Hon'ble Commission is therefore requested to discard the contention and proposal of the objector as the same are devoid of any merit.

COST OF 11 kV INFRASTRUCTURE FOR JHARKHAND STATE

4.213 The Stakeholder objects to the claim made by the Petitioner towards Fixed Charges for 11 kV Distribution Assets for the State of Jharkhand. The Stakeholder submits that the Petitioner has claimed Rs. 320.82 Crore for FY 2024-25 and has further projected Rs. 82.10 Crore for FY 2025-26 and Rs. 133.58 Crore for FY 2026-27 onwards towards fixed charges for 11 kV distribution assets, without establishing a clear regulatory and jurisdictional basis for the same.

4.214 The Stakeholder submits that the Petitioner's proposal initially included capital expenditure pertaining to 132 kV, 220 kV and above voltage-level infrastructure, which are part of the integrated Transmission & Distribution system of DVC. Such assets are historically governed by the Hon'ble Central Electricity Regulatory Commission (CERC). While the Petitioner has now sought consideration of only the 11 kV system, the Business Plan and DPR submitted do not sufficiently demonstrate a clear segregation of assets between the inter-State integrated T&D system and the State-level distribution system, raising serious concerns regarding regulatory overlap and potential double recovery.

4.215 The Stakeholder further submits that Jharkhand Bijli Vitran Nigam Limited (JBVNL) and DVC operate as parallel distribution licensees in the State of Jharkhand. JBVNL already runs an extensive distribution network catering largely to consumers below 33 kV. With the entry and expansion of parallel licensing, it becomes imperative to strictly enforce the provisions of the JSERC (Distribution Code and Supply Code) Regulations governing network planning, asset deployment, and consumer connectivity. Any augmentation or expansion of distribution



infrastructure by DVC at the 11 kV level must be demonstrated to be fully compliant with these regulatory provisions, which the Stakeholder submits has not been adequately established.

4.216 The Stakeholder also notes that the Hon'ble Commission, in its earlier Orders, has emphasised the need for coordination and regulatory oversight in the development of distribution infrastructure, especially in areas served by multiple distribution licensees. Expansion of 11 kV infrastructure without clear coordination mechanisms may lead to duplication of assets, inefficient capital expenditure and avoidable tariff burden on consumers.

4.217 Further, the Stakeholder submits that the Capital Investment Plan proposed by the Petitioner reflects a significant increase in expenditure, and such large-scale investment in the distribution system must necessarily be supported by stakeholder consultation, system studies and approval under the regulatory framework. While the Area Level Coordination Committee is empowered to examine such proposals, the Stakeholder submits that the Petitioner's submissions lack clarity on having undergone such a process.

4.218 It is also submitted that the tariff for the integrated T&D system of DVC is determined by the Hon'ble CERC, and therefore, any distinction between assets utilised for transmission and those utilised for distribution must be clearly identified and justified. In the absence of such clarity, the Stakeholder submits that allowing fixed charges for 11 kV assets risks over-recovery and jurisdictional inconsistency.

4.219 In view of the above, the Stakeholder submits that the Petitioner's claim towards Fixed Charges for 11 kV Distribution Assets for FY 2024-25, FY 2025-26 and FY 2026-27 onwards is premature, inadequately substantiated and contrary to settled regulatory principles. Accordingly, the Stakeholder prays that the Hon'ble Commission disallow the entire claim towards cost of 11 kV infrastructure at this stage and direct the Petitioner to first establish clear asset segregation, regulatory compliance, coordination with the parallel distribution licensee, and consumer-wise benefit before any such costs are allowed to be recovered through tariff.

Petitioner's Response

4.220 The objector, i.e. the Association of DVC HT Consumers of Jharkhand is admittedly an association of the industries and represent the interest of the member of the industrial houses receiving power from Damodar Vally Corporation.

4.221 It appears from their contention regarding new 11 KV infrastructure proposed by DVC that they are serving the interest of the JBVNL, rather than the members of the association for whom the association was incorporated.



- 4.222 Regarding the contention raised on the Parallel Licensee Issue, it is to submit that if by creation of infrastructure at 11 KV level in the DVC command area, interest of JBVNL gets hampered, then JBVNL is the appropriate party to raise such issue before this Hon'ble Commission and such issue will be delt accordingly by DVC. The association, who is not at all impacted by creation of the New Infrastructure, cannot play proxy on behalf of JBVNL. If at all the association gets impacted due to the creation of the new 11 KV network, then they should restrict their submission to such issues only.
- 4.223 Regarding the contention raised on the Segregation of Accounts for supply and wires, it is respectfully submitted that in the DVC command area a Parallel licensing condition already exist in both the states of Jharkhand and West Bengal, irrespective of whether DVC built the new infrastructure or not. Under these circumstances, the regulation cited by the objector never became a hindrance for determination of the retail Tariff of DVC. More importantly, in case of DVC, tariff for the wheeling business is determined separately by Hon'ble Central Commission for the network above 33 KV level. On implementation of the 11 KV infrastructure, necessary separation or the allocation statement will be submitted by DVC as and when applicable.
- 4.224 Regarding the issue of separation of Carriage and Contents, it is submitted that in absence of any material facts, the objector is raising the irrelevant averments. The issue of separation of carriage and content is subject matter of the wide public consultation and has not attained the finality yet. As such, in absence of any regulatory framework in this regard, the proposal of DVC cannot be obstructed on this ground.
- 4.225 The consumer association through various efforts are only raising the concern of JVBNL only for which the Association was not incorporated. If at all JBVNL is concerned by the application of DVC, then they are competent enough to represent their rights.
- 4.226 Regarding the issue of the agreement of the Area Level Co-ordination Committee, it is respectfully submitted that, in accordance with the JSERC operation of Parallel Licensees regulation 2019, first state level co-ordination committee was to be constituted by Hon'ble JSERC within 1 month from the date of the notification of the regulation. As per clause 5.2 of the said regulation, in consultation with the state level co-ordination committee, area level co-ordination committee was also to be constituted by this Hon'ble Commission. However, it is humbly submitted that DVC is unaware of the fact that this Hon'ble Commission ever constituted such committees. More importantly, such committees are mandatorily to be comprised of a member from each distribution licensees operating in the area. As per the available record with DVC, it could not find any member being ever nominated for such committee. No licensee in the state of Jharkhand has ever consulted DVC while creating parallel network, which is evident from their tariff orders.



4.227 More importantly, as per the clause 5.3 of the parallel licensee regulation, the State level Co-ordination Committee was mandated to frame rules for the conduct of business, detailed procedure of parallel operation, resolution of disputes, common formats and application forms if any, consistent with provisions of these regulations and the provisions of other applicable regulations. The formats, rules etc. was mandatorily required approval of this Hon'ble Commission within sixty (60) days from the date of notification of the regulation. After an extensive search on the website of the Commission, DVC could not come across any such approved rule.

4.228 As such, DVC cannot be held responsible for not consulting such committee whose functionality is not known. However, it would be pertinent to mention here that the scope of parallel licensee regulation was not to restrict any licensee from extending network for enhancement of the reliability and the load growth in the common area. In this regard relevant portion of the regulation is reproduced below:

“3.4 In cases where distribution system of one Distribution Licensee already exists, the other Distribution Licensee may provide electricity to Consumers by using the wires of the other licensee on payment of wheeling charges to the Licensee whose wire is being used. This Regulation in no way intends to stop the other Licensee from extending network for enhancement of reliability and load growth in the common area of operation.”

4.229 As per the market survey conducted by DVC, there is huge potential of small and medium scale industries growth within the command area DVC. As such, the new infrastructure of DVC will not make any existing system redundant, rather it will help to cater to the future load growth in the valley area reliably and efficiently. This will add to the industrial growth within the state.

4.230 Regarding the contention raised on the conflict with CERC recognized assets at 132 and 33 KV, it is humbly submitted, as mentioned in the business plan, that due segregation between the two assets, one which is recognized by CERC and another which will be created under the instant investment proposal, will be submitted before this Hon'ble Commission in due course of time. As such, mere assumption of any conflict should not be given any cognizance. Such indulgence may deprive DVC and the state of Jharkhand from due justice.

4.231 Initially, Hon'ble JSERC vide True up for FY 2015-16 Order dated 18.05.2018 directed DVC *“to come up with their investment proposal, as per provision of the Tariff Regulations, required to build up infrastructure to give electric supply to all consumers including low and medium voltage consumers under their area of supply.”*

4.232 In later stage, MoP, GoI, vide letter dated 05.04.2022 directed DVC to extend its supply in the valley area and enhance its activity. Further, the issue of supply of power to LV & MV



consumers has also been directed by MoP, GoI in the MOM dated 21/03/2023. Copy of such directives are attached at Annexure- 9. Accordingly, the Detailed Project Report (DPR) for the 11 KV infrastructure was prepared and was placed before the DVC Board. The said proposal was unanimously approved by the DVC Board which comprises of members of both the participating State Govts. i.e. Jharkhand (Power Secretary of Jharkhand State) and West Bengal. So, it is amply clear that the Jharkhand state was well informed about the investment proposal of DVC.

4.233 It is also important to place it on record that vide letter dated 26.04.2022, Department of Energy, GoJ requested DVC to take over all the consumers of JBVNL of Giridih District as pilot project. Accordingly, M/s. E&Y was engaged to study the existing network of JBVNL in the Giridih District and submit a report. A copy of the report given by E&Y is attached herewith as Annexure-10 which also contains analysis for different circles including Giridih. The detailed study of the M/s E&Y reveals that the existing network of JBVNL is highly unreliable and inadequate considering the load is being handled by JBVNL. E&Y has proposed an additional CAPEX of more than Rs 1800 Crs. for the Giridih district itself to align the existing network of JBVNL as per need and bring down the T&D loss to allowable limit.

4.234 Various prospective consumers during the public hearing conducted on 03rd and 4th September 2024 for hearing of Tariff petition for FY 2024-25 had expressed about the deplorable condition of the existing network condition/present supply condition of JBVNL. As such, the new infrastructure as proposed by DVC, with all the state-of-the-art technologies, will only help to ease out the difficulty being faced by the consumers in the Jharkhand State and it will pave way for robust economic growth of the state.

4.235 More importantly, DVC had submitted the investment proposal for creation of 11 KV infrastructure for obtaining in principle approval from this Hon'ble Commission on 23.03.2023 and was numbered as Case No 08 of 2023. In the case, the Association of the HT Consumers was had a party. The case was dismissed by the Hon'ble Commission on 11.08.2023 with a direction to resubmit the proposal as business plan along with the next Tariff Petition. Copy of the order is attached herewith as Annexure 11. In accordance with the directives issued by this Hon'ble Commission, DVC duly submitted a revised Business Plan on 04.12.2023. This plan delineated proposed investments for the establishment of essential infrastructure to facilitate electricity supply to consumers at a voltage level of 11 kV and was inclusive of both the distribution of electricity within its licensed jurisdiction in the State of Jharkhand. As directed, this submission was accompanied by petitions for the True-up for FY 2022-23, the APR for FY 2023-24, the ARR and Tariff for FY 2024-25. However, the Hon'ble Commission, vide its Order dated 30.09.2024, disallowed the proposed Business Plan for the creation of 11 kV infrastructure and advised to follow the parallel licensee clause and said that DVC may utilise JBVNL's network. Further, the Hon'ble Commission in the same order further directed DVC



& JBVNL “to approach this Commission after arriving at concrete suggestions and formulate workable methodology, which are mutually acceptable to them and are legally tenable.”

4.236 Hon’ble JSERC, called for a joint meeting to be held on 17.04.2025 between DVC and JBVNL (JSERC letter attached as Annexure - 12) on the issue of development of 11KV infrastructure by DVC in DVC Command area in Jharkhand. The matter was discussed at length in the said meeting. DVC also submitted point wise reply (against the said JSERC letter) in form of affidavit dated 17.04.2025 (attached as Annexure - 13) clarifying its stand on the issue. Further, on 23.04.2025, senior officials of DVC & JBVNL held detailed discussions on the matter. The MoM (attached as Annexure - 14) was also sent to the Hon’ble Commission in due course.

4.237 It will also be pertinent to place here that Section 22 of DVC Act 1948 empowers to construct power houses, power structures, electrical transmission lines and sub-station etc. as may be required. The said provision of the DVC Act still continues to be applicable even after enactment of the Electricity Act, 2003. The interplay between the DVC Act, 1948 and Electricity Act, 2003 has been elaborately dealt by the Hon’ble Tribunal of Electricity in its Judgement dated 23.11.2007 which was subsequently upheld by Hon’ble Supreme Court vide Judgement dated 23.07.2018. Relevant portion of the said judgements are attached herewith as Annexure 15.

4.238 Further in connection with the above, DVC has already submitted Affidavit dated 12.03.2026 in form of Submission of Additional information before the Hon’ble Commission. (Copy is attached as Annexure-16).

4.239 On the above backdrop, it is respectfully submitted that the objector, i.e. the JCADVC does not have any locus standi or could not establish one while objecting the proposal of DVC regarding the creation of the 11 KV infrastructure. As such, the contention of the objector is detrimental to the interest of fellow Jharkhand consumers, bereft of any merit and hence liable to be rejected outrightly. DVC should be allowed to go ahead with the Investment Proposal.

LEGAL CHARGES

4.240 The Stakeholder objects to the claim made by the Petitioner towards Legal Charges for FY 2024-25 (True-up) and the projections for FY 2025-26 and FY 2026-27, as part of the Aggregate Revenue Requirement. The Stakeholder notes that the Petitioner has claimed Rs. 3.57 Crore as Legal Charges for FY 2024-25 and has further projected Rs. 3.75 Crore for FY 2025-26 and Rs. 3.71 Crore for FY 2026-27, with an escalation of 2% per annum for the remaining years of the Control Period.



4.241 The Stakeholder submits that the claim of Legal Charges for True-up of FY 2024-25 and APR for FY 2025-26 is not admissible, as the Petitioner has failed to furnish auditor-certified details or supporting documentary evidence to substantiate the actual expenditure incurred. In the absence of proper verification of the nature, necessity, and quantum of legal expenses, the claim remains unsubstantiated and unverifiable and therefore deserves to be disallowed in entirety.

4.242 It is further submitted that Regulation 10.7 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 provides that Legal and Litigation Expenses shall be allowed in ARR only on a case-to-case basis, subject to prudence check at the time of True-up and upon submission of valid documentary evidence of actual payment. The Petitioner's approach of claiming legal expenses as a normative or projected cost in ARR, without actual incurrence and verification, is contrary to the explicit wording and intent of the Regulations.

4.243 The Stakeholder submits that allowing projected Legal Charges in advance would defeat the regulatory framework, bypass the requirement of prudence check, and permit recovery of costs that may never actually be incurred or may be unrelated to the distribution business. Such treatment would also open the possibility of double recovery or inflated claims, undermining tariff discipline and consumer protection.

4.244 The Stakeholder further submits that Legal Charges are not part of any routine operational expenditure and vary significantly depending on litigation outcomes and circumstances. Therefore, they must be strictly limited to actual expenses incurred, verified through auditor certification, and examined for admissibility only at the time of True-up.

4.245 In view of the above, the Stakeholder prays that the Hon'ble Commission disallow the Petitioner's claim of Legal Charges amounting to Rs. 3.57 Crore for FY 2024-25, as well as the projected claims of Rs. 3.75 Crore for FY 2025-26 and Rs. 3.71 Crore for FY 2026-27, and direct that any admissible Legal Expenses, if at all, be considered only at the time of True-up upon submission of complete and verifiable documentary evidence, in strict accordance with the applicable Tariff Regulations.

Petitioner's Response

4.246 DVC has incurred legal expenses in relation to various court cases pertaining to its distribution activity only, within its operational area. Such expenditure is not covered by the normative O&M charges as allowed by CERC neither for the unified T&D assets nor for the generating stations of DVC. Hence, the legal charges as actually incurred by DVC during FY 2024-25 for its distribution activities have been claimed in the current petition.



4.247 Further, this Hon'ble Commission in Regulation 10.7 of the Distribution Tariff Regulations, 2025 has also provided legal expenses as a Pass-Through element in the Distribution Tariff. While finalizing the APR order for FY 2024-25, this Hon'ble Commission has decided legal expenses at para 6.47 in the order dated 27.05.2025 as under;

“6.47 Upon scrutinizing and analysing the Petitioner's submission regarding the Tariff filing fees (CERC), the Commission has provisionally disallowed the Legal Charge & Consultancy Fees. However, these may be approved during the true-up process, subject to a prudent check and based on the actual expenditure incurred.”

4.248 In light of the above, DVC has claimed the expenditure towards legal charges on actual basis in the true-up of FY 2024-25. In this regard, an auditor certificate in support of the claim is also attached Annexure - 10 (colly.) in the original petition submitted on 28.11.2025 and also further also as Annexure - 10 in the additional submission dated 19.02.2026.

4.249 Further, DVC submits that Legal charges and consultancy fees for distribution activity of DVC is projected based on the estimated / projected cost of legal expenses and claimed the said expenditure @ actual during FY 2024-25 with 2% escalation during FY 2025-26, FY 2026-27 and subsequent years. And the actual expenditure in respect of Legal charges for distribution activity of DVC along with supporting documents will be submitted along with True-up petition for the respective financial years.

4.250 Thus, it is clear from the above-mentioned portion of the tariff order that the matter related to Legal Charges is already settled by the Hon'ble Commission through its previous orders. Thus, the objection raised by the Consumers Association is baseless and liable to be rejected.

HIGH RATE OF ENERGY CHARGES

4.251 The Stakeholder objects to the high Energy Charge Rate (ECR) claimed by the Petitioner for its own generating stations. The Stakeholder submits that a review of the monthly coal and GCV data published by DVC in Form-15 indicates that although the received Gross Calorific Value (GCV) of coal is well within the normative range, the resultant Energy Charge Rate claimed by DVC is disproportionately high, suggesting inefficiencies in fuel cost management.

4.252 The Stakeholder notes that the Petitioner has relied on coal grades ranging between G-10 and G-12, with reported GCV values broadly within the expected band of 3,100-3,700 kcal/kg. Even assuming a generous grade slippage, the Stakeholder submits that the basic coal cost inclusive of taxes, duties, royalties, and other statutory levies does not justify the elevated ECR levels claimed, especially when benchmarked against standard coal cost build-ups.

4.253 Based on the representative cost build-up submitted in the screenshots, the Stakeholder points out that the landed cost to GCV ratio has remained in the narrow range of Rs.1.16 to Rs.1.31



per kcal, which does not support the steep increase in ECR sought by DVC. The Stakeholder argues that consumers are being asked to bear the burden of inefficiencies in coal procurement and cost optimisation, despite stable coal quality indicators.

4.254 The Stakeholder further relies on the findings of the Comptroller and Auditor General (CAG), which have consistently flagged issues relating to use of higher-grade coal than required, inefficiencies in coal linkage utilisation, and avoidable cost escalation in coal procurement by thermal power stations. These findings substantiate the contention that the higher coal costs incurred by DVC are not solely attributable to market forces but also to controllable managerial and procurement factors.

4.255 The Stakeholder submits that Regulation 60 of the CERC Tariff Regulations, 2024 mandates transparency in fuel cost and GCV data disclosure, including detailed reporting of coal grade, mine source, notified price, adjustments, and blending ratios. In the present case, the Petitioner has not furnished adequate supporting documentation to demonstrate that the higher ECR claimed represents the most economical fuel strategy.

4.256 It is further submitted that DVC has not placed on record any independent fuel optimisation study or justification explaining why lower-cost coal grades such as G-10 could not be utilised optimally, when such grades are otherwise sufficient for the technical requirements of the generating stations. Consequently, the Stakeholder submits that the claimed ECR reflects sub-optimal fuel management, the impact of which is being unfairly passed on to consumers.

4.257 In light of the above, the Stakeholder prays that the Hon'ble Commission undertake a detailed prudence check of coal procurement costs and GCV claims, direct the Petitioner to submit complete fuel source-wise and grade-wise cost data, and allow recovery of only such Energy Charge Rate as is demonstrably reasonable and efficient. The Stakeholder further submits that any portion of fuel cost arising from controllable inefficiencies or avoidable coal procurement decisions should be disallowed, in order to safeguard consumer interest and ensure tariff discipline.

Petitioner's Response

4.258 In reference to Objection Para 2.10 - HIGH RATE OF ENERGY CHARGES (at page 61 of 68) raised by Association of DVC HT Consumers of Jharkhand, it is submitted as follows:

- Build-up coal cost taken in para 2.10.2 is of thermal grade coal however most of the coal supplied by BCCL & CCL to DVC TPSs is of Washery grade.



- BCCL Price Notification for washery grade coal is attached in the link provided in the mail. It is to be noted that washery grade coal is categorized based on ash content in it. Equivalent thermal grade of the same
- Component wise price comparison of washery grade with thermal grade coal taken into consideration by DVC Consumer association is attached here with for kind reference.
- In addition to that some of the Electronic Print Sheet of BCCL and CCL coal received at RTPS for period under consideration is being attached herewith for more clarification.
- Further to that landed cost of coal at plant premises also include coal handling, sampling, testing and other incidental logistic charges.
- Performance Incentive levied by Coal Companies against materialization of coal beyond 90% of ACQ also gets factored in.
- Comparative Loading unloading end TPSA result for RTPS FY'24-25 is attached herewith. Grade Slippage in case of BCCL is a matter of concern and the issue is raised at various platforms.

INTEREST ON DIFFERENTIAL AFC

4.259 The Stakeholder objects to the claim made by the Petitioner towards Interest on Differential Annual Fixed Charge (AFC) for FY 2024-25, arising from the revised AFC of DVC's generating stations. The Stakeholder submits that the Petitioner has sought recovery of interest on differential AFC by placing reliance on Regulation 10(7) of the CERC Tariff Regulations, 2019, which pertains to the generation business and governs recovery of tariff variations between provisional and final tariff determination by the Hon'ble CERC.

4.260 The Stakeholder submits that, in the present case, the Hon'ble CERC has already finalised the True-up for FY 2014-19 for all DVC generating stations and has approved the differential AFC at the generation level. Accordingly, any claim towards recovery of differential AFC, along with interest thereon, is required to be addressed within the framework of generation tariff determined by the Hon'ble CERC, and not through the retail supply tariff determined by this Hon'ble Commission.

4.261 The Stakeholder further submits that the cost of own generation and the integrated Transmission & Distribution system of DVC has consistently been treated by the Hon'ble Commission as input cost to the Distribution ARR, and there is no independent regulatory provision under the JSERC Distribution Tariff Regulations permitting recovery of interest on differential AFC at the distribution stage. Allowing such recovery would effectively amount to a second stage pass through of generation related financing impact to distribution consumers, which is neither contemplated nor permitted under the regulatory framework.



4.262 The Stakeholder also submits that the Hon'ble Commission, while conducting True-up exercises for FY 2014-15, FY 2017-18 and APR of DVC's distribution business, has allowed the cost of power including any revision in AFC without granting any separate interest on differential AFC. The Petitioner's present claim is therefore inconsistent with past regulatory practice and lacks justification for deviation.

4.263 It is further contended that interest on differential AFC, if allowed at the distribution level, would result in double recovery of carrying cost first as part of generation-level tariff recovery approved by CERC and again through distribution ARR thereby imposing an unwarranted and inequitable burden on consumers.

4.264 In view of the above, the Stakeholder submits that the Petitioner's claim towards Interest on Differential AFC for FY 2024-25 is not admissible under the JSERC Distribution Tariff framework, is unsupported by regulatory provisions applicable to distribution business, and is contrary to established regulatory treatment. Accordingly, the Stakeholder prays that the Hon'ble Commission disallow the entire claim towards interest on differential AFC and restrict recovery to the revised cost of generation already accounted for as an input cost, without any additional interest burden on distribution consumers.

Petitioner's Response

4.265 Hon'ble Commission vide its Order dated 30.01.2023 (Tariff Order for FY 2021-22) stated that the impact of CERC's true up for FY 2014-19 period will be considered while trueing-up for FY 2020-21.

4.266 DVC also submitted an additional claim of Rs. 1205 Cr. (excluding carrying/interest cost) of differential AFC of its respective Gen. stations and T & D systems based on CERC issued True-up orders for FY 2014-15 to FY 2019-20 along with True up Petition FY 2022-23 submitted before this Hon'ble Commission on 04.12.2023. Further, this Hon'ble Commission requested additional details on the Diff. AFC claim, specifically regarding the methodology used by DVC to calculate the diff. AFC and plant-wise adjustments. DVC submitted additional clarifications and supporting documents on 13.02.2024. However, DVC's claim against differential AFC was not considered even during the time of issuance of order vide dated 30.09.2024 (True-up for FY 2022-23, APR for FY 2023-24 and Tariff for FY 2024-25) without adducing any reason.

4.267 This non-consideration has created substantial financial stress in DVC exchequer and has led to shortfall in tariff recovery. DVC submitted Review Petition, inter alia, on this issue on 28.10.2024 (Relevant portion enclosed as Annexure-17) before this Hon'ble Commission requesting to consider such legitimate claim, in line with regulatory principle and Hon'ble CERC's true-up orders.



4.268 As far as interest on differential AFC is concerned, DVC prays before this Hon'ble Commission to deal with the matter in terms of relevant Regulation in this regard.



CHAPTER 5: TRUE- UP FOR FY 2024-25



5. TRUE-UP FOR FY 2024-25

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

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

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

SUPPLY POINTS, CONNECTED LOAD AND ENERGY SALES

Petitioner's Submission

5.3 The Petitioner has submitted the actual category-wise number of consumers/connection points, connected load and energy sales in the Damodar Valley area falling within the State of Jharkhand for FY 2024-25. The details are as follows:

Table 6: Supply points, connected load and sales in Jharkhand area submitted by the Petitioner for FY 2024-25

| Particulars | Supply Points | Connected Load (MVA) | Consumption (MU) |
|-----------------------|---------------|----------------------|------------------|
| LT (MW) | 5.00 | 0.25 | 15.11 |
| 11 kV | 40.00 | 11.46 | 23.32 |
| 33 kV (non-licensee) | 162.00 | 987.67 | 5,893.45 |
| 33 kV (Licensee) | 2.00 | 27.60 | 147.41 |
| 132 kV (non-licensee) | 9.00 | 177.60 | 892.72 |
| 132 kV (Licensee) | 2.00 | 203.00 | 819.64 |
| 132 kV (Traction) | 5.00 | 87.63 | 264.17 |
| 220 kV (non-licensee) | 2.00 | 310.00 | 1,948.60 |
| Total | 227.00 | 1,805.20 | 10,004.42 |

Commission's Analysis

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



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

Table 7: Supply points, connected load and sales in Jharkhand submitted by approved by the Commission for FY 2024-25

| Particulars | Supply Points | | Connected Load (MVA) | | Consumption (MU) | |
|-----------------------|---------------|---------------|----------------------|-----------------|------------------|------------------|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| LT (MW) | 5.00 | 5.00 | 0.25 | 0.25 | 15.11 | 15.11 |
| 11 kV | 40.00 | 40.00 | 11.46 | 11.46 | 23.32 | 23.32 |
| 33 kV (non-licensee) | 162.00 | 162.00 | 987.67 | 987.67 | 5,893.45 | 5,893.45 |
| 33 kV (Licensee) | 2.00 | 2.00 | 27.60 | 27.60 | 147.41 | 147.41 |
| 132 kV (non-licensee) | 9.00 | 9.00 | 177.60 | 177.60 | 892.72 | 892.72 |
| 132 kV (Licensee) | 2.00 | 2.00 | 203.00 | 203.00 | 819.64 | 819.64 |
| 132 kV (Traction) | 5.00 | 5.00 | 87.63 | 87.63 | 264.17 | 264.17 |
| 220 kV (Non-Licensee) | 2.00 | 2.00 | 310.00 | 310.00 | 1,948.60 | 1,948.60 |
| Total | 227.00 | 227.00 | 1,805.20 | 1,805.20 | 10,004.42 | 10,004.42 |

TRANSMISSION & DISTRIBUTION LOSSES AND ENERGY REQUIREMENT

Petitioner's Submission

5.6 DVC humbly submits that it achieved actual T&D loss of 3.54% during the year 2024-25, which is higher than the provisionally approved loss of 3.00% but well within the upper limit of 3.80% as set by the Commission which is reproduced as below:

DVC in the instant petition is submitting the actual T&D loss value for the true-up of FY 2024-25 as per directions of the Commission against the approved value as given by the Commission in APR of FY 2024-25 in the latest order dated 27.05.2025, which is at 3.00%.

5.7 The increase in actual T&D loss is due to higher energy sold to consumers, especially at lower voltage level in Jharkhand distribution business during FY 2024-25 at actual as compared to that estimated while submitting the APR petition for the same period and accordingly as approved by the Commission in the order dated. 27.05.2025.

5.8 All these factors contribute to the increase in actual T&D loss of 3.54%. DVC, therefore, prays before this Hon'ble Commission to kindly consider this actual value of T&D loss as submitted by DVC in the true-up of FY 2024-25.



Commission's Analysis

- 5.9 The Commission has referred the para 5.15 of DVC MYT Order for Control period FY 2021-22 to FY 2025-26 dated January 30, 2023 for approval of T&D loss which is reproduced as below:

*“5.15 The Commission has scrutinized the actual loss and approved value of losses for the past years. The Commission provisionally approves the Transmission & Distribution (T&D) loss target of 3.00% on overall sales for each year of the Control Period considering the past trend in previous period from FY 2016-17 to FY 2020-21. Further, the **Petitioner shall be allowed to operate within the distribution loss of 3.80% on overall sales for the Control Period without any incentive/penalty.**”*

- 5.10 The Commission has considered the energy purchased by the Petitioner from its own generating sources having firm Power Purchase Agreements. During the proceedings, the Commission sought clarification with regard to drawal of power from the Petitioner's own solar power plants. In response, the Petitioner submitted that a substantial portion of the power required for its distribution activity is sourced from its own generating stations, namely BTPS, CTPS, MTPS, DSTPS, KTPS, RTPS, MHS, PHS and THS, in order to ensure reliable supply to consumers receiving electricity through a radial mode of supply.
- 5.11 The Commission notes that the tariff of the Petitioner's own generating assets as well as its unified Transmission and Distribution system is determined by the Hon'ble Central Electricity Regulatory Commission (CERC). The Hon'ble CERC has already issued tariff orders in respect of all the generating stations and the unified Transmission and Distribution network of DVC for the tariff period FY 2019-24, except for certain new elements of the T&D system, for which tariff determination is awaited. Further, as tariff orders for the subsequent control period FY 2024-29 have not yet been issued by the Hon'ble CERC, the Petitioner, in the present petition, has adopted the costs approved for FY 2023-24, being the last year of the FY 2019-24 tariff period, as the basis for determination of input costs for FY 2024-25, in terms of Regulation 10(4) of the CERC Tariff Regulations. The Commission has examined and considered the same.
- 5.12 The Commission observes that the Petitioner has installed Solar Photovoltaic (PV) plants of capacity 25 kWp each at Mejia Thermal Power Station (MTPS) and Koderma Thermal Power Station (KTPS). The actual generation from these rooftop solar PV installations during FY 2024-25 is reported to be 0.020 MU from KTPS and 0.018 MU from MTPS. Further, the Commission notes that the Petitioner has commissioned a 10 MW ground-mounted solar power plant at KTPS in February 2024 and an 8 MW ground-mounted solar power plant at



Panchet in March 2025. In addition, a 7.8 MWp floating solar PV plant at KTPS was commissioned and declared commercially operational in March 2025.

- 5.13 The Commission notes that the actual generation from the aforesaid solar power plants has been utilised towards meeting the power supply requirements of consumers from their respective dates of commercial operation. The tariff for power generated from the 10 MW ground-mounted solar plant at KTPS and the 8 MW ground-mounted solar plant at Panchet has been considered in accordance with the tariff orders issued by the Hon'ble Central Electricity Regulatory Commission.
- 5.14 The Commission observes that the Petitioner has computed the Transmission and Distribution (T&D) losses by considering the total energy wheeled through its network. The Commission notes that the wheeling charges recovered by the Petitioner pertain to energy transmitted through its network for third-party transactions. Such wheeled energy does not constitute energy sold by DVC to consumers in its Jharkhand area of supply. Accordingly, for the purpose of determination of T&D losses for FY 2024-25, the Commission has excluded the energy wheeled on behalf of third-party entities. Based on this methodology, the Commission has determined the T&D losses for the relevant period at 3.48%.
- 5.15 Based on the approved energy sales for the Jharkhand supply area, the approved Transmission and Distribution (T&D) loss levels, the energy sales within the West Bengal command area, and the quantum of energy wheeled through the DVC system, the Commission has assessed the total energy requirement for FY 2024-25. The resultant energy requirement has been worked out and summarized in the table below.

Table 8: Energy requirement submitted by the Petitioner and approved by the Commission for FY 2024-25 (MU)

| Particulars | Petition | Approved |
|---|------------------|------------------|
| Energy sales within the state of Jharkhand (MU) | 10,004.42 | 10,004.42 |
| Energy sales within the state of West Bengal (MU) | 9,277.92 | 9,277.92 |
| Total energy sales in DVC Area (MU) | 19,282.34 | 19,282.34 |
| Energy wheeled (MU) | 1,261.46 | - |
| Overall Utilization | 20,543.79 | 19,282.34 |
| T&D loss (MU) | 754.92 | 672.95 |
| T&D loss (%) | 3.54% | 3.48% |
| Energy wheeled (MU) | - | 1,261.46 |
| Total Energy Requirement for DVC | 21,298.71 | 21,216.75 |

ENERGY AVAILABILITY FROM OWN GENERATING STATIONS FOR DISTRIBUTION FUNCTION

Petitioner's Submission



- 5.16 The Petitioner has submitted that it generates power from its own stations to meet part of the power requirements for its consumers in Jharkhand and West Bengal. The generating stations include thermal, solar and hydel stations.
- 5.17 The Petitioner has also submitted the actual generation available from own generating stations for FY 2024-25.

Commission's Analysis

- 5.18 The Commission has examined the submissions made by the Petitioner regarding energy availability from its own generating stations. In support of its submissions, the Petitioner has placed on record the relevant tariff orders issued by the Hon'ble Central Electricity Regulatory Commission (CERC), along with the plant availability certificates and power purchase certificates duly certified by the statutory auditor. Based on the documents furnished and after due scrutiny, the Commission approves the energy availability from the Petitioner's own generating sources for the purpose of the present True-up.
- 5.19 The Commission has also considered the power generated from the Petitioner's own solar sources, including rooftop Solar PV installations of 25 kWp each at Mejia Thermal Power Station (MTPS) and Koderma Thermal Power Station (KTPS), the ground-mounted Solar PV plant of 10 MWp capacity at KTPS, and the ground-mounted Solar PV plant at Panchet. In addition, a 7.8 MWp floating Solar PV plant commissioned at KTPS, which commenced generation in March 2025, has also been taken into account by the Commission.
- 5.20 The Commission notes that the Solar PV plants of 25 kWp capacity installed at MTPS and KTPS have generated 0.018 MU and 0.020 MU of energy, respectively, during FY 2024-25. Further, the 10 MW ground-mounted Solar PV plant at KTPS and the ground-mounted Solar PV plant at Panchet, commissioned in February 2024 and March 2025 respectively, along with the 7.8 MWp floating Solar PV plant at KTPS commissioned in March 2025, have contributed to the energy mix from their respective dates of commercial operation. The Commission notes that the actual generation from these solar power sources has been utilised towards meeting the power supply requirements of consumers. The tariff applicable for power generated from the 10 MW ground-mounted Solar PV plant at KTPS and the Solar PV plant at Panchet has been considered as per the tariff orders issued by the Hon'ble CERC.
- 5.21 The energy availability from own generation as per the submission of the Petitioner (including Auditor's Certificate) and as approved by the Commission, is summarized below:



Table 9: Energy Availability from Own Generating Stations submitted by the Petitioner and approved by the Commission for FY 2024-25 (MU)

| Particulars | Petition | Approved |
|-----------------------------|------------------|------------------|
| MTPS U# 1to3 | 3,519.98 | 3,519.98 |
| MTPS U# 4 | 1,448.31 | 1,448.31 |
| HYDEL | 277.82 | 277.82 |
| MTPS Solar PV | 0.020 | 0.020 |
| KTPS Solar PV | 0.018 | 0.018 |
| Ground Mounted KTPS | 16.73 | 16.73 |
| Floating PV KTPS | 0.08 | 0.08 |
| Ground Mounted PV PANCHET | 1.22 | 1.22 |
| Sub Total | 5,264.16 | 5,264.16 |
| MTPS U# 5&6 | 3,054.79 | 3,054.79 |
| MTPS U# 7&8 | 6,287.03 | 6,287.03 |
| CTPS U# 7&8 | 3,126.48 | 3,126.48 |
| DSTPS U# 1&2 | 6,652.70 | 6,652.70 |
| KTPS U# 1&2 | 6,944.98 | 6,944.98 |
| BTPS 'A' | 2,953.89 | 2,953.89 |
| RTPS U # 1&2 | 6,137.81 | 6,137.81 |
| Sub Total | 35,157.68 | 35,157.68 |
| Total Own Generation | 40,421.84 | 40,421.84 |

POWER PURCHASE FROM CENTRAL SECTOR GENERATING STATIONS (CSGSs) AND OTHER SOURCES

Petitioner's Submission

5.22 The Petitioner has submitted that it is also purchasing power from the Central Sector Generating Units such as NTPC, KBUNL and NHPC based on the subsisting long term PPAs. In addition, DVC has purchased electricity from Maithon Power Ltd. (MPL) on long term basis at a tariff as approved by the Hon'ble CERC. DVC has also purchased Bhutan hydropower through PTC in terms of the subsisting PPAs. In the event of contingencies, DVC also had to purchase power from power exchange to bridge the gap between the demand and supply in respect of the distribution activity to meet the demand of the consumers as well as to maintain grid discipline. Despite all such purchase arrangements, there happened uncontrollable unscheduled interchange i.e. UI import by DVC on some occasions to ensure the uninterrupted power supply to its consumers in case of exigency as well as to maintain the grid discipline.



Commission's Analysis

- 5.23 The Commission notes that, in addition to sourcing power from its own generating stations, the Petitioner is required to procure power from other sources, including Central Generating Stations, to meet its overall energy requirement and to ensure reliable and continuous supply to its consumers. The Commission observes that dependence solely on own generation may not be sufficient to address seasonal demand variations, operational contingencies, planned and forced outages of generating units, and variability in renewable generation. Accordingly, procurement of power from external sources forms an integral part of the Petitioner's power procurement strategy to maintain system reliability and to meet the prevailing demand in its areas of supply.
- 5.24 The Commission has examined the power procurement from other sources, including allocations from Central Generating Stations and short-term power purchases, as submitted by the Petitioner. The Commission notes that such purchases have been undertaken to bridge the gap between demand and availability from own generation and are aimed at ensuring uninterrupted supply to consumers. After prudence check of the quantum and cost of power procured from these sources, the Commission is of the view that the procurement undertaken by the Petitioner is reasonable and necessary in the interest of reliable power supply and system security. Accordingly, the Commission has considered the approved power purchase from other sources, including Central Generating Stations, for the purpose of True-up for the year FY 2024-25.

Table 10: Station-wise net power purchase from CGS submitted by the Petitioner and approved by the Commission for FY 2024-25 (MU)

| Particulars | Petition | Approved |
|--|-----------------|-----------------|
| NHPC | | |
| Rangit | 30.02 | 30.02 |
| Teesta- V | - | - |
| NTPC | | |
| KBUNL | 68.95 | 68.95 |
| TSTPS - I | 13.47 | 13.47 |
| PTC | | |
| Chukha | 103.64 | 103.64 |
| Kurichu | - | - |
| Tala | 43.27 | 43.27 |
| MPL | 1,030.26 | 1,030.26 |
| Contingency Purchase (IEX-PXIL) | 564.30 | 564.30 |



| Particulars | Petition | Approved |
|---------------------------|-----------------|-----------------|
| Net UI (Import) | 35.78 | 35.78 |
| Sub-Total | 1,818.13 | 1,818.13 |
| Solar | | |
| Talchar | 12.60 | 12.60 |
| Unnchar | 12.60 | 12.60 |
| Rajasthan | 26.83 | 26.83 |
| JEM Solar | 4.49 | 4.49 |
| Sub-Total | 56.52 | 56.52 |
| GDAM Purchase (Solar) | 162.33 | 162.33 |
| GDAM Purchase (Non-Solar) | 352.59 | 352.59 |
| Grand Total | 2,389.59 | 2,389.59 |

ENERGY BALANCE

- 5.25 Based on the documents submitted by the Petitioner and placed on record, the Commission observes that, in addition to supplying electricity within the Jharkhand and West Bengal areas of supply, the Petitioner has also undertaken sale of electricity to other distribution licensees and entities through bilateral arrangements as well as power exchanges. The details of such sales have been considered by the Commission for the purpose of energy accounting and are set out below:

Table 11: Energy sold (MU) to other Licensees during FY 2024-25

| Beneficiaries | Sales Quantum |
|-------------------|------------------|
| MPPMCL | 492.99 |
| Delhi DISCOMS | 3079.80 |
| PSPCL | 3725.33 |
| HPPC | 1698.26 |
| TSL | 1026.46 |
| WBSEDCL | 159.46 |
| Karnataka DISCOMS | 3315.00 |
| KSEB | 1027.51 |
| JBVNL | 3742.15 |
| Indian Railways | 2229.00 |
| Bangladesh | 1633.19 |
| Exchange | 631.14 |
| IPCL | 142.52 |
| TOTAL | 22,902.79 |



- 5.26 The Commission notes that the Petitioner has also furnished details of the energy wheeled through its system, duly supported by an Auditor's Certificate. As per the submissions made, the total energy input into the DVC system during the relevant period is reported as 1318.51 MU, while the corresponding energy output from the DVC system is reported as 1261.46 MU. The Commission has considered the said figures for the purpose of energy balance.
- 5.27 Based on the assessed energy requirement, the energy availability from the Petitioner's own generating sources, the approved Transmission and Distribution (T&D) loss levels, and the power procured from Central Sector Generating Stations (CSGS) and other sources, the Commission has examined the energy balance for FY 2024-25 as submitted by the Petitioner. After due scrutiny and in accordance with the Commission's analysis, the energy balance for the said period has been worked out and is summarized in the table below.

Table 12: Energy Balance submitted by the Petitioner and approved by the Commission (MU)

| Particulars | Petition | Approved |
|--|------------------|------------------|
| A. Energy Requirement | | |
| Energy sales within the state of Jharkhand | 10,004.42 | 10,004.42 |
| Energy sales within the state of West Bengal | 9,277.92 | 9,277.92 |
| Total energy sales in DVC Area | 19,282.34 | 19,282.34 |
| Energy wheeled | 1,261.46 | - |
| Overall Utilization | 20,543.79 | 19,282.34 |
| T&D loss (MU) | 754.92 | 672.95 |
| T&D loss (%) | 3.54% | 3.48% |
| Energy wheeled (MU) | - | 1,261.46 |
| Total Energy Requirement for DVC | 21,298.71 | 21,216.75 |
| B. Energy Availability | | |
| <i>Own Generation-Firm sources</i> | | |
| Thermal | 40,125.6 | 40,125.6 |
| Hydel | 277.82 | 277.82 |
| Solar | 18.06 | 18.06 |
| Sub Total | 40,421.84 | 40,421.84 |
| Net Power Purchase | 2,425.37 | 2,425.37 |
| UI (Import) | 35.78 | 35.78 |
| Energy received for Wheeling | 1,318.51 | 1,318.51 |
| Less: Energy sold to other licensees | 22,902.79 | 22,820.783 |
| Total Energy Available for DVC | 21,298.71 | 21,216.75 |

COST OF OWN GENERATION

Petitioner's Submission



- 5.28 DVC constituted under the DVC Act, 1948. As per Section 79 (1) (a) of the Electricity Act, 2003, and the tariff for generation of electricity from DVC plants is determined by Hon'ble CERC. Accordingly, cost of generation for DVC as a whole from its own stations has been taken as approved by the CERC in its relevant Orders.
- 5.29 Petitioner submitted that a major portion of the power required for distribution activity from its own generating station i.e. BTPS, CTPS, MTPS, DSTPS, KTPS, RTPS, MHS, PHS and THS to ensure supply to its consumers receiving electricity in radial mode. To provide supply at the off-take points of each and every firm consumer, DVC also uses its unified interstate T&D network.
- 5.30 Petitioner submitted that the tariff of own generation assets and unified T&D assets of DVC is being determined by Hon'ble CERC. The Hon'ble CERC has already issued Tariff Orders in respect of all the generating stations and the unified Transmission and Distribution network for the period 2019-24 (except some new elements of T&D system for which tariff order is awaited). Moreover, as the tariff orders for the subsequent control period 2024-29 have not yet been issued by the Hon'ble CERC, DVC, in this petition, has used the costs approved for FY 2023-24 (the last year of the 2019-24 tariff period) in terms of CERC Regulation 10(4) as the basis for determining input costs for FY 2024-25 and has therefore adopted the Annual Fixed Charges (AFC) for FY 2023-24 as approved by the Hon'ble CERC for the period 2019-24 in respect of all generating stations and DVC's unified T&D network, as well as for the T&D petitions for which CERC's orders are awaited.
- 5.31 DVC submits that, some of its own thermal generating plants have achieved Plant Load Factor (PLF) more than normative PLF of 85% during FY 2024-25. Therefore, it is eligible for incentive in terms of Regulation 62(6) CERC 'Terms and Conditions of Tariff' Regulations, 2024. Hence, DVC is claiming those incentives in the Distribution ARR for FY 2024-25 on pro-rata basis to the extent of energy generated from the generating plants are utilized for distribution activity of DVC in Jharkhand Command Area. The complete list of the thermal generating plants maintained a higher PLF in the year FY 2024-25, during peak- and off-peak period is submitted herewith separately as Annexure - 9 along with the copy of relevant portion of CERC Regulations 2024.

Commission's Analysis

- 5.32 The Commission takes note that the Hon'ble Central Electricity Regulatory Commission (CERC) has issued final tariff orders in respect of the Petitioner's generating stations and unified Transmission and Distribution (T&D) assets for the tariff period from FY 2019-20 to FY 2023-24. The Commission has considered the Aggregate Revenue Requirement (ARR)



approved for the T&D business of DVC in terms of the tariff orders issued by the Hon'ble CERC in Petition Nos. 482/TT/2020 (dated 23.07.2022), 713/TT/2020 (dated 02.03.2022), 12/TT/2023 (dated 19.05.2024), 320/TT/2023, 250/TT/2024 and 389/TT/2025. Further, the cost of generation in respect of Mejia Thermal Power Station (Unit-4) has been considered as per the tariff order issued by the Hon'ble CERC dated 30.11.2022. Accordingly, while approving the power purchase cost for FY 2024-25, the Commission has relied upon the tariffs and costs as determined by the Hon'ble CERC.

Table 13: CERC orders considered for approval of fixed charges of own Generating Stations

| Particulars | Date of CERC Order |
|-----------------|---|
| MTPS U#1 to 3 | 17.02.2023 |
| MTPS U#4 | 30.11.2022 |
| MHS | 16.02.2023 |
| PHS | 28.02.2023 |
| THS | 16.03.2023 |
| T&D System | 23.07.2022, 02.03.2022 & 19.05.2024 |
| MTPS U#5 & 6 | 14.03.2023 |
| MTPS U# 7,8 | 27.04.2023 |
| CTPS U# 7&8 | 16.06.2023 |
| DSTPS U # 1 & 2 | 03.07.2023 |
| KTPS U # 1 & 2 | 20.07.2023 |
| BTPS - A | 26.10.2023 |
| RTPS U # 1 & 2 | 29.04.2023 |
| MTPS U# 7&8 | As per petition no. 227/MP/2023 submitted before CERC (Revised vide ROP dtd. 21.1.2025). Under Hearing |
| DSTPS U # 1 & 2 | As per petition no. 107/MP/2024 submitted before CERC (Revised vide ROP dtd. 30.07.2025). Under hearing stage |
| KTPS U # 1 & 2 | As per petition no. 362/MP/2023 submitted before CERC. Under hearing stage |
| BTPS 'A' | As per petition no. 361/MP/2023 submitted before CERC. Under hearing stage |
| RTPS U # 1 & 2 | As per petition no. 78/MP/2024 submitted before CERC. Under hearing stage |

5.33 The Commission, after examining the information placed on record by the Petitioner and upon perusal of the relevant tariff orders issued by the Hon'ble Central Electricity Regulatory Commission (CERC), has adopted the fixed charges for power supplied from the Petitioner's own thermal and hydro generating stations for FY 2023-24, as approved by the Hon'ble CERC in its respective tariff orders. The Commission has also verified the computation of the Energy Charge Rate (ECR) submitted by the Petitioner and finds the same to be in accordance with the applicable CERC Tariff Regulations. Accordingly, the ECR as submitted by the Petitioner is approved for the purpose of this True-up.



- 5.34 The Commission further notes that the Petitioner has furnished the system availability certificate issued by the State Load Despatch Centre (SLDC) in support of the availability factor considered for computation of the annual fixed charges of the Transmission and Distribution system. The Commission has taken the same on record and considered it for determination of the fixed charges.
- 5.35 The Commission has considered and approved the input costs for the present True-up in accordance with the Multi Year Tariff (MYT) orders issued by the Hon'ble CERC for the control period FY 2019-24. The Commission clarifies that the approved costs are provisional and shall be subject to revision, if required, upon issuance of the final True-up orders by the Hon'ble CERC for the Petitioner
- 5.36 For determination of fixed charges in respect of the Petitioner's own generating stations, the Commission has adopted the methodology consistently applied in its earlier orders, except with regard to the treatment of sinking fund costs. In this regard, the Commission notes that the Petitioner has submitted a claim of Rs. 280.87 crore towards sinking fund. The admissibility of the said claim has been examined separately in accordance with the applicable regulatory provisions.

Table 14: Petitioner has claimed the Sinking fund in as part of Annual Fixed Charge for FY 2024-25

| Plant Name | Sinking Fund (In Cr.) |
|-------------------|------------------------------|
| MTPS U#5 & 6 | 22.47 |
| MTPS U# 7&8 | 38.60 |
| CTPS U # 7,8 | 40.77 |
| DSTPS U # 1& 2 | 79.73 |
| KTPS U # 1 & 2 | 86.89 |
| RTPS U # 1 & 2 | 12.41 |
| Total | 280.87 |

In this regard, the Commission takes note of the Order dated 20.08.2024 passed by the Hon'ble Appellate Tribunal for Electricity (APTEL), wherein the Tribunal, inter alia, reviewed and rectified its earlier judgment dated 17.05.2019 in Appeal No. 17 of 2014. The Hon'ble Tribunal has categorically held that allowing depreciation on capital assets created by utilising bond proceeds, while simultaneously permitting contribution towards a sinking fund for redemption of such bonds, would result in duplication or "double allowance", thereby imposing an undue burden on consumers. The Hon'ble APTEL has clarified that DVC is entitled to claim only one of the two elements, namely, either depreciation on the capital assets created out of bond proceeds or contribution to sinking fund, as a pass-through in tariff, but not both. The relevant extract of the said order is reproduced as below:



“ 34. In view thereof, it is manifest that this Tribunal has committed a patent error, which stares in the eye, by misinterpreting the provisions of Section 40 of DVC Act, 1948 and holding that allowing depreciation on the capital assets created by utilizing the bond amount do not make out a case of “double allowance”. To sustain such an erroneous interpretation of statutory provisions would neither be in the interest of justice nor in the interest of the consumers. Since, the judgment under review is manifestly at variance with the language and spirit of the relevant provisions of DVC Act as well as the Electricity Act, 2003, as discussed hereinabove, there is no escape from the conclusion that it suffers from error apparent on the face of record as envisaged under Order XLVII Rule 1 CPC and deserves to be rectified. We find sufficient reasons to review / rectify the judgment dated 17.05.2019 of this Tribunal in appeal No.17 of 2014.

35. Accordingly, the petition is allowed. We hold that allowing depreciation on the capital assets created by utilizing bond amount makes out a case of “duplication” or “double allowance” which would be a double burden for the consumers and thus, not permissible. The 2nd respondent DVC can claim only one of the two elements namely (a) contribution to sinking fund for payment of bond amount to subscribers at the time of redemption or (b) depreciation of capital assets created by utilizing the bond amount, as passthrough in tariff.”

In view of the binding principles laid down by the Hon’ble APTEL in its Order dated 20.08.2024, the Commission holds that the sinking fund cost claimed by the Petitioner is not admissible for recovery through Fixed Charges. Accordingly, the Commission disallows the cost towards sinking fund while determining the Fixed Cost of the Petitioner’s generating stations, and the Fixed Charges have been computed after excluding the sinking fund component. The Commission also takes note that the Petitioner has preferred an appeal against the aforesaid APTEL Order before the Hon’ble Supreme Court. Pending adjudication of the matter by the Hon’ble Supreme Court, the disallowance of sinking fund cost is made in conformity with the prevailing APTEL Order and shall remain subject to the final outcome of the appeal. The Commission shall revisit the admissibility of the sinking fund cost, if required, upon issuance of the final judgment by the Hon’ble Supreme Court.

- 5.37 The Commission further observes that the Hon’ble CERC has not yet issued tariff orders in Petition Nos. 320/TT/2023, 250/TT/2024 and 389/TT/2025 pertaining to certain elements of the unified Transmission and Distribution system of the Petitioner. In the absence of such tariff determination by the Hon’ble CERC, the Commission has not considered the fixed cost of the T&D system relating to these petitions in the present True-up Order. The Petitioner is granted liberty to claim the same in accordance with law, upon issuance of the relevant tariff orders by the Hon’ble CERC.
- 5.38 With regard to the DVC transmission network, the Commission notes that certain generation units of the Petitioner, namely Mejia Thermal Power Station Units-5 & 6 and Chandrapura Thermal Power Station Units-7 & 8, are not directly connected to the Interstate Transmission



System operated by the Central Transmission Utility. The Commission observes that power generated from these stations is evacuated through the Petitioner's own 220 kV transmission network before being delivered to external beneficiaries for sales outside the Jharkhand and West Bengal command areas, as indicated in the power flow diagrams submitted by the Petitioner.

- 5.39 Accordingly, the Commission holds that the ex-bus generation from MTPS Units-5 & 6 and CTPS Units-7 & 8, sold to other licensees, utilises the composite Transmission and Distribution system of DVC prior to interconnection with the CTU network. Therefore, the cost of the composite T&D system of DVC serving both the Jharkhand and West Bengal command areas is required to be appropriately accounted for in the energy and cost allocation.
- 5.40 Based on the above findings, the Commission has computed the T&D cost for the composite T&D system of DVC in the manner set out hereunder.

Table 15: Approved Fixed Cost of T&D system for FY 2024-25

| Particulars | Annotation | Units |
|--|---------------------------|---------------|
| Recoverable fixed charge as per CERC formula (Rs. Cr.) | A | 518.56 |
| Production from MTPS Unit 5&6 (MU) | B | 3,054.79 |
| Production from CTPS Unit 7&8 (MU) | C | 3,126.48 |
| Share of sale of energy in DVC Command Area of MTPS Unit 5&6 (%) | D | 73.81% |
| Share of Sale of Energy in DVC Command Area of CTPS Unit 7&8 (%) | E | 43.53% |
| Production sold outside DVC Command Areas of by MTPS Unit 5&6 and CTPS Unit 7&8 (MU) | $F=B*(1-D)+C*(1-E)$ | 2,565.57 |
| Energy Sold to WB (MU) | G | 9,277.92 |
| Energy Sold to JH (MU) | H | 10,004.42 |
| Total energy through composite T&D system (MU) | $I=F+G+H$ | 21,847.91 |
| Share of Sale in JH WB Command area of DVC (%) | J | 88.26% |
| T&D Cost in JH and WB Command area of DVC (Rs. Cr.) | $K=J*A$ | 457.68 |

- 5.41 The Commission, after examining the audited statements submitted by the Petitioner in respect of station-wise actual Energy Charge Rates of its own generating stations for FY 2024-25, and after due scrutiny thereof, has approved the Energy Charge Rates for the Petitioner's own generating stations. The Commission finds that the Energy Charge Rates claimed by the Petitioner are in accordance with the applicable tariff orders and relevant regulatory provisions. Accordingly, the Energy Charges approved by the Commission for FY 2024-25 in respect of the Petitioner's own generating stations is summarized in the table below:



Table 16: Energy charge rate (ECR) submitted by Petitioner and approved by the Commission (Rs./kWh) for FY 2024-25

| Plant name | Petition | Approved |
|---------------------------|----------|----------|
| MTPS U# 1 to 3 | 3.78 | 3.78 |
| MTPS U# 4 | 3.79 | 3.79 |
| MTPS Solar PV | 3.23 | 3.23 |
| KTPS Solar PV | 4.16 | 4.16 |
| Ground Mounted KTPS | 4.20 | 4.20 |
| Floating PV KTPS | 4.16 | 4.16 |
| Ground Mounted PV PANCHET | 3.62 | 3.62 |
| MTPS U# 5 & 6 | 3.64 | 3.64 |
| MTPS U# 7 & 8 | 3.33 | 3.33 |
| CTPS U # 7 & 8 | 3.46 | 3.46 |
| DSTPS U # 1 & 2 | 3.46 | 3.46 |
| KTPS U # 1 & 2 | 3.06 | 3.06 |
| BTPS 'A' | 2.97 | 2.97 |
| RTPS U # 1 & 2 | 3.38 | 3.38 |

5.42 As part of the prudence check, the Commission has examined the Energy Charge Rate (ECR) submitted by the Petitioner and notes that the same has been duly reconciled with the Auditor's Certificate furnished in Annexure-7 of Letter No. ED/Coml/Tariff/JSERC/1292 dated 28.11.2025. Upon verification, the Commission finds the ECR to be consistent with the audited records and, accordingly, has considered the same for the purpose of approval of Energy Charges.

5.43 The Commission further notes that the Petitioner has submitted a claim towards Annual Fixed Charge amounting to Rs. 168.48 crore in respect of the Flue Gas Desulphurisation (FGD) system installed for Mejia Thermal Power Station Units-7 & 8. The said claim has been made in accordance with Petition No. 227/MP/2023 filed before the Hon'ble Central Electricity Regulatory Commission under Regulation 29 of the CERC Tariff Regulations, 2019. The Commission has examined the claim in light of the applicable regulatory provisions and the submissions placed on record. The relevant extracts of the said regulations are reproduced as below:

“29. Additional Capitalization on account of Revised Emission Standards:

(1) A generating company requiring to incur additional capital expenditure in the existing generating station for compliance of the revised emissions standards shall share its proposal with the beneficiaries and file a petition for undertaking such additional capitalization.



(2) The proposal under clause (1) above shall contain details of proposed technology as specified by the Central Electricity Authority, scope of the work, phasing of expenditure, schedule of completion, estimated completion cost including foreign exchange component, if any, detailed computation of indicative impact on tariff to the beneficiaries, and any other information considered to be relevant by the generating company.

(3) Where the generating company makes an application for approval of additional capital expenditure on account of implementation of revised emission standards, **the Commission may grant approval after due consideration of the reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission.**

(4) After completion of the implementation of revised emission standards, **the generating company shall file a petition for determination of tariff. Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on reasonableness of the cost and impact on operational parameters shall form the basis of determination of tariff.**

- 5.44 The Commission notes the submission of the Petitioner that the Flue Gas Desulphurisation (FGD) system is proposed to be operational during FY 2024-25 and FY 2025-26, and that the requisite filings in this regard are being made before the Hon'ble Central Electricity Regulatory Commission (CERC) in a phased manner.
- 5.45 In this context, the Commission is of the view that, at the present stage, the provisions of Regulation 29 of the CERC Tariff Regulations do not entitle the Petitioner to recovery of tariff pertaining to the FGD system, based solely on the filings made before the Hon'ble CERC, in the absence of final tariff determination. Further, the Commission notes that the Hon'ble CERC has not yet issued tariff orders in Petition Nos. 320/TT/2023 and 250/TT/2024. Accordingly, the Commission has not considered or allowed any expenses related to the aforesaid petitions while approving the Transmission and Distribution charges in the present True-up Order.
- 5.46 The Commission further observes that, in terms of the CERC Tariff Regulations, 2019, in the event of non-issuance of a tariff order for a new control period, billing is required to be carried out on the basis of the most recently applicable tariff order until such time the new tariff is determined. This regulatory provision ensures continuity, certainty, and fairness in tariff recovery, and safeguards consumer interest by preventing recovery of costs based on unapproved claims or projections. Accordingly, during the intervening period pending tariff determination by the Hon'ble CERC, the Commission has considered costs strictly in accordance with the latest applicable tariff orders. The relevant provisions of the CERC Tariff Regulations 2019 are as follows:

“10. Determination of tariff



(4) In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the long term customers at the capacity charges or the transmission charges respectively as approved by the Commission and applicable as on 31.3.2019 for the period starting from 1.4.2019 till approval of final capacity charges or transmission charges by the Commission in accordance with these regulations:

Provided that the billing for energy charges w.e.f. 1.4.2019 shall be as per the operational norms specified in these regulations.”

5.47 The Commission observes that the Petitioner has claimed incentive in accordance with Regulation 62(6) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, and has sought to include the same in the True up for FY 2024-25 on a pro-rata basis, corresponding to the quantum of energy generated from its generating stations and utilised for its distribution operations in the Jharkhand Command Area.

5.48 The Commission observed that the Petitioner has not submitted any documents to prove that it has passed the gains based on the actual performance of applicable Controllable parameters to the consumers as per para 81 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, which are as follows:

“81. Sharing of gains due to variation in norms: (1) The generating company or the transmission licensee shall work out gains based on the actual performance of applicable Controllable parameters as under:

- i) Station Heat Rate;*
- ii) Secondary Fuel Oil Consumption; and*
- iii) Auxiliary Energy Consumption.*

(2) The financial gains by the generating company or the transmission licensee, as the case may be, on account of controllable parameters shall be shared between the generating company or transmission licensee and the beneficiaries or long term customers, as the case may be on an annual basis.

5.49 In view of the above and considering that the incentive does not pass to the consumers, the Commission is of the considered view that the same is not admissible for recovery through the Distribution Tariff. Accordingly, the Commission withheld the incentive claimed by the Petitioner in the True up for FY 2024-25. On providing the evidence of passing on the incentive benefits to consumers by the Petitioner, the Commission may examine the matter of incentive in future tariff proceedings, if required.



Table 17: Energy charges submitted by Petitioner and approved by the Commission for DVC owned stations (Rs. Cr.) for FY 2024-25

| Particulars | Petition | Approved |
|-----------------------------|-----------------|-----------------|
| MTPS U#1 to 3 | 1331.22 | 1331.22 |
| MTPS U# 4 | 548.46 | 548.46 |
| MTPS Solar PV | 0.01 | 0.01 |
| KTPS Solar PV | 0.01 | 0.01 |
| Ground Mounted KTPS | 7.03 | 7.03 |
| Floating PV KTPS | 0.03 | 0.03 |
| Ground Mounted PV PANCHET | 0.44 | 0.44 |
| MTPS U#5 & 6 | 821.69 | 821.69 |
| MTPS U# 7 & 8 | 434.53 | 434.53 |
| CTPS U # 7 & 8 | 471.00 | 471.00 |
| DSTPS U # 1 & 2 | 1139.86 | 1139.86 |
| KTPS U # 1 & 2 | 112.17 | 112.17 |
| BTPS 'A' | 510.42 | 510.42 |
| RTPS U # 1 & 2 | 659.67 | 659.67 |
| Total Energy Charges | 6,036.54 | 6,036.54 |

5.50 Based on the above analysis and taking cognizance of the documents shared by the Petitioner, the Total Energy Charges approved by the Commission are as follows:

Table 18: Total charges submitted by Petitioner and approved by the Commission (Rs. Cr.) for FY 2024-25

| Particulars | Petition | | Approved | |
|----------------------------|---------------|----------------|---------------|----------------|
| | Fixed Charges | Energy Charges | Fixed Charges | Energy Charges |
| MTPS U#1 to 3 | 453.72 | 1,331.22 | 453.72 | 1,331.22 |
| MTPS U#4 | 150.88 | 548.46 | 150.88 | 548.46 |
| T&D System | 702.15 | - | 457.68 | - |
| HYDEL (MHS, PHS, THS) | 82.49 | - | 82.49 | - |
| MTPS 5 & 6 | 295.85 | 821.69 | 279.26 | 821.69 |
| MTPS 7 & 8 | 247.70 | 434.53 | 239.69 | 434.53 |
| CTPS 7 & 8 | 246.31 | 471.00 | 228.57 | 471.00 |
| DSTPS 1 & 2 | 577.27 | 1,139.86 | 537.74 | 1,139.86 |
| KTPS 1 & 2 | 65.90 | 112.17 | 61.31 | 112.17 |
| BTPS A | 468.53 | 510.42 | 468.53 | 510.42 |
| RTPS 1 & 2 | 432.51 | 659.67 | 428.82 | 659.67 |
| Incentive from CTPS U#7&8 | 0.58 | - | - | - |
| Incentive from DSTPS U#1&2 | 3.59 | - | - | - |
| Incentive from KTPS U#1&2 | 0.57 | - | - | - |



| Particulars | Petition | | Approved | |
|--|-----------------|-----------------|-----------------|-----------------|
| | Fixed Charges | Energy Charges | Fixed Charges | Energy Charges |
| Incentive from MTPS U#4 | 2.24 | - | - | - |
| Beta (β) Incentive claimed for DVC stations [BTPS A, MTPS U#1to8, CTPS U#7&8, DSTPS U#1&2, KTPS U#1&2, BTPS A, RTPS U#1&2] | 11.70 | - | 11.22 | - |
| Cost of Own Generation | 3,741.99 | 6,029.02 | 3,400.04 | 6,029.02 |

5.51 The Commission notes that the Petitioner has claimed a total cost of own generation amounting to Rs. 9,771.01 crore for FY 2024-25, inclusive of Fixed Charges and Energy Charges. After detailed examination and prudence check of the submissions made by the Petitioner, the Commission has approved the cost of own generation at Rs. 9,429.06 crore for FY 2024-25, inclusive of Fixed and Energy Charges.

POWER PURCHASE COST FROM CENTRAL SECTOR GENERATING STATIONS (CSGSS) AND OTHER SOURCES

Petitioner's Submission

- 5.52 The Petitioner submitted that Power Purchase Cost incurred to procure electricity from Central Generation Stations (NTPC, NHPC, KBUNL) and other sources viz. PTC, MPL, Energy Exchange etc., and also to meet Renewable Purchase Obligation (RPO) through purchase of solar and non-solar power from NTPC, NVVNL, JEM, Green Power through Exchange and solar and no-solar REC, transmission charges actually incurred in relation to such purchase of power, POSOCO charges and ULDC charges including AMC charges for ULDC during FY 2024-25.
- 5.53 It is respectfully submitted that Renewable Purchase Obligation (both solar and non-solar) for the part of DVC in the state of Jharkhand for the period FY 2024-25 has been met on actual basis in terms of the 'Jharkhand State Electricity Regulatory Commission "Renewable Purchase Obligation and its Compliance", Second Amendment, Regulations 2024 as well as West Bengal Electricity Regulatory Commission (Cogeneration and generation of Electricity from renewable Sources of energy) (first Amendment) 2020.
- 5.54 As per the Petitioner's Submission, the RPO purchase for Jharkhand is as follows:



Table 19: RPO Purchase Quantum (MU) and Expenses (Rs. Cr) submitted by the Petitioner

| Particulars | Wind RE | Hydro RE | Distributed Renewable Energy | Other Renewable Energy | Total |
|--|---------|----------|------------------------------|------------------------|---------|
| RPO (%) | 0.67% | 0.38% | 1.50% | 27.35% | 29.91% |
| Quantum of RPO to be purchased | 61.23 | 34.73 | 137.08 | 2499.51 | 2733.46 |
| Total own generation to meet RPO - (Distributed RE) [KTPS Solar PV (25kWp) + Floating PV KTPS (7.8MWp)] (MU) for JH State | 0 | 0 | 0.09 | 0.00 | 0.09 |
| Total Solar energy purchased (Distributed RE) from JEML (MU) | 0 | 0 | 2.95 | 0.00 | 2.95 |
| Total solar energy purchased + own generation to meet Other RE RPO [NTPC + NTPC VVNL + GDAM Solar + Panchet Ground Mounted (10.4MWp)] (MU) | 0 | 0 | 0 | 41.26 | 41.26 |
| Total own generation to meet solar RPO - (Other RE) [Ground Mounted KTPS (13MWp)] (MU) for JH State | 0 | 0 | 0 | 16.73 | 16.73 |
| Distributed RE - RPO met through Tilaiya hydro generation (MU) | 0 | 0 | 6.12 | 0.00 | 6.12 |
| Power Purchased from GDAM/GTAM (non-solar) (MU) | 0 | 0 | 0 | 44.71 | 44.71 |

Table 20: RPO Purchase Expenses (Rs. Cr) submitted by the Petitioner

| Particulars | Wind RE | Hydro RE | Distributed Renewable Energy | Other Renewable Energy | Total |
|--|-------------|-------------|------------------------------|------------------------|---------------|
| Power Purchase cost from RE Sources (Rs. Lakhs) | 0 | 0 | 13.66 | 95.24 | 108.90 |
| Power Purchase Cost from GDAM/GTAM (Non-Solar) -Other RE (Rs. Lakhs) | 0 | 0 | 0 | 35.41 | 35.41 |
| Power Purchase cost from REC's (Rs. Lakhs) | 1.44 | 0.81 | 3.08 | 55.99 | 61.32 |
| Total RPO Cost (Rs. Lakhs) | 1.44 | 0.81 | 16.74 | 186.64 | 205.63 |

Commission's Analysis

5.55 Based on the assessed total energy requirement for FY 2024-25, the Commission has examined and approved the quantum of energy proposed to be procured from Central Sector Generating Stations (CSGS) and other sources, excluding the Petitioner's own generation. With respect to energy sourced from the Petitioner's own generating stations, the Commission notes that the renewable energy component has been apportioned between the States of Jharkhand and West Bengal in accordance with the approved energy sales ratio. The Commission finds the said allocation methodology to be reasonable and appropriate for the purpose of energy accounting and cost allocation.



- 5.56 The Commission further notes that the Petitioner has apportioned the cost towards Renewable Purchase Obligation (RPO) separately for the States of Jharkhand and West Bengal, taking into account the RPO targets notified by the respective State Electricity Regulatory Commissions for FY 2024-25. The Commission is of the view that such segregation is justified, as the RPO obligations and targets vary across States. Accordingly, the Commission allows segregation of RPO cost for FY 2024-25 in line with the applicable RPO targets prescribed by the respective Commissions and the actual RPO compliance achieved by the Petitioner.
- 5.57 Based on the details of RPO compliance furnished by the Petitioner and duly examined by the Commission, the expenditure incurred towards purchase of Renewable Energy Certificates (RECs) for meeting the RPO requirement pertaining to the State of Jharkhand is found to be in order. Accordingly, the Commission approves the RPO-related expenditure towards RECs for the State of Jharkhand, as detailed hereunder:

Table 21: Expenses towards RPO computed by the Commission (Rs. Cr.)

| Particulars | Units | |
|--|---------------|--------------|
| Total Sales in Jharkhand | 10,004.42 | |
| Total T&D Loss (MU) | 754.92 | |
| Share of Jharkhand (%) | 51.88% | |
| T&D Loss for Jharkhand (MU) | 391.65 | |
| Hydro Power Consumption from Own station (based on sales ratio in JH &WB) (MU) | 140.97 | |
| Hydro Power Consumption from external sources (based on sales ratio in JH & WB) (MU) | 91.80 | |
| Sales to other licensee in Jharkhand | 958.86 | |
| Sales for consideration in RPO (MU) | 8812.79 | |
| RPO Computation | Solar | Non-Solar |
| RPO (%) | 27.55% | 2.55% |
| Quantum of RPO to be purchased | 2499.51 | 233.04 |
| Power Purchased from RE Sources (MU) | 57.99 | 9.17 |
| Power Purchased from GDAM (MU) | 44.71 | - |
| Shortfall in RPO to be purchased through REC (MU) | 2,396.80 | 223.88 |
| REC Purchased | 2,415.98 | 230.18 |
| Net REC (Gap/(Surplus)) | (19.19) | (6.30) |
| Cost | | |
| Power Purchase cost from RE Sources (Rs. Cr.) | 13.66 | 95.15 |
| Power Purchased cost from GDAM (Rs. Cr.) | 35.41 | - |
| Power Purchase cost from RECs | 55.99 | 5.33 |
| Total Cost | 186.64 | 18.99 |



- 5.58 The Commission notes that the total power purchase cost incurred towards compliance with Renewable Purchase Obligation (RPO), including expenditure on procurement of Renewable Energy Certificates (RECs), works out to Rs 205.63 crore for FY 2024-25. The Commission further observes that the Petitioner has surplus RECs equivalent to 25.49 MU. The Commission allows the carry-forward of such surplus RECs for utilisation towards meeting RPO obligations in future years, in accordance with the applicable regulatory framework.
- 5.59 Further, the Commission has examined and approved the net Power Purchase Cost from Central Sector Generating Stations (CSGS) and other sources, including renewable energy sources and excluding procurement from the Petitioner’s own generating stations. The details of the approved power purchase cost are set out in Annexure-2 of the Petitioner’s additional information submission vide Letter No. ED/Coml/Tariff/(16) JSERC/1517 dated 19.02.2026. The total power purchase cost approved by the Commission in respect of procurement from Central Generating Stations for FY 2024-25 works out to Rs. 1,206.65 crore, as summarized below:

Table 22: Power Purchase Cost (Rs. Cr.) from Central Generating Station approved by Commission for FY 2024-25

| Particulars | Fixed Charge | | Energy Charge | | Total | |
|-----------------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Renewable (Solar) | 0.54 | 0.54 | 59.05 | 59.05 | 59.59 | 59.59 |
| Renewable (non-Solar) | 0 | 0 | 167.34 | 167.34 | 167.34 | 167.34 |
| Other | 187.91 | 187.91 | 610.28 | 610.28 | 979.72 | 979.72 |
| Total | 188.45 | 188.45 | 836.67 | 836.67 | 1206.65 | 1206.65 |

TRANSMISSION & OTHER INCIDENTAL CHARGES

Petitioner’s Submission

- 5.60 The Petitioner has claimed Rs. 128.60 Cr. towards Transmission and other incidental Charges for FY 2024-25.

Commission’s Analysis

- 5.61 The Commission has examined the transmission charges and other incidental charges incurred by the Petitioner for FY 2024-25, as substantiated by the Auditor’s Certificate submitted as part of Annexure-10 to Letter No. ED/Coml./Tariff/JSERC/1292 dated 11.11.2025. Upon scrutiny of the details furnished, the Commission has considered and approved the admissible costs. The details of the approved transmission and incidental charges are tabulated below:



Table 23: Approved Transmission and other Incidental charges (Rs. Cr.) for FY 2024-25

| Particulars | Petition | Approved |
|--|--------------|--------------|
| POC Charges (CTUIL) | 116.67 | 116.67 |
| ULDC Charges (PGCIL) | 9.6 | 9.6 |
| POSOCO Charges (Dist. Lic. And Buyer) | 1.6 | 1.6 |
| Contribution to ERPC fund | 0.16 | 0.16 |
| Reactive charges paid to PGCIL | 0.05 | 0.05 |
| AMC charges paid for ULDC communication scheme | 0.52 | 0.52 |
| Total | 128.6 | 128.6 |

TARIFF FILING AND PUBLICATION EXPENSES (CERC)

Petitioner's Submission

5.62 The Petitioner has claimed Rs. 4.37 Cr. towards Tariff filing fees (CERC) for FY 2024-25.

Commission's Analysis

5.63 The Commission has examined the submissions made by the Petitioner in respect of tariff filing and publication expenses incurred towards filings before the Hon'ble Central Electricity Regulatory Commission (CERC), including bills and vouchers relating to newspaper publications and acknowledgement receipts of petition filing fees. The supporting documents submitted as part of Annexure-10 to Letter No. ED/Coml./Tariff/JSERC/1292 dated 11.11.2025 have been duly scrutinized. Upon examination, the Commission finds the claim to be reasonable and, accordingly, approves the tariff filing and publication expenses (CERC) amounting to Rs 4.37 crore, as claimed by the Petitioner.

Table 24: Tariff Filing and Publication Expenses (CERC) (Rs. Cr.) approved by Commission for FY 2024-25

| Particulars | Petition | Approved |
|---|-------------|-------------|
| Tariff Filing and Publication Expenses (CERC) | 4.37 | 4.37 |
| Total | 4.37 | 4.37 |

OPEN ACCESS CHARGES RECEIVED FOR TRANSMISSION SYSTEM

Petitioner's Submission

5.64 The Petitioner has claimed earnings from Open access charges amounting to Rs. 90.50 Cr. for FY 2024-25.



Commission's Analysis

5.65 In accordance with the regulatory requirements, the Commission, through its data discrepancy note, sought a detailed break-up of the earnings derived from Open Access consumers. In response, the Petitioner submitted an Auditor's Certificate certifying the earnings from Open Access consumers amounting to Rs 87.90 crore. The said certificate has been furnished as part of Annexure-10 of Petitioner's Letter No. ED/Coml./Tariff/JSERC/1292 dated 11.11.2025. The Commission has examined the submissions and the supporting Auditor's Certificate, and the details of earnings from Open Access consumers considered for the purpose of this True-up and are tabulated below.

Table 25: Open Access (OA) Transmission Charges (Rs. Cr.) earned by DVC during FY 2024-25

| Licensee | OA Charges |
|--------------------------|--------------|
| Tata Steel Limited (TSL) | 1.68 |
| JBVNL | 74.40 |
| Indian Railways | 14.42 |
| Total | 90.50 |

5.66 The Commission notes that the Hon'ble Central Electricity Regulatory Commission (CERC), vide its Order dated 19.11.2018 in Petition No. 153/MP/2017, approved the Open Access charges applicable for transmission and wheeling of power through the Petitioner's Transmission and Distribution network. Further, the Hon'ble CERC, vide Order dated 07.08.2023 in Petition No. 87/MP/2021, revisited and revised the Open Access charges applicable to DVC for FY 2017-18 and FY 2018-19.

5.67 Considering that revenue from Open Access consumers ought to have accrued to the Petitioner from FY 2017-18 onwards pursuant to the aforesaid CERC orders, the Commission sought details of Open Access revenue for the relevant past period during the public hearing process. In response, the Petitioner furnished details of revenue from Open Access only for FY 2024-25 and did not submit details pertaining to earlier years. The Commission observes that non-adjustment of Open Access revenue for the previous periods would result in double recovery of Transmission and Distribution costs from consumers. Accordingly, the Commission holds that Open Access revenue, to the extent applicable, is required to be adjusted appropriately to avoid any double recovery of costs.



ALLOCATION OF COSTS TO JHARKHAND STATE FROM DVC AS A WHOLE

Petitioner's Submission

- 5.68 The Petitioner has submitted that the input costs including own generation cost, Power Purchase Cost, Other Input Cost, etc. cannot be segregated into the cost pertaining to Jharkhand and West Bengal area as DVC operates as a single entity. Thus, the Petitioner has submitted that, for the purpose of computing retail tariffs pertaining to Jharkhand area, the input cost of DVC be bifurcated in the ratio of energy sales in Jharkhand area to the total sales in the Damodar Valley area.

Commission's Analysis

- 5.69 The Commission has allocated the expenses of the Petitioner, considered on an entity-wide basis, to the Jharkhand area by adopting the allocation methodology approved in its True up Order for FY 2023-24. The Commission has examined the allocation furnished by the Petitioner and finds the same to be in line with the approved methodology. Accordingly, the input costs allocated to the Jharkhand area for FY 2024-25, as submitted by the Petitioner and as approved by the Commission, are summarized in the table below.

Table 26: Cost allocation for Jharkhand submitted by the Petitioner and approved by the Commission for FY 2024-25 (Rs. Cr.)

| Particulars | Petition | Approved |
|---|------------------|------------------|
| Own Generation (including incentives) | 9771.01 | 9417.72 |
| Power Purchase Cost (excluding RE Purchases) | 903.63 | 903.63 |
| Transmission & other Incidental Charges | 128.08 | 128.08 |
| AMC charges paid for ULDC Communication scheme | 0.52 | 0.52 |
| Tariff filling fees & publication expenses to CERC for distribution activity of DVC | 4.37 | 4.37 |
| Less: Open Access Charges Received for Transmission System | -90.5 | -90.5 |
| Total for DVC | 10,717.79 | 10,375.72 |
| Share of Jharkhand | 51.88% | 51.88% |
| ARR before IWC, Interest on SD & Tariff Filling Fees in the licensed area of Jharkhand | 5,560.80 | 5,383.32 |

INTEREST ON TEMPORARY FINANCIAL ACCOMMODATION

Petitioner's Submission



5.70 The Petitioner has claimed Rs 0.44 Cr. towards Interest on Temporary Financial Accommodation for FY 2024-25.

Commission's Analysis

5.71 The Commission notes that, vide its letter dated 11.02.2026, the Petitioner was directed to furnish an Auditor's Certificate along with supporting documentary evidence in respect of Interest on Temporary Financial Accommodation (IoTFA) claimed for FY 2024-25, attributable to consumers in the Jharkhand and West Bengal command areas as well as bilateral and exchange transactions. In response, the Petitioner submitted that the IOTFA has arisen on account of financing the cash flow shortfall caused by delayed payments from consumers and licensees during FY 2024-25. The Petitioner has furnished details of IOTFA as reflected in the audited Annual Accounts for FY 2024-25.

The Commission observes that the audited Annual Statements of Accounts of the Petitioner for FY 2024-25 include an amount of Rs 0.44 crore towards IOTFA attributable to firm consumers firm consumers, on which delayed payment has been received in the Jharkhand command area in the Jharkhand command area. The Commission notes that the said IOTFA has already been examined and approved vide revised True up order dated 30.01.2026. Accordingly, the Commission approves the Interest on Temporary Financial Accommodation for FY 2024-25, as claimed by the Petitioner, to the extent attributable to the Jharkhand command area.

Hence, the Commission approves any Interest on Temporary Financial Accommodation for FY 2024-25.

Table 27: Interest on temporary financial accommodation submitted by the Petitioner and approved by the Commission (Rs. Cr.)

| Particulars | Petition | Approved |
|---|----------|----------|
| Interest on Temporary Financial Accommodation | 0.44 | 0.44 |

NON-TARIFF INCOME

Petitioner's Submission

5.72 DVC has considered only the Delayed Payment Surcharge (DPS) amount on account of firm consumers of Jharkhand, as NTI and deducted it from the ARR of DVC. In the annual accounts of DVC for FY 2024-25, Rs. 78.64 Cr. is booked as DPS, which includes the DPS billed to firm consumers of Jharkhand and West Bengal. DVC in the instant petition has only considered the DPS billed to the Jharkhand Consumers as the Non-Tariff income and deducted



it from the ARR claimed. The DPS amount billed for Jharkhand Consumers for FY 2024-25 is around Rs 222.44 lakhs (or Rs 2.22 Cr), which is considered for distribution activity for Jharkhand Command Area. In this regard detailed break-up delayed payment surcharge duly certified by an auditor has been submitted.

- 5.73 The Petitioner has also requested the Commission to approve the NTI in accordance with the final directions issued by the Hon'ble Appellate Tribunal for Electricity (APTEL) vide judgment dated 15.10.2024 in Appeal No. 332 of 2024 and the subsequent compliance orders, wherein the Commission was directed to consider only the Delayed Payment Surcharge attributable to the distribution business in the Jharkhand command area as Non-Tariff Income of DVC.

Commission's Analysis

- 5.74 The Commission has carefully examined the submissions of the Petitioner relating to the treatment of Non-Tariff Income (NTI) and notes that, although the applicable Tariff Regulations envisage recognition of certain heads of income as NTI, the Petitioner has not maintained segregated accounts distinguishing revenue and expenditure of its licensed distribution business from its generation and transmission businesses, as mandated under Section 51 of the Electricity Act, 2003. The Commission reiterates that maintenance of separate accounting statements, duly certified by statutory auditors, is a statutory and regulatory requirement aimed at ensuring transparency and preventing misallocation of costs and revenues across business segments.

Furthermore, Regulation 3.1 specifically defines Accounting Statement to consist of- *'Reconciliation Statement, duly certified by the Statutory Auditors, showing the reconciliation between the total expenses, revenue, assets and liabilities, of the entity as a Company and the expenses, revenue, assets and liabilities, separately for each Business regulated by the Commission and unregulated business operations'*.

- 5.75 It is noteworthy, that DVC's contention as to it does not have any distribution asset base or that the entire capital expenditure is under CERC's jurisdiction, therefore only DPS qualifies as NTI for its distribution business has been categorically set aside by the Hon'ble Tribunal vide its judgement dated 15.09.2025 in Appeal No. 275 of 2015 & batch in the matter of Damodar Valley Power Consumers Association (DVPCA) and Shree Ambey Ispat Pvt. Ltd. Versus West Bengal State Electricity Regulatory Commission and Damodar Valley Corporation.
- 5.76 Without prejudice to the foregoing, the Commission notes that, in general, the charges determined by the Hon'ble Central Electricity Regulatory Commission (CERC) for generating stations and transmission networks are recoverable in accordance with the applicable CERC



Tariff Regulations. However, in the case of the Petitioner, such fixed charges determined by the Hon'ble CERC can be recovered from retail consumers only after being considered as input costs in the retail supply tariff approved by the State Commission, in accordance with the applicable State Tariff Regulations. Further, the Commission clarifies that Non-Tariff Income (NTI) is not an item of expenditure but constitutes a reduction to the revenue requirement of the distribution business, and accordingly, its treatment is governed by the JSERC Tariff Regulations. Therefore, it cannot be construed that the entire asset base of the Petitioner is being serviced solely through generation and transmission tariffs in respect of command area consumers. In fact, the Petitioner earns revenue from the sale of electricity to its retail consumers based on the distribution tariffs determined by the respective State Electricity Regulatory Commissions.

- 5.77 The Commission observes that the Petitioner has failed to maintain segregated accounts delineating its licensed distribution business from its other power sector activities, namely generation and transmission, as required under the applicable statutory and regulatory framework. The Petitioner has also not furnished a duly audited and certified segregation of 'Other Income' across the power verticals, thereby preventing determination of the Non-Tariff Income attributable to its distribution business. The Commission further notes that, despite repeated directions, the Petitioner has not submitted separate financial statements or balance sheets for its distribution business. The explanations and justifications advanced by the Petitioner for non-submission and for exclusion of such income are found to be inadequate and untenable for the reasons discussed hereinabove and are, accordingly, not accepted.
- 5.78 The Commission has carefully examined the submissions made by the Petitioner along with the records of the proceedings. The Commission notes that, in accordance with its established regulatory approach, as crystallised in the Order dated 30.01.2026 passed in Case (Tariff) No. 01 of 2023 pursuant to remand, the determination of Non-Tariff Income (NTI) has been carried out by adopting the same methodological framework as applied in the Order dated 27.05.2025 in Case (T) No. 13 of 2024, pertaining to the True-up for FY 2023-24, APR for FY 2024-25 and ARR and Tariff for FY 2025-26. The methodology has been applied consistently, with suitable modifications and updates to reflect the facts and data relevant to the period under consideration.
- 5.79 In line with the aforesaid Orders, the Commission reiterates that the entire 'Other Income' pertaining to the power vertical, as reflected in the audited accounts of the Petitioner, is required to be appropriately apportioned between the Generation/Transmission and Distribution businesses. The Commission clarifies that only that portion of 'Other Income' which is attributable to the licensed distribution business in the State of Jharkhand shall be considered as Non-Tariff Income (NTI) for the purpose of determination of retail tariff. For this purpose, the Commission has relied upon the segregation and attribution framework as discussed and adopted in its Order dated 30.01.2026, including the methodology set out in



Tables 3(a) and 3(b) thereof, and has applied the same consistently across each component of 'Other Income' while computing NTI for the period under consideration.

- 5.80 The Commission clarifies that the treatment of Non-Tariff Income (NTI) adopted herein is provisional and subject to the final outcome of the pending appeals before the Hon'ble Appellate Tribunal for Electricity. The Commission notes that the methodology applied for determination of NTI is presently under judicial consideration in Appeal No. 332 of 2024, arising out of Case (T) No. 09 of 2020 decided vide Order dated 23.07.2024, and Appeal No. 227 of 2025, arising out of Case (T) No. 13 of 2024 decided vide Order dated 27.05.2025. The Commission's Order dated 30.01.2026 has been issued with this caveat and expressly preserves the right to make appropriate adjustments consequent upon final adjudication of the aforesaid appeals. Accordingly, the NTI approved for the instant True-up shall be subject to revision in conformity with the final orders and directions issued by the Hon'ble Tribunal.
- 5.81 Having examined the submissions placed on record and in continuity with the methodology consistently adopted by the Commission in its earlier orders, the Commission, at this stage, identifies and recognises the following components as constituting Non-Tariff Income (NTI) attributable to the licensed distribution business of the Petitioner in the State of Jharkhand for the MYT Control Period.
- a. Delayed Payment Surcharge (DPS) attributable to command-area consumers in Jharkhand, considered in entirety;
 - b. Interest from Employees Loan and Advances to the extent admissible under the approved allocation framework;
 - c. Interest from Non-Current Investments, as attributable to the licensed distribution business based on the principles adopted by the Commission;
 - d. Interest on Short-Term Deposits, considered as incidental income attributable to distribution activity;
 - e. Interest on Corporate Liquid Term Deposits (CLTD), to the extent admissible;
 - f. Other Miscellaneous Income, apportioned to the distribution business in accordance with the allocation methodology approved by the Commission in its Order dated 30.01.2026. In terms of Para 10.54 of the Commission's Regulations, 2020, any income other than tariff-related income is required to be considered as Non-Tariff Income. Accordingly, Other Miscellaneous Income includes, inter alia, income from sale of tender forms, recovery of liquidated damages, commission received for deposit of electricity duty, and remission of liabilities no longer required, insofar as these are related to the power sector.

Consistent with the aforesaid approach and determinations, the Commission has computed the Non-Tariff Income (NTI) attributable to the licensed distribution business of the Petitioner in the State of Jharkhand for the relevant True-up period.



Table 28: Non-tariff income approved by the Commission (Rs. Cr.)

| Particulars | Petition | Approved |
|--|-------------|-------------|
| Delayed Payment Surcharge (JH) | 2.224 | 2.224 |
| Interest from Employees Loan and Advances | - | 0.002 |
| Interest from Non-Current Investment | - | 0.012 |
| Interest on Security Deposit - Purchase of Power | - | 0.007 |
| Interest on Short Term Deposit | - | 0.023 |
| Interest on CLTD | - | 0.002 |
| Other Misc. Income | - | 4.703 |
| Total | 2.22 | 6.97 |

INTEREST ON WORKING CAPITAL (IoWC)

Petitioner's Submission

- 5.82 The Petitioner submits that in past tariff orders including the Order dated 30.09.2024 (ARR for FY 2024-25), this Hon'ble Commission has been allowing Interest on Working Capital (IoWC) at a flat 1% of the revenue from sale of power in Jharkhand. This percentage-based allowance is not anchored in regulation and has no normative basis linked to the actual working capital cycle of DVC's distribution business. Consequently, such an approach has repeatedly resulted in significant under-recovery of the working capital requirement essential for operating DVC's distribution network.
- 5.83 This Hon'ble Commission has notified a comprehensive, component-wise IoWC framework under Regulations 10.30 and 10.31 of the JSERC Tariff Regulations, 2020, which expressly specify the components of working capital for Retail Supply, including:
- maintenance spares at 1% of Opening GFA;
 - two months of expected revenue;
 - deduction of consumer security deposits;
 - one month of power purchase cost including transmission and SLDC charges.
 - DVC has computed IoWC strictly in accordance with this notified statutory methodology.



Commission's Analysis

- 5.84 In order to examine the Petitioner's claim towards Interest on Working Capital, the Commission refers to the relevant provisions contained in Regulation 10.30 and Regulation 10.31 of the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020. The said provisions, which govern the approval and computation of Interest on Working Capital, are reproduced hereunder for reference.

“Interest on Working Capital

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

- a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*
- b) Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*
- c) Amount, if any, held as security deposits.*

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

- a) Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus*
- b) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs;*

minus

- c) Amount held as security deposits under Clause (a) and Clause (b) of subsection (1) of Section 47 of the Act from held for Wheeling Business;*

minus

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

- 5.85 The Commission has adopted the methodology prescribed under Regulation 10.30 and Regulation 10.31 of the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020 for the purpose of determination and approval of Interest on Working Capital. Further, for determination of the applicable rate of interest on Working Capital, the Commission has referred to the provisions contained in Regulation 10.32 of the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020. The relevant provision governing the rate of interest on Working Capital is reproduced below for reference.



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

- 5.86 The Commission notes that no Repair and Maintenance (R&M) expenditure has been claimed or approved under Operation and Maintenance (O&M) expenses for the assets under consideration during the Control Period. Accordingly, no R&M expenditure has been admitted for the said assets. Further, since maintenance spares, computed at 1% of the opening Gross Fixed Assets, are linked to the expenditure on R&M, the same have been considered as Nil for the purpose of computation of the Working Capital requirement.
- 5.87 Further for the purpose of calculation of Interest on Working Capital Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs has been calculated over Actual Revenue submitted by the Petitioner.

Table 29: Interest on Working Capital submitted by Petitioner and approved by the Commission for FY 2024-25 (Rs. Cr.)

| S. No | Particulars | Petition | Approved |
|----------|--|--------------|--------------|
| A | Maintenance spares at 1% of Opening GFA | 0.00 | 0.00 |
| B | Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs | 981.96 | 764.46 |
| C | Amount held as Security Deposit | 367.15 | 367.15 |
| D | One-month equivalent of cost of power purchased including the Inter-State and Intra-State Transmission Charges and Load Dispatch Charges, based on the annual power procurement plan | 61.77 | 61.77 |
| E | Working Capital (A+B-C-D) | 553.04 | 335.53 |
| F | Interest rate (%) (SBI MCLR Rate as on 01.04.2024 + 350 basis points) | 12.15% | 12.15% |
| G | Interest on Working Capital | 67.19 | 40.77 |

INTEREST ON CONSUMER SECURITY DEPOSIT

Petitioner's Submission



5.88 The Petitioner has submitted an amount of Rs. 22.84 Cr. towards Interest on Consumer Security Deposit.

Commission's Analysis

5.89 For the purpose of examination and approval of Interest on Consumer Security Deposit, the Commission has referred to the provisions contained in Regulation 10.33 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The said provision, which governs the treatment and admissibility of Interest on Consumer Security Deposit, is reproduced below for reference.

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

5.90 The Commission has examined the submissions made by the Petitioner in respect of Interest on Consumer Security Deposit pertaining to consumers in the State of Jharkhand for FY 2024-25. In support of its claim, the Petitioner has furnished an Auditor's Certificate, submitted as part of Annexure-10 of Petitioner's Letter No. ED/Coml./Tariff/JSERC/1292 dated 28.11.2025. Upon scrutiny of the audited accounts for FY 2024-25 and the supporting documents placed on record, the Commission finds the claim to be in order and, accordingly, approves the Interest on Consumer Security Deposit at Rs 22.84 crore, as submitted by the Petitioner.

Table 30: Interest on Consumer Security Deposit submitted by Petitioner and approved by the Commission for FY 2024-25 (Rs. Cr.)

| Particulars | Petition | Approved |
|--|----------|----------|
| Interest on Consumer Security Deposits | 22.84 | 22.84 |

TARIFF FILING AND PUBLICATION EXPENSES (JSERC)

Petitioner's Submission

5.91 The Petitioner has submitted an amount of Rs. 4.37 Cr. towards Tariff Filing and Publication Expenses in JSERC.



Commission's Analysis

- 5.92 The Commission has examined the vouchers and supporting documents submitted by the Petitioner in respect of tariff filing expenses and newspaper publication charges incurred for proceedings before the Commission. The said documents were furnished as part of Annexure-9 of Petitioner's Letter No. ED/Coml./Tariff/(16)JSERC/1517 dated 19.02.2026. Upon scrutiny of the submissions, the Commission finds the claim to be justified and, accordingly, approves the tariff filing and publication expenses before JSERC amounting to Rs 4.37 crore.

LEGAL CHARGES & CONSULTANCY FEES

Petitioner's Submission

- 5.93 The Petitioner has submitted that they have incurred Legal expenses in relation to various court cases pertaining to its Distribution activity within its operational area. Since, such expenditures are not covered in the normative O&M charges as allowed by CERC for generation and transmission activities of DVC, accordingly the Petitioner has claimed Rs. 3.57 Cr. towards Legal Charges and Consultancy Fees in Jharkhand.

Commission's Analysis

- 5.94 For the purpose of examination and approval of legal and litigation expenses, the Commission has referred to the provisions contained in Regulation 10.7 of the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020. The said regulation, which governs the admissibility and treatment of legal and litigation expenses, is reproduced below for reference.

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

- 5.95 In accordance with the applicable regulatory requirements, the Commission, through its data discrepancy note, sought a detailed break-up of legal expenses along with a duly certified Auditor's Certificate. In response, the Petitioner submitted a detailed statement of legal expenses amounting to Rs 3.57 crore, supported by an Auditor's Certificate, as furnished in Annexure-10 of Petitioner's Letter No. ED/Coml./Tariff/JSERC/1292 dated 28.11.2025. Upon



examination of the submissions and supporting documents, the Commission finds the claim to be reasonable and, accordingly, approves the legal and litigation expenses at Rs 3.57 crore for FY 2024-25.

FIXED CHARGES FOR DISTRIBUTION ASSETS (11 KV)

Petitioner's Submission

- 5.96 The Petitioner has submitted a claim amounting to Rs. 32.03 Cr. for FY 2024-25.
- 5.97 In the Business Plan and DPR for the subject asset creation submitted previously, DVC proposed to create necessary infrastructure in the state of Jharkhand for supply at 11 KV voltage level. DVC submits before this Hon'ble Commission that DVC has not submitted before Hon'ble CERC the capital cost incurred for creating necessary infrastructure to give power supply to some of the consumers in Jharkhand at 11 KV level on submission of proper applications from the consumers. DVC also submits that in terms of Section-43 of the Electricity Act, DVC is obligated to give power supply on demand by a consumer.
- 5.98 In its Tariff Order dated 30.09.2024 and 27.05.2025, the Hon'ble JSERC acknowledged the complexities of DVC operating in an area already licensed to JBVNL and urged both parties to engage constructively and submit mutually agreeable, legally viable proposals. Accordingly, this Hon'ble Commission held one meeting with DVC and JBVNL at JSERC Office, Ranchi on 17.04.2025 towards finding a mutually agreeable solution. DVC also submitted Affidavit before this Hon'ble Commission on 17.04.2025 replying the queries made by the Commission on the issue.
- 5.99 As directed by the Hon'ble Commission, Senior officials of DVC and JBVNL again met at JBVNL Office on 23.04.2025 to resolve the issue. Further, DVC in compliance of Hon'ble Commission's directive, shared the Minutes of the said meeting with JBVNL with this Commission.

Commission's Analysis

- 5.100 The Commission observes that, in its Tariff Order dated 30.09.2024, it had not approved the capitalisation or recovery of any costs pertaining to the 11 kV infrastructure. Accordingly, in continuation and compliance with the findings contained in the said Order, the Commission, in the present True-up, does not admit any fixed charges claimed by the Petitioner in respect of the 11 kV infrastructure. The relevant findings and directions of the Commission, as recorded in the aforesaid Tariff Order, are reproduced below for reference.



“10.25 On scrutinizing and analysing the data, information submitted by the Petitioner, the Commission observe various facts and figure which has been discuss and deliberated in upcoming paragraph.

10.26 The Commission noted the core issue is that DVC operates in regions where Jharkhand Bijli Vitran Nigam Limited (JBVNL a distribution licensee is already existing. This overlap creates a complex regulatory environment, particularly in light of the JSERC Commission Case Order dated 18.07.2018 (Case No. 10 of 2016), which acknowledged that JBVNL and DVC are parallel licensees with overlapping areas of operation.:

“10.27 This situation necessitates that DVC's investment in the distribution sector, particularly at the sub-33 kV (11 kV) level, adheres to the relevant regulatory provisions. Furthermore, the Commission highlighted that JBVNL has already established an extensive distribution network across various voltage levels to serve the consumers. Therefore, DVC's proposed distribution investments in the same area must comply with the criteria set by JSERC's (Operation of Parallel Licensees) Regulations, 2019, which regulate the functioning of parallel licensees in overlapping areas. Additionally, these investments must align with JSERC Tariff Regulations 2020 and its amendments, ensuring that DVC's activities do not interfere with or undermine JBVNL's existing infrastructure and obligations.”

Segregation of Account for Retail and Wire Business.

10.28 The Commission is of opinion that for parallel licensing, first and foremost requirement shall be to have a segregated account for wheeling (Wire) and Supply (Retail) business so that requisite changes can billed to a consumer. Such requirement is also mandated under clause 6.10 of JSERC (Terms and Condition of Determination of Tariff) Regulations 2020 which is reproduced below:

“Business Plan

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

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

10.29 Based on the above discussion, the Commission has asserted that the Petitioner has not fulfilled the first and foremost requirement as mandated under the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020, indicating non-compliance with regulatory provisions. In this regard, the Commission directs the Petitioner to address this issue promptly to ensure compliance with the primary requirement of the said regulation.

Empowering Consumer Choice in Electricity Providers While Maintaining Unified Infrastructure

10.30 The Commission is of the opinion that the parallel Licensee framework operates on the principle of separating the content (electricity supply) from the carrier (distribution



infrastructure). Under this system, consumers are granted the flexibility to choose their electricity provider, allowing them to select the Licensee from whom they wish to

Parallel Licensing and Infrastructure Dispute

10.31 Historically, there have been disputes regarding which Licensee should be responsible for developing distribution infrastructure under parallel licensing operations. These conflicts, particularly evident among multiple parallel Licensees in Mumbai, have frequently resulted in cases before the Hon'ble APTEL. In numerous judgments, the Hon'ble APTEL has emphasized that electricity supply to consumers should minimize waste, avoid resource duplication, ensure optimal use of public funds, and make use of existing networks whenever possible.

Conflict with the CERC recognized Asset at 132, 33 kV System

10.37 According to the Hon'ble APTEL's judgment dated 23.11.2007 in A.No. 273 of 2006 and related cases, DVC's Transmission and Distribution (T&D) system is regarded as a unified deemed inter-state transmission system concerning tariff determination, with regulatory authority resting with the Hon'ble CERC.....

Concerned over unapproved infrastructure

10.40 During the Public Hearing, the Commission has observed that the Petitioner has initiated several works for Phases I and II, including the supply of 33/11 kV E-Houses, supply of 33/11 kV transformers, and the erection, testing, and commissioning of 12 Nos of 33/11 kV EHouses, all without obtaining prior approval from the Commission. In this regard, the Petitioner is required to provide proper justification, specifying under which regulation and with what approval these works have been initiated without the Commission's consent.

10.41 Based on the above argument, the Commission, at this stage, disallows the Business Plan for the creation of 11 kV voltage level infrastructure to provide supply to consumers in the state of Jharkhand. However, the Petitioner is at liberty to file a fresh petition before the Commission after complying with all the directives mentioned in the above paragraphs, considering all relevant facts and figures. This Commission shall then consider the petition on its merits.”

- 5.101 The Commission has examined the records of the proceedings and notes that both the Petitioners, namely DVC and JBVNL, were directed to engage in mutual deliberations and submit a mutually acceptable and workable methodology for consideration of the Commission and for issuance of further directions. However, upon perusal of the records, the Commission observes that despite several opportunities and adjournments granted over a period of more than two years, no concrete or mutually agreed methodology has been submitted by the Petitioners.
- 5.102 In view of the admitted position and the facts and circumstances on record, the Commission is of the considered view that no useful purpose would be served in keeping the matter pending in the absence of any concrete, mutually acceptable, and legally tenable proposal.



Accordingly, the Commission disposes of the matter, granting liberty to the Petitioners to approach the Commission afresh upon arriving at a mutually agreed and workable methodology for consideration in accordance with law.

5.103 Further, the Commission in its earlier True up order of FY 2023-24 has directed the Petitioner to comply with the following requirement of provision 7.16 of JSERC (Operation of Parallel Licensees) Regulations, 2019:

- a. The Business Plan shall be filed separately for the Retail Supply and Wheeling Business.
- b. Decisions and agreement with the Area level Co-ordination Committee.

It is observed that the Petitioner has not complied with any of the above.

5.104 The Commission observes that, in terms of its earlier directions, the Petitioner was required to file a separate petition, along with the requisite supporting documents, seeking prior approval for execution of the 11 kV infrastructure works and for inclusion of the associated expenditure in the Aggregate Revenue Requirement. However, the Petitioner has not filed any fresh petition seeking such approval from the Commission. In the absence of a specific petition and corresponding approval, the Commission is constrained to disallow the expenditure claimed towards the 11 kV infrastructure in the State of Jharkhand in the present True-up.

SUMMARY OF AGGREGATE REVENUE REQUIREMENT (ARR)

5.105 5.105 Based on the aforesaid analysis, examination of the submissions made by the Petitioner, and the determinations recorded in this Order, the Commission has approved the Aggregate Revenue Requirement (ARR) for FY 2024-25, as against the ARR claimed by the Petitioner. The approved ARR, along with the corresponding claims of the Petitioner, is summarized in the table below.

Table 31: ARR submitted by Petitioner and approved by the Commission for FY 2024-25 (Rs. Cr.)

| Particulars | Petition | Approved |
|---|-----------------|-----------------|
| Cost of Own Generation | 9771.01 | 9428.94 |
| Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses) | 1032.91 | 1032.91 |
| Tariff filling fees & publication expenses to CERC | 4.37 | 4.37 |
| Legal Charge & Consultancy Fee | - | - |
| Environmental Protection and Other Cess | - | - |
| Open Access Charges Bill for Transmission system | (90.50) | (90.50) |
| Total ARR of DVC (Distribution) | 10717.79 | 10375.72 |



| Particulars | Petition | Approved |
|---|-------------|-------------|
| Ratio of sales in Jharkhand | 51.88% | 51.88% |
| ARR Apportioned to Jharkhand | 5560.80 | 5383.32 |
| Cost of 11 kV infrastructure for Jharkhand State | 32.03 | - |
| Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand | 205.63 | 205.63 |
| Non-Tariff Income (NTI) | (2.22) | (6.97) |
| Interest on Temporary Financial Accommodation for Jharkhand State | 0.44 | 0.44 |
| Interest on Working Capital for Jharkhand | 67.19 | 41.02 |
| Interest on security deposit for Jharkhand consumers | 22.84 | 22.84 |
| Tariff Filing Fees & Publication Expenses in JSERC | 1.49 | 1.49 |
| Legal Charges for distribution activity of DVC in the state of Jharkhand | 3.57 | 3.57 |
| Rebate and discount allowed to consumers of Jharkhand | - | - |
| ARR for Jharkhand | 5891.78 | 5651.35 |
| Sale in Jharkhand | 10004.42 | 10004.42 |
| Average Cost of Supply (Rs./kWh) | 5.89 | 5.65 |

REVENUE FROM SALE OF POWER IN JHARKHAND AREA

Petitioner's Submission

5.106 The Petitioner has submitted the revenue billed from sale of power in Jharkhand as Rs. 4,459.29 Cr. for FY2024-25.

Commission's Analysis

5.107 The Commission notes that the Petitioner has submitted the revenue billed from sale of power in the Jharkhand area for FY 2024-25 at Rs 4,459.29 crore, computed based on an average power factor of 0.97.

5.108 The Commission, however, has recalculated the revenue from sale of power by applying a power factor of 0.95 for High Tension (HT) consumers and 0.85 for Low Tension (LT) consumers, in accordance with the provisions and methodology adopted in the CERC order no. 159/TT/2019.



5.109 Based on the above power factor assumptions and after due computation, the Commission approves the revenue from sale of power in the Jharkhand area for FY 2024-25 at Rs 4,599.38 crore.

Table 32: Revenue from sale of power in Jharkhand area as approved by the Commission for FY 2024-25 (Rs. Cr.)

| Particulars | Petition | Approved |
|--|----------|----------|
| Revenue from sale of power in Jharkhand area | 4,459.29 | 4,599.38 |

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

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

Table 33: Revenue (surplus)/gap as approved by the Commission for FY 2024-25 (Rs. Cr.)

| Particulars | Petition | Approved |
|-----------------------------|-----------------|-----------------|
| ARR Approved | 5,891.78 | 5,651.35 |
| Revenue Billed | 4,459.29 | 4,599.38 |
| Revenue Gap/ Surplus | 1,432.49 | 1,051.97 |



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



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

6.1 As per Clause 13.2 of the Tariff Regulations, 2025:

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

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

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

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

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

SUPPLY POINTS, CONNECTED LOAD AND ENERGY SALES

Petitioner's Submission



- 6.5 The Petitioner has submitted the actual category-wise number of consumer connection points, connected load and energy sales in the Damodar Valley area falling within the State of Jharkhand for FY 2025-26.

Table 34: Supply points, Connected load and Energy Sales in Jharkhand submitted by the Petitioner for FY 2025-26

| Particulars | FY 2025-26 | | |
|---------------------|---------------|-------------------------|------------------|
| | Supply Points | Connected Load (MVA/KW) | Consumption (MU) |
| LT (KW) | 5 | 7,309.50 | 36.90 |
| Industries- 11 KV | 44 | 11.46 | 26.91 |
| Industries - 33 KV | 166 | 999.47 | 5,931.46 |
| Industries - 132 KV | 10 | 177.60 | 883.80 |
| Industries - 220 KV | 4 | 75.63 | 279.01 |
| Traction - 132 KV | 2 | 310.00 | 1,948.60 |
| Licensees - 33 KV | 2 | 27.60 | 147.09 |
| Licensees - 132 KV | 2 | 203.00 | 819.64 |
| Total | 235 | 1,804.75 | 10,073.42 |

Commission's Analysis

- 6.6 The Commission after scrutinizing the information submitted by the Petitioner, upon prudent check, views that the energy sales are uncontrollable factor, as such the Commission has approved the energy sales as claimed by the Petitioner. The submissions of the Petitioner and approval of the Commission is summarized below:

Table 35: Supply points, Connected load and Energy Sales in Jharkhand approved by the Commission for FY 2025-26

| Particulars | FY 2025-26 | | |
|--------------------|---------------|-------------------------|------------------|
| | Supply Points | Connected Load (MVA/KW) | Consumption (MU) |
| LT (KW) | 5 | 7,309.50 | 36.90 |
| Industries- 11 KV | 44 | 11.46 | 26.91 |
| Industries - 33 KV | 166 | 999.47 | 5,931.46 |



| Particulars | FY 2025-26 | | |
|---------------------|---------------|-------------------------|------------------|
| | Supply Points | Connected Load (MVA/KW) | Consumption (MU) |
| Industries - 132 KV | 10 | 177.60 | 883.80 |
| Industries - 220 KV | 4 | 75.63 | 279.01 |
| Traction - 132 KV | 2 | 310.00 | 1,948.60 |
| Licensees - 33 KV | 2 | 27.60 | 147.09 |
| Licensees - 132 KV | 2 | 203.00 | 819.64 |
| Total | 235 | 1,804.75 | 10,073.42 |

TRANSMISSION & DISTRIBUTION LOSSES AND ENERGY REQUIREMENT

Petitioner's Submission

- 6.7 The Petitioner has submitted that the Commission approved T&D losses as 3.00% for the network of DVC for FY 2025-26 vide its MYT Order dated January 30, 2023. The estimated T&D loss as per the energy balance submitted by the Petitioner is calculated as 3.15% for FY 2025-26.
- 6.8 Further, in addition to the energy sold in the Jharkhand area, the Petitioner has also submitted the actual sales in the West Bengal area and the energy wheeled from its inter-state transmission system for the purpose of computation of the energy requirement for the entire Damodar Valley area.
- 6.9 Based on the total energy sales in the Damodar Valley area, the T&D losses and the energy wheeled from the system, the Petitioner submitted the estimated energy requirement for FY 2025-26.

Commission's Analysis

- 6.10 The Commission has referred the para 5.15 of DVC MYT Order for Control period FY 2021-22 to FY 2025-26 dated January 30, 2023 for approval of Transmission and Distribution Loss as reproduced below:



“5.15 The Commission has scrutinized the actual loss and approved value of losses for the past years. The Commission provisionally approves the Transmission & Distribution (T&D) loss target of 3.00% on overall sales for each year of the Control Period considering the past trend in previous period from FY 2016-17 to FY 2020-21. Further, the Petitioner shall be allowed to operate within the distribution loss of 3.80% on overall sales for the Control Period without any incentive/penalty.”

- 6.11 The Commission, upon scrutinizing and analysing the submission made by the Petitioner, noted that the estimated T&D loss for FY 2025-26 is 3.15%. The Transmission & Distribution (T&D) loss for FY 2025-26 is higher than the approved limit. Accordingly, the Commission approves the Transmission and Distribution Losses at 3.00% for FY 2025-26.
- 6.12 Based on the approved energy sales for Jharkhand area, approved T&D losses, the energy sales within West Bengal area and energy wheeled through DVC system, the energy requirement for the FY 2025-26 has been summarized in the following table.

Table 36: Energy Requirement submitted by the Petitioner and approved by the Commission for FY 2025-26 (MU)

| Particulars | FY 2025-26 | |
|--|------------------|------------------|
| | Petition | Approved |
| Energy sales within the state of Jharkhand | 10,073.42 | 10,073.42 |
| Energy sales within the state of West Bengal | 8,622.18 | 8,622.18 |
| Total energy sales in DVC Area | 18,695.60 | 18,695.60 |
| Overall Utilization | 20,015.60 | 18,695.60 |
| Total Energy Requirement for DVC | 20,645.92 | 19,274.22 |
| T&D loss (MU) | 630.32 | 578.62 |
| T&D loss (%) | 3.15% | 3.00% |
| Energy wheeled | 1,320.00 | 1,270.00 |



POWER GENERATION FROM OWN SOURCES

Petitioner's Submission

- 6.13 The Petitioner has submitted that it generates power from its own stations to meet part of the power requirements for its consumers in the Jharkhand and West Bengal. The generating stations includes Thermal, Hydel and Renewable Energy stations.
- 6.14 The Petitioner has also submitted the estimated generation available from its own generating stations for FY 2025-26.

Commission's Analysis

- 6.15 The Commission has examined the submission made by the Petitioner and directed the Petitioner to elaborate the methodology followed for arriving at quantum of generation (MU) from its own plant for the MYT Control Period. The Petitioner in its reply submitted that projections have been made considering the actual operational data, historical performance trends and forward looking system and plant specific consideration. Projection has been for ex-bus generation from DVC's thermal, hydel and solar generating stations.
- 6.16 The Petitioner further added that, they have projected for FY 2025-26, based on the actual generation data for the first six months, i.e., the period from April 2025 to September 2025. For the balance period from October 2025 to March 2026, the generation has been estimated by the Petitioner taking into account the actual generation achieved during the first six months, the scheduled shutdowns and major overhauling programmes, unit-wise availability and coal stock position, as well as other operational constraints impacting plant availability.
- 6.17 Based on the estimated/projected availability and the power purchase submitted, the Commission approves the energy availability from its own generation. The energy availability from own generation as per the submission of the Petitioner and as approved by the Commission is summarized below subject to true-up:



Table 37: Energy Availability from own Generating stations submitted by the Petitioner and Approved by the Commission for FY 2025-26 (MU)

| Particulars | FY 2025-26 | |
|--------------------------------------|------------|----------|
| | Petition | Approved |
| MTPS U#1 to 3 | | 3,657.64 |
| MTPS U# 4 | 1,209.99 | 1,209.99 |
| HYDEL | | 308.99 |
| Solar PV KTPS (Ground Mounted) | 14.69 | 14.69 |
| Solar PV at Panchet (Ground Mounted) | | 10.44 |
| MTPS Solar PV | 0.02 | 0.02 |
| Solar PV KTPS (Floating) | 6.95 | 6.95 |
| KTPS Solar PV | 0.01 | 0.01 |
| MTPS U# 5&6 | 2,955.87 | 2,955.87 |
| MTPS U# 7&8 | 6,167.95 | 6,167.95 |
| CTPS U# 7&8 | 2,795.16 | 2,795.16 |
| DSTPS U# 1&2 | 6,196.19 | 6,196.19 |
| KTPS U# 1&2 | 6,182.50 | 6,182.50 |
| BTPS 'A' | 2,845.58 | 2,845.58 |
| RTPS U # 1&2 | 6,948.84 | 6,948.84 |

POWER PURCHASE FROM OTHER SOURCES

Petitioner's Submission

6.18 The Petitioner submitted that the balance energy demand is met through power purchase from other sources, viz., NTPC, NHPC, PTC, MPL etc. In case of contingency situation i.e. shortage of own generation or CSGS/MPL etc., DVC meets the real time demand by purchasing power from Power Exchange.



Commission's Analysis

- 6.19 The Commission vide deficiency letter directed the Petitioner to submit the detailed methodology for projection of Power Purchase from Other Sources for FY 2025-26. The Petitioner in its reply submitted the detail methodology of Power Purchase from Other Sources for FY 2025-26.
- 6.20 Petitioner submitted that the power purchase quantum for conventional sources of power has been considered for the APR of the FY 2025-26, by considering the actual data for the First Six months of FY 2025-26 and estimation for the remaining period based on the actuals of the past years. The estimations have been made considering trend of past purchase quantum and average price, recent performance of generating stations and expected improvement thereon as well as the averaging of seasonal fluctuations.
- 6.21 Further Petitioner submitted that power from Hydro generating stations (NHPC and Bhutan hydropower through PTC) for FY 2025-26 have been estimated based on the trend analysis of actual electricity units purchased from these sources during the previous 5 years from FY 2020-21 to FY 2024-25. Energy purchased from thermal Generating stations NTPC (TSTPS, KBUNL) and MPL for FY 2025-26 has been estimated based on the installed capacity, percentage allocation of power to DVC and estimated PLF based on the actual performance in past years. The estimation of available generation from Renewable sources (NTPC solar & NVVNL) has been done based on trend analysis of actual units purchased during past years (FY 2015-16 to FY 2023-24) FY 2025-26. Power purchase from exchange has also been estimated for FY 2025-26 as a contingency measure to bridge the demand-supply gap as per the actual trend of purchase for the first six months of FY 2025-26.
- 6.22 Accordingly, based on the estimated/projected availability and the power purchase submitted, the Commission approves the energy availability from other sources. The energy availability from other sources as per the submission of the Petitioner and as approved by the Commission is summarized below subject to true-up:



Table 38: Energy Availability submitted by the Petitioner and Approved by the Commission for FY 2025-26 (MU)

| Particulars | FY 2025-26 | |
|--|------------|----------|
| | Petition | Approved |
| NHPC | | |
| Rangit | 30.58 | 30.58 |
| Parvati II | 113.27 | 113.27 |
| Rangit IV HEP | 8.82 | 8.82 |
| NTPC | | |
| TSTPS | 14.56 | 14.56 |
| NTPC Solar Power | 25.70 | 25.70 |
| NTPC - VVNL Solar Power | 29.03 | 29.03 |
| PTC | | |
| Chukha | 109.50 | 109.50 |
| Kurichu | 13.32 | 13.32 |
| Tala (PTC) | 45.72 | 45.72 |
| MPL | 1,112.78 | 1,112.78 |
| KBUNL | 69.52 | 69.52 |
| Contingency Purchase (IEX/PXIL) | 2,426.00 | 2,426.00 |
| GDAM Purchase (Solar) | 1,470.00 | 1,470.00 |
| 1200 MW PSP + Solar project by GreenKo at Peenapuram/Kurnool/AP | 255.50 | 255.50 |
| 315 MW Solar power by NTPC REL at Kahvra, Gujarat | 243.24 | 243.24 |
| Project developed by Avaada Inclean Pvt | 177.39 | 177.39 |
| Project developed by Renew Power Pvt Ltd | 77.38 | 77.38 |
| Rooftop Solar PV System (Jyoti Kiran) | 5.67 | 5.67 |
| REC | 1,942.21 | 1,942.21 |



ENERGY BALANCE

6.23 Based on the energy requirement and energy availability from own generation, T&D losses and power purchase from CSGS and other sources, the energy balance as submitted by the Petitioner and as per Commission's analysis is summarized in the following table:

Table 39: Energy balance submitted by the Petitioner and Approved by the Commission for FY 2025-26 (MU)

| Energy Requirement | FY 2025-26 | |
|--|------------------|------------------|
| | Petition | Approved |
| A. Energy Requirement | | |
| Energy sales within the state of Jharkhand | 10,073.42 | 10,073.42 |
| Energy sales within the state of West Bengal | 8,622.18 | 8,622.18 |
| Total energy sales in DVC Area | 18,695.60 | 18,695.60 |
| Overall Utilization | 20,015.60 | 18,695.60 |
| Total Energy Requirement for DVC | 20,645.92 | 19,256.47 |
| T&D loss (MU) | 630.32 | 578.62 |
| T&D loss (%) | 3.15% | 3.00% |
| Energy wheeled | 1,320.00 | 1,270.00 |
| B. Energy Availability | | |
| Own Generation-Firm sources: | | |
| Thermal | 38,959.73 | 38,959.73 |
| Hydel | 308.99 | 308.99 |
| Solar | 32.11 | 32.11 |
| Sub Total | 39,300.83 | 39,300.83 |
| Net Power Purchase (including UI) | 6,004.25 | 6,004.25 |
| Energy received for Wheeling | 1,270.00 | 1,320.00 |
| Less: Energy sold to beneficiaries and short-term sale | 25,929.16 | 26,030.86 |
| Total Energy Available for DVC | 20,645.92 | 19,274.22 |

POWER PURCHASE COST FROM OWN GENERATION

Petitioner's Submission

6.24 DVC constituted under the DVC Act, 1948. As per Section 79 (1) (a) of the Electricity Act, 2003, and the tariff for generation of electricity from DVC plants is determined by Hon'ble CERC.



- 6.25 The Petitioner submitted that it has considered own generation cost of its own generating stations for FY 2025-26 based on the approved Annual Fixed Charges (AFC) as per the latest tariff orders approved by Hon'ble CERC for FY 2023-24 in respect of its generating stations and interstate T&D system. The AFC component also includes the approved ash evacuation expenditure as per the tariff orders for the period FY 2019-20 to 2023-24.
- 6.26 Further, Petitioner submitted that Energy Charge Rate (ECR) of different thermal power stations for the FY 2025-26 has been computed based on the average of actual LPPF of domestic coal of first six months of FY 2025-26 (Apr'25 to Sep'26) and escalated thereafter based on CERC notified half-yearly rate of escalation of 3.25% for domestic coal to arrive at the LPPF of coal for entire FY 2025-26.

Commission's Analysis

- 6.27 The Commission observed that the Petitioner being a statutory body is controlled by the Central Government as envisaged under section 79 (1) (a) of the Electricity Act, 2003, the tariff for generation of electricity is to be decided by Hon'ble CERC. Similarly, in regard to the inter-State transmission & distribution being an integrated activity, the Petitioner will again be regulated by CERC and tariff for composite and unified T&D system is to be determined by CERC in terms of Section 79 (1) (c) and (d) of the Electricity Act, 2003. In regard to retail sale and supply of electricity, DVC will be governed by the provisions of Section 62 read with Section 86 (1) of the Electricity Act, 2003 by the respective State Commissions, namely, the State Commissions in the State of Jharkhand and West Bengal. Accordingly, the generation and transmission tariff of the Petitioner as may be determined by CERC will be an input cost based on which the retail supply tariff is prepared.
- 6.28 The Commission has considered the actual Fixed charges as placed on record with the instant Petition dated November 28, 2025, supported by audited certificates. It is observed that the Central Commission has not issued tariff orders for FY 2024-25 and onwards for several generating stations; accordingly, in the absence of such orders and in view of the available audited actual charges, the Commission has provisionally considered the Petitioner's submission for FY 2025-26, except where a Central Commission latest tariff order is available.
- 6.29 For KTPS Solar (Ground-mounted, 10 MW), the Commission has adopted Rs./kWh 4.20 as per the Central Commission's order dated 23.03.2025. For Panchet Solar (Ground-mounted,



8 MW), the Commission has adopted Rs./kWh 3.62 as per the Central Commission's order dated 20.03.2025.

- 6.30 The Commission has provisionally excluded from Fixed Charges the claims pertaining to Sinking Fund, and FGD-related charges, with the clarification that these shall be considered at truing-up subject to audited evidence, CERC regulatory admissibility, and final orders of the competent Commission(s).
- 6.31 The Commission considered that, the FGD (Flue Gas Desulphurisation) cost is stated to be under consideration before the CERC; accordingly, FGD-related FC impact is disallowed at this stage, with liberty to be considered at truing-up upon approval by the Central Electricity Regulatory Commission and placement of audited records in support thereof.
- 6.32 On basis of the above consideration, computed Fixed Charges and Energy charges are as below:

Table 40: Fixed Charge submitted by Petitioner of owned stations and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|----------------|------------|----------|
| | Petition | Approved |
| MTPS U#1 to 3 | 463.86 | 463.86 |
| MTPS U# 4 | 150.88 | 150.88 |
| MHS | 42.78 | 42.78 |
| PHS | 39.71 | 39.71 |
| THS | 12.69 | 12.69 |
| T & D System | 703.85 | 457.68 |
| MTPS U#5 & 6 | 146.51 | 137.35 |
| MTPS U# 7&8 | 327.14 | 313.27 |
| CTPS U# 7&8 | 64.39 | 57.92 |
| DSTPS U 1 & 2 | 519.09 | 481.83 |
| KTPS U# 1 & 2 | 32.20 | 25.44 |
| BTPS 'A' | 466.65 | 465.23 |
| RTPS U # 1 & 2 | 132.28 | 125.87 |



Table 41: Energy charge rate submitted by Petitioner of owned stations and approved by the Commission for FY 2025-26 (Rs./kWh)

| Particulars | FY 2025-26 | |
|--------------------------------------|------------|----------|
| | Petition | Approved |
| MTPS U#1 to 3 | 3.69 | 3.69 |
| MTPS U# 4 | 3.69 | 3.69 |
| Solar PV KTPS (Ground Mounted) | 4.20 | 4.20 |
| Solar PV at Panchet (Ground Mounted) | 3.62 | 3.62 |
| MTPS Solar PV | 3.23 | 3.23 |
| Solar PV KTPS (Floating) | 4.16 | 4.16 |
| KTPS Solar PV | 4.16 | 4.16 |
| MTPS U# 5&6 | 3.64 | 3.64 |
| MTPS U# 7&8 | 3.42 | 3.42 |
| CTPS U# 7&8 | 3.40 | 3.40 |
| DSTPS U# 1&2 | 3.38 | 3.38 |
| KTPS U# 1&2 | 3.46 | 3.46 |
| BTPS 'A' | 3.32 | 3.32 |
| RTPS U # 1&2 | 3.58 | 3.58 |

Table 42: Total Energy Charges submitted by Petitioner and approved by the Commission of DVC Owned Station for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|--------------------------------------|------------|----------|
| | Petition | Approved |
| MTPS U#1 to 3 | 1,351.28 | 1,351.28 |
| MTPS U# 4 | 447.02 | 447.02 |
| Solar PV KTPS (Ground Mounted) | | 6.17 |
| Solar PV at Panchet (Ground Mounted) | 3.78 | 3.78 |
| MTPS Solar PV | | 0.01 |
| Solar PV KTPS (Floating) | | 2.89 |
| KTPS Solar PV | | 0.00 |
| MTPS U# 5&6 | | 390.38 |
| MTPS U# 7&8 | | 572.32 |



| Particulars | FY 2025-26 | |
|--------------|------------|----------|
| | Petition | Approved |
| CTPS U# 7&8 | | 104.95 |
| DSTPS U# 1&2 | | 911.06 |
| KTPS U# 1&2 | | 45.24 |
| BTPS 'A' | | 529.76 |
| RTPS U # 1&2 | | 210.61 |

Table 43: Total Charges submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | Fixed Charge | | Energy Charge | |
|--------------------------------------|--------------|----------|---------------|----------|
| | Petition | Approved | Petition | Approved |
| MTPS U#1 to 3 | 463.86 | 463.86 | 1,351.28 | 1,351.28 |
| MTPS U# 4 | 150.88 | 150.88 | 447.02 | 447.02 |
| MHS | 42.78 | 42.78 | - | - |
| PHS | 39.71 | 39.71 | - | - |
| THS | 12.69 | 12.69 | - | - |
| T & D System | 703.85 | 457.68 | - | - |
| Solar PV KTPS (Ground Mounted) | - | - | 6.17 | 6.17 |
| Solar PV at Panchet (Ground Mounted) | - | - | 3.78 | 3.78 |
| MTPS Solar PV | - | - | 0.01 | 0.01 |
| Solar PV KTPS (Floating) | - | - | 2.89 | 2.89 |
| KTPS Solar PV | - | - | 0.00 | 0.00 |
| MTPS U# 5&6 | 146.51 | 137.35 | | 390.38 |
| MTPS U# 7&8 | 327.14 | 313.27 | 578.33 | 572.32 |
| CTPS U# 7&8 | 64.39 | 57.92 | 108.26 | 104.95 |
| DSTPS U# 1&2 | 519.09 | 481.83 | 915.70 | 911.06 |
| KTPS U# 1&2 | 32.20 | 25.44 | 53.41 | 45.24 |
| BTPS 'A' | 466.65 | 465.23 | 531.38 | 529.76 |
| RTPS U # 1&2 | 132.28 | 125.87 | 219.49 | 210.61 |



POWER PURCHASE COST FROM OTHER SOURCES

Petitioner's Submission

6.33 The Petitioner has submitted that the balance energy demand is met through power purchase from other sources, viz., NTPC, NHPC, PTC, MPL etc. In case of contingency situation i.e. shortage of own generation or CSGS/MPL etc., DVC meets the real time demand by purchasing power from Power Exchange. The Petitioner has further submitted that they have fulfilled a portion of its solar obligation through actual power from different solar plants and through the purchase of REC. Similarly, regarding Non-solar RPO, the Petitioner has fulfilled a portion through applicable Hydro generation and purchase of Non-solar REC.

Commission's Analysis

6.34 After meeting the energy requirement from own generation, the Commission has projected the balance energy requirement to be met through purchase of power from CSGS and other sources for FY 2025-26. Surplus power, if any, has been estimated to be sold at APPC of the Utility, subject to True-up based on audited accounts.

6.35 The Commission vide its deficiency letter directed the Petitioner to submit the detailed methodology followed in the computation of incidental charges related to power purchase viz. POC transmission charges, PTC Transmission Charges and ERPC fund. The Petitioner in its reply submitted that the Petitioner pays transmission charges to PGCIL for availing the transmission related services from PGCIL. In addition to that, DVC also pays Transmission charge to PTC for availing the service of dedicated transmission line used for conveying the power from Kurichu Hydro Station at Bhutan. Other charges include POSOCO charges and payment towards ERPC fund etc. for projection of incidental charges related to power purchase.

6.36 Besides, the Petitioner has segregated the cost of RPO into West Bengal and Jharkhand based on the RPO requirements stipulated by the respective State Electricity Regulatory Commissions. Accordingly, the Commission also finds it prudent to segregate the cost of RPO as per the requirements stipulated by the respective Commissions and projected RPO compliance by the Petitioner.



- 6.37 Based on the JSERC (Renewable Energy Purchase Obligation and its compliance) (Second Amendment) Regulations, 2024, the Commission has approved the expenses for purchase of Renewable Energy Certifications (RECs) towards RPO Compliance in Jharkhand.
- 6.38 The Commission has scrutinized the submission made by the Petitioner and approves the power purchase and its rates including T&D cost in line with Petitioner claim, subject to prudence check at the time of truing up.

Table 44: Energy Charges rate submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. / kWh)

| Particulars | FY 2025-26 | |
|---|------------|----------|
| | Petition | Approved |
| NHPC | | |
| Rangit | 3.88 | 3.88 |
| Teesta | | - |
| Parvati II | 6.14 | 6.14 |
| Rangit IV HEP | | 4.37 |
| NTPC | | |
| TSTPS | | 2.85 |
| NTPC Solar Power | 9.35 | 9.35 |
| NTPC - VVNL Solar Power | 11.17 | 11.17 |
| PTC | | |
| Chukha | | 3.00 |
| Kurichu | | 2.28 |
| Tala (PTC) | | 2.27 |
| MPL | | 4.49 |
| KBUNL | | 5.51 |
| JEM Solar power | | - |
| Contingency Purchase (IEX/PXIL) | | 5.53 |
| GDAM Purchase (Solar) | | 4.75 |
| GDAM Purchase (Non-Solar) | | - |
| Net UI (Import) | | - |
| 1200 MW PSP + Solar project by GreenKo at Peenapuram/Kurnool/AP | 3.76 | 3.76 |



| Particulars | FY 2025-26 | |
|---|------------|----------|
| | Petition | Approved |
| 315 MW Solar power by NTPC REL at Kahvra, Gujarat | 2.57 | 2.57 |
| Project developed by Avaada Inclean Pvt Ltd | | 2.70 |
| Project developed by Renew Power Pvt Ltd | | 2.69 |
| Rooftop Solar PV System (Jyoti Kiran) | | 3.31 |
| REC Rate (Based on IEX Apr-25 to Sep-25) | | 0.35 |

Table 45: Power Purchase Cost from Other Sources submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|---------------------------------|------------|----------|
| | Petition | Approved |
| NHPC | | |
| Rangit | 11.85 | 11.85 |
| Teesta | - | - |
| Parvati II | 69.54 | 69.54 |
| Rangit IV HEP | 3.85 | 3.85 |
| NTPC | | |
| TSTPS | 4.15 | 4.15 |
| NTPC Solar Power | 24.03 | 24.03 |
| NTPC - VVNL Solar Power | 32.43 | 32.43 |
| PTC | | |
| Chukha | 32.85 | 32.85 |
| Kurichu | 3.04 | 3.04 |
| Tala (PTC) | 10.38 | 10.38 |
| MPL | 499.52 | 499.52 |
| KBUNL | 38.32 | 38.32 |
| JEM Solar power | - | - |
| Contingency Purchase (IEX/PXIL) | 1,342.36 | 1,342.36 |
| GDAM Purchase (Solar) | 697.89 | 697.89 |
| GDAM Purchase (Non-Solar) | - | - |
| Net UI (Import) | - | - |



| Particulars | FY 2025-26 | |
|---|------------|----------|
| | Petition | Approved |
| 1200 MW PSP + Solar project by GreenKo at Peenapuram/Kurnool/AP | 96.07 | 96.07 |
| 315 MW Solar power by NTPC REL at Kahvra, Gujarat | 62.51 | 62.51 |
| Project developed by Avaada Inclean Pvt Ltd | 47.90 | 47.90 |
| Project developed by Renew Power Pvt Ltd | 20.82 | 20.82 |
| Rooftop Solar PV System (Jyoti Kiran) | 1.88 | 1.88 |
| REC Rate (Based on IEX Apr-25 to Sep-25) | 68.37 | 68.37 |

INTER STATE TRANSMISSION CHARGES & OTHER INCIDENTAL CHARGES

Petitioner's Submission

6.39 Petitioner submitted that it avails the services of the Power Grid Corporation of India Limited (PGCIL) and its subsidiaries for conveyance of electricity from the place of generation of NTPC, NHPC etc. through inter-state transmission for delivery in the DVC Area as per the POC mechanism. It also has to pay for the ULDC scheme installed by PGCIL to facilitate load dispatch activities by RLDCs. The charges paid by Petitioner to PGCIL, and other incidental charges paid by Petitioner becomes an input cost for the purpose of deciding the retail supply tariff for sale and supply of electricity by Petitioner to consumers/licensees in the Damodar Valley area. Transmission and other incidental charges payable to PGCIL and other transmission utilities for FY 2025-26 has been estimated / projected considering 2% escalation factor from the actual cost of FY 2024-25.

Commission's Analysis

6.40 The Commission has examined the Petitioner's submission regarding the Inter State Transmission Charges and Other incidental charges, the Commission has provisionally approved the Inter State Transmission Charges and Other incidental charges, subject to a prudent check and based on the actual expenditure incurred.



TARIFF FILING AND PUBLICATION EXPENSES (CERC)

Petitioner's Submission

6.41 The Petitioner has claimed expenditure towards regulatory fees, publication expenses, tariff filing fees, licence fees and other related charges. The Petitioner has stated that these expenses are payable before the Hon'ble Central Commission as well as the State Commission, in accordance with the relevant Fees Regulations of the respective Commissions and have been estimated on a reasonable basis for the concerned period.

Commission's Analysis

6.42 The Commission has examined the details submitted by the Petitioner. In this Order, the Commission has provisionally allowed the Tariff Filing and publication Fees for FY 2025-26, as Petitioner's submission, subject to prudence check at the time of truing-up. The approved Tariff Filing Fees and Publication Expenses for FY 2025-26 has been summarized in the Table below.

Table 46: Tariff Filing and Publication Expenses (CERC) submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|---|------------|----------|
| | Petition | Approved |
| Tariff Filing Fees and Publication Expenses | 4.76 | 4.76 |

LEGAL CHARGES & CONSULTANCY FEES

Petitioner's Submission

6.43 The Petitioner has submitted that they have estimated and projected to incur legal expenses in relation to various court cases pertaining to its Distribution activity within its operational area. And it submitted that it claimed the expense in line with the Regulation 10.7 of the JSERC "terms and conditions for determination of tariff" Regulation 2020 and claimed the said expenditure as per actual during the FY 2024-25 with 5% escalation during FY 2025-26.



Commission's Analysis

6.44 As per the Regulation 10.7 of the JSERC “terms and conditions for determination of tariff “Regulation 2020.

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

6.45 The Commission has examined the Petitioner’s submission on Legal Expenses. The Commission allows Legal Expenses for the FY 2025-26, as per the Audited Certificate for FY 2024-25 (Annex-10 (Colly), p. 212) filed along with the True-up Petition for FY 2024-25 with 5% escalation. This approval is provisional and shall be subject to prudence check at the time of truing-up, based on actual expenditure incurred and reconciliation with the audited accounts for the FY 2025-26.

Table 47: Legal Expenses submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|----------------|------------|----------|
| | Petition | Approved |
| Legal Expenses | 3.75 | 3.75 |

ENVIRONMENTAL PROTECTION AND OTHER CESS

Petitioner's Submission

6.46 The Petitioner has submitted that it has estimated the environmental protection and other Cess to be paid to different authorities in the state of Jharkhand and West Bengal based on the actual expenses incurred during the last Nine years (from FY 15-16 to 24-25). The projected Cess charges for FY 2025-26 has been projected based on the average of the last 9 years actual Cess paid.



Commission's Analysis

6.47 The Commission has examined the Petitioner's submission on environment protection and other cess. The Commission allows the Petitioner's submission for the FY 2025-26. This approval is provisional and shall be subject to prudence check at the time of true-up, based on actual expenditure incurred and reconciliation with the audited accounts for the FY 2025-26.

Table 48: Environmental Protection and Other Cess submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|---|------------|----------|
| | Petition | Approved |
| Environmental Protection and Other Cess | 0.59 | 0.59 |

ALLOCATION OF COSTS FOR DVC AS A WHOLE TO JHARKHAND AREA

Petitioner's Submission

6.48 The Petitioner has submitted that the input costs including own generation cost, Power Purchase Cost, Other Input Cost, etc. cannot be segregated into the cost pertaining to Jharkhand and West Bengal area as DVC operates as a single entity. Thus, the Petitioner has submitted that, for the purpose of computing retail tariffs pertaining to Jharkhand area, the input cost of DVC be bifurcated in the ratio of the energy sales in Jharkhand area to the total sales in the Damodar Valley area.

Commission's Analysis

6.49 The Commission has allocated the expenses of DVC as a whole to Jharkhand area by following the methodology approved in the Order on True-up for FY 2023-24. The following table summarizes the input cost allocated to Jharkhand area for FY 2025-26, as submitted by the Petitioner, and as approved by the Commission.

Table 49: Cost allocation for Jharkhand submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)



| Particulars | FY 2025-26 | |
|---|-----------------|-----------------|
| | Petition | Approved |
| Cost of Own Generation | 7,687.26 | 7,324.44 |
| Power Purchase Cost (Including Transmission Charges & Excluding Renewable Energy Purchase/REC Expenses) | 2,149.21 | 2,149.21 |
| Tariff filling fees & publication expenses to CERC | 4.76 | 4.76 |
| Legal Charge & Consultancy Fee | 3.75 | 3.75 |
| Environmental Protection and Other Cess | 0.59 | 0.59 |
| Less: Open Access Charges for Transmission System | 91.16 | 91.16 |
| Total ARR of DVC (Distribution) | 9,754.42 | 9,391.61 |
| Ratio of sales in Jharkhand | 53.88% | 53.88% |
| ARR Apportioned to Jharkhand | 5,255.80 | 5,060.31 |

COST OF 11 KV DISTRIBUTION INFRASTRUCTURE

Petitioner's Submission

- 6.50 Petitioner has submitted that, in terms of Section 43 of the Electricity Act, 2003, it is under a statutory obligation to provide supply to any applicant upon receipt of a complete and valid application, which necessitates creation, augmentation or extension of the 11 kV distribution system wherever such development is required to meet consumer demand within the Jharkhand command area. Petitioner has stated that multiple consumers and industrial stakeholders expressed interest in availing supply at 11 kV.
- 6.51 Further, Petitioner submitted that actual capital cost incurred for effecting such supply of power to the consumers is meant for the consumers located in the state of Jharkhand and meant solely for 11 KV distribution power supply. DVC also herein submits respectfully that such capital expenditure has not been claimed before CERC. As such the claimed capital cost is not a part of the inter-state transmission network of DVC. Rather these 11 KV assets are purely intra state T&D asset. Hence CERC does not have jurisdiction for determination of tariff for such assets. Jurisdiction for determination of tariff for such expenses naturally lies with the State Commission. On the same ground Hon'ble WBERC has approved the DPR of DVC for 11 KV infrastructure. Accordingly, the Annual Fixed Charge has been computed on projection basis for such new addition of distribution assets in the DVC system and has been considered as the input cost of the Distribution Activity of DVC in the State of Jharkhand. In this regard



DVC has already submitted the actual cost incurred for creation of 11kV assets in FY 2024-25 for truing-up of the respective year.

- 6.52 Based on the actual cost, the estimation for the projected cost for 11kV distribution asset creation has been submitted for the APR of FY 2025-26. A detail computation sheet for the projection of the cost associated with the 11kV distribution asset creation is submitted with the Petition.

Commission's Analysis

- 6.53 The Commission in its Tariff Order dated September 30, 2024 had not allowed for the 11kV infrastructure and hence, in the current tariff order disallows any fixed charge claimed for the said infrastructure. The relevant clauses are reproduced as follows:

“10.25 On scrutinizing and analysing the data, information submitted by the Petitioner, the Commission observe various facts and figure which has been discuss and deliberated in upcoming paragraph.

10.26 The Commission noted the core issue is that DVC operates in regions where Jharkhand Bijli Vitran Nigam Limited (JBVNL a distribution licensee is already existing. This overlap creates a complex regulatory environment, particularly in light of the JSERC Commission Case Order dated 18.07.2018 (Case No. 10 of 2016), which acknowledged that JBVNL and DVC are parallel licensees with overlapping areas of operation. The Extract of the Order is reproduced below:

7. We verified from the records and found that DVC as well as JBVNL were directed to deliberate and suggest mutually acceptable and workable methodology for consideration of the Commission and for further orders. From the record we find that no concrete suggestions have been brought by the petitioners -DVC as well as JBVNL which are mutually acceptable and workable methodology for consideration of the Commission despite several adjournments even after a lapse of about two years.

8. In view of the said admitted position and the facts and circumstances appearing on record, we are of the view that no purpose would be served in keeping the case pending for decision in the absence of any concrete suggestions mutually acceptable and workable methodology. The petitioners are at liberty to approach this Commission after arriving at concrete suggestions and formulate workable methodology, which are mutually acceptable to them and are legally tenable.

10.27 This situation necessitates that DVC's investment in the distribution



sector, particularly at the sub-33 kV (11 kV) level, adheres to the relevant regulatory provisions. Furthermore, the Commission highlighted that JBVNL has already established an extensive distribution network across various voltage levels to serve the consumers. Therefore, DVC's proposed distribution investments in the same area must comply with the criteria set by JSERC's (Operation of Parallel Licensees) Regulations, 2019, which regulate the functioning of parallel licensees in overlapping areas. Additionally, these investments must align with JSERC Tariff Regulations 2020 and its amendments, ensuring that DVC's activities do not interfere with or undermine JBVNL's existing infrastructure and obligations.

Segregation of Account for Retail and Wire Business.

10.28 The Commission is of opinion that for parallel licensing, first and foremost requirement shall be to have a segregated account for wheeling (Wire) and Supply (Retail) business so that requisite charges can be billed to a consumer. Such requirement is also mandated under clause 6.10 of JSERC (Terms and Condition of Determination of Tariff) Regulations 2020 which is reproduced below:

“Business Plan

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

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

10.29 Based on the above discussion, the Commission has asserted that the Petitioner has not fulfilled the first and foremost requirement as mandated under the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020, indicating non-compliance with regulatory provisions. In this regard, the Commission directs the Petitioner to address this issue promptly to ensure compliance with the primary requirement of the said regulation.

Empowering Consumer Choice in Electricity Providers While Maintaining Unified Infrastructure

10.30 The Commission is of the opinion that the parallel Licensee framework operates on the principle of separating the content (electricity supply) from the carrier (distribution infrastructure). Under this system, consumers are granted the flexibility to choose their electricity provider, allowing them to select the Licensee from whom they wish to

Parallel Licensing and Infrastructure Dispute

10.31 Historically, there have been disputes regarding which Licensee



should be responsible for developing distribution infrastructure under parallel licensing operations. These conflicts, particularly evident among multiple parallel Licensees in Mumbai, have frequently resulted in cases before the Hon'ble APTEL. In numerous judgments, the Hon'ble APTEL has emphasized that electricity supply to consumers should minimize waste, avoid resource duplication, ensure optimal use of public funds, and make use of existing networks whenever possible.

Conflict with the CERC recognized Asset at 132, 33 kV System

10.37 According to the Hon'ble APTEL's judgment dated 23.11.2007 in A.No. 273 of 2006 and related cases, DVC's Transmission and Distribution (T&D) system is regarded as a unified deemed inter-state transmission system concerning tariff determination, with regulatory authority resting with the Hon'ble CERC.....

Concerned over unapproved infrastructure

10.40 During the Public Hearing, the Commission has observed that the Petitioner has initiated several works for Phases I and II, including the supply of 33/11 kV E-Houses, supply of 33/11 kV transformers, and the erection, testing, and commissioning of 12 Nos of 33/11 kV Houses, all without obtaining prior approval from the Commission. In this regard, the Petitioner is required to provide proper justification, specifying under which regulation and with what approval these works have been initiated without the Commission's consent.

10.41 Based on the above argument, the Commission, at this stage, disallows the Business Plan for the creation of 11 kV voltage level infrastructure to provide supply to consumers in the state of Jharkhand. However, the Petitioner is at liberty to file a fresh petition before the Commission after complying with all the directives mentioned in the above paragraphs, considering all relevant facts and figures. This Commission shall then consider the petition on its merits.”

- 6.54 As per earlier directive, DVC is required to file for a separate Petition for undertaking the infrastructure works and inclusion of said works in ARR. Therefore, the Commission disallows any expense incurred in for 11kV infrastructure for Jharkhand.

NON-TARIFF INCOME

Petitioner's Submission

- 6.55 The Petitioner submitted that in the FY 2024-25 the Non-Tariff Income (Delayed Payment Surcharge) for Jharkhand state stands around 0.04% of the total ARR claimed, accordingly for FY 2025-26 the Non-Tariff Income is estimated in the same proportion of 0.04% of the



projected ARR of the respective years. The Non-Tariff Income has been computed based on the income pertaining to Delayed Payment Surcharges (DPS) from consumers on account of Distribution business in Jharkhand.

- 6.56 Petitioner has also requested the Commission to approve the NTI in accordance with the submissions made by Petitioner of Non-Tariff Income for the True-Up of FY 2024-25, where only the DPS attributable to the Jharkhand distribution business has been considered as NTI in line with the binding APTEL judgments, it is respectfully prayed that the same treatment may be consistently applied for the APR exercise as well.

Commission's Analysis

- 6.57 The Commission has examined the Petitioner's submissions and the record of proceedings. In terms of the Commission's latest approach, as crystallised in the Order dated 30.01.2026 in Case (Tariff) No. 01 of 2023 (passed pursuant to remand), NTI has been determined on the same methodological basis as adopted in the Order dated 27.05.2025 in Case (T) No. 13 of 2024, with suitable updates for the period under consideration.
- 6.58 In line with the above Orders, the Commission reiterates that the entire 'Other Income' (power vertical) as per audited accounts is to be allocated between Generation/Transmission and Distribution and that only the portion attributable to the licensed distribution business in Jharkhand shall be considered as NTI for retail tariff determination. For this purpose, the Commission relies upon the tabulated segregation/attribution framework discussed and reproduced in the latest Order on January 30, 2026 (including Table 3(a) & 3(b)) and applies the same consistency of treatment to each head of 'Other Income' while computing NTI for the instant period.
- 6.59 Having considered the submissions on record and in continuity with the methodology adopted in the Commission's earlier Orders, the Commission, at this stage, recognises the following components as Non-Tariff Income (NTI) attributable to the distribution business in the State of Jharkhand for the MYT Control Period:
- a) Delayed Payment Surcharge (DPS) attributable to command-area consumers in Jharkhand, considered in entirety;
 - b) Interest from Employees Loan and Advances to the extent admissible under the approved allocation framework;



- c) Interest from Non-Current Investments, as attributable to the licensed distribution business based on the principles adopted by the Commission;
- d) Interest on Short-Term Deposits, considered as incidental income attributable to distribution activity;
- e) Interest on Corporate Liquid Term Deposits (CLTD), to the extent admissible;
- f) Other Miscellaneous Income, apportioned to the distribution business in accordance with the allocation methodology approved by the Commission in its Order dated January 30, 2026.

All other heads of 'Other Income' not specifically included above have been treated in accordance with the acceptance, exclusion and apportionment principles consistently applied by the Commission in its previous Orders, maintaining parity of treatment across the periods.

6.60 This treatment of NTI is provisional and subject to the outcome of the pending appeals before the Hon'ble Appellate Tribunal for Electricity. In particular, the Commission notes that the methodology applied herein is presently sub judice in Appeal No. 332 of 2024 (arising from Case (T) No. 09 of 2020, order dated 23.07.2024) and Appeal No. 227 of 2025 (arising from Case (T) No. 13 of 2024, order dated 27.05.2025). The Commission's order dated 30.01.2026 explicitly proceeds on this footing and preserves appropriate adjustments upon final adjudication. Accordingly, the NTI now approved shall be subject to modification based on the outcome of the aforesaid appeals and any further directions of the Hon'ble Tribunal.

6.61 The above view is also consistent with the Commission's remand-compliance findings including

- a) the requirement to ascertain and attribute NTI to the distribution business;
- b) the use of a rational approximation/apportionment where audited segregation is not furnished; and
- c) the Commission's repeated directions to maintain separate accounts for the licensed business in terms of the Act and the Tariff Regulations, all as recorded in the Order dated January 30, 2026.

6.62 Consistent with the above, the Commission has computed the NTI for the distribution business in the State of Jharkhand. The approved NTI is subject to trued-up on actuals in subsequent proceedings upon submission of auditable records by the Petitioner.



Table 50: Non-Tariff Income submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|---|--------------|--------------|
| | Petition | Approved |
| DPS | 2.421 | 2.421 |
| SBI FD rate | 6.25% | 6.25% |
| Int. on Sec Deposit | - | - |
| Interest from Employees Loan and Advances | - | 0.002 |
| Interest from Non Current Investment | - | 0.012 |
| Int on Security Deposit - Purchase of Power | - | 0.007 |
| Int on Short Term Deposit | - | 0.023 |
| Interest on CLTD | - | 0.002 |
| Other Misc. Income | - | 4.703 |
| Total | 2.421 | 7.169 |

INTEREST ON TEMPORARY FINANCIAL ACCOMMODATION

Petitioner's Submission

6.63 The Petitioner has claimed Rs 1.65 Cr. towards Interest on Temporary Financial Accommodation for FY 2025-26.

Commission's Analysis

6.64 The Commission examined the submission made by the Petitioner towards Interest on Temporary Financial Accommodation (JSERC). The Commission provisionally approved the Interest on Temporary Financial Accommodation for FY 2025-26.



Table 51: Interest on Temporary Financial Accommodation submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|---|------------|----------|
| | Petition | Approved |
| Interest on Temporary Financial Accommodation | 1.65 | 1.65 |

INTEREST ON WORKING CAPITAL (IOWC)

Petitioner's Submission

6.65 Petitioner in the instant petition has claimed the Interest on Working Capital (IWC) in accordance with the Regulation 10.31 and 10.32 of the JSERC “Terms and Conditions for Determination of Distribution Tariff Regulation, 2020”. The rate of interest on Working Capital has been taken as 1-year SBI MCLR rate as on September 30, 2025 + 350 b.p. which is @ 12.25% for FY 2025-26.

Commission's Analysis

6.66 The Commission has outlined clause 10.30, clause 10.31 of JSERC (Terms and Condition of Determination of Tariff) Regulations 2020 for the approval of Interest on Working Capital which is reproduced below:

“Interest on Working Capital

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

- a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*
- b) Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*
- c) Amount, if any, held as security deposits.*

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

- a) Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus*
- b) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs;*

minus



c) Amount held as security deposits under Clause (a) and Clause (b) of subsection (1) of Section 47 of the Act from held for Wheeling Business;

minus

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

6.67 Further, The Commission has outlined clause 10.32 of JSERC (Terms and Condition of Determination of Tariff) Regulations 2020 for the approval of Rate of interest on working capital on Working Capital which is reproduced below:

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

6.68 The Repair & Maintenance (R&M) expenditure approved/submitted under O&M expenses is Nil. Accordingly, no R&M outgo has been admitted for the relevant assets during the Control Period, maintenance spares at 1% of opening Gross Fixed Assets have been considered as zero for the computation of working capital requirement.

6.69 Based on the above, the Commission has considered the interest on Working Capitals as per JSERC (Terms and Condition of Determination of Tariff) Regulations 2020.

Table 52: Interest on Working capital submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|--|---------------|---------------|
| | Petition | Approved |
| Maintenance spares at 1% of Opening GFA | | |
| Receivables equivalent to 2 months | 1,008.74 | 760.04 |
| Less: Cash Security Deposit | 370.83 | 370.83 |
| Less: 1 month eq. of cost of power purchased | 147.82 | 96.49 |
| Working Capital requirement | 490.09 | 292.72 |
| Interest rate (%) (SBI MCLR as on 01.04.2025 + 350 basis points) | 12.25% | 12.25% |
| Interest on Working Capital | 60.04 | 35.86 |



INTEREST ON CONSUMER SECURITY DEPOSIT

Petitioner's Submission

6.70 The Petitioner has submitted interest on cash security deposit (CSD) has been computed in accordance with the JSERC (Electricity Supply Code) Regulation 2015. Estimation of Interest on Consumer security deposit is made on average CSD during FY 25-26. Opening CSD is considered equal to closing balance of 2024-25. Further deposit of 2% during FY 2025-26 considered based on enhancement of Contract Demand (CD) during 2025-26. Interest rate on CSD has been considered as SBI base rate year as of 1st April of 2025 @10.30% for FY 2025-26.

Commission's Analysis

6.71 Clause 10.33 of the Tariff Regulations, 2020, allows the Petitioner to recover the interest on security deposits through the ARR. Hence, this Commission provisionally approve the Interest on Consumer Security Deposit as claimed by the Petitioner, subject to prudence check at the time of truing up.

Table 53: Interest on Security Deposit submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|------------------------------|------------|----------|
| | Petition | Approved |
| Interest on security deposit | 38.20 | 38.20 |

TARIFF FILING AND PUBLICATION EXPENSES (JSERC)

Petitioner's Submission

6.72 The Petitioner has submitted that, in addition to the other items, it has claimed the Tariff filing fees, licence fees, publication expenses and related expenditure payable before the Hon'ble Central Commission as well as before this Commission, in terms of the relevant Fees Regulations of the respective Commission(s) for the concerned period, on estimation basis.



Commission's Analysis

6.73 The Commission found that, the Petitioner has placed on record the Audited Certificate for FY 2024-25 (Annex-10 (Colly), Pg. 212) filed with the instant Petition. The determination of the APR for the FY 2025-26, the Commission adopts the said audited cost towards Tariff Filing Fees, Licence/Regulatory Fees, Publication Expenses and related expenditure as the base and approves the same on a provisional basis. This approval shall remain subject to prudence check at the time of true-up, based on actual expenditure incurred, documentary substantiation, and reconciliation with the audited accounts for the FY 2025-26.

Table 54: Tariff Filing and Publication Expenses submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| Particulars | FY 2025-26 | |
|---|------------|----------|
| | Petition | Approved |
| Tariff Filing Fees & Publication Expenses | 1.25 | 1.25 |

REBATE ON SALE OF POWER

Petitioner's Submission

6.74 Petitioner has submitted that it allows the prompt payment rebate to its consumers in terms of the last tariff order issued by this Hon'ble Commission. This rebate is booked as an expense item in the Accounts. Thus, Petitioner has estimated payment rebate to be passed on to consumers in the state of Jharkhand as 2% of the ARR allocated to the state of Jharkhand which is in terms of the order passed by this Hon'ble Commission in its MYT order dated January 30, 2023 and Regulation 10.76 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The relevant regulation is reproduced below;

"10.76 For payment of bills by the Consumers (Capacity Charge and Energy Charges) within 5 days of presentation of bills by the Distribution Licensee, a rebate of 2.00% shall be allowed -----."



Commission's Analysis

6.75 The Commission scrutinized the details submitted by the Petitioner. The Commission in this order, has not allowed the Rebate on Sale of Power. The actuals may be considered while passing the true-up Order for the period under consideration upon submission of relevant data and documentary evidence.

SUMMARY OF AGGREGATE REVENUE REQUIREMENT (ARR)

6.76 Based on the above, the Commission has approved ARR for FY 2025-26 against the ARR claimed by the Petitioner which is summarized as below:

Table 55: ARR submitted by Petitioner and approved by the Commission for FY 2025-26 (Rs. Cr.)

| S No. | Station/Item | FY 2025-26 | | | |
|-------|---|-----------------|-----------------|-----------------|-----------------|
| | | Petition | | Approved | |
| | | Energy charge | Fixed Charge | Energy charge | Fixed Charge |
| 1 | Cost of Own Generation | 4,597.93 | 2,385.49 | 4,562.62 | 2,304.14 |
| 2 | T & D System | - | 703.85 | - | 457.68 |
| 3 | POWER PURCHASE Cost (Including Transmission & Other Charges excluding RPO) | 2,149.22 | - | 2,149.22 | - |
| 4 | Tariff filling fees & publication expenses to CERC | - | 4.76 | - | 4.76 |
| 5 | Environmental and Other Cess | - | 0.59 | - | 0.59 |
| 6 | Add: Beta (β) Incentive | - | - | - | - |
| 7 | Add: Legal Charges | - | 3.75 | - | 3.75 |
| 8 | Add: AMC on ULDC Charges | - | - | - | - |
| 9 | Less: Open Access Charges for Transmission System | - | 91.16 | - | 91.16 |
| 10 | Total | 6,747.14 | 3,007.28 | 6,711.84 | 2,679.77 |
| 11 | Ratio of sales in Jharkhand part to total firm sale in entire DVC | 53.88% | 53.88% | 53.88% | 53.88% |
| 12 | ARR before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand | 3,635.44 | 1,620.36 | 3,616.42 | 1,443.89 |
| 13 | Fixed Charges for Distribution Assets (11 KV) | - | 82.11 | - | - |
| 14 | Cost of Solar & Non-Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand | 615.84 | - | 615.84 | - |
| 15 | Interest on Working Capital | - | 60.04 | - | 35.86 |
| 16 | Interest on security deposit | - | 38.20 | - | 38.20 |



| S No. | Station/Item | FY 2025-26 | | | |
|-------|--|------------------|--------------|------------------|--------------|
| | | Petition | | Approved | |
| | | Energy charge | Fixed Charge | Energy charge | Fixed Charge |
| 17 | Legal Charges (JH region) | - | - | - | 3.75 |
| 18 | Add: Interest on Temporary Financial Accommodation | - | 1.65 | - | 1.65 |
| 19 | Gap/(Surplus)- Regulatory Assets | - | - | - | - |
| 20 | Tariff Filing Fees, licensee Fee & Publication Expenses in JSERC | - | 1.25 | - | 1.25 |
| 21 | Less: Non-Tariff Income (NTI) | - | 2.42 | - | 7.17 |
| 22 | NET ARR Jharkhand | 4,251.28 | 1,801.17 | 4,232.26 | 1,517.42 |
| 23 | ARR | 6,052.45 | | 5,749.68 | |
| 24 | Sale in Jharkhand (MU) | 10,073.42 | | 10,073.42 | |
| 25 | Average Cost of Supply (Rs. / kWh) | 6.01 | | 5.70 | |



CHAPTER 7: DETERMINATION OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2026-27 TO 2030-31 AND DETERMINATION OF TARIFF FOR FY 2026-27



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

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

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

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

a) Business Plan for the Wheeling and the Retail Supply Business of the Licensees for the entire Control Period as submitted before the Commission for approval, prior to the start of the Control Period;

b) Multi Year Petition on Licensees' forecast of expected ARR for each year of the Control Period, wheeling tariff and retail supply tariff for the first year of the ensuing Control Period, based on reasonable assumptions of the underlying financial and operational principles/parameters laid down under these Regulations, and on the basis of the Business Plan;

c) The Trajectory for specific parameters, which shall be stipulated by the Commission for the improvement of the Licensee's performance through incentives and disincentives;

d) Annual review of performance which shall be conducted vis-à-vis the approved forecast and categorization of variations in performance into controllable and uncontrollable factors.

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

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



.....”

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

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

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

7.4 In regards to the Petitioner, it is submitted that actual data for the FY 2024-25 and CERC tariff orders have been considered in respect of own generation (Thermal & Hydel), bulk sale to licensees outside valley area, Power purchase from external sources, Retail Sale to consumers in Valley area, T&D loss etc. for the purpose of their respective estimated values for the entire MYT control period FY 2026-27 to FY 2030-31.

7.5 It was also submitted that for the purpose of Aggregate Revenue Requirement (ARR) for the entire MYT control period, actual data for FY 2024-25 has been considered and the trend for the past years considered for remainder of the year.

SALES AND DEMAND FORECAST

Petitioner’s Submission

7.6 The Petitioner has submitted that DVC supplies pooled power to its consumers and licensees receiving power via a radial mode within its operational area in the States of Jharkhand and West Bengal, primarily from its own generating stations. The balance demand is met through power procured from various sources.

7.7 It is submitted that the projected firm sale to consumers during the period from FY 2026-27 to FY 2030-31 is commensurate with the existing contract demand and consumption profile of consumers. The projections are based on actual consumption trends and the projected



increase in demand, derived through trend analysis of historical data for the State of Jharkhand.

- 7.8 In addition to organic growth in demand, a significant increase in industrial consumption is anticipated, particularly from the Steel Authority of India Limited (SAIL) in the Jharkhand region. SAIL has indicated an incremental demand of approximately 490 MW across Jharkhand and West Bengal, which is expected to materially augment the overall system demand beyond the trend-based projections.
- 7.9 The Petitioner submitted that the projected sale of DVC for the entire command area has been apportioned to Jharkhand and West Bengal part of the DVC based on the past trend and expected load growth in future. The consumption pattern (in MU) under different category and sub-category have been projected based on the actual load pattern for FY 2026-27.
- 7.10 The below mentioned table summarizes the projections made by the Petitioner for the area falling under the State of Jharkhand for Control period from FY 2026-27 to FY 2030-31.

Commission's Analysis

- 7.11 The Commission has scrutinized the data submitted by the Petitioner and, after due prudence check, has adopted the actual sales, number of consumers (supply points) and connected load for FY 2024-25 as the base year for approving the projections for FY 2026-27. The Commission notes that the information furnished for FY 2024-25 represents the actual operational position and consumption pattern in the Jharkhand command area.
- 7.12 The Commission observes that, the actual data for FY 2024-25 indicates a total consumption of 10,004.42 MU, with 222 supply points and an aggregate connected load of 1,804.95 MVA, spread across various voltage levels ranging from LT to 220 kV. The Commission is of the view that this actual data provides a reliable and realistic basis for assessing near-term sales and demand.
- 7.13 The Commission further notes that, no major change except for the projected increase certain consumer categories 11 kV and EHV industrial consumers in the consumer mix, voltage wise sales pattern or connected load has been demonstrated by the Petitioner for FY 2026-27. The sales continue to be predominantly at HV and EHV levels, which constitute the major share of total consumption. Accordingly, the Commission considers the projections submitted by



the Petitioner for FY 2026-27 to be reasonable and consistent with the actual performance observed during FY 2024-25.

7.14 In view of the above, the Commission has considered and approved the number of consumers, connected load and energy sales for FY 2026-27 as submitted by the Petitioner, as the same are in line with the true-up submissions for FY 2024-25 and are based on actual sales and demand parameters. Accordingly, the Commission has approved the Number of Consumer/Connection Points, Contract Demand and Energy Sales as tabulated below, subject to truing up based on audited accounts.

Table 56: Number of Consumer/Connection Point approved by the Commission for MYT Period (Nos.)

| Consumer Category | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|--------------------------|------------|------------|------------|------------|------------|
| LT | 5 | 5 | 5 | 5 | 5 |
| 11kV | 96 | 146 | 196 | 246 | 296 |
| Industries - 33 KV | 179 | 184 | 194 | 209 | 219 |
| Licensees - 33 KV | 0 | 0 | 0 | 0 | 0 |
| Industries - 132 KV | 9 | 11 | 12 | 14 | 14 |
| Licensees - 132 KV | 0 | 0 | 0 | 0 | 0 |
| Traction - 132 KV | 5 | 5 | 5 | 5 | 5 |
| Industries - 220 KV | 2 | 4 | 5 | 7 | 7 |
| TOTAL | 296 | 355 | 417 | 486 | 546 |

Table 57: Contract Demand approved by the Commission for MYT Period (MVA)

| Consumer Category | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|---------------------|----------------|----------------|----------------|----------------|----------------|
| | (kW) | (kW) | (kW) | (kW) | (kW) |
| LT | 7358.73 | 8278.58 | 9198.42 | 10118.26 | 11038.10 |
| | (MVA) | (MVA) | (MVA) | (MVA) | (MVA) |
| 11kV | 44.56 | 60.48 | 78.79 | 99.49 | 122.57 |
| Industries - 33 KV | 1226.11 | 1297.81 | 1369.50 | 1441.20 | 1441.20 |
| Licensees - 33 KV | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Industries - 132 KV | 204.64 | 218.70 | 232.76 | 246.82 | 260.88 |
| Licensees - 132 KV | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Traction - 132 KV | 87.63 | 87.63 | 87.63 | 87.63 | 87.63 |
| Industries - 220 KV | 322.53 | 330.33 | 352.75 | 522.45 | 557.56 |
| TOTAL | 1885.46 | 1994.95 | 2121.43 | 2397.59 | 2469.84 |

Note: Power Factor for LT Consumer Category is considered as 0.85 for conversion purpose.



Table 58: Energy Sales approved by the Commission for MYT Period (MUs)

| Consumer Category | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|---------------------|----------------|-----------------|-----------------|-----------------|-----------------|
| LT | 38.68 | 43.51 | 48.35 | 53.18 | 58.02 |
| 11kV | 90.69 | 123.09 | 160.35 | 202.47 | 249.46 |
| Industries - 33 KV | 6378.75 | 6481.75 | 7124.75 | 7497.75 | 7497.75 |
| Licensees - 33 KV | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Industries - 132 KV | 1018.35 | 1088.32 | 1158.29 | 1228.27 | 1298.24 |
| Licensees - 132 KV | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Traction - 132 KV | 263.15 | 258.21 | 253.26 | 248.32 | 243.38 |
| Industries - 220 KV | 2027.37 | 2076.42 | 2217.31 | 3284.03 | 3504.70 |
| TOTAL | 9816.98 | 10071.30 | 10962.31 | 12514.02 | 12851.54 |

Table 59: Share of firm Energy Sales in DVC Command Area (MUs)

| Particulars | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Energy Sales within the State of Jharkhand | 9816.98 | 10071.30 | 10962.31 | 12514.02 | 12851.54 |
| Energy Sales within the State of West Bengal | 8803.70 | 8982.83 | 9278.21 | 10709.23 | 11110.35 |
| Total Energy Sales in DVC Area | 18620.68 | 19054.13 | 20240.52 | 23223.25 | 23961.88 |

ENERGY BALANCE AND TRANSMISSION AND DISTRIBUTION LOSS

Petitioner's Submission

7.15 The Petitioner submitted that the composite transmission and distribution (T&D) loss level is proposed to be adjusted in the Damodar Valley command area falling within the States of Jharkhand and West Bengal by the Commission. The Petitioner submitted that this Commission may kindly consider the losses proposed to be incurred by DVC at the transmission and distribution levels in the retail supply of electricity and account for the same in a unified and equitable manner applicable to both the States of Jharkhand and West Bengal.

7.16 Further, the projected T&D losses are higher than those estimated for FY 2025-26 and exhibit an increasing trend during the period from FY 2026-27 to FY 2030-31. The increase in T&D losses is primarily attributable to the projected rise in the share of lower voltage sales, namely LT and 11 kV, during the MYT control period, as compared to sales at higher voltage levels



such as 33 kV, 132 kV and 220 kV. The projected voltage-wise sales mix and corresponding T&D loss trajectory have been duly worked out and are presented in the table below:

| Particulars | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|--|---------------|---------------|---------------|---------------|---------------|
| Sales % of LT and 11 kV in overall sales | 1.32% | 1.65% | 1.90% | 2.04% | 2.39% |
| Sales % of 33 kV, 132 kV and 220 kV in overall sales | 98.68% | 98.35% | 98.10% | 97.96% | 97.61% |
| Projected T&D Loss (%) | 3.52% | 3.60% | 3.65% | 3.82% | 3.96% |

Table 60: Energy Balance for MYT Control Period as submitted by the Petitioner (MUs)

| Particulars | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|--|---------------|---------------|---------------|---------------|---------------|
| Energy sales within the state of Jharkhand | 9816.98 | 10071.30 | 10962.31 | 12514.02 | 12851.54 |
| Energy sales within the state of West Bengal | 8803.70 | 8982.83 | 9278.21 | 10709.23 | 11110.35 |
| Total energy sales in DVC Area | 18620.68 | 19054.13 | 20240.52 | 23223.25 | 23961.88 |
| Energy wheeled | 1222.66 | 1240.66 | 1258.66 | 1276.66 | 1294.66 |
| Overall Utilization | 19843.34 | 20294.79 | 21499.18 | 24499.91 | 25256.55 |
| T&D loss (MU) | 724.00 | 758.53 | 815.15 | 972.45 | 1041.31 |
| T&D loss(%) | 3.52% | 3.60% | 3.65% | 3.82% | 3.96% |
| Total Energy Requirement for DVC | 20567.33 | 21053.31 | 22314.33 | 25472.36 | 26297.86 |

Commission's Analysis

7.17 The Commission has reviewed historical T&D loss level and previously approved targets. The Commission, after due consideration, provisionally approves the Transmission and Distribution (T&D) loss target of 3.0% on overall sales for each year of the Control Period. This approval is based on the actual T&D loss level approved for the ARR year, as determined in the Order on “True-up for FY 2023-24, Annual Performance Review for FY 2024-25, and Aggregate Revenue Requirement and Tariff for FY 2025-26,” issued on 27 May 2025, in respect of Damodar Valley Corporation (DVC). Further, the Petitioner shall be allowed to operate within the distribution loss of 3.50% on overall sales for the Control Period without any incentive/penalty, subject to the outcome of comprehensive study of historical T&D loss levels and prudence check during the annual True-up process.



7.18 The Commission directs the Petitioner to undertake a comprehensive and detailed study of the Transmission and Distribution losses within its area of supply for the entire previous Control Period. The study shall, inter-alia, include feeder-wise, voltage-wise and consumer-category-wise assessment of losses, identification of high-loss pockets, and analysis of technical and non-technical loss components. The Petitioner shall also examine the efficacy of the existing metering, billing and energy accounting system and propose specific loss reduction measures with clear timelines and quantifiable outcomes.

7.19 The Petitioner is further directed to submit the outcome of the aforesaid study, along with an actionable roadmap for reduction of T&D losses, to the Commission within such time period as may be specified by the Commission, and in any case, along with the subsequent Annual Performance Review / Tariff Petition. The Commission shall examine the findings of the study and may take an appropriate view on the T&D loss trajectory for future tariff determination, after due prudence check and in accordance with the applicable Tariff Regulations.

7.20 Based on the approved energy sales and approved T&D losses, the energy requirement for the MYT period from FY 2026-27 to FY 2030-31 has been summarized below.

Table 61: Energy Balance approved by the Commission for MYT Period (MUs)

| Particulars | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|--|---------------|---------------|---------------|---------------|---------------|
| Energy sales within the state of Jharkhand | 9816.98 | 10071.30 | 10962.31 | 12514.02 | 12851.54 |
| Energy sales within the state of West Bengal | 8803.70 | 8982.83 | 9278.21 | 10709.23 | 11110.35 |
| Total energy sales in DVC Area | 18620.68 | 19054.13 | 20240.52 | 23223.25 | 23961.88 |
| Overall Utilization | 18620.68 | 19054.13 | 20240.52 | 23223.25 | 23961.88 |
| Total Energy Requirement for DVC | 19196.57 | 19643.43 | 20866.52 | 23941.50 | 24702.97 |
| T&D loss (MU) | 575.90 | 589.30 | 626.00 | 718.24 | 741.09 |
| T&D loss (%) | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Energy wheeled | 1222.66 | 1240.66 | 1258.66 | 1276.66 | 1294.66 |

POWER GENERATION FROM OWN SOURCES

Petitioner's Submission

7.21 The Petitioner has submitted that; it generates power from its own stations to meet the power requirements of its consumers in the State of Jharkhand and West Bengal. The generating



stations include Thermal, Hydel and Renewable generating stations. The power generation projected from own generating stations during the MYT period has been summarized below.

Table 62: Power Generation from Own Stations submitted by Petitioner for MYT Period (MU)

| Station | Installed Capacity (MW) | FY | FY | FY | FY | FY |
|--------------------------------------|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| MTPS U# 1,2,3 | 630 | 3066.63 | 3805.86 | 3525.06 | 3769.90 | 3642.76 |
| MTPS U# 4 | 210 | 1321.24 | 1210.37 | 1321.24 | 1216.04 | 1312.51 |
| HYDEL | 147.20 | 281.37 | 278.61 | 257.26 | 254.84 | 264.87 |
| Solar PV KTPS (Ground Mounted) | 10 | 19.43 | 19.30 | 19.16 | 19.02 | 18.88 |
| Solar PV at Panchet (Ground Mounted) | 8 | 15.66 | 15.55 | 15.44 | 15.33 | 15.22 |
| Solar PV RTPS (Floating) | 10 | 14.78 | 19.57 | 19.43 | 19.30 | 19.16 |
| Solar PV MTPS (Floating) | 14 | 20.70 | 27.46 | 27.32 | 27.18 | 27.04 |
| Solar PV KTPS (Floating) | 6 | 11.83 | 11.69 | 11.55 | 11.41 | 11.27 |
| Solar PV - Konar (Ground Mounted) | 8 | 7.88 | 15.63 | 15.63 | 15.35 | 15.22 |
| Floating Solar PV at CTPS | 10 | 4.93 | 19.71 | 19.57 | 19.43 | 19.30 |
| Floating Solar PV at Maithon Dam | 234 | 0.00 | 125.04 | 248.33 | 493.16 | 489.66 |
| Floating Solar PV at Konar Dam | 228 | 0.00 | 0.00 | 243.67 | 487.00 | 480.51 |
| Sub Total | 1515.20 | 4764.44 | 5548.78 | 5723.66 | 6347.95 | 6316.40 |
| MTPS U#5 & 6 | 500 | 2038.41 | 2074.91 | 2003.84 | 2036.83 | 2072.11 |
| MTPS U#7&8 | 1000 | 746.86 | 976.31 | 743.37 | 688.01 | 739.95 |
| CTPS U# 7&8 | 500 | 1221.73 | 1261.91 | 1234.54 | 1232.78 | 1210.62 |
| DSTPS U # 1 & 2 | 1000 | 1716.40 | 1248.89 | 1807.99 | 1673.56 | 1631.50 |
| KTPS U# 1 & 2 | 1000 | 83.65 | 79.15 | 82.33 | 80.76 | 78.66 |
| BTPS 'A' | 500 | 1746.35 | 1707.94 | 1702.39 | 1707.15 | 1730.25 |
| RTPS U # 1 & 2 | 1200 | 267.83 | 422.63 | 102.99 | 270.38 | 265.28 |
| RTPS PH-II (2x 660 MW) | 1320 | 0.00 | 0.00 | 0.00 | 769.78 | 1002.62 |
| KTPS Ph-II (2X 800 MW) | 1600 | 0.00 | 0.00 | 774.68 | 1917.21 | 1772.83 |
| DTPS Ph-II (1X 800 MW) | 800 | 0.00 | 0.00 | 0.00 | 361.66 | 921.02 |
| Sub Total | 9420 | 7821.22 | 7771.73 | 8452.13 | 10738.11 | 11424.84 |
| GRAND TOTAL | 10935.20 | 12585.65 | 13320.51 | 14175.78 | 17086.06 | 17741.24 |



Commission's Analysis

7.22 The Commission has examined the submission made by the Petitioner and directed the Petitioner to elaborate the methodology followed for arriving at quantum of actual generation (MU) from its own plant for the MYT Control Period. The Petitioner in its reply submitted that projections have been made considering the past trend of generation and factors affecting the generation such as future load growth, Commissioning/ decommissioning of Units, outage hours due to maintenance schedules, fuel availability, system demand, FGD compliance etc.

7.23 The Petitioner further added that, they have projected yearly generation based on plant specific Units from individual generating stations to provide 24x7 power supply to consumers. The Petitioner has considered normative generation for each station as per CERC (Terms and conditions of Tariff) regulations, 2024 to arrive at ex-bus generation for the MYT Control Period (i.e. FY 2026-27 to FY 2030-31). Further, the Petitioner has submitted that while projecting own generation it has factored in the appropriate reserve capacity to ensure uninterrupted power supply to the consumers even in case of schedule shutdown of plants and fuel scarcity to a certain extent.

7.24 In view of the submissions made by the Petitioner and the details furnished in response to the Commission's directions, the Capacity and Power Generation from Own Stations as approved by the Commission for the MYT Control Period, based on the normative parameters and projections discussed above, are summarised in the table below.

Table 63: Power Generation from Own Stations approved by the Commission for MYT Period (MU)

| Station | Installed Capacity (MW) | FY | FY | FY | FY | FY |
|--------------------------------------|-------------------------|----------|----------|----------|----------|----------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| MTPS U# 1,2,3 | 630 | 3,066.63 | 3,805.86 | 3,525.06 | 3,769.90 | 3,642.76 |
| MTPS U# 4 | 210 | 1,321.24 | 1,210.37 | 1,321.24 | 1,216.04 | 1,312.51 |
| HYDEL | 147.20 | 281.37 | 278.61 | 257.26 | 254.84 | 264.87 |
| Solar PV KTPS (Ground Mounted) | 10 | 19.43 | 19.30 | 19.16 | 19.02 | 18.88 |
| Solar PV at Panchet (Ground Mounted) | 8 | 15.66 | 15.55 | 15.44 | 15.33 | 15.22 |
| Solar PV RTPS (Floating) | 10 | 14.78 | 19.57 | 19.43 | 19.30 | 19.16 |
| Solar PV MTPS (Floating) | 14 | 20.70 | 27.46 | 27.32 | 27.18 | 27.04 |
| Solar PV KTPS (Floating) | 6 | 11.83 | 11.69 | 11.55 | 11.41 | 11.27 |
| Solar PV - Konar (Ground Mounted) | 8 | 7.88 | 15.63 | 15.63 | 15.35 | 15.22 |



| Station | Installed Capacity (MW) | FY | FY | FY | FY | FY |
|----------------------------------|-------------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Floating Solar PV at CTPS | 10 | 4.93 | 19.71 | 19.57 | 19.43 | 19.30 |
| Floating Solar PV at Maithon Dam | 234 | - | 125.04 | 248.33 | 493.16 | 489.66 |
| Floating Solar PV at Konar Dam | 228 | - | - | 243.67 | 487.00 | 480.51 |
| Sub Total | 1515.20 | 4,764.44 | 5,548.78 | 5,723.66 | 6,347.95 | 6,316.40 |
| MTPS U#5 & 6 | 500 | 2,037.39 | 2,073.16 | 2,001.60 | 2,033.88 | 2,068.28 |
| MTPS U#7&8 | 1000 | 740.88 | 967.31 | 730.02 | 671.96 | 717.93 |
| CTPS U# 7&8 | 500 | 1,219.88 | 1,258.66 | 1,230.35 | 1,227.34 | 1,203.81 |
| DSTPS U # 1 & 2 | 1000 | 1,711.72 | 1,239.87 | 1,797.59 | 1,659.48 | 1,613.98 |
| KTPS U# 1 & 2 | 1000 | 76.99 | 68.44 | 67.60 | 62.00 | 55.35 |
| BTPS 'A' | 500 | 1,744.82 | 1,705.40 | 1,699.05 | 1,702.81 | 1,724.63 |
| RTPS U # 1 & 2 | 1200 | 260.56 | 410.73 | 86.96 | 248.99 | 238.51 |
| RTPS PH-II (2x 660 MW) | 1320 | - | - | - | 752.31 | 977.61 |
| KTPS Ph-II (2X 800 MW) | 1600 | - | - | 772.92 | 1,895.51 | 1,744.61 |
| DTPS Ph-II (1X 800 MW) | 800 | - | - | - | 354.75 | 907.04 |
| Sub Total | 9420 | 7,792.23 | 7,723.58 | 8,386.09 | 10,609.03 | 11,251.74 |
| GRAND TOTAL | 10,935.20 | 12,556.67 | 13,272.36 | 14,109.75 | 16,956.98 | 17,568.14 |

POWER PURCHASE FROM OTHER SOURCES

Petitioner's Submission

7.25 The Petitioner submitted that the balance energy demand is met through power purchase from other sources, viz., NTPC, NHPC, PTC, MPL etc. In case of contingency situation i.e. shortage of own generation or CSGS/MPL etc., DVC meets the real time demand by purchasing power from Power Exchange.

Table 64: Power Purchase from Other Sources projected by Petitioner for MYT Period (MU)

| Station | Allocation to DVC (MW) | FY | FY | FY | FY | FY |
|---------------|------------------------|---------|---------|---------|---------|---------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| NHPC | | | | | | |
| Rangit | 6 | 29.80 | 29.80 | 29.80 | 29.80 | 29.80 |
| Teesta | 44 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Teesta VI HEP | 12 | 0.00 | 13.29 | 57.60 | 57.60 | 57.60 |
| Parvati II | 29 | 113.27 | 113.27 | 113.27 | 113.27 | 113.27 |
| Kiru HEP | 15 | 27.31 | 54.62 | 54.62 | 54.62 | 54.62 |



| Station | Allocation to DVC (MW) | FY | FY | FY | FY | FY |
|---|------------------------|----------------|----------------|----------------|----------------|----------------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Rangit IV HEP | 5 | 21.16 | 21.16 | 21.16 | 21.16 | 21.16 |
| NTPC | | | | | | |
| TSTPS | 2 | 14.19 | 14.19 | 14.19 | 14.19 | 14.19 |
| PTC | | | | | | |
| Chukha | 28 | 175.97 | 175.97 | 175.97 | 175.97 | 175.97 |
| Kurichu | 30 | 25.73 | 25.73 | 25.73 | 25.73 | 25.73 |
| Tala | 56.51 | 152.95 | 152.95 | 152.95 | 152.95 | 152.95 |
| Punatsangchhu-II HEP | 137.5 | 470.39 | 470.39 | 470.39 | 470.39 | 470.39 |
| MPL | 150 | 1096.10 | 1096.10 | 1096.10 | 1096.10 | 1096.10 |
| KBUNL | 10 | 68.90 | 70.28 | 71.69 | 73.12 | 74.58 |
| Exchange Purchase | | 499.16 | 428.15 | 617.57 | 637.57 | 637.57 |
| NTPC Solar | 20 | 29.37 | 29.37 | 29.37 | 29.37 | 29.37 |
| NVVNL Solar | 20 | 26.22 | 26.22 | 26.22 | 26.22 | 26.22 |
| DVC Solar Rooftop (JEM) | 3.82 | 4.30 | 4.30 | 4.30 | 4.30 | 4.30 |
| GDAM Solar | 0 | 699.05 | 35.00 | 180.11 | 255.92 | 332.70 |
| GDAM Non- Solar | 0 | 486.43 | 300.11 | 120.12 | 259.25 | 337.02 |
| 1200 MW PSP + Solar project by GreenKo at Peenapuram/Kurnool/AP | 200 | 613.20 | 613.20 | 613.20 | 613.20 | 613.20 |
| 315 MW Solar power by NTPC REL at Kahvra, Gujarat | 100 | 291.88 | 291.88 | 291.88 | 291.88 | 291.88 |
| 310 MW Solar project at Panchet and Tilaya | 310 | 688.40 | 688.40 | 688.40 | 688.40 | 688.40 |
| Project developed by Avaada Inclean Pvt Ltd | 300 | 709.56 | 709.56 | 709.56 | 709.56 | 709.56 |
| Project developed by Renew Power Pvt Ltd | 200 | 464.28 | 464.28 | 464.28 | 464.28 | 464.28 |
| Project developed by Avaada Pvt Ltd | 50 | 166.44 | 166.44 | 166.44 | 166.44 | 166.44 |
| ACME Solar Capacity 250 MW in Rajasthan | 250 | 0.00 | 600.33 | 800.45 | 800.45 | 800.45 |
| Tilaiya Hydrel Station | 56.51 | 17.36 | 17.41 | 17.36 | 17.36 | 17.36 |
| REC Rate (Based on IEX Apr-25 to Sep-25) | 137.5 | | | | | |
| Projected Incidental charges | 150 | | | | | |
| POC TRANSMISSION CHARGES | 10 | | | | | |
| POSOCO Charges | 525.01 | | | | | |
| ULDC Charges | - | | | | | |
| Contribution to ERPC fund | - | | | | | |
| Gross Power Purchase (MU) | - | 6891.44 | 6612.42 | 7012.73 | 7249.11 | 7405.12 |



Commission's Analysis

- 7.26 The Commission vide deficiency letter directed the Petitioner to submit the detailed methodology for projection of Power Purchase from Other Sources for MYT Control Period. The Petitioner in its reply submitted the detail methodology of Power Purchase from Other Sources for MYT Control Period.
- 7.27 The Commission has determined that the balance energy requirement to be met through purchase of power from other sources after meeting the energy requirement from its own generation, for the MYT Control Period FY 2026-27 to FY 2030-31.
- 7.28 The Commission has examined the details submitted by the Petitioner with respect to Contingency Power procured from the Power Exchange for past years, the actual data for FY 2024-25 and the projections for the MYT Control Period. The Commission notes that contingency power procurement from the exchange has historically been maintained at a relatively limited level, ranging from 0.27% to 0.68% of total availability during FY 2020-21 to FY 2023-24.
- 7.29 However, the Commission observes that during FY 2024-25, the actual procurement of contingency power from the exchange has increased to 564.30 MU, constituting 1.34% of the total power availability. Further, the Petitioner has projected contingency power procurement at 499.16 MU (1.15%) for FY 2026-27, with similar levels continuing during the MYT Control Period, including 637.57 MU during FY 2028-29 and FY 2029-30.
- 7.30 The Commission notes that contingency power procurement from the exchange is primarily resorted to meet short-term system exigencies arising from forced outages, generation shortfall, or system reliability issues. While such procurement provides operational flexibility, increased reliance on exchange-based power exposes consumers to volatile market prices and may result in higher power purchase cost.
- 7.31 In view of the above, the Commission directs the Petitioner to prepare and submit a comprehensive plan, within the timeline specified by the Commission, detailing the measures proposed to minimise procurement of contingency power from the power exchange.
- 7.32 The Commission further observes that the Petitioner's own generation continues to constitute the dominant share of total power availability and is projected to increase substantially during the MYT period, particularly from FY 2029-30 onwards. In view of this, the Commission is
-
-



of the opinion that contingency requirements should, to the extent possible, be addressed through better planning, optimal scheduling and improved availability of own generating stations, rather than sustained dependence on market-based power procurement.

7.33 Accordingly, the balance energy requirement (after accounting for own generation) shall be met through purchase of power from Central Generating Stations (CGS) and other sources, as projected for the Control Period. The year-wise power purchase from other sources, as admitted for MYT purposes, station-wise net power purchase summarizes in table below:

Table 65: Power Purchase from Other Sources approved by the Commission for MYT Period (MU)

| Station | Allocation to DVC (MW) | FY | FY | FY | FY | FY |
|---|------------------------|----------|----------|----------|----------|----------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| NHPC | | | | | | |
| Rangit | 6 | 29.80 | 29.80 | 29.80 | 29.80 | 29.80 |
| Teesta | 44 | - | - | - | - | - |
| Teesta VI HEP | 12 | - | 13.29 | 57.60 | 57.60 | 57.60 |
| Parvati II | 29 | 113.27 | 113.27 | 113.27 | 113.27 | 113.27 |
| Kiru HEP | 15 | 27.31 | 54.62 | 54.62 | 54.62 | 54.62 |
| Rangit IV HEP | 5 | 21.16 | 21.16 | 21.16 | 21.16 | 21.16 |
| NTPC | | | | | | |
| TSTPS | 2 | 14.19 | 14.19 | 14.19 | 14.19 | 14.19 |
| PTC | | | | | | |
| Chukha | 28 | 175.97 | 175.97 | 175.97 | 175.97 | 175.97 |
| Kurichu | 30 | 25.73 | 25.73 | 25.73 | 25.73 | 25.73 |
| Tala | 56.51 | 152.95 | 152.95 | 152.95 | 152.95 | 152.95 |
| Punatsangchhu-II HEP | 137.5 | 470.39 | 470.39 | 470.39 | 470.39 | 470.39 |
| MPL | 150 | 1,096.10 | 1,096.10 | 1,096.10 | 1,096.10 | 1,096.10 |
| KBUNL | 10 | 68.90 | 70.28 | 71.69 | 73.12 | 74.58 |
| Exchange Purchase | | 499.16 | 428.15 | 617.57 | 637.57 | 637.57 |
| NTPC Solar | 20 | 29.37 | 29.37 | 29.37 | 29.37 | 29.37 |
| NVVNL Solar | 20 | 26.22 | 26.22 | 26.22 | 26.22 | 26.22 |
| DVC Solar Rooftop (JEM) | 3.82 | 4.30 | 4.30 | 4.30 | 4.30 | 4.30 |
| GDAM Solar | 0 | 699.05 | 35.00 | 180.11 | 255.92 | 332.70 |
| GDAM Non-Solar | 0 | 486.43 | 300.11 | 120.12 | 259.25 | 337.02 |
| 1200 MW PSP + Solar project by GreenKo at Peenapuram/Kurnool/AP | 200 | 613.20 | 613.20 | 613.20 | 613.20 | 613.20 |
| 315 MW Solar power by NTPC REL at Kahvra, Gujarat | 100 | 291.88 | 291.88 | 291.88 | 291.88 | 291.88 |
| 310 MW Solar project at Panchet and Tilaya | 310 | 688.40 | 688.40 | 688.40 | 688.40 | 688.40 |
| Project developed by Avaada Inclean Pvt Ltd | 300 | 709.56 | 709.56 | 709.56 | 709.56 | 709.56 |



| Station | Allocation to DVC (MW) | FY | FY | FY | FY | FY |
|--|------------------------|----------|----------|----------|----------|----------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Project developed by Renew Power Pvt Ltd | 200 | 464.28 | 464.28 | 464.28 | 464.28 | 464.28 |
| Project developed by Avaada Pvt Ltd | 50 | 166.44 | 166.44 | 166.44 | 166.44 | 166.44 |
| ACME Solar Capacity 250 MW in Rajasthan | 250 | - | 600.33 | 800.45 | 800.45 | 800.45 |
| Tilaiya Hydel Station | 56.51 | 17.36 | 17.41 | 17.36 | 17.36 | 17.36 |
| REC Rate (Based on IEX Apr-25 to Sep-25) | 137.5 | | | | | |
| Projected Incidental charges | 150 | | | | | |
| POC TRANSMISSION CHARGES | 10 | | | | | |
| POSOCO Charges | 525.01 | | | | | |
| ULDC Charges | - | | | | | |
| Contribution to ERPC fund | - | | | | | |
| Gross Power Purchase (MU) | - | 6,891.44 | 6,612.42 | 7,012.73 | 7,249.11 | 7,405.12 |

ENERGY SOLD (MU) TO OTHER LICENSEES

Petitioner's Submission

7.34 In line with the documents submitted, the Commission observes that apart from Jharkhand and West Bengal, the Petitioner is also selling electricity to other licensees through Bilateral sales and through exchange as follows:

Table 66: Energy sold (MU) to other Licensees submitted by the Petitioner for MYT Period (MU)

| Station | Allocation to DVC (MW) | FY | FY | FY | FY | FY |
|------------------------|------------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| MTPS U#5 & 6 | 500.00 | 1,003.99 | 1,021.97 | 986.97 | 1,003.21 | 1,020.59 |
| MTPS U# 7&8 | 1,000.00 | 5,925.07 | 5,253.49 | 5,897.40 | 5,458.21 | 5,870.32 |
| CTPS U# 7&8 | 500.00 | 1,832.59 | 1,892.86 | 1,851.81 | 1,849.17 | 1,815.93 |
| DSTPS U 1 & 2 | 1,000.00 | 4,640.53 | 5,262.84 | 4,595.73 | 4,788.05 | 4,667.72 |
| KTPS U# 1 & 2 | 1,000.00 | 6,608.52 | 6,253.02 | 6,504.05 | 6,380.23 | 6,214.14 |
| BTSP 'A' | 500.00 | 1,511.76 | 1,478.51 | 1,473.71 | 1,477.83 | 1,497.83 |
| RTPS U # 1 & 2 | 1,200.00 | 7,206.45 | 6,948.80 | 7,082.52 | 7,275.17 | 7,137.98 |
| RTPS PH-II (2x 660 MW) | 1,320.00 | - | - | - | 5,940.85 | 6,666.68 |
| KTPS Ph-II (2X 800 MW) | 1,600.00 | - | - | 774.68 | 7,378.90 | 7,523.28 |
| DTSP Ph-II (1X 800 MW) | 800.00 | - | - | - | 2,349.71 | 3,727.03 |
| Sub Total | 9,420.00 | 28,728.91 | 28,111.50 | 29,166.86 | 43,901.34 | 46,141.50 |



Commission's Analysis

7.35 In line with the documents placed on record, the Commission observes that, apart from sales within Jharkhand and West Bengal, the Petitioner (DVC) is also effecting sales to other licensees through bilateral transactions and through the power exchange. For the purpose of the present MYT determination, the Commission has taken into account such external sales while computing the energy balance. Further, since the Commission has considered Transmission & Distribution (T&D) losses at 3.00% for the Control Period, the impact of the revised loss level stands reflected in the quantum available for sale to other licensees.

7.36 Accordingly, the Energy sold (MU) to other Licensees Approved by the Commission for the MYT Period is tabulated below,

Table 67: Energy sold (MU) to other Licensees Approved by the Commission for MYT Period (MU)

| Station | Allocation to DVC (MW) | FY | FY | FY | FY | FY |
|------------------------|------------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| MTPS U#5 & 6 | 500.00 | 1,005.00 | 1,023.72 | 989.20 | 1,006.16 | 1,024.42 |
| MTPS U# 7&8 | 1,000.00 | 5,931.05 | 5,262.49 | 5,910.75 | 5,474.25 | 5,892.34 |
| CTPS U# 7&8 | 500.00 | 1,834.44 | 1,896.10 | 1,856.01 | 1,854.60 | 1,822.74 |
| DSTPS U 1 & 2 | 1,000.00 | 4,645.21 | 5,271.85 | 4,606.14 | 4,802.13 | 4,685.23 |
| KTPS U# 1 & 2 | 1,000.00 | 6,615.19 | 6,263.73 | 6,518.78 | 6,398.98 | 6,237.45 |
| BTPS 'A' | 500.00 | 1,513.29 | 1,481.05 | 1,477.05 | 1,482.18 | 1,503.45 |
| RTPS U # 1 & 2 | 1,200.00 | 7,213.72 | 6,960.71 | 7,098.55 | 7,296.56 | 7,164.76 |
| RTPS PH-II (2x 660 MW) | 1,320.00 | - | - | - | 5,958.32 | 6,691.69 |
| KTPS Ph-II (2X 800 MW) | 1,600.00 | - | - | 776.43 | 7,400.60 | 7,551.51 |
| DTPS Ph-II (1X 800 MW) | 800.00 | - | - | - | 2,356.62 | 3,741.02 |
| Sub Total | 9,420.00 | 28,757.89 | 28,159.65 | 29,232.90 | 44,030.42 | 46,314.60 |

7.37 Based on the energy requirement and energy availability from its own generation, T&D losses and power purchase from CSGS and other sources, the energy balance for FY 2026-27 to FY 2030-31, as submitted by the Petitioner, and as per Commission's analysis, is summarized in the following table:



Table 68: Energy Balance approved by the Commission for MYT Control Period (MU)

| Particulars | Approved by the Commission | | | | |
|--|----------------------------|-----------|-----------|-----------|-----------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| A. Energy Requirement | | | | | |
| Energy sales within the state of Jharkhand | 9,816.98 | 10,071.30 | 10,962.31 | 12,514.02 | 12,851.54 |
| Energy sales within the state of West Bengal | 8,803.70 | 8,982.83 | 9,278.21 | 10,709.23 | 11,110.35 |
| Total energy sales in DVC Area | 18,620.68 | 19,054.13 | 20,240.52 | 23,223.25 | 23,961.88 |
| Overall Utilization | 18,620.68 | 19,054.13 | 20,240.52 | 23,223.25 | 23,961.88 |
| Total Energy Requirement for DVC | 19,196.57 | 19,643.43 | 20,866.52 | 23,941.50 | 24,702.97 |
| T&D loss (MU) | 575.90 | 589.30 | 626.00 | 718.24 | 741.09 |
| T&D loss(%) | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Energy wheeled | 1,222.66 | 1,240.66 | 1,258.66 | 1,276.66 | 1,294.66 |
| B. Energy Availability | | | | | |
| Own Generation-Firm sources: | | | | | |
| Thermal | 40,937.99 | 40,899.46 | 42,465.29 | 59,625.38 | 62,521.62 |
| Hydel | 281.37 | 278.61 | 257.26 | 254.84 | 264.87 |
| Solar | 95.21 | 253.94 | 620.10 | 1,107.18 | 1,096.26 |
| Sub Total | 41,314.57 | 41,432.01 | 43,342.65 | 60,987.40 | 63,882.74 |
| Net Power Purchase (including UI) | 6,639.90 | 6,371.07 | 6,756.77 | 6,984.52 | 7,134.83 |
| Energy received for Wheeling | 1,358.51 | 1,378.51 | 1,398.51 | 1,418.51 | 1,438.51 |
| Less: Energy sold to beneficiaries and short-term sale | 28,757.89 | 28,159.65 | 29,232.90 | 44,030.42 | 46,314.60 |
| Total Energy Available for DVC | 19,196.57 | 19,643.43 | 20,866.52 | 23,941.50 | 24,702.97 |

POWER PURCHASE COST FROM OWN GENERATION

Petitioner's Submission

7.38 DVC constituted under the DVC Act, 1948. As per Section 79 (1) (a) of the Electricity Act, 2003, and the tariff for generation of electricity from DVC plants is determined by Hon'ble CERC.

7.39 The Petitioner submitted that it has considered own generation cost based on the input cost as per the tariff petitions submitted before the Hon'ble CERC for the period FY 2024-29. In addition to above, for the period of FY 2029-30 and FY 2030-31 input costs have been projected based on past trend of tariff as submitted before CERC for the period from FY 2024-29. The Petitioner has also requested leave to revise the input cost of ARR related to own



generation and T&D System on the issuance of tariff order by Hon'ble CERC for above said relevant periods.

7.40 While computing the Energy Charge Rate (ECR) of different thermal generating stations, the Petitioner has relied on the stipulated formula of CERC and yearly escalation factor of 3.91%. The yearly escalation for cost of coal during the period from FY 2021-22 to FY 2025-26 has been arrived at taking into consideration the average escalation in coal cost for competitive bidding during FY 2016-17 to FY 2020-21 in line with the methodology adopted by the Commission in its earlier order.

7.41 Fixed Charges projected by Petitioner for MYT Period for FY 2026-27 to FY 2030-2031 are tabulated below:

Table 69: Fixed Charge projected by Petitioner for MYT Period (Rs. Cr.)

| STATION | Total AFC as per Petitioner | | | | |
|------------------------|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
| | Projected | Projected | Projected | Projected | Projected |
| MTPS U#1 to 3 | 751.45 | 786.58 | 816.35 | 858.73 | 903.53 |
| MTPS U# 4 | 256.10 | 274.26 | 289.30 | 308.51 | 329.10 |
| MHS | 89.86 | 102.19 | 112.99 | 124.66 | 137.53 |
| PHS | 94.11 | 99.20 | 104.33 | 114.68 | 126.05 |
| THS | 13.66 | 14.57 | 18.84 | 20.09 | 21.42 |
| T & D System | 1,229.88 | 1,289.90 | 1,350.21 | 1,421.56 | 1,499.58 |
| SUB-TOTAL | 2,435.04 | 2,566.70 | 2,692.01 | 2,848.21 | 3,017.21 |
| MTPS U#5 & 6 | 424.49 | 437.56 | 450.48 | 465.92 | 481.93 |
| MTPS U# 7&8 | 143.84 | 196.81 | 133.18 | 129.01 | 124.99 |
| CTPS U # 7,8 | 297.35 | 278.52 | 315.71 | 326.72 | 338.12 |
| DSTPS U # 1& 2 | 399.84 | 232.95 | 330.42 | 300.63 | 298.18 |
| KTPS U # 1 & 2 | 20.62 | 16.77 | 15.23 | 14.75 | 14.28 |
| BTPS 'A' | 549.60 | 549.61 | 553.74 | 556.62 | 559.52 |
| RTPS U # 1 & 2 | 69.06 | 109.66 | 27.61 | 69.38 | 69.74 |
| RTPS PH-II (2x 660 MW) | - | - | - | 337.72 | 440.42 |
| KTPS Ph-II (2X 800 MW) | - | - | - | 628.25 | 581.67 |
| DTPS Ph-II (1X 800 MW) | - | - | - | 118.11 | 301.16 |
| SUB-TOTAL | 1,904.79 | 1,821.88 | 2,080.87 | 2,947.12 | 3,210.01 |
| GRAND TOTAL | 4,339.83 | 4,388.58 | 4,772.88 | 5,795.34 | 6,227.22 |



7.42 Energy Charges projected by Petitioner for MYT Period for FY 2026-27 to FY 2030-2031 are tabulated below:

Table 70: Energy Charge projected by Petitioner for MYT Period

| Station | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| | ECR (P/kWh) |
| | Projected | Projected | Projected | Projected | Projected |
| MTPS U#1 to 3 | 378.19 | 378.19 | 378.19 | 378.19 | 378.19 |
| MTPS U# 4 | 378.69 | 378.69 | 378.69 | 378.69 | 378.69 |
| Solar PV KTPS (Ground Mounted) | 420.00 | 420.00 | 420.00 | 420.00 | 420.00 |
| Solar PV at Panchet (Ground Mounted) | 362.00 | 362.00 | 362.00 | 362.00 | 362.00 |
| Solar PV RTPS (Floating) | 465.00 | 465.00 | 465.00 | 465.00 | 465.00 |
| Solar PV MTPS (Floating) | 323.00 | 323.00 | 323.00 | 323.00 | 323.00 |
| Solar PV KTPS (Floating) | 416.00 | 416.00 | 416.00 | 416.00 | 416.00 |
| Solar PV - Konar (Ground Mounted) | 284.00 | 284.00 | 284.00 | 284.00 | 284.00 |
| Floating Solar PV at CTPS | 321.00 | 321.00 | 321.00 | 321.00 | 321.00 |
| Floating Solar PV at Maithon Dam | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 |
| Floating Solar PV at Konar Dam | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 |
| MTPS U#5 & 6 | 364.42 | 364.42 | 364.42 | 364.42 | 364.42 |
| MTPS U# 7&8 | 333.32 | 333.32 | 333.32 | 333.32 | 333.32 |
| CTPS U# 7&8 | 346.07 | 346.07 | 346.07 | 346.07 | 346.07 |
| DSTPS U 1 & 2 | 345.54 | 345.54 | 345.54 | 345.54 | 345.54 |
| KTPS U# 1 & 2 | 306.19 | 306.19 | 306.19 | 306.19 | 306.19 |
| BTPS 'A' | 296.77 | 296.77 | 296.77 | 296.77 | 296.77 |
| RTPS U # 1 & 2 | 338.22 | 338.22 | 338.22 | 338.22 | 338.22 |
| RTPS PH-II (2x 660 MW) | | | - | 324.01 | 324.01 |
| KTPS Ph-II (2X 800 MW) | | | 324.01 | 324.01 | 324.01 |
| DTPS Ph-II (1X 800 MW) | | | - | 324.01 | 324.01 |

Commission's Analysis

7.43 The Commission observed that the Petitioner being a statutory body is controlled by the Central Government as envisaged under section 79 (1) (a) of the Electricity Act, 2003, the tariff for generation of electricity is to be decided by Hon'ble CERC. Similarly, in regard to the inter-State transmission & distribution being an integrated activity, the Petitioner will again be regulated by CERC and tariff for composite and unified T&D system is to be determined by CERC in terms of Section 79 (1) (c) and (d) of the Electricity Act, 2003. In



regard to retail sale and supply of electricity, DVC will be governed by the provisions of Section 62 read with Section 86 (1) of the Electricity Act, 2003 by the respective State Commissions, namely, the State Commissions in the State of Jharkhand and West Bengal. Accordingly, the generation and transmission tariff of the Petitioner as may be determined by CERC will be an input cost based on which the retail supply tariff is prepared.

7.44 The Commission has considered the actual Fixed charges as placed on record with the Petitioner's True-up Petition dated 28.11.2025, supported by audited certificates, for determining the parameters of own generation for the MYT Control Period FY 2026-27 to FY 2030-31. It is observed that the Central Commission has not issued tariff orders for FY 2024-25 and onwards for several generating stations; accordingly, in the absence of such orders and in view of the available audited actual charges, the Commission has adopted the FY 2024-25 actuals for projection in respect of most generating stations, except where a Central Commission order for FY 2024-25 is available.

7.45 For KTPS Solar (Ground-mounted, 10 MW), the Commission has adopted Rs./kWh 4.20 as per the Central Commission's order dated 23.03.2025. For Panchet Solar (Ground-mounted, 8 MW), the Commission has adopted Rs./kWh 3.62 as per the Central Commission's order dated 20.03.2025. The Petitioner has placed the same in the MYT Petition (reference: Annexure-5, page 157), and the Commission has taken the said tariffs on record for ARR projection.

7.46 The Commission has computed station-wise Fixed Charges recoverable under retail supply by applying the Central Commission-approved methodology and multiplying the admissible Fixed Charges by the percentage share of generation attributable to firm consumers of the Petitioner's distribution business, as demonstrated in the Petitioner's submissions.

7.47 For plants where projected yearly availability (PAFY) has been submitted by the Petitioner in the True-up for FY 2024-25 on a normative basis, the Commission has applied the said PAFY for ARR projection, with final admissibility to be determined at the time of truing-up based on actual PAFY/PAFM as per applicable norms of CERC and certified schedules.

7.48 Fixed Charges have been computed by taking NAPAF/Normative Availability as submitted by the Petitioner in the True-up Petition for FY 2024-25, strictly for projection in the MYT period. The same shall be subject to prudence check against audited performance and final CERC orders and regulatory orders at truing-up.



7.49 The Commission has provisionally excluded the claims pertaining to Ash-related expenditure, Pension & Gratuity (P&G), Sinking Fund, and FGD-related charges from Fixed Charges as their reconciliation falls in the jurisdiction of CERC. These shall be considered at truing-up subject to audited evidence, CERC regulatory admissibility, and final orders of the competent Commission(s).

7.50 The Commission considered that, the FGD (Flue Gas Desulphurisation) cost is stated to be under consideration before the CERC; accordingly, FGD-related FC impact is disallowed at this stage, with liberty to be considered at truing-up upon approval by the Central Electricity Regulatory Commission and placement of audited records in support thereof.

7.51 For projection within the Control Period FY 2026-27 to FY 2030-31, the FC has been escalated at 2% per annum, in line with the established regulatory exercise and the prevailing approach adopted in comparable determinations of the CERC for projection of fixed charges. The station-wise FC so adopted shall be provisional and shall be trued-up on the basis of audited accounts, certified availability, and final tariff orders, after due prudence check. Accordingly, the Fixed Charges base for each station as considered in this Order is tabulated below:

| S. No. | Generating Station | Fixed Cost (FC) |
|--------|--------------------|--|
| 1 | MTPS U#1 to 3 | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 2 | MTPS U# 4 | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 3 | MHS | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 4 | PHS | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 5 | THS | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |



| S. No. | Generating Station | Fixed Cost (FC) |
|--------|------------------------|--|
| 6 | T&D System | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 7 | MTPS U#5 & 6 | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 8 | MTPS U# 7&8 | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 9 | CTPS U# 7&8 | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 10 | DSTPS U 1 & 2 | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 11 | KTPS U# 1 & 2 | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 12 | BTPS 'A' | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 13 | RTPS U # 1 & 2 | Audited value as submitted by the Petitioner for FY 2024-25 in the True-up petition as the base year value. The said value has been escalated by 2% for FY 2026-27 and further escalated at the same rate of 2% per annum for each year of the MYT Control Period. |
| 14 | RTPS PH-II (2x 660 MW) | As the plant is yet to be Commissioned hence FC is considered as per submission made by the Petitioner, subject to True Up as per CERC orders. |
| 15 | KTPS Ph-II (2X 800 MW) | As the plant is yet to be Commissioned hence FC is considered as per submission made by the Petitioner, subject to True Up as per CERC orders. |
| 16 | DTPS Ph-II (1X 800 MW) | As the plant is yet to be Commissioned hence FC is considered as per submission made by the Petitioner, subject to True Up as per CERC orders. |



7.52 The Commission has adopted the Energy Charges (ECR) for DVC’s own generating stations on the basis of the FY 2024-25 actuals as placed on record in the Petitioner’s True-up filing, without any inter-year escalation for the MYT Control Period FY 2026-27 to FY 2030-31.

7.53 For RTPS Floating, Konar Ground-Mounted, CTPS Floating, Konar Floating, Maithon Floating, and other similarly placed assets scheduled for Commissioning in FY 2026-27, the Commission has considered the ECR as submitted by the Petitioner for projection purposes, with the explicit stipulation that the same shall be trued-up on the basis of actual Commissioning date, put-to-use, audited unit energy cost, and final orders, as may be applicable.

7.54 Accordingly, the Energy Charges base for each station as considered in this Order is tabulated below:

| S. No. | Generating Station | Energy Charge Rate (ECR) |
|--------|--------------------------------------|---|
| 1 | MTPS U#1 to 3 | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 2 | MTPS U# 4 | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 3 | Solar PV KTPS (Ground Mounted) | As per CERC order 2025 |
| 4 | Solar PV at Panchet (Ground Mounted) | As per CERC order 2025 |
| 5 | Solar PV RTPS (Floating) | As the plant is yet to be Commissioned, ECR is provisionally approved as per the submission made by the Petitioner and will be adjusted in the True Up, APR and ARR for the respective years as per CERC order. |
| 6 | Solar PV MTPS (Floating) | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 7 | Solar PV KTPS (Floating) | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 8 | Solar PV - Konar (Ground Mounted) | As the plant is yet to be Commissioned, ECR is provisionally approved as per the submission made by the Petitioner and will be adjusted in the True Up, APR and ARR for the respective years as per CERC order. |
| 9 | Floating Solar PV at CTPS | As the plant is yet to be Commissioned, ECR is provisionally approved as per the submission made by the Petitioner and will be adjusted in the True Up, APR and ARR for the respective years as per CERC order. |



| S. No. | Generating Station | Energy Charge Rate (ECR) |
|--------|----------------------------------|---|
| 10 | Floating Solar PV at Maithon Dam | As the plant is yet to be Commissioned, ECR is provisionally approved as per the submission made by the Petitioner and will be adjusted in the True Up, APR and ARR for the respective years as per CERC order. |
| 11 | Floating Solar PV at Konar Dam | As the plant is yet to be Commissioned, ECR is provisionally approved as per the submission made by the Petitioner and will be adjusted in the True Up, APR and ARR for the respective years as per CERC order. |
| 12 | MTPS U#5 & 6 | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 13 | MTPS U# 7&8 | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 14 | CTPS U# 7&8 | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 15 | DSTPS U 1 & 2 | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 16 | KTPS U# 1 & 2 | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 17 | BTPS 'A' | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 18 | RTPS U # 1 & 2 | Audited value as per submitted by Petitioner for FY 2024-25 in True up Petition. |
| 19 | RTPS PH-II (2x 660 MW) | As the plant is yet to be Commissioned hence ECR considered as per submission made by the Petitioner which is avg. of MTPS U# 7&8, DSTPS U 1 & 2, KTPS U# 1 & 2, BTPS 'A', RTPS U # 1 & 2. Subject to True Up as per CERC orders. |
| 20 | KTPS Ph-II (2X 800 MW) | As the plant is yet to be Commissioned hence ECR considered as per submission made by the Petitioner which is avg. of MTPS U# 7&8, DSTPS U 1 & 2, KTPS U# 1 & 2, BTPS 'A', RTPS U # 1 & 2. Subject to True Up as per CERC orders. |
| 21 | DTPS Ph-II (1X 800 MW) | As the plant is yet to be Commissioned hence ECR considered as per submission made by the Petitioner which is avg. of MTPS U# 7&8, DSTPS U 1 & 2, KTPS U# 1 & 2, BTPS 'A', RTPS U # 1 & 2. Subject to True Up as per CERC orders. |

7.55 On basis of the above consideration, computed Fixed Charges and Energy charges are as below:



Table 71: Annual Fixed Charges Approved by the Commission for MYT Period (Rs. Cr.)

| Station | Total AFC as per the Commission | | | | |
|------------------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| MTPS U#1 to 3 | 459.97 | 469.17 | 478.56 | 488.13 | 497.89 |
| MTPS U# 4 | 149.62 | 152.61 | 155.66 | 158.78 | 161.95 |
| MHS | 43.64 | 44.51 | 45.40 | 46.31 | 47.24 |
| PHS | 40.50 | 41.31 | 42.14 | 42.98 | 43.84 |
| THS | 12.94 | 13.20 | 13.47 | 13.74 | 14.01 |
| T & D System | 466.83 | 476.17 | 485.69 | 495.41 | 505.32 |
| MTPS U#5 & 6 | 249.43 | 254.34 | 259.35 | 264.45 | 269.63 |
| MTPS U# 7&8 | 112.04 | 159.80 | 115.40 | 117.06 | 118.62 |
| CTPS U# 7&8 | 207.17 | 211.09 | 215.14 | 219.22 | 223.33 |
| DSTPS U 1 & 2 | 268.39 | 193.58 | 291.10 | 271.65 | 276.43 |
| KTPS U# 1 & 2 | 12.29 | 11.78 | 11.41 | 10.88 | 10.17 |
| BTPS 'A' | 395.63 | 403.30 | 411.17 | 419.14 | 427.22 |
| RTPS U # 1 & 2 | 47.19 | 76.93 | 17.04 | 47.40 | 47.20 |
| RTPS PH-II (2x 660 MW) | - | - | - | 330.06 | 429.44 |
| KTPS Ph-II (2X 800 MW) | - | - | 253.92 | 621.14 | 572.41 |
| DTPS Ph-II (1X 800 MW) | - | - | - | 115.85 | 296.59 |
| Total | 2,465.65 | 2,507.78 | 2,795.43 | 3,662.19 | 3,941.28 |

Table 72: Energy Charges (P/kWh) Approved by the Commission for MYT Period

| Station | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|--------------------------------------|---------|---------|---------|---------|---------|
| MTPS U#1 to 3 | 378.19 | 378.19 | 378.19 | 378.19 | 378.19 |
| MTPS U# 4 | 378.69 | 378.69 | 378.69 | 378.69 | 378.69 |
| Solar PV KTPS (Ground Mounted) | 420.00 | 420.00 | 420.00 | 420.00 | 420.00 |
| Solar PV at Panchet (Ground Mounted) | 362.00 | 362.00 | 362.00 | 362.00 | 362.00 |
| Solar PV RTPS (Floating) | 465.00 | 465.00 | 465.00 | 465.00 | 465.00 |
| Solar PV MTPS (Floating) | 323.00 | 323.00 | 323.00 | 323.00 | 323.00 |
| Solar PV KTPS (Floating) | 416.00 | 416.00 | 416.00 | 416.00 | 416.00 |
| Solar PV - Konar (Ground Mounted) | 284.00 | 284.00 | 284.00 | 284.00 | 284.00 |
| Floating Solar PV at CTPS | 321.00 | 321.00 | 321.00 | 321.00 | 321.00 |
| Floating Solar PV at Maithon Dam | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 |
| Floating Solar PV at Konar Dam | 350.00 | 350.00 | 350.00 | 350.00 | 350.00 |
| MTPS U#5 & 6 | 364.42 | 364.42 | 364.42 | 364.42 | 364.42 |
| MTPS U# 7&8 | 333.32 | 333.32 | 333.32 | 333.32 | 333.32 |
| CTPS U# 7&8 | 346.07 | 346.07 | 346.07 | 346.07 | 346.07 |
| DSTPS U 1 & 2 | 345.54 | 345.54 | 345.54 | 345.54 | 345.54 |



True-up for FY 2024-25, APR for FY 2025-26, MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27

| Station | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|------------------------|---------|---------|---------|---------|---------|
| KTPS U# 1 & 2 | 306.19 | 306.19 | 306.19 | 306.19 | 306.19 |
| BTPS 'A' | 296.77 | 296.77 | 296.77 | 296.77 | 296.77 |
| RTPS U # 1 & 2 | 338.22 | 338.22 | 338.22 | 338.22 | 338.22 |
| RTPS PH-II (2x 660 MW) | - | - | - | 324.01 | 324.01 |
| KTPS Ph-II (2X 800 MW) | - | - | 324.01 | 324.01 | 324.01 |
| DTPS Ph-II (1X 800 MW) | - | - | - | 324.01 | 324.01 |

7.56 Therefore, the Total Cost of Energy Charges approved by the Commission are as follows:

Table 73: Cost of Energy Charge Approved by the Commission for MYT Period (Rs. Cr.)

| Station | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| MTPS U#1 to 3 | 1,159.77 | 1,439.34 | 1,333.15 | 1,425.74 | 1,377.66 |
| MTPS U# 4 | 500.34 | 458.36 | 500.34 | 460.50 | 497.04 |
| Solar PV KTPS (Ground Mounted) | 8.16 | 8.10 | 8.05 | 7.99 | 7.93 |
| Solar PV at Panchet (Ground Mounted) | 5.67 | 5.63 | 5.59 | 5.55 | 5.51 |
| Solar PV RTPS (Floating) | 6.87 | 9.10 | 9.04 | 8.97 | 8.91 |
| Solar PV MTPS (Floating) | 6.68 | 8.87 | 8.82 | 8.78 | 8.73 |
| Solar PV KTPS (Floating) | 4.92 | 4.86 | 4.80 | 4.75 | 4.69 |
| Solar PV - Konar (Ground Mounted) | 2.24 | 4.44 | 4.44 | 4.36 | 4.32 |
| Floating Solar PV at CTPS | 1.58 | 6.33 | 6.28 | 6.24 | 6.19 |
| Floating Solar PV at Maithon Dam | - | 43.76 | 86.92 | 172.61 | 171.38 |
| Floating Solar PV at Konar Dam | - | - | 85.28 | 170.45 | 168.18 |
| MTPS U#5 & 6 | 742.47 | 755.51 | 729.43 | 741.19 | 753.73 |
| MTPS U# 7&8 | 246.95 | 322.43 | 243.33 | 223.98 | 239.30 |
| CTPS U# 7&8 | 422.17 | 435.59 | 425.79 | 424.75 | 416.61 |
| DSTPS U 1 & 2 | 591.46 | 428.42 | 621.14 | 573.41 | 557.69 |
| KTPS U# 1 & 2 | 23.57 | 20.96 | 20.70 | 18.98 | 16.95 |
| BTPS 'A' | 517.80 | 506.11 | 504.22 | 505.34 | 511.81 |
| RTPS U # 1 & 2 | 88.13 | 138.91 | 29.41 | 84.21 | 80.67 |
| RTPS PH-II (2x 660 MW) | - | - | - | 243.75 | 316.75 |
| KTPS Ph-II (2X 800 MW) | - | - | 250.43 | 614.16 | 565.26 |
| DTPS Ph-II (1X 800 MW) | - | - | - | 114.94 | 293.89 |
| Total | 4,328.80 | 4,596.72 | 4,877.16 | 5,820.65 | 6,013.20 |



POWER PURCHASE COST FOR DVC (OTHER THAN OWN GENERATION STATION)

Petitioner's Submission

7.57 The Petitioner submitted that the power purchase cost from different Central Sector Generating Station, MPL etc. have been considered on projection basis for the FY 2024- 29 period based on the tariff petitions submitted by them before CERC. For the period from FY 2029-30 and FY 2030-31 the cost has been projected based on trend analysis.

7.58 The Petitioner submitted that the tariff payable to Power Grid Corporation is also an input cost in addition to the cost of purchase of power in the determination of the distribution and retail supply of electricity in the Damodar Valley Area. Accordingly, the Petitioner has projected the Transmission charges for the MYT Period from FY 2026-27 to FY 2030-31.

Table 74: Submitted by Petitioner Projected Power Purchase details from Non Renewable Sources for FY 2026-27 to 2030-31 (in MU)

| Station | Allocation to DVC | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|--|-------------------|--------------|--------------|--------------|--------------|--------------|
| | | Projected | Projected | Projected | Projected | Projected |
| NHPC | | | | | | |
| Rangit | 6.00 | 29.80 | 29.80 | 29.80 | 29.80 | 29.80 |
| Teesta | 44.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Teesta VI HEP | 12.00 | 0.00 | 13.29 | 57.60 | 57.60 | 57.60 |
| Parvati II | 29.00 | 113.27 | 113.27 | 113.27 | 113.27 | 113.27 |
| Kiru HEP | 15.00 | 27.31 | 54.62 | 54.62 | 54.62 | 54.62 |
| Rangit IV HEP | 5.00 | 21.16 | 21.16 | 21.16 | 21.16 | 21.16 |
| NTPC | | | | | | |
| TSTPS | 2.00 | 14.19 | 14.19 | 14.19 | 14.19 | 14.19 |
| PTC | | | | | | |
| Chukha | 28.00 | 175.97 | 175.97 | 175.97 | 175.97 | 175.97 |
| Kurichu | 30.00 | 25.73 | 25.73 | 25.73 | 25.73 | 25.73 |
| Tala | 56.51 | 152.95 | 152.95 | 152.95 | 152.95 | 152.95 |
| Punatsangchhu-II HEP | 137.50 | 470.39 | 470.39 | 470.39 | 470.39 | 470.39 |
| MPL | 150.00 | 1096.10 | 1096.10 | 1096.10 | 1096.10 | 1096.10 |
| KBUNL | 10.00 | 68.90 | 70.28 | 71.69 | 73.12 | 74.58 |
| Total | 525.01 | 2195.77 | 2237.75 | 2283.46 | 2284.89 | 2286.36 |
| Grid loss @ 3.65% for LTA | | 80.15 | 81.68 | 83.35 | 83.40 | 83.45 |
| Contingency Power from Exchange or from Short Term Sources (Gross) | | 499.16 | 428.15 | 617.57 | 637.57 | 637.57 |



True-up for FY 2024-25, APR for FY 2025-26, MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27

| Station | Allocation to DVC | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|-------------------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|
| | | Projected | Projected | Projected | Projected | Projected |
| Contingency Power (Net) Loss @3.65% | | 18.22 | 15.63 | 22.54 | 23.27 | 23.27 |
| Net Power Purchase (MU) | | 2596.56 | 2568.60 | 2795.15 | 2815.80 | 2817.21 |

Table 75: Submitted by Petitioner Projected Power Purchase from Renewable Sources for 2026-27 to 2030-31 (in MU)

| ITEM | Allocation to DVC (MW) | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|---|------------------------|----------------|----------------|----------------|----------------|----------------|
| | | Projected | Projected | Projected | Projected | Projected |
| NTPC Solar | 20.00 | 29.37 | 29.37 | 29.37 | 29.37 | 29.37 |
| NVVNL Solar | 20.00 | 26.22 | 26.22 | 26.22 | 26.22 | 26.22 |
| DVC Solar Rooftop (JEM) | 3.82 | 4.30 | 4.30 | 4.30 | 4.30 | 4.30 |
| GDAM Solar | 0.00 | 699.05 | 35.00 | 180.11 | 255.92 | 332.70 |
| GDAM Non- Solar | 0.00 | 486.43 | 300.11 | 120.12 | 259.25 | 337.02 |
| 1200 MW PSP + Solar project by GreenKo at Peenapuram/Kurnool/AP | 200.00 | 613.20 | 613.20 | 613.20 | 613.20 | 613.20 |
| 315 MW Solar power by NTPC REL at Kahvra, Gujarat | 100.00 | 291.88 | 291.88 | 291.88 | 291.88 | 291.88 |
| 310 MW Solar project at Panchet and Tilaya | 310.00 | 688.40 | 688.40 | 688.40 | 688.40 | 688.40 |
| Project developed by Avaada Inclean Pvt Ltd | 300.00 | 709.56 | 709.56 | 709.56 | 709.56 | 709.56 |
| Project developed by Renew Power Pvt Ltd | 200.00 | 464.28 | 464.28 | 464.28 | 464.28 | 464.28 |
| Project developed by Avaada Pvt Ltd | 50.00 | 166.44 | 166.44 | 166.44 | 166.44 | 166.44 |
| ACME Solar Capacity 250 MW in Rajasthan | 250.00 | 0.00 | 600.33 | 800.45 | 800.45 | 800.45 |
| Sub-Total | 1453.82 | 4179.15 | 3929.11 | 4094.34 | 4309.28 | 4463.83 |
| STU loss for Solar Power @ 3.65% | | 152.54 | 143.41 | 149.44 | 157.29 | 162.93 |
| TOTAL SOLAR ENERGY AT DVC BUS | | 4026.61 | 3785.69 | 3944.89 | 4151.99 | 4300.90 |
| Balance solar RPO to be met by purchasing REC (MU) | | 768.59 | 1171.03 | 1309.45 | 1658.10 | 1696.90 |



Commission's Analysis

7.59 After meeting the energy requirement from own generation, the Commission has projected the balance energy requirement to be met through purchase of power from CSGS and other sources during MYT period from FY 2026-27 to FY 2030-31. Surplus power, if any, has been estimated to be sold at APPC of the Utility, subject to True-up based on audited accounts.

7.60 The Commission vide its deficiency letter directed the Petitioner to submit the detailed methodology followed in the computation of incidental charges related to power purchase viz. POC transmission charges, PTC Transmission Charges and ERPC fund. The Petitioner in its reply submitted that the Petitioner pays transmission charges to PGCIL for availing the transmission related services from PGCIL. In addition to that, DVC also pays Transmission charge to PTC for availing the service of dedicated transmission line used for conveying the power from Kurichu Hydro Station at Bhutan. Other charges include POSOCO charges and payment towards ERPC fund etc. for projection of incidental charges related to power purchase.

7.61 The Commission has scrutinized the submission made by the Petitioner and approves the power purchase and its rates including T&D cost in line with Petitioner claim, subject to prudence check at the time of truing up.

Table 76: Power Purchase from other Sources for 2026-27 to 2030-31 (in MU) approved by the Commission

| Station | Allocation to DVC (MW) | FY | FY | FY | FY | FY |
|---------------|------------------------|---------|---------|---------|---------|---------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| NHPC | | | | | | |
| Rangit | 6 | 28.71 | 28.71 | 28.71 | 28.71 | 28.71 |
| Teesta | 44 | - | - | - | - | - |
| Teesta VI HEP | 12 | - | 12.81 | 55.50 | 55.50 | 55.50 |
| Parvati II | 29 | 109.13 | 109.13 | 109.13 | 109.13 | 109.13 |
| Kiru HEP | 15 | 26.31 | 52.62 | 52.62 | 52.62 | 52.62 |
| Rangit IV HEP | 5 | 20.39 | 20.39 | 20.39 | 20.39 | 20.39 |
| NTPC | | - | - | - | - | - |
| TSTPS | 2 | 13.68 | 13.68 | 13.68 | 13.68 | 13.68 |
| PTC | | - | - | - | - | - |
| Chukha | 28 | 169.55 | 169.55 | 169.55 | 169.55 | 169.55 |
| Kurichu | 30 | 24.79 | 24.79 | 24.79 | 24.79 | 24.79 |



| Station | Allocation to DVC (MW) | FY | FY | FY | FY | FY |
|---|------------------------|----------|----------|----------|----------|----------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Tala | 56.51 | 147.36 | 147.36 | 147.36 | 147.36 | 147.36 |
| Punatsangchhu-II HEP | 137.5 | 453.22 | 453.22 | 453.22 | 453.22 | 453.22 |
| MPL | 150 | 1,056.09 | 1,056.09 | 1,056.09 | 1,056.09 | 1,056.09 |
| KBUNL | 10 | 66.39 | 67.72 | 69.07 | 70.45 | 71.86 |
| Exchange Purchase | | 480.94 | 412.53 | 595.03 | 614.30 | 614.30 |
| NTPC Solar | 20 | 28.30 | 28.30 | 28.30 | 28.30 | 28.30 |
| NVVNL Solar | 20 | 25.26 | 25.26 | 25.26 | 25.26 | 25.26 |
| DVC Solar Rooftop (JEM) | 3.82 | 4.14 | 4.14 | 4.14 | 4.14 | 4.14 |
| GDAM Solar | 0 | 673.54 | 33.72 | 173.54 | 246.58 | 320.56 |
| GDAM Non- Solar | 0 | 468.68 | 289.16 | 115.74 | 249.79 | 324.72 |
| 1200 MW PSP + Solar project by GreenKo at Peenapuram/Kurnool/AP | 200 | 590.82 | 590.82 | 590.82 | 590.82 | 590.82 |
| 315 MW Solar power by NTPC REL at Kahvra, Gujarat | 100 | 281.23 | 281.23 | 281.23 | 281.23 | 281.23 |
| 310 MW Solar project at Panchet and Tilaya | 310 | 663.28 | 663.28 | 663.28 | 663.28 | 663.28 |
| Project developed by Avaada Inclean Pvt Ltd | 300 | 683.66 | 683.66 | 683.66 | 683.66 | 683.66 |
| Project developed by Renew Power Pvt Ltd | 200 | 447.33 | 447.33 | 447.33 | 447.33 | 447.33 |
| Project developed by Avaada Pvt Ltd | 50 | 160.36 | 160.36 | 160.36 | 160.36 | 160.36 |
| ACME Solar Capacity 250 MW in Rajasthan | 250 | - | 578.42 | 771.23 | 771.23 | 771.23 |
| Tilaiya Hydel Station | 56.51 | 16.73 | 16.78 | 16.73 | 16.73 | 16.73 |
| Net Power Purchase (MU) | - | 6,639.90 | 6,371.07 | 6,756.77 | 6,984.52 | 7,134.83 |



Table 77: Energy Charge Rate for Power Purchase from Other Sources approved by the Commission (Paise/kWh)

| Station | Rate (Paise/kWh) | | | | |
|---|------------------|------------|------------|------------|------------|
| | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
| NHPC | | | | | |
| Rangit | 421.10 | 426.59 | 432.23 | 442.63 | 448.55 |
| Teesta | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Teesta VI HEP | 0.00 | 407.00 | 407.00 | 407.00 | 407.00 |
| Parvati II | 614.00 | 614.00 | 614.00 | 614.00 | 614.00 |
| Kiru HEP | 464.00 | 464.00 | 464.00 | 464.00 | 464.00 |
| Rangit IV HEP | 437.00 | 437.00 | 437.00 | 437.00 | 437.00 |
| NTPC | | | | | |
| TSTPS | 276.40 | 283.31 | 290.39 | 297.65 | 305.10 |
| PTC | | | | | |
| Chukha | 299.53 | 299.53 | 299.53 | 299.53 | 299.53 |
| Kurichu | 228.00 | 239.40 | 239.40 | 239.40 | 239.40 |
| Tala | 227.00 | 238.35 | 238.35 | 238.35 | 238.35 |
| Punatsangchhu-II HEP | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 |
| MPL | 431.42 | 440.76 | 450.31 | 460.07 | 470.06 |
| KBUNL | 531.49 | 534.43 | 537.43 | 540.50 | 543.65 |
| Exchange Purchase | 553.00 | 553.00 | 553.00 | 553.00 | 553.00 |
| NTPC Solar | 935.00 | 935.00 | 935.00 | 935.00 | 935.00 |
| NVVNL Solar | 1081.92 | 1098.15 | 1114.62 | 1131.34 | 1148.31 |
| DVC Solar Rooftop (JEM) | 331.21 | 331.21 | 331.21 | 331.21 | 331.21 |
| GDAM Solar | 447.60 | 447.60 | 447.60 | 447.60 | 447.60 |
| GDAM Non- Solar | 456.70 | 456.70 | 456.70 | 456.70 | 456.70 |
| 1200 MW PSP + Solar project by GreenKo at Peenapuram/Kurnool/AP | 376.00 | 376.00 | 376.00 | 376.00 | 376.00 |
| 315 MW Solar power by NTPC REL at Kahvra, Gujarat | 257.00 | 257.00 | 257.00 | 257.00 | 257.00 |
| 310 MW Solar project at Panchet and Tilaya | 380.00 | 380.00 | 380.00 | 380.00 | 380.00 |
| Project developed by Avaada Inclean Pvt Ltd | 270.00 | 270.00 | 270.00 | 270.00 | 270.00 |
| Project developed by Renew Power Pvt Ltd | 269.00 | 269.00 | 269.00 | 269.00 | 269.00 |
| Project developed by Avaada Pvt Ltd | 359.00 | 359.00 | 359.00 | 359.00 | 359.00 |
| ACME Solar Capacity 250 MW in Rajasthan | 0.00 | 463.00 | 463.00 | 463.00 | 463.00 |
| Tilaiya Hydrel Station | 409.67 | 409.67 | 409.67 | 409.67 | 409.67 |



Table 78: Power Purchase Cost from Other Sources approved by the Commission (Rs. Cr.)

| Station | Power Purchase cost Based on Approved Cost | | | | |
|---|--|------------|------------|------------|------------|
| | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
| NHPC | | | | | |
| Rangit | 12.55 | 12.71 | 12.88 | 13.19 | 13.37 |
| Teesta | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Teesta VI HEP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Parvati II | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Kiru HEP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rangit IV HEP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NTPC | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TSTPS | 3.92 | 4.02 | 4.12 | 4.22 | 4.33 |
| PTC | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Chukha | 52.71 | 52.71 | 52.71 | 52.71 | 52.71 |
| Kurichu | 5.87 | 6.16 | 6.16 | 6.16 | 6.16 |
| Tala | 34.72 | 36.45 | 36.45 | 36.45 | 36.45 |
| Punatsangchhu-II HEP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| MPL | 472.88 | 483.11 | 493.58 | 504.28 | 515.23 |
| KBUNL | 36.62 | 37.56 | 38.53 | 39.52 | 40.55 |
| Exchange Purchase | 276.03 | 236.77 | 341.52 | 352.58 | 352.58 |
| NTPC Solar | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NVVNL Solar | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| DVC Solar Rooftop (JEM) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| GDAM Solar | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| GDAM Non- Solar | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1200 MW PSP + Solar project by GreenKo at Peenapuram/Kurnool/AP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 315 MW Solar power by NTPC REL at Kahvra, Gujarat | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 310 MW Solar project at Panchet and Tilaya | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Project developed by Avaada Inclean Pvt Ltd | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Project developed by Renew Power Pvt Ltd | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Project developed by Avaada Pvt Ltd | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ACME Solar Capacity 250 MW in Rajasthan | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tilaiya Hydel Station | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |



| Station | Power Purchase cost Based on Approved Cost | | | | |
|------------------------------|--|----------------|----------------|----------------|----------------|
| | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
| Projected Incidental charges | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| POC TRANSMISSION CHARGES | 121.39 | 123.81 | 126.29 | 128.82 | 131.39 |
| POSO CO Charges | 1.67 | 1.70 | 1.74 | 1.77 | 1.81 |
| ULDC Charges | 10.09 | 10.29 | 10.50 | 10.71 | 10.92 |
| Contribution to ERPC fund | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 |
| Total | 1028.60 | 1005.47 | 1124.63 | 1150.57 | 1165.65 |

RENEWABLE PURCHASE OBLIGATION

Petitioner's Submission

7.62 The Petitioner submitted that it has considered the RPO in line with the present applicable Regulations as notified by the Commission.

Commission's Analysis

7.63 The Commission vide deficiency letter directed the Petitioner to reconcile the RPO target as per JSERC (Renewable Energy Purchase Obligation and its compliance) (Second Amendment) Regulations, 2024. The Petitioner in its reply submitted that while projecting the ARR for the Control period, the Petitioner has considered RPO for the State of Jharkhand in line with the Regulation 5.2 of JSERC (Renewable Purchase Obligation and its compliance) Regulations 2024 and subsequent orders. Accordingly, the Petitioner submitted the reconciled RPO target as per JSERC (Renewable Purchase Obligation and its compliance) (Second Amendment) regulations, 2024.

7.64 The Commission has considered the price of Solar and Non-Solar REC as 0.352 Rs./kWh per certificate for computation in this Order. However, the Commission would take into account any change in value, GST etc. at the time of truing up. The cost of RPO approved by the Commission is as follows:



Table 79: Renewable Purchase Obligation approved by the Commission (Rs. Cr.)

| RPO COST | Formula | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| A. CALCULATION FOR JHARKHAND PART: | | | | | | |
| Total Wind RPO of entire JH (MU) | A | 190.78 | 244.67 | 320.70 | 433.55 | 444.62 |
| Total Hydro RPO of entire JH (MU) | B | 129.77 | 141.81 | 154.37 | 165.70 | 169.93 |
| Total Distributed RE RPO to be fulfilled in the year of entire JH in MU | C | 261.47 | 329.55 | 423.97 | 560.63 | 574.95 |
| Total Other RE RPO to be fulfilled in the year in JH in MU | D | 2899.45 | 3159.71 | 3598.35 | 4238.34 | 4346.59 |
| Total RPO to be met in JH in MU | E=A+B+C+D | 3481.47 | 3875.74 | 4497.39 | 5398.22 | 5536.09 |
| Total RPO met through purchase of RE Power (MU) for JH part | F | 2708.58 | 2704.71 | 3187.94 | 3740.11 | 3839.19 |
| Balance RPO met through purchase of REC in JH (MU) | G=E-F | 772.89 | 1171.03 | 1309.45 | 1658.10 | 1696.90 |
| Rate of Solar /Non-Solar REC (Rs. / kWh) (Based on IEX Apr-25 to Sep-25) | H | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 |
| Average Rate of Non-solar and Solar Energy Purchase other than GDAM (Rs./ kWh) | I | 3.95 | 4.02 | 4.10 | 4.12 | 4.14 |
| Average Rate of Non-solar and Solar Energy Purchase from GDAM (Rs./ kWh) | J | 4.51 | 4.56 | 4.51 | 4.52 | 4.52 |
| Cost of Solar and Non-Solar Power purchased from GDAM for JH in Rs. Cr. | K | 282.08 | 80.73 | 73.37 | 125.53 | 162.42 |
| Cost of Solar and Non-Solar RPO other than GDAM in JH in Rs Cr. | L | 747.82 | 934.38 | 1086.61 | 1173.41 | 1166.30 |
| Cost of Solar & Non-Solar in JH (REC) (Rs. Cr.) | M=GxH | 27.21 | 41.22 | 46.09 | 58.37 | 59.73 |
| Total Cost of RPO (Rs. Cr.) including REC for JH Part | N=K+L+M | 1057.10 | 1056.33 | 1206.07 | 1357.30 | 1388.45 |

TRANSMISSION & DISTRIBUTION SYSTEM CHARGES

Petitioner's Submission

7.65 The Petitioner (DVC) has submitted that the Annual Fixed Charge (AFC) of DVC's T&D system has been considered in accordance with the petitions filed before the Hon'ble Central Electricity Regulatory Commission (CERC), with COD up to 07.08.2025, and the same has been taken into account in the present MYT Petition for the purpose of ARR projection.



Commission's Analysis

7.66 The Commission has examined the Petitioner's submission with reference to the True-up Petition dated 28.11.2025, and for the present ARR determination has considered the Transmission & Distribution (T&D) system expenses on the basis of the actuals for FY 2024-25 as placed on record with the audited certificates. The Commission notes the Petitioner's representation that these actuals include costs relatable to petitions filed before the Hon'ble CERC for the DVC T&D system-Petition Nos. 482/TT/2020 (dated 23.07.2022), 713/TT/2020 (dated 02.03.2022), 12/TT/2023 (dated 19.05.2024) and that Petition Nos. 250/TT/2024, 320/TT/2023 and 389/TT/2025 have been submitted before CERC and final orders are awaited. Accordingly, the approved T&D system cost considered for the MYT projections is admitted on a provisional basis, subject to prudence check and adjustment at the time of true-up, based on the final outcome of the pending petitions before the Hon'ble CERC.

7.67 Accordingly, the cost for the T&D system as approved by the Commission is summarised below:

Table 80: T&D System cost Submitted by Petitioner and approved by the Commission for MYT Period (Rs. Cr.)

| Particular | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|---|------------|------------|------------|------------|------------|
| T & D System Cost submitted by the Petitioner | 1229.88 | 1289.90 | 1350.21 | 1421.56 | 1499.58 |
| T & D System Cost Approved by the Commission | 466.83 | 476.17 | 485.69 | 495.41 | 505.32 |

ENVIRONMENTAL PROTECTION AND OTHER CESS

Petitioner's Submission

7.68 The Petitioner has submitted that the expenditure towards environmental protection and other cess payable to various authorities in the States of Jharkhand and West Bengal has been estimated based on the actual expenses incurred during FY 2024-25. The Petitioner has further claimed the said expenditure by applying an annual escalation of 2% for each year of the Control Period, based on the True-up year FY 2024-25.



Commission's Analysis

7.69 The Commission has examined the submissions of the Petitioner regarding the expenditure towards environmental protection and other cess payable to various authorities in the States of Jharkhand and West Bengal. The Petitioner has submitted that the said expenditure has been estimated based on the actual expenses incurred during FY 2024-25 and has been claimed with an annual escalation of 2% for each year of the Control Period, taking FY2024-25 as the True-up year.

7.70 Upon scrutiny of the documents furnished for the True-up of FY 2024-25, the Commission observes that no separate provision towards environmental protection and other cess is reflected in the ARR for the said year. The Commission further notes that the Petitioner has not substantiated any actual expenditure incurred on this account for FY 2024-25 by way of audited records or supporting documentary evidence. In the absence of such substantiation and corresponding reflection in the ARR, the Commission does not find merit in considering the said claim for FY 2024-25.

7.71 Further, The Commission further notes the provisions of Regulation 29 (“Additional Capitalization on account of Revised Emission Standards”) of the CERC (Terms and Conditions of Tariff) Regulations, 2024, which, is stipulate below:

“29. Additional Capitalization on account of Revised Emission Standards:(1) A generating company requiring to incur additional capital expenditure in the existing generating station for compliance with the revised emission standards shall share its proposal with the beneficiaries and file a petition for undertaking such additional capitalization.”

7.72 In view of the above, the Commission is not inclined to approve the expenditure towards environmental protection and other cess as claimed by the Petitioner for the Control Period. Accordingly, the claim of the Petitioner on account of Environmental Protection and Other Cess is not approved at this stage and shall be subject to prudence check at the time of truing up, based on the actual expenses incurred and duly supported by documentary evidence. The approved environmental protection and other cess for the MYT period from FY 2026-27 to FY 2030-31 has been summarized below.



Table 81: Environmental and Other Cess approved by the Commission for MYT Period (Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|--|---------|---------|---------|---------|---------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Environmental and Other Cess Submitted by the Petitioner | 0.85 | 0.87 | 0.89 | 0.90 | 0.92 |
| Environmental and Other Cess approved by the Commission | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

TARIFF FILING FEES & PUBLICATION EXPENSES OF CERC

Petitioner's Submission

7.73 The Petitioner has projected expenditure towards regulatory fees, publication expenses, tariff filing fees, licence fees and other related charges. The Petitioner has stated that these expenses are payable before the Hon'ble Central Commission as well as the State Commission, in accordance with the relevant Fees Regulations of the respective Commissions and have been estimated on a reasonable basis for the concerned period.

Table 82: Projection of Tariff Filing Fees & Publication Expenses to CERC for MYT Period (Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|---|---------|---------|---------|---------|---------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Tariff Filing Fees and Publication Expenses | 4.59 | 4.82 | 5.30 | 5.83 | 6.42 |

Commission's Analysis

7.74 The Commission has examined the details submitted by the Petitioner. In this Order, the Commission has considered the audited value of Tariff Filing Fees for FY 2024-25, as placed on record vide the Petitioner's submission dated 28.11.2025 along with the auditor's certificate (Annexure-10 (Colly)) in the matter of True-up for FY 2024-25 and Annual Performance Review (APR) for FY 2025-26 for Distribution and Retail Supply of electricity for the part of the Damodar Valley area falling within the territory of the State of Jharkhand. The said audited value has been adopted as the Tariff Filing Fees for each year of the Control Period from FY 2026-27 to FY 2030-31, subject to prudence check at the time of truing-up.



7.75 Similarly, about Publication Expenses, the Commission has considered the audited value of Publication Expenses for FY 2024-25, as furnished by the Petitioner in its submission dated 28.11.2025 together with the auditor’s certificate (Annexure-10 (Colly)) in the aforesaid True-up/APR proceedings. The said audited value has been adopted as the Publication Expenses for each year of the Control Period from FY 2026-27 to FY 2030-31, subject to prudence check at the time of truing-up. The approved Tariff Filing Fees and Publication Expenses for the MYT period from FY 2026-27 to FY 2030-31 have been summarized in the Table below.

Table 83: Tariff Filing Fees & Publication Expenses to CERC approved by the Commission for MYT Period (Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|--|---------|---------|---------|---------|---------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Tariff Filing Fees & Publication Expenses Submitted by the Petitioner | 4.59 | 4.82 | 5.30 | 5.83 | 6.42 |
| Tariff filling fees & publication expenses to CERC for distribution activity of DVC approved by the Commission | 4.37 | 4.37 | 4.37 | 4.37 | 4.37 |

BETA (B) INCENTIVE

Petitioner’s Submission

7.76 The Petitioner (DVC) has, in the instant MYT Petition, submitted that in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, a performance-based “beta factor” (β) incentive, capped at 1% of the approved Annual Fixed Charges (AFC), is admissible for coal/lignite-based thermal generating stations on the basis of the station’s measured frequency response performance.

7.77 The Petitioner has further submitted that, for projection purposes, the β -factor has been considered as per the methodology prescribed by NLDC and certified by the concerned Regional Power Committee (RPC), and that the admissible portion relatable to the distribution activity has been claimed in the present MYT Petition for the Control Period.



Commission's Analysis

- 7.78 The Commission has considered the Yearly Average Beta Factor for the relevant thermal generating stations as communicated vide MoP / ERPC Letter No. सं./No. ERPC/COM-I/REA/2025-26/1311 dated 21.10.2025. The said letter has been taken on record by the Commission for the purpose of computation of the β -incentive in the instant MYT proceedings.
- 7.79 Having regard to the framework contained in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024, where performance-linked incentives for thermal generating stations are to be computed in accordance with the notified methodology and certifications by the competent agencies, the Commission allows consideration of the Yearly Average Beta Factor on the above basis for projection purposes, subject to prudence check at the time of true-up, verification of the underlying station-wise certifications by the competent agencies, and conformity with the applicable regulatory provisions/orders.
- 7.80 The admissibility and quantum of β -incentive, if any, shall be finally determined at the time of True-up based on actuals, upon submission of all requisite supporting documents/certifications, and after due prudence check by the Commission in line with the established approach followed in prior tariff orders. The approved Average Beta Factor for the MYT period from FY 2026-27 to FY 2030-31 has been summarized in the Table below.

Table 84: Average Beta Factor approved by the Commission for MYT Period (Rs. Cr.)

| Stations | Yearly Average Beta Factor |
|----------------|----------------------------|
| MTPS U#1 to 3 | 0.55 |
| MTPS U# 4 | 0.18 |
| MTPS U#5 & 6 | 0.61 |
| MTPS U# 7&8 | 0.61 |
| CTPS U# 7&8 | 0.43 |
| DSTPS U 1 & 2 | 0.54 |
| KTPS U# 1 & 2 | 0.76 |
| BTPS 'A' | 0.43 |
| RTPS U # 1 & 2 | 0.22 |



AMC ON ULDC CHARGES

Petitioner's Submission

7.81 The Petitioner (DVC) has submitted that, in addition to the charges dealt with elsewhere in this Order, it is incurring costs associated with the Annual Maintenance Contract (AMC) given to PGCIL for maintenance of the hardware installed by PGCIL in the DVC periphery under the ULDC scheme in the Eastern Region. It has been submitted that the AMC charges are being paid separately to PGCIL and other vendors, in line with the CERC Order dated 14.12.2017 (Petition No. 232/TT/2016), wherein PGCIL submitted that the AMC of SCADA/EMS systems established under the ULDC Scheme for all the constituents is the responsibility of the respective SLDCs in line with the ER-ULDC project. The Petitioner has stated that, therefore, no claim under O&M expenses has been made by PGCIL for ULDC assets in the tariff determined by CERC; accordingly, DVC is paying the AMC charges to PGCIL and other vendors for maintenance of the communication scheme established under the ULDC scheme as per the existing contract agreements for such works, and the same has been considered in this MYT Petition.

7.82 The Petitioner has further submitted that, for the Control Period from FY 2026-27 to FY 2030-31, the AMC charges under the ULDC scheme have been computed on the basis of the actual charges paid during FY 2024-25, with an annual escalation of 2% being considered for each year from the base year. The Petitioner has accordingly prayed for admission of the said AMC charges under the ULDC scheme for the Control Period.

Table 85: AMC charges paid for ULDC Communication submitted by the Petitioner for FY 2026-27 to FY 2030-31 (In Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|--|---------|---------|---------|---------|---------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| AMC for ULDC Charge for consumers of DVC based on proportionate generation (Rs Lakh) | 0.37 | 0.40 | 0.41 | 0.36 | 0.37 |

Commission's Analysis

7.83 The Commission has examined the submissions of the Petitioner on this head. In the current MYT Petition for the Control Period from FY 2026-27 to FY 2030-31, and in the interest of maintaining regulatory consistency with the approach adopted in the Commission's Order on



True-up for FY 2023-24, Annual Performance Review for FY 2024-25, and Aggregate Revenue Requirement & Tariff for FY 2025-26, the Commission notes that the same head of expense was considered for the True-up of FY 2023-24 on the basis of the Auditor's Certificate placed on record in those proceedings. Accordingly, the claim under this head is disallowed at this stage, subject to prudence check and submission, with the True-up filing, of audited, Jharkhand-attributable details, along with supporting documents and reconciliation with the audited accounts.

OPEN ACCESS CHARGES

Petitioner's Submission

7.84 The Petitioner (DVC) has submitted that its own T&D network is exclusively utilized for distribution and retail supply, after due adjustment for open access allowed. Accordingly, the entire T&D cost as submitted before CERC is claimed as input cost for the distribution and retail supply business in Jharkhand and West Bengal, after adjusting open access charges in accordance with CERC Order in Petition No. 87/MP/2021 dated 07.08.2023.

7.85 The Petitioner has further submitted that the actual open access charges adjusted during FY 2024-25 have been escalated by 2% annually for the Control Period, and that the corresponding amounts have been duly factored into the ARR for the subsequent years.

Commission's Analysis

7.86 The Commission observes that the Hon'ble CERC, through its order dated 19.11.2018, in Petition No. 153/MP/2017, approved Open Access charges for the transmission and wheeling of power through DVC's Transmission and Distribution network. Additionally, in its order dated 07.08.2023, in Petition No. 87/MP/2021, the Hon'ble CERC re-evaluated and revised the Open Access charges for DVC for FY 2017-18 and FY 2018-19.

7.87 In anticipation that the Revenue from Open Access would have been accrued from FY 2017-18 onwards, the Commission sought the relevant details from DVC at the time of Public Hearing. DVC in its response reiterated the details of Revenue from Open Access for the FY 2023-24 and did not provide any details in respect of Revenue from Open Access for the prior period. Despite being the case, the Commission observes that non-adjustment of Revenue from Open Access for the past period tantamount to double recovery of Transmission and Distribution cost. Therefore, the Commission considers it fit to adjust the Revenue from Open



Access charges for the period FY 2017-18 to FY 2022-23 on provisional basis to ensure that the optimum costs are only passed through.

7.88 The Commission also notes that adjustment of Revenue from Open Access pertaining to past years (FY 2017-18 to FY 2019-20) is adjusted by the Hon'ble WBERC as well in the APR Order dated 31.03.2025 in the matter of Annual Performance Review for the Financial Year 2021- 22 in respect of Distribution and Retail Supply of Electricity by Damodar Valley Corporation for the part of the Damodar Valley Area falling within the territory of the State of West Bengal.

7.89 Referring to the Open Access Charges approved by the Hon'ble WBERC, the Commission deems it appropriate to provisionally approve the Revenue from Open Access for the period FY 2026-27 to FY 2030-31.

7.90 The Petitioner has submitted audited certificate (Annexure-10(colly.)) for FY 2024-25, in its petition "Application for True-up for FY 2024-25 and Annual Performance Review (APR) for FY 2025-26 for Distribution and Retail Supply of Electricity for the part of the Damodar Valley area falling within the territory of the State of Jharkhand", on 28.11.2025. The Commission provisionally approves the Revenue from Open Access same as audited figures for FY 2024-25 for this MYT control period. This approval is subject to adjustment during the subsequent years' True-Up process.

Table 86 : Open Access Charges submitted by Petitioner and approved by the Commission for FY 2026-27 to FY 2030-31 (In Rs. Cr.)

| Particulars | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Petitioner Submission on OA Charges | 94.16 | 96.04 | 97.96 | 99.92 | 101.92 |
| Approved OA Charges by The Commission | 94.16 | 96.04 | 97.96 | 99.92 | 101.92 |

ALLOCATION OF COSTS FOR DVC AS A WHOLE TO JHARKHAND AREA

Petitioner's Submission

7.91 The Petitioner has submitted that the input costs including own generation cost, Power Purchase Cost, Other Input Cost, etc. cannot be segregated into the cost pertaining to



Jharkhand and West Bengal area as DVC operates as a single entity. Thus, the Petitioner has submitted that, for the purpose of computing retail tariffs pertaining to Jharkhand area, the input cost of DVC be bifurcated in the ratio of the energy sales in Jharkhand area to the total sales in the Damodar Valley area.

Commission's Analysis

7.92 The Commission has allocated the expenses of DVC as a whole to Jharkhand area by following the methodology approved in the Order on True-up for FY 2023-24. The following table summarizes the input cost allocated to Jharkhand area for the period FY 2024-25 and FY 2025-26, as submitted by the Petitioner, and as approved by the Commission.

Table 87: Cost allocation for Jharkhand submitted by the Petitioner and approved by the Commission for FY 2026-27 & FY 2027-28 (Rs. Cr)

| S No. | Station/item | FY 2026-27 | | FY 2027-28 | |
|-------|--|------------|----------|------------|----------|
| | | Petitioned | Approved | Petitioned | Approved |
| 1 | MTPS U#1 to 3 | 1,911.22 | 1,619.74 | 2,225.92 | 1,908.51 |
| 2 | MTPS U# 4 | 756.44 | 649.96 | 732.62 | 610.97 |
| 3 | MTPS U#5 & 6 | 1,167.33 | 991.91 | 1,193.70 | 1,009.84 |
| 4 | MTPS U# 7&8 | 392.79 | 358.99 | 522.23 | 482.23 |
| 5 | CTPS U# 7&8 | 720.15 | 629.34 | 715.23 | 646.68 |
| 6 | DSTPS U 1 & 2 | 992.92 | 859.85 | 664.48 | 622.00 |
| 7 | KTPS U# 1 & 2 | 46.23 | 35.86 | 41.01 | 32.73 |
| 8 | BTPS 'A' | 1,067.85 | 913.43 | 1,056.47 | 909.40 |
| 9 | RTPS U # 1 & 2 | 159.65 | 135.31 | 252.60 | 215.84 |
| 10 | RTPS PH-II (2x 660 MW) | 0.00 | 0.00 | 0.00 | 0.00 |
| 11 | KTPS Ph-II (2X 800 MW) | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | DTPS Ph-II (1X 800 MW) | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | MHS | 89.86 | 43.64 | 102.19 | 44.51 |
| 14 | PHS | 94.11 | 40.50 | 99.20 | 41.31 |
| 15 | T & D System | 1,229.88 | 466.83 | 1,289.90 | 476.17 |
| 16 | POWER PURCHASE Cost (Including Transmission & Other Charges excluding RPO) | 1,028.60 | 1,028.60 | 1,005.47 | 1,005.47 |
| 17 | Tariff filing fees & publication expenses to CERC | 4.59 | 4.37 | 4.82 | 4.37 |
| 18 | Environmental and Other Cess | 0.85 | 0.00 | 0.87 | 0.00 |
| 19 | Add: Beta (β) Incentive | 13.43 | 8.87 | 13.19 | 8.88 |
| 20 | Add: AMC on ULDC Charges | 0.37 | 0.00 | 0.40 | 0.00 |



| S No. | Station/item | FY 2026-27 | | FY 2027-28 | |
|-------|---|-----------------|-----------------|-----------------|-----------------|
| | | Petitioned | Approved | Petitioned | Approved |
| 21 | Less: Open Access Charges for Transmission System | 94.16 | 94.16 | 96.04 | 96.04 |
| 22 | Total | 9,582.10 | 7,693.06 | 9,824.27 | 7,922.89 |
| 23 | Ratio of sales in Jharkhand part to total firm sale in entire DVC | 52.72% | 52.72% | 52.86% | 52.86% |
| 24 | ARR Apportioned to Jharkhand before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand | 5,051.77 | 4,055.85 | 5,294.27 | 4,187.74 |

Table 88: Cost allocation for Jharkhand submitted by the Petitioner and approved by the Commission for FY 2028-29 & FY 2029-30 (Rs. Cr)

| S No. | Station/Item | FY 2028-29 | | FY 2029-30 | |
|-------|--|------------------|-----------------|------------------|------------------|
| | | Petitioned | Approved | Petitioned | Approved |
| 1 | MTPS U#1 to 3 | 2,149.49 | 1,811.70 | 2,284.47 | 1,913.87 |
| 2 | MTPS U# 4 | 789.64 | 656.00 | 769.01 | 619.28 |
| 3 | MTPS U#5 & 6 | 1,180.73 | 988.78 | 1,208.19 | 1,005.64 |
| 4 | MTPS U# 7&8 | 380.96 | 358.73 | 358.34 | 341.04 |
| 5 | CTPS U# 7&8 | 742.95 | 640.93 | 753.36 | 643.96 |
| 6 | DSTPS U 1 & 2 | 955.16 | 912.23 | 878.91 | 845.06 |
| 7 | KTPS U# 1 & 2 | 40.44 | 32.11 | 39.48 | 29.86 |
| 8 | BTPS 'A' | 1,058.95 | 915.39 | 1,063.25 | 924.48 |
| 9 | RTPS U # 1 & 2 | 62.44 | 46.45 | 160.83 | 131.61 |
| 10 | RTPS PH-II (2x 660 MW) | 0.00 | 0.00 | 587.13 | 573.81 |
| 11 | KTPS Ph-II (2X 800 MW) | 505.49 | 504.35 | 1,249.44 | 1,235.30 |
| 12 | DTPS Ph-II (1X 800 MW) | 0.00 | 0.00 | 235.29 | 230.80 |
| 13 | MHS | 112.99 | 45.40 | 124.66 | 46.31 |
| 14 | PHS | 104.33 | 42.14 | 114.68 | 42.98 |
| 15 | T & D System | 1,350.21 | 485.69 | 1,421.56 | 495.41 |
| 16 | POWER PURCHASE Cost (Including Transmission & Other Charges excluding RPO) | 1,124.63 | 1,124.63 | 1,150.57 | 1,150.57 |
| 17 | Tariff filling fees & publication expenses to CERC | 5.30 | 4.37 | 5.83 | 4.37 |
| 18 | Environmental and Other Cess | 0.89 | 0.00 | 0.90 | 0.00 |
| 19 | Add: Beta (β) Incentive | 13.53 | 9.27 | 13.66 | 9.31 |
| 20 | Add: AMC on ULDC Charges | 0.41 | 0.00 | 0.36 | 0.00 |
| 21 | Less: Open Access Charges for Transmission System | 97.96 | 97.96 | 99.92 | 99.92 |
| 22 | Total | 10,480.59 | 8,480.21 | 12,319.99 | 10,143.75 |



| S No. | Station/Item | FY 2028-29 | | FY 2029-30 | |
|-------|---|------------|----------|------------|----------|
| | | Petitioned | Approved | Petitioned | Approved |
| 23 | Ratio of sales in Jharkhand part to total firm sale in entire DVC | 54.16% | 54.16% | 53.89% | 53.89% |
| 24 | ARR Apportioned to Jharkhand before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand | 5,782.42 | 4,592.90 | 6,746.40 | 5,466.04 |

Table 89: Cost allocation for Jharkhand submitted by the Petitioner and approved by the Commission for FY 2030-31 (Rs. Cr)

| S No. | Station/item (Amounts in INR Cr) | FY 2030-31 | |
|-------|---|------------------|------------------|
| | | Petitioned | Approved |
| 1 | MTPS U#1 to 3 | 2,281.19 | 1,875.55 |
| 2 | MTPS U# 4 | 826.14 | 658.99 |
| 3 | MTPS U#5 & 6 | 1,237.05 | 1,023.36 |
| 4 | MTPS U# 7&8 | 371.63 | 357.92 |
| 5 | CTPS U# 7&8 | 757.09 | 639.93 |
| 6 | DSTPS U 1 & 2 | 861.92 | 834.13 |
| 7 | KTPS U# 1 & 2 | 38.37 | 27.12 |
| 8 | BTPS 'A' | 1,073.00 | 939.04 |
| 9 | RTPS U # 1 & 2 | 159.46 | 127.87 |
| 10 | RTPS PH-II (2x 660 MW) | 765.28 | 746.19 |
| 11 | KTPS Ph-II (2X 800 MW) | 1,156.08 | 1,137.67 |
| 12 | DTPS Ph-II (1X 800 MW) | 599.58 | 590.48 |
| 13 | MHS | 137.53 | 47.24 |
| 14 | PHS | 126.05 | 43.84 |
| 15 | T & D System | 1,499.58 | 505.32 |
| 16 | POWER PURCHASE Cost (Including Transmission & Other Charges excluding RPO) | 1,165.65 | 1,165.65 |
| 17 | Tariff filling fees & publication expenses to CERC | 6.42 | 4.37 |
| 18 | Environmental and Other Cess | 0.92 | 0.00 |
| 19 | Add: Beta (β) Incentive | 13.79 | 9.47 |
| 20 | Add: AMC on ULDC Charges | 0.37 | 0.00 |
| 21 | Less: Open Access Charges for Transmission System | 101.92 | 101.92 |
| 22 | Total | 12,975.18 | 10,632.21 |
| 23 | Ratio of sales in Jharkhand part to total firm sale in entire DVC | 53.63% | 53.63% |
| 24 | ARR Apportioned to Jharkhand before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand | 7,068.33 | 5,702.40 |



COST OF 11 kV INFRASTRUCTURE FOR JHARKHAND STATE

Petitioner's Submission

- 7.93 The Petitioner has submitted that, in terms of Section 43 of the Electricity Act, 2003, it is under a statutory obligation to provide supply to any applicant upon receipt of a complete and valid application, which necessitates creation, augmentation or extension of the 11 kV distribution system wherever such development is required to meet consumer demand within the Jharkhand command area. Petitioner has stated that multiple consumers and industrial stakeholders expressed interest in availing supply at 11 kV during the public hearings held on 03.09.2024 and 04.09.2024, and written representations were also placed on record seeking 11 kV supply, thereby evidencing actual and emerging demand.
- 7.94 The Petitioner has further submitted that, a separate petition seeking in-principle approval of the DPR for creation of 11 kV distribution infrastructure in the valley area was filed on 23.03.2023; however, vide Order dated 11.08.2023, the Commission directed DVC to re-submit the proposal as part of the Business Plan along with the next tariff petition. Consequently, DVC re-submitted the DPR and Business Plan on 04.12.2023 with the True-up for FY 2022-23, APR for FY 2023-24 and ARR & Tariff for FY 2024-25, seeking approval of the proposed capital expenditure under Clauses 6.9, 6.10 and 6.11 of the JSERC MYT Regulations, 2020. DVC has stated that while issuing the Tariff Order dated 30.09.2024, the Commission did not approve the Business Plan or the capital investment plan relating to the 11 kV infrastructure.
- 7.95 On the existing network, DVC has averred that, as held by the Hon'ble APTEL vide Judgment dated 23.11.2007 (Appeal No. 271 of 2006 & batch) and upheld by the Hon'ble Supreme Court on 23.07.2018 (Bhaskar Shrachi vs DVC & Ors), its network constitutes a Unified Deemed Inter-State Transmission System (ISTS) covering both transmission and distribution elements, and hence the existing assets cannot be bifurcated for accounting/tariff purposes; the corresponding capital costs are serviced through CERC-determined transmission tariff. Notwithstanding the above, DVC has stated that, to comply with the Commission's directions, it has intimated the CAG on 16.04.2025 that a separate Balance Sheet and Profit & Loss Account for the 11 kV distribution business will be prepared and appended as an annexure to the main audited accounts from FY 2024-25 onwards, ensuring transparency while maintaining statutory compliance.



- 7.96 DVC has clarified that the proposed 11 kV assets are purely intra-State distribution assets, that the capital cost has not been claimed before the CERC, and that jurisdiction for tariff of such assets lies with the State Commission. DVC has also referred to the approval granted by Hon'ble WBERC (Tariff Order dated 13.03.2024) for an analogous 11 kV infrastructure in West Bengal, and has prayed that, to avoid ambiguity between consumers of the two States, this Commission may consider the 11 kV infrastructure cost separately for Jharkhand in line with the said approach. DVC has submitted that the infrastructure would facilitate additional sales to new 11 kV consumers and, therefore, would not increase cost of supply for existing consumers.
- 7.97 For the ARR period FY 2026-27 to FY 2030-31, the Petitioner has submitted projections of capital cost and Annual Fixed Charges (AFC) for the proposed 11 kV system based on actuals of FY 2024-25, with the detailed computation furnished as Annexure-6. The AFC has been computed on the basis of the applicable regulatory framework and the following assumptions: Interest on Loan: 7.84% (actual FY 2024-25); Interest on Working Capital: 12.25%; Depreciation: 7.84% (CAG rate); O&M escalation: 5% p.a. over FY 2024-25 actuals (with a caveat that FY 2024-25 O&M is abnormally low as the project is in the initial stage and may be revised on actuals in future years); and Return on Equity @ 15% as per the Tariff Regulations.
- 7.98 The Petitioner has also placed on record the steps taken in compliance with the Commission's earlier directions in Orders dated 30.09.2024 and 27.05.2025, including meetings held between DVC and JBVNL at the Commission's office on 17.04.2025 and at JBVNL on 23.04.2025, with the minutes and related documents submitted vide letter dated 15.07.2025 (Annexure-7). DVC has stated that, upon implementation of the 11 kV infrastructure, the requisite audited financial statements with reconciliation to the audited annual accounts, segregating capex between the Unified Deemed ISTS and the new 11 kV system for Jharkhand (and West Bengal), shall be submitted for tariff determination before the respective State Commissions.

Commission's Analysis

- 7.99 The Commission notes the statutory framework under the Electricity Act, 2003, including the Universal Service Obligation of a distribution licensee under Section 43 to provide supply upon receipt of a complete and valid application, which may necessitate creation, augmentation or extension of the distribution system at the 11 kV level.



7.100 As per the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, Capital Investment Plan is required to be filed along with the Business Plan for the entire Control Period, scheme-wise, with purpose of investment, competent authority approval, capital structure, DPR, capitalisation schedule, implementation timeline, cost-benefit analysis and efficiency improvement, the clause related to Capital Investment Plan is as follows:

“Capital Investment Plan

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

- a) Purpose of investment (e.g., replacement of existing assets, meeting load growth, technical and distribution loss reduction, non-technical loss reduction, meeting reactive energy requirements, customer service improvement, improvement in quality and reliability of supply, etc.);*
- b) Approval of Competent Authority; c) Capital Structure;*
- d) Detailed Project Report;*
- e) Capitalisation Schedule*
- f) Implementation schedule including timelines;*
- g) Cost-benefit analysis and Rate reasonability;*
- h) Improvement in operational efficiency envisaged in the Control Period;*
- i) Ongoing schemes that will spill over into the year under review, along with justification;*
- j) New schemes that will commence during the Control Period but may be completed within or beyond the Control Period.*

.....”

7.101 The JSERC (Operation of Parallel Licensees) Regulations, 2019 envisage decisions on expansion/augmentation of the distribution system post agreement with the Area Level Co-ordination Committee (ALCC); in earlier proceedings the Commission recorded the absence of ALCC support and disallowed the 11 kV capex at that stage, granting liberty to file afresh after compliance. Provision 7.16 of JSERC (Operation of Parallel Licensees) Regulations, 2019 further emphasizes as follows:

“7.16

- i.*
- ii. ...*
- iii. Such extension may also require augmentation in the distribution system of the nearest Distribution Licensee as a whole. Hence decisions pertaining to*



expansion and augmentation of distribution system network should be undertaken post agreement with the Area level Co-ordination Committee.....”

7.102 The Petitioner (DVC) has placed on record consumer demand for 11 kV supply in the Jharkhand command area; its intimation to the CAG on 16.04.2025 to prepare a separate Balance Sheet and Profit & Loss Account for the 11 kV distribution business appended to the main audited accounts; and the sequence of petitions/hearings and inter-utility meetings pursuant to Commission’s directions.

7.103 DVC has proposed the creation of 11 kV distribution infrastructure in the State of Jharkhand to meet the emerging demand from small and medium industries as well as prospective 11 kV consumers and has sought separate consideration of such intra-State distribution assets, which have not been claimed before the Hon’ble CERC, for determination of retail tariff by this Commission. The Commission notes that the Petitioner’s proposal initially included capital expenditure pertaining to 132 kV, 220 kV and above voltage-level infrastructure components as part of the overall submission. However, upon detailed examination of the Business Plan/DPR and the supporting notes, the Commission observes that the Jharkhand-attributable capital expenditure relevant for retail supply pertains to the 11 kV distribution network. On this basis, the Business Plan/DPR and the supporting note indicate a capital expenditure of Rs.670 Crore for the 11 kV network in Jharkhand (Phase-I and Phase-II combined), proposed to be financed on a normative debt-equity ratio of 70:30.

7.104 The Commission also takes note of the observations recorded earlier regarding:

- a. the need for scheme-wise DPRs with complete particulars under the Tariff Regulations;
- b. the requirement of ALCC concurrence for network expansion; and
- c. the variations between historical actuals and projections that warrant prudence scrutiny

7.105 Having considered the statutory obligation under Section 43, the material placed on record on prospective demand, and the intent to maintain separate audited schedules for transparency, the Commission is of the view that enabling 11 kV connectivity, where duly justified and prudently executed can facilitate access to reliable supply without burdening existing consumers, provided that the investment is scheme justified, least-cost, and capable of timely put-to-use.



7.106 At the same time, consistent with the JSERC Regulations, 2025 and the Parallel Licensees Regulations, 2019, admissibility of capex for 11 kV infrastructure in ARR shall be contingent upon:

- a. prior scheme-wise approval based on complete DPRs;
- b. ALCC consent for the specific augmentation;
- c. competitive procurement and rate reasonability;
- d. energisation/put-to-use and capitalisation evidence; and
- e. segregation in the Petitioner's audited accounts (11 kV schedules appended), with reconciliation to the entity accounts.

7.107 In principle, and for the purpose of this MYT determination, the Commission considers a capital expenditure envelope of Rs. 670 Crore for the Jharkhand 11 kV distribution system, to be phased in five equal annual tranches over the Control Period from FY 2026-27 to FY 2030-31. The annual capex phasing shall, therefore, be Rs. 134 Crore per year for each year of the Control Period. This consideration is provisional and subject to scheme-wise approvals and conditions stipulated herein and shall be finally admitted only upon capitalisation and prudence check at the time of true-up.

Conditions attached to the consideration 11 kV Infrastructure

7.108 Filing and approval of scheme-wise DPRs in terms of Regulation 6.12 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, including scope, cost-benefit, implementation schedule, financing plan and efficiency gains;

7.109 Submission of Area Level Co-ordination Committee (ALCC) resolutions/recording for each scheme as per the JSERC (Operation of Parallel Licensees) Regulations, 2019;

7.110 Proof of competitive procurement and rate reasonability; vendor/contract awards to be in accordance with applicable guidelines, with documentary support to be filed at capitalisation;

7.111 Admission in ARR only upon actual capitalisation (post energisation/put-to-use), supported by auditor-certified capital work-in-progress to asset transfer, with separate 11 kV schedules appended to the audited accounts and reconciliation to entity accounts;



- 7.112 Quarterly progress reports on physical and financial progress; any time/cost overrun (including IDC) beyond approved timelines shall be justified and shall remain subject to prudence review at True-up;
- 7.113 Infrastructure creation shall also cater to LT consumers; the Petitioner shall demonstrate that associated downstream LT network augmentation (wherever required) is planned and implemented, with scheme-wise details and cost-benefit to be filed;
- 7.114 Submission of all documents, formats and filings as required under the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, for the Control Period, including Business Plan, Allocation Statements and supporting schedules;
- 7.115 The Petitioner shall file an Affidavit before the Commission, affirming its commitment to release electricity connections to Low Tension (LT) consumers in its area of supply, as and when valid applications are received, in accordance with the provisions of the Electricity Act, 2003 and the applicable JSERC Regulations;
- 7.116 The Petitioner is directed to publicise the availability of new LT connections within its area of supply through local newspapers and digital media platforms, in accordance with the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 and other applicable Regulations, so as to ensure adequate dissemination of information to prospective consumers;
- 7.117 The Petitioner shall also organise periodic consumer awareness camps within its area of supply for facilitating new LT connections, including receipt of applications, dissemination of information regarding procedural requirements, and redressal of queries;
- 7.118 Segregation of accounts for the Jharkhand area for the 11 kV system, with a separate Balance Sheet and Profit & Loss Account appended to the main audited accounts and reconciliation thereto;
- 7.119 This approval is on a provisional basis, subject to prudence check at the time of True-up and subject to fulfilment of all the above conditions; non-compliance may result in disallowance/deferment.



Table 90: Gross Fixed Assets and Capex approved by the Commission for FY 2026-27 to FY 2030-31 (In Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|--------------------------|--------------|---------------|---------------|---------------|---------------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Opening Balance | 0.00 | 134.00 | 268.00 | 402.00 | 536.00 |
| Addition During the year | 134.00 | 134.00 | 134.00 | 134.00 | 134.00 |
| Closing Balance | 134.00 | 268.00 | 402.00 | 536.00 | 670.00 |
| Average GFA | 67.00 | 201.00 | 335.00 | 469.00 | 603.00 |

RETURN ON EQUITY

Petitioner's Submission

7.120 The Petitioner has submitted that, return on equity considered as per the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

Commission's Analysis

7.121 Commission Considered return on equity as per the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

“Return on Equity

10.19 The base rate of Return on Equity (RoE) shall be 14.50% (post-tax) for assets capitalised prior to April 01, 2026

and

15.00% (post-tax) for assets capitalised from April 01, 2026, provided that in addition to the base RoE, the Commission may allow an additional 0.50% RoE for assets capitalised from April 01, 2026, to the Distribution Licensee that demonstrably ensures uninterrupted supply of electricity to Universal Supply Obligated Entities, including, but not limited to, Religious Institutions, Government Hospitals, Educational Establishments, Public Water Supply and Sanitation Services, Street Lighting Systems, critical infrastructure facilities, and renewable energy integration projects, eligibility for such additional RoE shall be linked to specific, measurable Key Performance Indicators (KPIs), including but not limited to SAIDI, SAIFI, outage duration, and supply reliability percentage to the above categories, as verified through independent certification by the State Load Despatch Centre (SLDC) and/or a Statutory Auditor or any third-party agency as approved by the Commission.”



Table 91: Return on Equity approved by the Commission for FY 2026-27 to FY 2030-31 (Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|--|-------------|-------------|--------------|--------------|--------------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Return on Equity | | | | | |
| ROE Rate as per JSERC regulation (Post Rate) | 15% | 15% | 15% | 15% | 15% |
| Tax Rate | | | | | |
| Effective RoE rate | 15% | 15% | 15% | 15% | 15% |
| Opening Equity | 0 | 40.2 | 80.4 | 120.6 | 160.8 |
| Closing Equity | 40.2 | 80.4 | 120.6 | 160.8 | 201 |
| Average Equity | 20.1 | 60.3 | 100.5 | 140.7 | 180.9 |
| Return on Equity | 3.02 | 9.05 | 15.08 | 21.11 | 27.14 |

DEPRECIATION

Petitioner's Submission

7.122 The Petitioner has submitted that for the purpose of computing the Annual Fixed Charges (AFC) of the proposed 11 kV assets, Depreciation has been considered at 7.84% (CAG rate for depreciation), treating FY 2024-25 as the base year for projection of the Control Period costs. The Petitioner has stated that the above rate has been applied consistently across the schemes forming part of the proposed 11 kV distribution system for Jharkhand.

Commission's Analysis

7.123 The Commission has examined the depreciation claimed by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31. The Commission has computed the depreciation in accordance with the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, as stipulated under Regulations 10.34 to 10.40, which are reproduced below:

“Depreciation

10.34 Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year as admitted by the Commission: Provided that depreciation shall not be allowed on assets funded by Consumer Contribution and Capital Subsidies/Grants. Provision for replacement of such assets shall be made in the Capital Investment Plan.

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



- 10.36 *Depreciation shall be calculated annually, based on the straight-line method at the rates specified at Appendix-I. The base value for the purpose of depreciation shall be original cost of the asset: Provided that the Distribution Licensee shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.*
- 10.37 *Depreciation shall be charged from the first year of commercial operation of the asset. In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro-rata basis.*
- 10.38 *The residual value of assets shall be considered as ten percent (10%) and depreciation shall be allowed to a maximum of ninety percent (90%) of the original cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing ninety percent (90%) of the original cost of the asset. Provided that the salvage value for IT equipment and software shall be considered as NIL and hundred percent (100%) value of the assets shall be considered depreciable;*
- 10.39 *The Commission may, in the absence of the Fixed Assets Register, calculate Depreciation in percentage (%) arrived by dividing the Depreciation and the Average Gross Fixed Assets as per the latest available Audited Accounts of the Distribution Licensee. The Depreciation (%) so arrived shall be multiplied by the Average GFA approved by the Commission for the relevant Financial Year to arrive at the Depreciation for that Financial Year.*
- 10.40 *In case of de-capitalization of assets, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered through tariff corresponding to the decapitalised asset during its useful services.”*

7.124 In the present case, for the purpose of ARR determination for the Control Period, the Commission has considered the consolidated audited accounts of the Petitioner, computed the Average Gross Fixed Assets, and derived the actual depreciation rate accordingly. The depreciation rate so computed has been considered for FY 2026-27 to FY 2030-31 for ARR purposes.

7.125 In view of the above, the depreciation considered by the Commission for the Control Period from FY 2026-27 to FY 2030-31 is based on the provisions of the JSERC Tariff Regulations, 2025, the consolidated audited accounts of the Petitioner, and the Average GFA methodology as applicable. The depreciation considered for ARR purposes is provisional and shall be subject to prudence check at the time of true-up, based on actual capitalisation, Commissioning dates, audited asset registers, and reconciliation with audited accounts.



Table 92: Depreciation approved by the Commission for FY 2026-27 to FY 2030-31 (Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|--|-------------|-------------|--------------|--------------|--------------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Depreciation Rate considered | 3.98% | 3.98% | 3.98% | 3.98% | 3.98% |
| Depreciation approved by the Commission | 2.67 | 8.01 | 13.34 | 18.68 | 24.02 |

INTEREST ON LOAN

Petitioner's Submission

7.126 The Petitioner has submitted that, for the purpose of computing the Annual Fixed Charges (AFC) of the proposed 11 kV assets, the Interest Rate for Loan has been taken at 7.84%, being the actual interest rate for FY 2024-25, and the same has been applied in the projections for the Control Period.

Commission's Analysis

7.127 The Commission has scrutinised the submission of the Petitioner with reference to the consolidated audited accounts and the loan disclosures placed on record, and for the purpose of ARR determination, has considered the Interest Rate for Loan in line with the audited balance sheet of the Petitioner.

7.128 The interest rate considered for ARR purposes is on provisional basis and shall be subject to prudence check at the time of truing-up, based on actual capitalisation, Commissioning dates, audited asset registers, and reconciliation with the audited accounts, in accordance with the applicable Tariff Regulations and the Commission's established approach.

Table 93: Interest on Loan approved by the Commission for FY 2026-27 to FY 2030-31 (Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|--------------------------|-------------|--------------|--------------|--------------|--------------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Interest on Loan | | | | | |
| Opening Value of Loans | 0.00 | 93.80 | 187.60 | 281.40 | 375.20 |
| Addition of Loans | 93.80 | 93.80 | 93.80 | 93.80 | 93.80 |
| Repayment of Loans | 2.67 | 8.01 | 13.34 | 18.68 | 24.02 |
| Closing Balance of Loans | 91.13 | 179.59 | 268.06 | 356.52 | 444.98 |
| Average Value of Loans | 45.57 | 136.70 | 227.83 | 318.96 | 410.09 |
| Interest on Loans | 3.57 | 10.72 | 17.86 | 25.01 | 32.15 |
| Interest rate of loans | 7.84% | 7.84% | 7.84% | 7.84% | 7.84% |



OPERATION AND MAINTENANCE EXPENSES

Petitioner's Submission

7.129 The Petitioner has submitted that the O&M cost for the proposed 11 kV assets has been projected by applying a 5% annual escalation over the actual cost booked for FY 2024-25. It has been stated that, as the project is in its initial stage, the recorded O&M cost for FY 2024-25 is significantly lower than expected normative levels. The Petitioner has, therefore, craved leave to revise its submission and has prayed that the O&M cost be allowed on actual basis in future years, rather than relying on the projected figures, on the ground that the base-year (FY 2024-25) cost is abnormally low due to the project being in its initial stage.

Commission's Analysis

7.130 The Commission has examined the O&M projections for the Control Period FY 2026-27 to FY 2030-31 with reference to the framework contained in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. In line with the said Regulations, the O&M components have been considered head-wise and escalated using the notified inflation construct. For the present determination, the escalation has been applied at 55% of CPI and 45% of WPI, yielding a composite escalation of 2.13% per annum.

(A) Employee Benefit Expenses

7.131 Base year and escalation. For ARR, Employee Benefit Expenses have been considered with FY 2024-25 as the base (as submitted by the Petitioner) and escalated at 2.88% p.a. for each year of the Control Period.

(B) Repair & Maintenance (R&M) Expenses

7.132 R&M during the Control Period. In the present ARR filing, no R&M outgo has been claimed/considered for the 11 kV assets for the years of the Control Period. Accordingly, R&M has been taken as Nil. Any R&M that becomes due on account of assets put-to-use and capitalised shall be considered at the time of truing-up, subject to prudence check and the governing provisions of the Tariff Regulations.

(C) Administrative & General (A&G) Expenses



7.133 Base year and escalation. A&G Expenses have been considered with FY 2024-25 as base and escalated at 2.88% p.a. for the Control Period, in line with the inflation construct specified above.

7.134 Aggregating the above, the Total O&M Cost admitted for ARR purposes for each year of the Control Period is as under. The values are provisional and shall be subject to prudence check at the time of truing-up, together with reconciliation to audited accounts and asset capitalisation/put-to-use.

Table 94: Fixed Cost for 11kV Distribution Assets approved by the Commission for FY 2026-27 to FY 2030-31 (In Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|--|-------------|--------------|--------------|--------------|--------------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Return on Equity | 3.02 | 9.05 | 15.08 | 21.11 | 27.14 |
| Depreciation | 2.67 | 8.01 | 13.34 | 18.68 | 24.01 |
| Interest on Loan | 3.57 | 10.72 | 17.86 | 25.01 | 32.15 |
| O&M Expenses | 23.39 | 24.12 | 24.88 | 25.65 | 26.45 |
| Total Fixed Cost for 11kV Distribution Assets | 9.49 | 28.00 | 46.52 | 65.04 | 83.55 |

NON-TARIFF INCOME

Petitioner's Submission

7.135 The Petitioner submitted that, the Non-Tariff Income (NTI) for its distribution business in the State of Jharkhand has been computed by considering only the Delayed Payment Surcharge (DPS) recovered from consumers for FY 2024-25. The Petitioner has further submitted that the NTI for the Control Period has been projected by applying an annual escalation of 2% on the actual DPS booked for FY 2024-25.

7.136 The Petitioner has also requested the Commission to approve the NTI in accordance with the final directions issued by the Hon'ble Appellate Tribunal for Electricity (APTEL) vide judgment dated 15.10.2024 in Appeal No. 332 of 2024 and the subsequent compliance orders, wherein the Commission was directed to consider only the Delayed Payment Surcharge attributable to the distribution business in the Jharkhand command area as Non-Tariff Income of DVC.

7.137 The Petitioner has further submitted that the Hon'ble West Bengal Electricity Regulatory Commission (WBERC), in its tariff orders issued from time to time, has consistently



considered only the Delayed Payment Surcharge as Non-Tariff Income for the distribution business of DVC in the State of West Bengal, and has not included income arising from other business segments while determining the ARR for distribution activities.

Commission's Analysis

7.138 The Commission has examined the Petitioner's submissions and the record of proceedings. In terms of the Commission's latest approach, as crystallised in the Order dated 30.01.2026 in Case (Tariff) No. 01 of 2023 (passed pursuant to remand), NTI has been determined on the same methodological basis as adopted in the Order dated 27.05.2025 in Case (T) No. 13 of 2024 (True-up for FY 2023-24, APR for FY 2024-25 and ARR & Tariff for FY 2025-26), with suitable updates for the period under consideration.

7.139 In line with the above Orders, the Commission reiterates that the entire 'Other Income' (power vertical) as per audited accounts is to be allocated between Generation/Transmission and Distribution and that only the portion attributable to the licensed distribution business in Jharkhand shall be considered as NTI for retail tariff determination. For this purpose, the Commission relies upon the tabulated segregation/attribution framework discussed and reproduced in the latest Order on 30.01.2026 (including Table 3(a) & 3(b)), and applies the same consistency of treatment to each head of 'Other Income' while computing NTI for the instant period.

7.140 Having considered the submissions on record and in continuity with the methodology adopted in the Commission's earlier Orders, the Commission, at this stage, recognises the following components as Non-Tariff Income (NTI) attributable to the distribution business in the State of Jharkhand for the MYT Control Period:

- (i) Delayed Payment Surcharge (DPS) attributable to command-area consumers in Jharkhand, considered in entirety;
- (ii) Interest from Employees Loan and Advances to the extent admissible under the approved allocation framework;
- (iii) Interest from Non-Current Investments, as attributable to the licensed distribution business based on the principles adopted by the Commission;



- (iv) Interest on Short-Term Deposits, considered as incidental income attributable to distribution activity;
- (v) Interest on Corporate Liquid Term Deposits (CLTD), to the extent admissible;
- (vi) Other Miscellaneous Income, apportioned to the distribution business in accordance with the allocation methodology approved by the Commission in its Order dated 30.01.2026.

All other heads of 'Other Income' not specifically included above have been treated in accordance with the acceptance, exclusion and apportionment principles consistently applied by the Commission in its previous Orders, maintaining parity of treatment across the periods.

7.141 This treatment of NTI is provisional and subject to the outcome of the pending appeals before the Hon'ble Appellate Tribunal for Electricity. In particular, the Commission notes that the methodology applied herein is presently sub judice in Appeal No. 332 of 2024 (arising from Case (T) No. 09 of 2020, order dated 23.07.2024) and Appeal No. 227 of 2025 (arising from Case (T) No. 13 of 2024, order dated 27.05.2025). The Commission's order dated 30.01.2026 explicitly proceeds on this footing and preserves appropriate adjustments upon final adjudication. Accordingly, the NTI now approved shall be subject to modification based on the outcome of the aforesaid appeals and any further directions of the Hon'ble Tribunal.

7.142 The above view is also consistent with the Commission's remand-compliance findings including

- (a) the requirement to ascertain and attribute NTI to the distribution business;
- (b) the use of a rational approximation/apportionment where audited segregation is not furnished; and
- (c) the Commission's repeated directions to maintain separate accounts for the licensed business in terms of the Act and the Tariff Regulations, all as recorded in the Order dated 30.01.2026.

7.143 For the purposes of tariff determination for the MYT Control Period from FY 2026-27 to FY 2030-31, the Commission has considered Non-Tariff Income (NTI) as comprising Delayed Payment Surcharge (DPS) and other admissible income components, namely Interest from Employees Loan and Advances, Interest from Non-Current Investments, Interest on Short-Term Deposits, Interest on CLTD and Other Miscellaneous Income, as reflected in the



table above. The NTI has been computed by applying the same allocation tables, consistency of heads and methodological approach as approved by the Commission in its Order dated 30.01.2026. The Commission further clarifies that income attributable to assets located in Jharkhand has not been included, as such assets were not considered in the earlier years in accordance with the Commission. This approval is expressly subject to the outcome of the pending matters before the Hon'ble APTEL, and any consequential revision shall be carried out at the time of true-up in accordance with the directions of the Hon'ble Tribunal.

7.144 The Commission notes that the Petitioner has submitted the actual Delayed Payment Surcharge (DPS) for FY 2024-25 as part of its True-up petition. For the purpose of determination of NTI for the present MYT Control Period, the Commission has adopted the actual DPS of FY 2024-25 as the base year value and has projected DPS for the ensuing years by applying an annual escalation of 2%. The remaining admissible NTI components, namely Interest from Employees Loan and Advances, Interest from Non-Current Investments, Interest on Short-Term Deposits, Interest on CLTD and Other Miscellaneous Income, have been considered as per the approved methodology and remain consistent across the Control Period, as reflected in the NTI table forming part of this Order.

7.145 Consistent with the above, the Commission has computed the NTI for the distribution business in the State of Jharkhand. The approved NTI is subject to true-up on actuals in subsequent proceedings upon submission of auditable records by the Petitioner.

Table 95: Non-Tariff Income approved by the Commission for FY 2026-27 to FY 2030-31 (In Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| As per Petition | 2.31 | 2.36 | 2.41 | 2.46 | 2.51 |
| Commission Analysis | | | | | |
| DPS | 2.31 | 2.36 | 2.41 | 2.46 | 2.51 |
| Interest from Employees Loan and Advances | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest from Non-Current Investment | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Int on Security Deposit - Purchase of Power | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Int on Short Term Deposit | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 |
| Interest on CLTD | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Misc. Income | 4.70 | 4.70 | 4.70 | 4.70 | 4.70 |
| Approved NTI | 7.06 | 7.11 | 7.16 | 7.20 | 7.25 |



INTEREST ON TEMPORARY FINANCIAL ACCOMMODATION

Petitioner's Submission

7.146 The Petitioner submits that Interest on Temporary Financial Accommodation has been estimated for the MYT Control Period by escalating the actual interest booked for FY 2024-25 (Jharkhand area) by 2% per annum for each year of the Control Period.

Commission's Analysis

7.147 The Commission examined the submission made by the Petitioner towards Interest on Temporary Financial Accommodation (JSERC). However, this head of expense has been disallowed provisionally, and subject to prudence check while true-up may be approved, based on actual expenditure incurred.

INTEREST ON WORKING CAPITAL (IOWC)

Petitioner's Submission

7.148 The Petitioner has submitted that the Interest on Working Capital (IWC) in the instant MYT Petition has been claimed in accordance with Regulations 10.31 and 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. The Petitioner has further submitted that the rate of interest on Working Capital has been taken as the one-year SBI MCLR as on 30.09.2025 plus 350 basis points, which works out to 12.25%, and the same rate of interest has been considered for all the years of the Control Period.

Commission's Analysis

7.149 The Commission has outlined clause 10.30, clause 10.31 of JSERC (Terms and Condition of Determination of Tariff) Regulations 2025 for the approval of Interest on Working Capital which is reproduced below:

“Interest on Working Capital

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

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



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

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

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

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

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

minus

c) *Amount held as security deposits under Clause (a) and Clause (b) of subsection (1) of Section 47 of the Act from held for Wheeling Business;*

minus

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

7.150 Further, The Commission has outlined clause 10.32 of JSERC (Terms and Condition of Determination of Tariff) Regulations 2025 for the approval of Rate of interest on working capital on Working Capital which is reproduced below:

“10.32 Rate of interest on working capital shall be equal to the Bank Rates on September 30 of the financial year in which the MYT Petition is filed plus three hundred and fifty (350) basis points. At the time of true-up, the interest rate shall be adjusted as per the actual rate prevailing on April 01 of the financial year for which trueing up exercise has been undertaken.”

7.151 The Repair & Maintenance (R&M) expenditure approved/submitted under O&M expenses is Nil. Accordingly, no R&M outgo has been admitted for the relevant assets during the Control Period, maintenance spares at 1% of opening Gross Fixed Assets have been considered as zero for the computation of working capital requirement.

7.152 Based on the above, the Commission has considered the interest on Working Capitals as per JSERC (Terms and Condition of Determination of Tariff) Regulations 2025.



Table 96: Interest on Working Capitals approved by the Commission for FY 2026-27 to FY 2030-31 (In Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|---|---------------|---------------|---------------|---------------|---------------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Maintenance spare 1% of opening GFA | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Receivables equivalent to 2 months | 1,146.72 | 892.59 | 989.77 | 1,166.85 | 1,215.41 |
| Sub-total | 1,146.72 | 892.59 | 989.77 | 1,166.85 | 1,215.41 |
| Less: Cash Security Deposit | 381.99 | 389.63 | 397.42 | 405.37 | 413.48 |
| Less: 1 month eq. of cost of power purchased | 133.29 | 132.33 | 151.28 | 164.79 | 167.80 |
| Working Capital requirement | 631.45 | 370.65 | 441.04 | 596.70 | 634.14 |
| Interest rate (%) (SBI MCLR Rate as on 30.09.2025 + 350 basis points) | 12.25% | 12.25% | 12.25% | 12.25% | 12.25% |
| Interest on Working Capital | 77.35 | 45.40 | 55.03 | 73.10 | 77.68 |

INTEREST ON CONSUMER SECURITY DEPOSIT

Petitioner's Submission

7.153 The Petitioner has submitted that, the interest on CSD has been computed in accordance with the JSERC (Electricity Supply Code) Regulations, 2015, based on the average of the actual CSD during FY 2024-25. It has been further submitted that, the average CSD for FY 2024-25 has been increased by 2% per annum for each year of the Control Period, and that the rate of interest on CSD has been taken as the SBI Base Rate as on 30.09.2025 plus 350 basis points, i.e., 12.25%, which has been applied uniformly for all the years of the Control Period. The Petitioner has stated that the interest on CSD for the Control Period has been computed on the said average CSD for each year accordingly.

Commission's Analysis

7.154 The Commission has outline clause 10.33 of JSERC (Terms and Condition for Determination of Distribution Tariff) Regulations 2025 for the approval of Interest on Consumer Security Deposit as reproduced below:

“10.33 The interest payable on consumer security deposits shall be governed by the provisions of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2015, as amended by the First Amendment Regulations, 2018, and the Second Amendment Regulations, 2024, or as may be further amended or substituted by the Commission from time to time.”



7.155 Further, The Commission has outline clause 8.2.16, the Second Amendment Regulations, 2024, of Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2015, for the approval of Interest on Consumer Security Deposit as reproduced below:

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

7.156 Commission has considered the Consumer Security Deposit based on actuals for FY 2024-25, duly escalated by 2% per annum for each year of the Control Period, and has applied the rate of interest as per the JSERC (Electricity Supply Code) Regulations, 2015 and its Second Amendment Regulations, 2024.

7.157 The Commission clarifies that the interest on CSD considered is approved on a provisional basis for ARR purposes and shall be subject to prudence check at the time of true-up, based on actual Consumer Security Deposit maintained, actual interest paid, and reconciliation with the audited accounts of the Petitioner for the relevant financial years.

Table 97: Interest on Security Deposit approved by the Commission for FY 2026-27 to FY 2030-31 (In Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|---|--------------|--------------|--------------|--------------|--------------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Estimated Avg. Security Deposit | 381.99 | 389.63 | 397.42 | 405.37 | 413.48 |
| Rate of Int (Base rate of SBI as on April-2025) | 10.30% | 10.30% | 10.30% | 10.30% | 10.30% |
| Interest on Security Deposit approved | 39.34 | 40.13 | 40.93 | 41.75 | 42.59 |



TARIFF FILING AND PUBLICATION EXPENSES (JSERC)

Petitioner's Submission

7.158 The Petitioner has submitted that, in addition to the other items, it has claimed the Tariff filing fees, licence fees, publication expenses and related expenditure payable before the Hon'ble Central Commission as well as before this Commission, in terms of the relevant Fees Regulations of the respective Commission(s) for the concerned period, on estimation basis.

Commission's Analysis

7.159 The Commission found that, the Petitioner has placed on record the Audited Certificate for FY 2024-25 (Annex-10 (Colly), Pg. 212) filed with the True-up Petition for FY 2024-25. The determination of the ARR for the present MYT Control Period from FY 2026-27 to FY 2030-31, the Commission adopts the said audited cost towards Tariff Filing Fees, Licence/Regulatory Fees, Publication Expenses and related expenditure as the base and approves the same on a provisional basis. This approval shall remain subject to prudence check at the time of truing-up, based on actual expenditure incurred, documentary substantiation, and reconciliation with the audited accounts for the respective years of the Control Period.

Table 98 : Tariff Filing Fees & Publication Expenses Submitted by Petitioner and approved by the Commission for FY 2026-27 to FY 2030-31 (In Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|--|---------|---------|---------|---------|---------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Tariff Filing Fees & Publication Expenses Submitted by Petitioner | 1.55 | 1.58 | 1.61 | 1.64 | 1.67 |
| Tariff Filing Fees & Publication Expenses approved by the Commission | 1.49 | 1.49 | 1.49 | 1.49 | 1.49 |

LEGAL CHARGES

Petitioner's Submission

7.160 The Petitioner has submitted that it has projected the cost of legal expenses in line with Regulation 10.7 of the JSERC (Terms and Conditions for Determination of Distribution Tariff)



Regulations, 2025, and has claimed the said expenditure with an annual escalation of 2% during each year of the Control Period, taking FY 2024-25 (True-up year) as the base.

Commission's Analysis

7.161 The Commission has outlined **clause 10.7** of JSERC (Terms and Condition of Determination of Tariff) Regulations 2025 for the approval of legal/litigation expenses as reproduced below:

“10.7 The Distribution Licensee shall submit a detailed break-up of Legal/Litigation Expenses incurred during the Control Period (FY 2026-27 to FY 2030-31), along with necessary documentary evidence such as invoices, fee receipts, case references, and proof of payment. The Commission shall assess the admissibility of such expenses based on the provisions of the Jharkhand State Litigation Policy and allow recovery of expenses subject to prudence check at the time of trueing-up.

Provided that the legal expenses shall be considered on a case-by-case basis, subject to prudence check at the time of True-up, and only upon production of valid proof of payment for the actual amount claimed.”

7.162 The Commission has examined the Petitioner's submission on Legal Expenses. The Commission allows Legal Expenses for the Control Period from FY 2026-27 to FY 2030-31, as per the Audited Certificate for FY 2024-25 (Annex-10 (Colly), p. 212) filed along with the True-up Petition for FY 2024-25. This approval is provisional and shall be subject to prudence check at the time of trueing-up, based on actual expenditure incurred and reconciliation with the audited accounts for the respective year(s) of the Control Period.

Table 99 : Legal Expenses Submitted by Petitioner and approved by the Commission for FY 2026-27 to FY 2030-31 (In Rs. Cr.)

| Particulars | FY | FY | FY | FY | FY |
|---|---------|---------|---------|---------|---------|
| | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Legal Expenses Submitted by Petitioner | 3.72 | 3.79 | 3.87 | 3.95 | 4.03 |
| Legal Expenses Approved by the Commission | 3.58 | 3.58 | 3.58 | 3.58 | 3.58 |



REBATE ON SALE OF POWER

Petitioner's Submission

7.163 The Petitioner has submitted that, the Prompt Payment Rebate and Rebate for Online Payment be provided in accordance with the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, and as followed in the latest Tariff Order. Clause 10.80 provides that for payment of bills (Capacity Charge and Energy Charges) within 5 days of presentation of bills by the Distribution Licensee, a rebate of 2.00% shall be allowed. The Petitioner has further submitted that no rebate is proposed for payments made after the due date, and that the due date for payment be 15 days from the date of billing for HT/EHT consumers and 21 days for LT consumers, in line with the regulatory framework for billing timelines and surcharge provisions.

7.164 Accordingly, DVC has prayed that the Prompt Payment Rebate @ 2% within 5 days be retained as a salient feature of the tariff for FY 2026-27, with the above payment timelines for consumer categories, and no rebate admissible after the due date, consistent with the practice recorded in prior proceedings.

Commission's Analysis

7.165 The Commission is of opinion that each of the rebate prescribed in the terms and condition of supply is either provided to the consumer as such rebate facilitates optimization of cost for DVC or is in the form of disincentive to DVC for inaction. The same is explained below:

- *Voltage Rebate - Such a rebate is to encourage consumers to move to higher voltage level as the losses on higher voltage is lower thereby leading to lower cost of service to DVC.*
- *Load Factor Rebate - Load Factor Rebate incentivises energy consumption by customers and it leads to better capacity utilisation of infrastructure to DVC and reduced losses. High load factor of consumers reduces the transmission losses and consequently power purchase cost. Higher load factor also reduces the transformer losses.*
- *Rebate for Online Payment and Due Date Payment - Timely and prompt payment reduces the working capital cost of DVC. Online payment optimizes the O&M costs for DVC.*



- *Rebate for Prepaid Metering - Prepaid metering reduces the working capital cost of DVC and also optimizes the O&M costs.*
- *Rebate for Delayed Billing - This rebate is provided to consumers to promote prompt and timely billing by DVC. This is in the nature of a disincentive.*

7.166 The Commission observes that, the rebates in question are designed either to optimise the Petitioner's cost structure or to serve as a consumer-side incentive/disincentive within the approved tariff design. In its Order dated 27.05.2025 on True-up for FY 2023-24, Annual Performance Review for FY 2024-25, and Aggregate Revenue Requirement & Tariff for FY 2025-26 for DVC, the Commission considered the net revenue billed to the consumers of Jharkhand, inclusive of applicable rebates/surcharges, while approving the Gap/(Surplus).

7.167 In view of the above, and consistent with the approach recorded in the Commission's earlier Tariff Orders, the Commission shall, consider the net revenue billed to the consumers of Jharkhand for the present MYT Control Period FY 2026-27 to FY 2030-31, However, this head of expense has been disallowed provisionally and shall be subject to prudence check at the time of true-up, based on actual expenditure incurred and reconciliation with the audited accounts for the respective year(s) of the Control Period.



SUMMARY OF ARR FOR JHARKHAND AREA FOR THE CONTROL PERIOD

7.168 The Commission has approved ARR for MYT Control Period from FY 2026-27 to FY 2030-31 vis-à-vis ARR submitted by the Petitioner as summarised below.

Table 100: ARR submitted by Petitioner and approved by the Commission for FY 2026-27 (Rs. Cr.)

| S No. | Station/item (Amounts in INR Cr) | FY 2026-27 | | | |
|-------|---|-----------------|-----------------|-----------------|-----------------|
| | | Petitioned | | Approved | |
| | | Energy charge | Fixed Charge | Energy charge | Fixed Charge |
| 1 | Cost of Own Generation | 4,302.24 | 3,096.30 | 4,292.67 | 1,985.87 |
| 2 | T & D System | 0.00 | 1,229.88 | 0.00 | 466.83 |
| 3 | POWER PURCHASE Cost (Including Transmission & Other Charges excluding RPO) | 1,028.60 | 0.00 | 1,028.60 | 0.00 |
| 4 | Tariff filling fees & publication expenses to CERC | 0.00 | 4.59 | 0.00 | 4.37 |
| 5 | Environmental and Other Cess | 0.00 | 0.85 | 0.00 | 0.00 |
| 6 | Add: Beta (β) Incentive | 0.00 | 13.43 | 0.00 | 8.87 |
| 7 | Add: AMC on ULDC Charges | 0.00 | 0.37 | 0.00 | 0.00 |
| 8 | Less: Open Access Charges for Transmission System | 0.00 | 94.16 | 0.00 | 94.16 |
| 9 | Total | 5,330.85 | 4,251.26 | 5,321.27 | 2,371.79 |
| 10 | Ratio of sales in Jharkhand part to total firm sale in entire DVC | 0.53 | 0.53 | 0.53 | 0.53 |
| 11 | ARR before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand | 2,810.47 | 2,241.30 | 2,805.42 | 1,250.43 |
| 12 | Fixed Charges for Distribution Assets (11 KV) | 0.00 | 133.59 | 0.00 | 9.49 |
| 13 | Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand | 1,058.25 | 0.00 | 1,057.10 | 0.00 |
| 14 | Interest on Working Capital | 0.00 | 71.13 | 0.00 | 77.35 |
| 15 | Interest on security deposit | 0.00 | 46.79 | 0.00 | 39.34 |
| 16 | Legal Charges (JH region) | 0.00 | 3.72 | 0.00 | 3.58 |
| 17 | Add: Interest on Temporary Financial Accommodation | 0.00 | 0.46 | 0.00 | 0.00 |
| 18 | Gap/(Surplus)- Regulatory Assets | 0.00 | 0.00 | 0.00 | 1,585.51 |
| 19 | Tariff Filing Fees, licensee Fee & Publication Expenses in JSERC | 0.00 | 1.55 | 0.00 | 1.49 |
| 20 | Less: Non Tariff Income (NTI) | 0.00 | 0.46 | 0.00 | 7.06 |
| 21 | NET ARR Jharkhand | 3,868.72 | 2,498.08 | 3,862.53 | 2,960.12 |
| 22 | ARR for the Year | 6,366.80 | | 6,822.65 | |
| 23 | Sale in Jharkhand (MU) | 9,816.98 | | 9,816.98 | |
| 24 | Average Cost of Supply (Rs. / kWh) | 6.49 | | 6.95 | |



Table 101: ARR submitted by Petitioner and approved by the Commission for FY 2027-28 (Rs. Cr.)

| S No. | Station/item (Amounts in INR Cr) | FY 2027-28 | | | |
|-------|---|------------------|-----------------|------------------|-----------------|
| | | Petitioned | | Approved | |
| | | Energy charge | Fixed Charge | Energy charge | Fixed Charge |
| 1 | Cost of Own Generation | 4,521.56 | 3,084.10 | 4,505.63 | 2,018.41 |
| 2 | T & D System | 0.00 | 1,289.90 | 0.00 | 476.17 |
| 3 | POWER PURCHASE Cost (Including Transmission & Other Charges excluding RPO) | 1,005.47 | 0.00 | 1,005.47 | 0.00 |
| 4 | Tariff filling fees & publication expenses to CERC | 0.00 | 4.82 | 0.00 | 4.37 |
| 5 | Environmental and Other Cess | 0.00 | 0.87 | 0.00 | 0.00 |
| 6 | Add: Beta (β) Incentive | 0.00 | 13.19 | 0.00 | 8.88 |
| 7 | Add: AMC on ULDC Charges | 0.00 | 0.40 | 0.00 | 0.00 |
| 8 | Less: Open Access Charges for Transmission System | 0.00 | 96.04 | 0.00 | 96.04 |
| 9 | Total | 5,527.02 | 4,297.25 | 5,511.09 | 2,411.80 |
| 10 | Ratio of sales in Jharkhand part to total firm sale in entire DVC | 0.53 | 0.53 | 0.53 | 0.53 |
| 11 | ARR before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand | 2,921.38 | 2,271.36 | 2,912.96 | 1,274.79 |
| 12 | Fixed Charges for Distribution Assets (11 KV) | 0.00 | 183.80 | 0.00 | 28.00 |
| 13 | Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand | 1,057.42 | 0.00 | 1,056.33 | 0.00 |
| 14 | Interest on Working Capital | 0.00 | 74.63 | 0.00 | 45.40 |
| 15 | Interest on security deposit | 0.00 | 47.73 | 0.00 | 40.13 |
| 16 | Legal Charges (JH region) | 0.00 | 3.79 | 0.00 | 3.58 |
| 17 | Add: Interest on Temporary Financial Accommodation | 0.00 | 0.47 | 0.00 | 0.00 |
| 18 | Gap/(Surplus)- Regulatory Assets | 0.00 | 0.00 | 0.00 | 0.00 |
| 19 | Tariff Filing Fees, licensee Fee & Publication Expenses in JSERC | 0.00 | 1.58 | 0.00 | 1.49 |
| 20 | Less: Non Tariff Income (NTI) | 0.00 | 2.36 | 0.00 | 7.11 |
| 21 | NET ARR Jharkhand | 3,978.80 | 2,581.01 | 3,969.29 | 1,386.28 |
| 22 | ARR for the Year | 6,559.80 | | 5,355.56 | |
| 23 | Sale in Jharkhand (MU) | 10,071.30 | | 10,071.30 | |
| 24 | Average Cost of Supply (Rs. / kWh) | 6.51 | | 5.32 | |



Table 102: ARR submitted by Petitioner and approved by the Commission for FY 2028-29 (Rs. Cr.)

| S No. | Station/item (Amounts in INR Cr) | FY 2028-29 | | | |
|-------|---|------------------|-----------------|------------------|-----------------|
| | | Petitioned | | Approved | |
| | | Energy charge | Fixed Charge | Energy charge | Fixed Charge |
| 1 | Cost of Own Generation | 4,679.74 | 3,403.83 | 4,657.94 | 2,296.27 |
| 2 | T & D System | 0.00 | 1,350.21 | 0.00 | 485.69 |
| 3 | POWER PURCHASE Cost (Including Transmission & Other Charges excluding RPO) | 1,124.63 | 0.00 | 1,124.63 | 0.00 |
| 4 | Tariff filling fees & publication expenses to CERC | 0.00 | 5.30 | 0.00 | 4.37 |
| 5 | Environmental and Other Cess | 0.00 | 0.89 | 0.00 | 0.00 |
| 6 | Add: Beta (β) Incentive | 0.00 | 13.53 | 0.00 | 9.27 |
| 7 | Add: AMC on ULDC Charges | 0.00 | 0.41 | 0.00 | 0.00 |
| 8 | Less: Open Access Charges for Transmission System | 0.00 | 97.96 | 0.00 | 97.96 |
| 9 | Total | 5,804.37 | 4,676.21 | 5,782.57 | 2,697.64 |
| 10 | Ratio of sales in Jharkhand part to total firm sale in entire DVC | 0.54 | 0.54 | 0.54 | 0.54 |
| 11 | ARR before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand | 3,143.66 | 2,532.65 | 3,131.85 | 1,461.05 |
| 12 | Fixed Charges for Distribution Assets (11 KV) | 0.00 | 205.85 | 0.00 | 46.52 |
| 13 | Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand | 1,211.13 | 0.00 | 1,206.07 | 0.00 |
| 14 | Interest on Working Capital | 0.00 | 86.25 | 0.00 | 54.03 |
| 15 | Interest on security deposit | 0.00 | 48.68 | 0.00 | 40.93 |
| 16 | Legal Charges (JH region) | 0.00 | 3.87 | 0.00 | 3.58 |
| 17 | Add: Interest on Temporary Financial Accommodation | 0.00 | 0.48 | 0.00 | 0.00 |
| 18 | Gap/(Surplus)- Regulatory Assets | 0.00 | 0.00 | 0.00 | 0.00 |
| 19 | Tariff Filing Fees, licensee Fee & Publication Expenses in JSERC | 0.00 | 1.61 | 0.00 | 1.49 |
| 20 | Less: Non Tariff Income (NTI) | 0.00 | 2.41 | 0.00 | 7.16 |
| 21 | NET ARR Jharkhand | 4,354.79 | 2,876.98 | 4,337.93 | 1,600.44 |
| 22 | ARR for the Year | 7,231.77 | | 5,938.37 | |
| 23 | Sale in Jharkhand (MU) | 10,962.31 | | 10,962.31 | |
| 24 | Average Cost of Supply (Rs. / kWh) | 6.60 | | 5.42 | |



Table 103: ARR submitted by Petitioner and approved by the Commission for FY 2029-30 (Rs. Cr.)

| S No. | Station/item (Amounts in INR Cr) | FY 2029-30 | | | |
|-------|---|------------------|-----------------|------------------|-----------------|
| | | Petitioned | | Approved | |
| | | Energy charge | Fixed Charge | Energy charge | Fixed Charge |
| 1 | Cost of Own Generation | 5,473.33 | 4,353.70 | 5,430.97 | 3,153.05 |
| 2 | T & D System | 0.00 | 1,421.56 | 0.00 | 495.41 |
| 3 | POWER PURCHASE Cost (Including Transmission & Other Charges excluding RPO) | 1,150.57 | 0.00 | 1,150.57 | 0.00 |
| 4 | Tariff filling fees & publication expenses to CERC | 0.00 | 5.83 | 0.00 | 4.37 |
| 5 | Environmental and Other Cess | 0.00 | 0.90 | 0.00 | 0.00 |
| 6 | Add: Beta (β) Incentive | 0.00 | 13.66 | 0.00 | 9.31 |
| 7 | Add: AMC on ULDC Charges | 0.00 | 0.36 | 0.00 | 0.00 |
| 8 | Less: Open Access Charges for Transmission System | 0.00 | 99.92 | 0.00 | 99.92 |
| 9 | Total | 6,623.91 | 5,696.09 | 6,581.54 | 3,562.21 |
| 10 | Ratio of sales in Jharkhand part to total firm sale in entire DVC | 0.54 | 0.54 | 0.54 | 0.54 |
| 11 | ARR before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand | 3,569.34 | 3,069.38 | 3,546.51 | 1,919.52 |
| 12 | Fixed Charges for Distribution Assets (11 KV) | 0.00 | 210.29 | 0.00 | 65.04 |
| 13 | Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand | 1,363.49 | 0.00 | 1,357.30 | 0.00 |
| 14 | Interest on Working Capital | 0.00 | 108.42 | 0.00 | 73.10 |
| 15 | Interest on security deposit | 0.00 | 49.66 | 0.00 | 41.75 |
| 16 | Legal Charges (JH region) | 0.00 | 3.95 | 0.00 | 3.58 |
| 17 | Add: Interest on Temporary Financial Accommodation | 0.00 | 0.49 | 0.00 | 0.00 |
| 18 | Gap/(Surplus)- Regulatory Assets | 0.00 | 0.00 | 0.00 | 0.00 |
| 19 | Tariff Filing Fees, licensee Fee & Publication Expenses in JSERC | 0.00 | 1.64 | 0.00 | 1.49 |
| 20 | Less: Non Tariff Income (NTI) | 0.00 | 2.46 | 0.00 | 7.20 |
| 21 | NET ARR Jharkhand | 4,932.83 | 3,441.36 | 4,903.81 | 2,097.27 |
| 22 | ARR for the Year | 8,374.19 | | 7,001.08 | |
| 23 | Sale in Jharkhand (MU) | 12,514.02 | | 12,514.02 | |
| 24 | Average Cost of Supply (Rs. / kWh) | 6.69 | | 5.59 | |



Table 104: ARR submitted by Petitioner and approved by the Commission for FY 2030-31 (Rs. Cr.)

| S No. | Station/item (Amounts in INR Cr) | FY 2030-31 | | | |
|-------|---|------------------|-----------------|------------------|-----------------|
| | | Petitioned | | Approved | |
| | | Energy charge | Fixed Charge | Energy charge | Fixed Charge |
| 1 | Cost of Own Generation | 5,684.14 | 4,706.23 | 5,627.36 | 3,421.96 |
| 2 | T & D System | 0.00 | 1,499.58 | 0.00 | 505.32 |
| 3 | POWER PURCHASE Cost (Including Transmission & Other Charges excluding RPO) | 1,165.65 | 0.00 | 1,165.65 | 0.00 |
| 4 | Tariff filling fees & publication expenses to CERC | 0.00 | 6.42 | 0.00 | 4.37 |
| 5 | Environmental and Other Cess | 0.00 | 0.92 | 0.00 | 0.00 |
| 6 | Add: Beta (β) Incentive | 0.00 | 13.79 | 0.00 | 9.47 |
| 7 | Add: AMC on ULDC Charges | 0.00 | 0.37 | 0.00 | 0.00 |
| 8 | Less: Open Access Charges for Transmission System | 0.00 | 101.92 | 0.00 | 101.92 |
| 9 | Total | 6,849.80 | 6,125.38 | 6,793.01 | 3,839.20 |
| 10 | Ratio of sales in Jharkhand part to total firm sale in entire DVC | 0.54 | 0.54 | 0.54 | 0.54 |
| 11 | ARR before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand | 3,673.77 | 3,285.24 | 3,643.31 | 2,059.09 |
| 12 | Fixed Charges for Distribution Assets (11 KV) | 0.00 | 210.30 | 0.00 | 83.55 |
| 13 | Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand | 1,395.85 | 0.00 | 1,388.45 | 0.00 |
| 14 | Interest on Working Capital | 0.00 | 114.65 | 0.00 | 77.68 |
| 15 | Interest on security deposit | 0.00 | 50.65 | 0.00 | 42.59 |
| 16 | Legal Charges (JH region) | 0.00 | 4.03 | 0.00 | 3.58 |
| 17 | Add: Interest on Temporary Financial Accommodation | 0.00 | 0.50 | 0.00 | 0.00 |
| 18 | Gap/(Surplus)- Regulatory Assets | 0.00 | 0.00 | 0.00 | 0.00 |
| 19 | Tariff Filing Fees, licensee Fee & Publication Expenses in JSERC | 0.00 | 1.67 | 0.00 | 1.49 |
| 20 | Less: Non Tariff Income (NTI) | 0.00 | 2.51 | 0.00 | 7.25 |
| 21 | NET ARR Jharkhand | 5,069.62 | 3,664.54 | 5,031.77 | 2,260.72 |
| 22 | ARR for the Year | 8,734.15 | | 7,292.49 | |
| 23 | Sale in Jharkhand (MU) | 12,851.54 | | 12,851.54 | |
| 24 | Average Cost of Supply (Rs. / kWh) | 6.80 | | 5.67 | |



REVENUE FROM SALE OF POWER IN JHARKHAND AREA AT APPLICABLE TARIFF FOR FY 2026-27

Commission's Analysis

7.169 The Commission has reassessed the Revenue from Sale of Power in Jharkhand area at the applicable Tariff and approves the revenue for Sale of Energy as Rs. 6,880.31 Crore in the Jharkhand area for FY 2026-27.

SUMMARY OF ARR AND GAP/(SURPLUS) AT APPLICABLE TARIFF FOR FY 2026-27

Commission's Analysis

7.170 The Commission has approved the ARR for FY 2026-27 based on the components approved in this Order. The following table summarises the Gap/(Surplus) for FY 2026-27 at applicable tariff.

Table 105: Gap/(Surplus) at applicable tariff as approved by the Commission (Rs. Crore)

| Particular | FY 2026-27 | |
|---------------------------------------|------------|----------------|
| | Petitioned | Approved |
| Annual Revenue Requirement | 6,366.80 | 6,822.65 |
| Revenue from Sales at Approved Tariff | | 6,880.31 |
| Revenue Gap/(Surplus) | | (57.66) |



CHAPTER 8: REVENUE GAP AND ITS TREATMENT



8. REVENUE GAP AND ITS TREATMENT

TREATMENT OF REVENUE GAP/(SURPLUS) FROM FY 2021-22 TILL FY 2026-27

Petitioner's Submission

8.1 The Petitioner (DVC) has submitted that in addition to the submissions already placed on record, the differential impact on Annual Fixed Charge (AFC) arising from revision of the AFC of DVC's generating stations amounts to approximately Rs. 1,200 crore. When this is considered together with the Petitioner's other legitimate claims presently pending adjudication in connected Appeals, the cumulative recoverable amount becomes more than Rs. 10,000 crore. The Petitioner has further submitted that, under Rule 23 of the Electricity Rules, 2024, all past-period regulatory gaps, particularly those attributable to uncontrollable and pass-through cost elements, are mandatorily required to be adjusted in subsequent tariff periods to preserve the revenue-neutral character of a regulated utility; this obligation is consistent with the scheme of the Electricity Act as well as the principle upheld by the Hon'ble Supreme Court in BSES Rajdhani Power Ltd. & Anr. v. Union of India & Ors. (06.08.2025).

Commission's Analysis

8.2 The Commission has considered the submissions made by the Petitioner regarding the additional financial impact arising from the revision of Annual Fixed Charge of its generating stations and the cumulative recoverable claims stated to be pending adjudication before the Hon'ble Appellate Tribunal. The Commission notes the Petitioner's contention that such amounts represent past-period regulatory gaps attributable, inter alia, to uncontrollable and pass-through cost components and have been asserted to be recoverable in terms of Rule 23 of the Electricity Rules, 2024 and the principles laid down by the Hon'ble Supreme Court in BSES Rajdhani Power Ltd. & Anr. v. Union of India & Ors. (Judgment dated 06.08.2025).

8.3 At the same time, the Commission notes that, in compliance with the directions of the Hon'ble Appellate Tribunal for Electricity and in view of the statutory framework governing regulatory asset liquidation, the Commission has filed affidavits in O.P. No. 01 of 2025, placing on record a phased and reasoned roadmap for liquidation of Regulatory Assets/Revenue Gap. In particular, as set out in the Affidavit dated 22.11.2025, the Commission has identified the assessed Revenue Gap for DVC along with a tentative liquidation trajectory for the period from FY 2026-27 to FY 2030-31, inclusive of carrying cost, keeping in view tariff stability and consumer interest.

8.4 Accordingly, in line with the position placed on record before the Hon'ble Tribunal and for the purpose of the present MYT Order and ARR determination for FY 2026-27, the Commission



has provided for pass-through of a Revenue Gap of Rs. 1,585.51 Crore in the Aggregate Revenue Requirement for FY 2026-27. The said amount comprises the true-up gap pertaining to FY 2024-25, including carrying cost, together with a rational and phased portion of the revenue gap relating to earlier years, as considered appropriate by the Commission at this stage. The Commission clarifies that this treatment represents a measured and tribunal-consistent approach to regulatory asset liquidation and does not amount to blanket acceptance of all claims asserted by the Petitioner, which remain subject to adjudication and final outcomes of the pending proceedings before the Hon'ble Tribunal.

Table 106: Cumulative Revenue Gap/(Surplus) approved by the Commission till FY 2025-26 (Rs. Crore)

| Particulars | Amount |
|---|-----------------|
| Gap for True-up FY 2024-25 | 1,051.97 |
| Carrying Cost pertaining to Gap of FY 2025-26 | 218.55 |
| Liquidation of Regulatory Asset as submitted in OP1 of 2025 | 660.00 |
| Total Regulatory asset liquidated in FY 2026-27 | 1,930.51 |



CHAPTER 9: APPROVED RETAIL TARIFF FOR FY 2026-27



9. APPROVED RETAIL TARIFF FOR FY 2026-27

Petitioner's Submission

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

Table 107: Summary of Existing Tariff and Proposed Tariff submitted by Petitioner for FY 2026-27

| Consumer Category | Existing component of Tariff (2025-25) | | Proposed component of Tariff (2026-27) | |
|---------------------|--|----------------|--|----------------|
| | Fixed Charges | Energy Charges | Fixed Charges | Energy Charges |
| LT Consumers: | | | | |
| | (Rs/Conn./Month) | (Rs/kWh) | (Rs/Conn./Month) | (Rs/kWh) |
| LT (Domestic) | 75.00 | 4.30 | 75.00 | 4.25 |
| | (Rs/KW/Month) | (Rs/kWh) | (Rs/KW/Month) | (Rs/kWh) |
| LT (Commercial) | 150.00 | 4.30 | 158.00 | 4.80 |
| | | | | |
| HT Consumers: | | | | |
| | (Rs/KVA/Month) | (Rs/kVAh) | (Rs/KVA/Month) | (Rs/kVAh) |
| Industries (11 KV) | 400.00 | 4.20 | 450.00 | 6.11 |
| Industries (33 KV) | 400.00 | 4.20 | 450.00 | 6.11 |
| Industries (132 KV) | 400.00 | 4.20 | 450.00 | 6.11 |
| Industries (220 KV) | 400.00 | 4.20 | 450.00 | 6.11 |
| Licensees (33 KV) | 400.00 | 4.10 | 450.00 | 5.96 |
| Licensees (132 KV) | 400.00 | 4.10 | 450.00 | 5.96 |
| Traction (132 KV) | 400.00 | 4.10 | 450.00 | 5.96 |

Commission's Analysis

9.2 Based on the above discussions, the summary of Tariff approved by the Commission for FY 2026-27 is as below:



Table 108: Summary of Existing and Approved Tariff for FY 2026-27*

| Consumer Category | Existing | | Approved | |
|--------------------------|------------------|----------------|-------------------|----------------|
| | Fixed Charges | Energy Charges | Fixed Charges | Energy Charges |
| LT Consumers: | (Rs/Conn./Month) | (Rs./kWh) | (Rs./Conn./Month) | (Rs./kWh) |
| LT (Domestic) | 75 | 4.30 | 75 | 4.25 |
| | (Rs./kW/Month) | (Rs./kWh) | (Rs./kW/Month) | (Rs./kWh) |
| LT (Commercial) | 150 | 4.30 | 150 | 4.80 |
| HT Consumers: | | | (Rs./HP/Month) | (Rs./kWh) |
| Irrigation & Agriculture | | | 50 | 5.30 |
| | (Rs./kVA/Month) | (Rs./kVAh) | (Rs./kVA/Month) | (Rs./kVAh) |
| HT (Domestic) | 100 | 3.80 | 115 | 5.30 |
| Industries (11 KV) | 400 | 4.20 | 450 | 6.00 |
| Industries (33 KV) | 400 | 4.20 | 450 | 5.90 |
| Licensees (33 KV) | 400 | 4.10 | 450 | 5.75 |
| Industries (132 KV) | 400 | 4.20 | 450 | 5.85 |
| Licensees (132 KV) | 400 | 4.10 | 450 | 5.75 |
| Traction (132 KV) | 400 | 4.10 | 450 | 5.75 |
| Industries (220 KV) | 400 | 4.20 | 450 | 5.80 |

***Note:** An additional surcharge of Rs **0.35/kWh** shall be levied on the above-approved retail tariff towards **Regulatory Asset Adjustment Surcharge (RAAS – elaborately dealt in Chapter 10)**. The said surcharge shall be applicable to **all categories of consumers, except the Irrigation & Agriculture category**.



CHAPTER 10: REGULATORY ASSET ADJUSTMENT SURCHARGE FOR FY 2026-27



10. REGULATORY ASSET ADJUSTMENT SURCHARGE FOR FY 2026-27

Commission's Analysis

10.1 The Commission notes that the creation, continuation and liquidation of Regulatory Assets have been authoritatively settled by the Hon'ble Supreme Court in BSES Rajdhani Power Ltd. & Ors. v. Union of India & Ors., Judgment dated 06.08.2025 (2025 INSC 937). The Hon'ble Court, while examining prolonged deferral of revenue recovery by the Delhi Electricity Regulatory Commission (DERC), held, inter alia, that uncontrolled accumulation of regulatory assets amounts to "regulatory failure" and issued binding directions to all Regulatory Commissions to ensure tariff discipline and time-bound liquidation. Hon'ble Supreme Court at paragraph 67.4 (Page 66) of the Judgment, has categorically held:

"The creation of a regulatory asset is permissible only in exceptional circumstances. Tariff determination must remain cost-reflective, and deferment of recovery cannot be allowed to become a routine regulatory practice."

At Paragraph 71(iii) (Page 80), while approving Rule 23 of the Electricity (Amendment) Rules, 2024, the Hon'ble Supreme Court has laid down the 3% ceiling principle, observing as under:

(iii) The regulatory asset should not exceed a reasonable percentage, which percentage can be arrived on the basis of Rule 23 of the Electricity Rules that prescribes 3% of the ARR as the guiding principle;

Further, at Paragraph 71(iv) and (v) (Page 80), the Hon'ble Supreme Court has issued binding timelines for liquidation:

"(iv) If a regulatory asset is created, it must be liquidated within a period of 3 years, taking Rule 23 as the guiding principle;

(v) The existing regulatory asset must be liquidated in a maximum of 4 years starting from 01.04.2024, taking Rule 23 as the guiding principle;"

10.2 The Commission further notes that, at Paragraph 71(viii) and (ix) (Page 81) of the aforesaid Judgment, the Hon'ble Supreme Court has empowered the Hon'ble Appellate Tribunal for Electricity (APTEL) under Section 121 of the Electricity Act, 2003, directing as under:



“(viii)The APTEL shall invoke its powers under Section 121 and issue such orders, instructions or directions as it may deem fit to the Regulatory Commissions for performance of their duties with respect to regulatory asset as enunciated by us in this judgment and as per the orders of the APTEL in O.P. No. 1/2011 dated 11.11.2011 and O.P. Nos. 1 and 2/2012 dated 14.11.2013. (ix)

(ix)The APTEL shall register a suo moto petition under Section 121 of the Act to monitor implementation of above directions (v) and (vi) till the conclusion of the period mentioned therein.”

- 10.3 The Commission notes that the Hon’ble Supreme Court has empowered the Hon’ble Appellate Tribunal for Electricity (APTEL) under Section 121 of the Electricity Act, 2003 to exercise nationwide oversight to ensure compliance with the above principles. In pursuance thereof, APTEL has been directed to register suo motu proceedings to monitor adherence by State Commissions, including the 3% ARR cap and time-bound liquidation.
- 10.4 The Hon’ble APTEL, in earlier proceedings involving BSES and DERC, had consistently emphasized that regulatory assets cannot be allowed to perpetually roll over and that recovery must be effected through transparent tariff mechanisms, safeguarding inter-generational equity. These principles stand reaffirmed by the Hon’ble Supreme Court’s judgment dated 06.08.2025.
- 10.5 The Commission notes that in its earlier Tariff Orders, including the Orders dated 31.10.2023, 22.01.2024, 27.05.2025 and 30.01.2026 passed pursuant to the remand by the Hon’ble APTEL, the Revenue Gap/Surplus up to FY 2023-24 has already been duly determined and crystallised after undertaking the truing-up exercise and allowing the applicable carrying cost. The Commission observes that the said regulatory balances have thus attained finality for the relevant periods, subject to judicial outcomes, and any further deferment of their liquidation would run contrary to the binding directions of the Hon’ble Supreme Court mandating time-bound recovery of regulatory assets and avoidance of inter-generational burden on consumers.
- 10.6 In view of the binding mandate of the Hon’ble Supreme Court as laid down in paragraphs 70 and 71 of its Judgment dated 06.08.2025, the statutory ceiling of 3% of the Aggregate Revenue Requirement under Rule 23 of the Electricity Rules, the supervisory jurisdiction vested in the



Hon'ble Appellate Tribunal for Electricity under Section 121 of the Electricity Act, 2003, and the overarching necessity to safeguard consumer interest while maintaining tariff discipline, the Commission is of the considered view that initiation of the process for liquidation of regulatory assets can no longer be deferred.

10.7 Accordingly, the Commission decides to liquidate a portion of the accumulated Regulatory Assets / Revenue Gap / Surplus during FY 2026-27 by levy of a Regulatory Asset Adjustment Surcharge, as a part of the applicable tariff. This measure is strictly in conformity with Paragraph 71(iv) and (v) of the Hon'ble Supreme Court Judgment dated 06.08.2025, mandating time-bound liquidation.

10.8 The Commission clarifies that the above liquidation:

- Shall be subject to the final outcome of pending appeals, if any, before the Hon'ble Supreme Court or Hon'ble APTEL;
- Shall be adjusted suitably at the time of true up, if required pursuant to judicial directions;
- Does not preclude further regulatory correction in future tariff periods.

10.9 Accordingly, the Commission hereby allows a Regulatory Asset Adjustment Surcharge of Rs. 0.35 per kWh to be levied uniformly on all categories of consumers, except Irrigation and Agriculture Service consumers, for FY 2026-27. The said Regulatory Asset Adjustment Surcharge shall be levied separately on the consumption of energy and shall not be a part of the retail tariff. This charge is approved towards partial liquidation of the accumulated Regulatory Assets/Revenue Gap, in accordance with the statutory and judicial mandates discussed hereinabove, and shall be subject to adjustment, if any, at the time of true-up based on actual outcomes and subsequent judicial directions.

10.10 The Commission directs the Petitioner to maintain a dedicated and separate accounting head for revenue realised on account of the Regulatory Asset Adjustment Surcharge, distinctly segregated for the Jharkhand distribution area and independent of other tariff-related revenues in the audited accounts. The Petitioner shall ensure that the actual revenue realised under this head is properly accounted for and duly certified by the Statutory Auditor, and the auditor-certified details of such revenue shall be submitted to the Commission at the time of true-up for verification and appropriate adjustment in accordance with the applicable regulatory framework.



10.11 The Commission further directs that the Regulatory Asset Adjustment Surcharge shall be clearly and distinctly reflected in the consumer electricity bills as a separate line item, in accordance with the provisions of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations, as amended from time to time. The presentation of the said charge on consumer bills shall be transparent and unambiguous, to clearly communicate to consumers the nature and purpose of the charge and to ensure compliance with the prescribed billing transparency requirements.



CHAPTER 11: TARIFF SCHEDULE FOR FY 2026-27



11. TARIFF SCHEDULE FOR FY 2026-27

This Tariff Schedule shall be applicable from 1st April, 2026 across the various Consumer categories

Consumer Tariff

Ceiling Tariff

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

Domestic Service - Rural and Urban

Applicability:

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

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

Category of Services:

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

Domestic Service - Urban: Areas covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Service Character:

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

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

Tariff:

| Category | Fixed Charges | | Energy Charges |
|----------|-----------------|-------|----------------|
| | Unit | Rate | (Rs./kWh) |
| DS-LT | Rs./Conn./month | 75.00 | 4.25 |

Delayed Payment Surcharge: In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate: In accordance with 'Clause VIII: Prompt Payment Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.



Domestic Service-HT

Applicability:

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

Category of Services:

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

Service Character:

For HT: AC, 50 Cycles, at 6.6kV, 11kV or 33kV. Tariff:

| Category | Fixed Charges | | Energy Charges |
|----------|---------------|--------|----------------|
| | Unit | Rate | (Rs./kVAh) |
| DS-HT | Rs./kVA/month | 115.00 | 5.30 |

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand whichever is higher. The penalty on exceeding Billing Demand will be applicable in accordance with 'Clause I: Penalty for exceeding Billing/Contract Demand' of Terms & Conditions of Supply as provided in Chapter 10 of this Tariff Order.

Delayed Payment Surcharge: In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate: In accordance with 'Clause VIII: Prompt Payment Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.



Irrigation & Agriculture Service (IAS)

Applicability:

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

Service Character:

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

Tariff:

| Category | Fixed Charges | | Energy Charges |
|----------|---------------|-------|----------------|
| | Unit | Rate | (Rs./kWh) |
| IAS | Rs./HP/month | 50.00 | 5.30 |

Delayed Payment Surcharge: In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate: In accordance with 'Clause VIII: Prompt Payment Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.



Commercial Service (CS)

Applicability:

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

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

Category of Services:

Commercial Service - Rural: Areas not covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Commercial Service - Urban: Areas covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Service Character:

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

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



Tariff:

| Category | Fixed Charges | | Energy Charges |
|----------|---------------|--------|----------------|
| | Unit | Rate | (Rs./kWh) |
| CS | Rs./kW/month | 150.00 | 4.80 |

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with 'Clause I: Penalty for exceeding Billing/Contract Demand' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order. In case the Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with 'Clause VI: Installation of Shunt Capacitors' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate: In accordance with 'Clause VIII: Prompt Payment Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.



Low Tension Industrial Service (LTIS)

Applicability:

Low Tension Industrial Service (LTIS): This schedule shall apply to all industrial / processing units or agro-industrial processes having a contracted load less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

Service Character:

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

Tariff:

| Category | Fixed Charges | | Energy Charges |
|----------|---------------|-------|----------------|
| | Unit | Rate | (Rs./kVAh) |
| LTIS | Rs./kVA/month | 75.00 | 5.00 |

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with 'Clause I: Penalty for exceeding Billing/Contract Demand' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with 'Clause VI: Installation of Shunt Capacitors' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate: In accordance with 'Clause VIII: Prompt Payment Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.



High Tension Service (HTS)

Applicability:

High Tension Service (HTS): This schedule shall apply to all consumers drawing power at voltage level at 6.6 kV and above except Domestic-HT consumers and HT-Institutional Consumers.

Service Character:

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

Tariff:

| Category | Fixed Charges | | Energy Charges |
|---------------------|---------------|--------|----------------|
| | Unit | Rate | (Rs./kVAh) |
| Industries (11 KV) | Rs./kVA/month | 450.00 | 6.00 |
| Industries (33 KV) | Rs./kVA/month | 450.00 | 5.90 |
| Industries (132 KV) | Rs./kVA/month | 450.00 | 5.85 |
| Industries (220 KV) | Rs./kVA/month | 450.00 | 5.80 |

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with 'Clause I: Penalty for exceeding Billing/Contract Demand' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Load Factor Rebate: In accordance with 'Clause V: Load Factor Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Voltage Rebate: In accordance with 'Clause IV: Voltage Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Delayed Payment Surcharge: In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate: In accordance with 'Clause VIII: Prompt Payment Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

TOD Tariff: In accordance with 'Clause VII: ToD Tariff' as provided in Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.



Streetlight Service (SS)

Applicability:

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

Service Character:

Streetlight Service (SS): AC, 50 Cycles, Single phase at 230 Volts or Three phase at 400 Volts.

Tariff:

| Category | Fixed Charges | | Energy Charges |
|---------------------|---------------|--------|----------------|
| | Unit | Rate | (Rs./kWh) |
| Streetlight Service | Rs./kW/month | 150.00 | 5.20 |

Delayed Payment Surcharge: In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate: In accordance with 'Clause VIII: Prompt Payment Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.



High Tension Institutional Service (HTIS)

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

Applicability:

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

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

Service Character:

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

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

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

Tariff:

| Category | Fixed Charges | | Energy Charges |
|--------------------------|---------------|--------|----------------|
| | Unit | Rate | (Rs./kVAh) |
| HT Institutional Service | Rs./kVA/month | 450.00 | 5.75 |

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with 'Clause I: Penalty for exceeding Billing/Contract Demand' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Load Factor Rebate: In accordance with 'Clause V: Load Factor Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.



Voltage Rebate: In accordance with 'Clause IV: Voltage Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order

Delayed Payment Surcharge: In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

Prompt Payment Rebate: In accordance with 'Clause VIII: Prompt Payment Rebate' of Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

TOD Tariff: In accordance with 'Clause VII: ToD Tariff' as provided in Terms & Conditions of Supply as provided in **Chapter 12** of this Tariff Order.

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



Temporary Connections

Applicability:

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

- a) Temporary tariff shall be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.
- b) Temporary connections may be given with normal meters with security deposit as per JSERC (Electricity Supply Code) Regulations, 2015.
- c) Temporary connections may also be given with prepaid meters with minimum prepaid balance equivalent to 45 days of sale of power, which shall be based on the assessment formula as per JSERC (Electricity Supply Code) Regulations, 2015 and amendment thereof.

Tariff:

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



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

The Commission had notified the JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) Regulations, 2015, on November 10, 2015, and further notified its 1st amendment as JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) (1st Amendment) Regulations, 2019. The Tariff for sale of surplus power by Gross/Net metering of Rooftop Solar PV for FY 2020-21 for such eligible consumers of the Petitioner shall be as under:

Gross Metering: Rs. 4.16/kWh

Net Metering: Rs. 3.80/kWh

The tariff approved as above shall remain effective till the issue of subsequent Tariff Order/Individual Order as the case may be.



Schedule of Miscellaneous Charges

| Sl. No. | Purpose | Scale of Charges | Manner in which payment will be realized |
|---------|--|------------------|--|
| 1. | Application Fee | | |
| | LT Connection | Rs. 100 | Payable with Energy Bill |
| | HT Connection | Rs. 500 | |
| 2. | Revision of Estimate on Consumer Request based on Revision in Original Application | | |
| | LT Connection | Rs. 100 | Payable with Energy Bill |
| | HT Connection | Rs. 500 | |
| 3. | Testing of consumers Installation ⁽¹⁾ | | |
| | LT Supply | Rs. 100 | Payable with Energy Bill |
| | HT Supply | Rs. 500 | |
| 4. | Meter test when accuracy disputed by consumer ⁽²⁾ | | |
| | Single phase/Three Phase | Rs. 100 | Payable with Energy Bill |
| | Tri vector/ special type meter, HT, EHT Metering Equipment | Rs. 1000 | |
| 5. | Removing/ Refixing of meter/ Changing of Meter or Meter Equipment/Fixing of Sub Meter on the request of the Consumer/Fixing of Sub Meter Resealing of Meter when seals are found broken | | |
| | Single phase/Three Phase | Rs. 200 | Payable with Energy Bill |
| | Tri vector/ special type meter, HT, EHT Metering Equipment | Rs. 1000 | |
| 6. | Fuse call - Replacement | | |
| | Consumer Fuse | Rs. 100 | Payable with Energy Bill |
| 7. | Disconnection/Reconnection | | |
| | LT Connection | Rs. 200 | Payable in advance along with the Consumer request. In case the same consumer is reconnected or disconnected within 12 months, 50% will be charged extra |
| | HT Connection | Rs. 1500 | |



| Sl. No. | Purpose | Scale of Charges | Manner in which payment will be realized |
|---------|--|---|--|
| 8. | Replacement of meter card, if lost or damaged by Consumer | Rs. 100 | Payable with Energy Bill |
| 9. | Security Deposit | As per the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time | |
| 10. | Replacement of Brunt Meter | Cost of Meter | Payable with Energy Bill |
| 11. | Transformer Rent (3) | | |
| | Upto 200 kVA | Rs. 5,500/Month | Payable with Energy Bill |
| | Above 200 kVA | Rs. 7,500/Month | |

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

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

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

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



CHAPTER 12: TERMS AND CONDITIONS OF SUPPLY



12. TERMS AND CONDITIONS OF SUPPLY

Clause I: Penalty for exceeding Billing/Contract Demand

In case the Recorded/Actual Demand exceeds 110% of the Contract Demand, the consumer shall pay penal charges. The penal charges would be charged as follows:

If the Recorded Demand exceeds 110% of Contract Demand, then the Demand Charge up to Contract Demand will be charged as per the normal Tariff rate. The remaining Recorded Demand over and above the Contract Demand will be charged at 1.5 times the normal Tariff rate.

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

Clause II: Jharkhand Electricity Duty

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

Clause III: Delayed Payment Surcharge

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

Clause IV: Voltage Rebate

The Commission is considered view that providing a higher voltage rebate for supply at higher voltage levels is technically and economically justified. Consumers availing supply at higher voltages draw power closer to the transmission system, thereby reducing the burden on the distribution network and associated transformation stages. Supply at higher voltage levels results in lower I²R losses, reduced current flow for the same quantum of power,



improved voltage profile, and better overall system efficiency. Consequently, such consumers impose comparatively lower costs on the distribution infrastructure and contribute to optimisation of network investments.

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

| Consumer Category | Voltage Rebate* |
|-------------------------------|-----------------|
| HTS/HT Institutional - 33 kV | 3.00% |
| HTS/HT Institutional - 132 kV | 5.00% |
| HTS/HT Institutional - 220 kV | 5.50% |
| HTS/HT Institutional - 400 kV | 6.00% |

* Note:

- 1) It is clarified that, if a consumer who is eligible to get supply at 11kV as per classification as mentioned in Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and then the consumer opts for connection at 33kV then consumer shall be eligible for voltage rebate of 3%. Similarly, if a consumer who is eligible to get supply at 33kV as per Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and opts for connection at 132kV then consumer shall be eligible for voltage rebate of 5%. Further, no voltage rebate shall be applicable above voltage level of 132 kV. It is further clarified that the existing consumers at 11kV and 33kV opts for higher voltage, rebate shall be applicable for such consumers.
- 2) The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.

Clause V: Load Factor Rebate

The Load factor rebate shall be allowed to all the consumers whose load factor exceeds 65%. For any 'X' % increase in the load factor over and above 65%, the rebate shall be allowed at the rate of 'X' % on the total energy charges corresponding to total energy consumption of the consumer subject to a maximum ceiling rebate of 15%.

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

Clause VI: Installation of Shunt Capacitors



Connections with inductive load/motors as specified in Clauses 8.2.34 and 8.2.35 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time, shall be installed with Shunt Capacitors to meet the Power Factor requirements.

For existing consumer, the Petitioner should first serve one month's notice to all such consumers who do not have or have defective shunt capacitors. In case the consumers do not get the capacitor installed/replaced within the notice period, the consumer shall be levied a surcharge at 5% on the total billed amount charge (metered or flat), till they have installed the required capacitors.

- *Load Factor Rebate - Load Factor Rebate incentivises energy consumption by customers and it leads to better capacity utilisation of infrastructure to DVC and reduced losses. High load factor of consumers reduces the transmission losses and consequently power purchase cost. Higher load factor also reduces the transformer losses.*

Clause VII: ToD Tariff

TOD tariff shall be applicable as an option to HTS and HT Institutional Consumers as follows: -

- **Off Peak Hours: 10:00 PM to 06:00 AM:** 85% of normal rate of energy charge
- **Normal Hours: 10:00 AM to 06:00 PM:** 100% of normal rate of energy charge
- **Peak Hours: 06:00 AM to 10:00 AM and 06:00 PM to 10:00 PM:** 120% of normal rate of energy charge

Clause VIII: Prompt Payment Rebate

The due date for making payment of energy bills or other charges shall be as specified in Clauses 10.1.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

Prompt Payment Rebate shall be allowed for payment of bills by the Consumers in accordance with Clauses 10.76 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time.

Further no rebate shall be allowed after due date, irrespective of the mode of payment.

Clause IX: Rebate for Prepaid Metering

The Commission has introduced rebate to prepaid meters at 3% of the Energy Charges for



the respective Consumer Category. For such consumers, the Petitioner shall refund the entire Security Deposit within one month from the date of installation of such prepaid meters.

Clause X: Rebate for Delayed Billing

The Commission has introduced rebate in case of delayed billing to consumers to promote prompt billing by the Licensees. In case the bill is not received for two continuous billing cycles, a rebate at the rate of 1.00% on the bill amount per month for delay beyond two months or part thereof shall be applicable subject to a ceiling of 3%. The Utility shall not be eligible to claim such Rebate as a part of ARR. The same shall be treated as a Compensation for the consumers out of the RoE of the Licensee. This clause shall be applicable for all consumers.

Clause XI: Other Terms and Conditions Reduction in Fixed Charges

Recovery of Complete Fixed/Demand Charges from consumers shall be based on the availability of hours of supply recorded by meters installed in the consumer's premises. DVC would include the same in the consumer's bill and recover the Fixed Charges only in proportion to the hours of supply as per the meter. The cut off hours for complete recovery from Fixed/Demand Charges shall be 21 hours per day for LT consumers and 23 hours per day for HT Consumers.

Provided that the planned outages/Rostering in the network are uploaded on its website seven days in advance with a copy to the Commission and an intimation to the respective consumers it shall be excluded while computing scheduled supply hours.

Provided that any reduction in recovery of Fixed/Demand Charges on account of lower than the stipulated hours of supply shall not be claimed as a part of the ARR. Any reduction in the Fixed/Demand Charges shall be considered as a compensation to be paid to the Consumer by the Licensee.

The Petitioner shall submit a report on implementation of the above, within 30 days of issuance of this Order and implement the same from the subsequent billing cycle.

Point of Supply

The Power supply shall normally be provided at a single point for the entire premises. In certain categories like coal mines power may be supplied at more than one point on the request of consumer subject to technical feasibility. But in such cases metering and billing shall be done separately for each point.



Dishonoured Cheques

In terms of Regulation 10.10.5 of the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time, in the event of dishonoured cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs. 300 or 0.5% of the billed amount, whichever is higher. In addition to the same, the Delay Payment Surcharge shall be levied extra as per the applicable terms and conditions of Delay Payment Surcharge.

Stopped/Defective Meters

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued as per Clause 10.3.1 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of Sanctioned/Contract Load on following Load Factor applicable to respective categories:

| Consumer Category | Load Factor |
|------------------------------|--------------------|
| Domestic | 0.15 |
| Non-Domestic | 0.20 |
| LTIS | 0.20 |
| DS-HT | 0.15 |
| HT Consumers-Below 132 kV | 0.30 |
| HT Consumers- 132 kV & Above | 0.50 |

Sale of Energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/entity. In case of DS-HT consumers, who supply power to individual households, the average per unit charge billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Release of New Connections

No new connections shall be provided without appropriate meter.

Conversion Factors



The following shall be the conversion factors, as and where applicable: (PF=0.90):

1 kiloWatt (kW) = 1.176 kiloVolt Ampere (kVA)

1 kiloWatt (kW) = 1/0.746 Horse Power (HP)

1 Horse Power (1 HP) = 0.878 kiloVolt Ampere (kVA)

Fuel & Power Purchase Cost Adjustment (FPPCA)

Applicable as per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and as amended by the Commission from time to time.

Single Part Tariff applicable for public EV charging stations

The Commission approves the Single Part Tariff equal to the Average Cost of Supply (ACoS) as approved by this Commission which shall be applicable for public EV charging stations operating in the supply area of Damodar Valley Corporation in the State of Jharkhand till further orders.



CHAPTER 13: GREEN ENERGY TARIFF



13. GREEN ENERGY TARIFF

- 13.1 The Ministry of Power, Government of India has notified “the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022. On 6th June 2022 (amended on 27th Jan 2023) to facilitate use of Renewable Energy by the consumers and further accelerate India’s RE program’s. SERC’s/JERC’s vide letter dated 10.10.2022 were informed to take appropriate action for determination of Green Tariff under Rule 4 (2) (C) (c).
- 13.2 In accordance with the Section 86(1)(e) of the Electricity Act, 2003, the Commission is mandated to promote adoption of Renewable Energy (RE). Therefore, the Commission has introduced Green Energy Tariff in this Order as an optional/voluntary arrangement for the consumers who are willing to procure RE Power from DISCOMs for the purpose of reducing their carbon footprint and seeking certification to this effect.
- 13.3 Such Green Tariff would be in addition to regular tariff approved in this Tariff Order. The Commission observes that the concept of Green Tariff has been well appreciated by many stakeholders across the state as it provides opportunity for consumers willing to meet their power requirement through green energy sources, however, the concept is still at nascent stage with limited participation.
- 13.4 For the calculation of the Green Energy Tariff, the Commission has introduced a formula that considers the difference between the weighted average rate of renewable energy (RE) power and the weighted average rate of the energy charge (variable charge) of non-renewable energy (Non-RE) sources.
- 13.5 Based on the above discussion the weighted average rate of renewable energy (RE) Power and the weighted average rate of energy charge (Variable Charge) of non-renewable (Non-RE) sources as tabulated hereunder:

Table 109: Weighted Average Energy Charges from RE sources

| RE Sources | Projected Sales (FY 2027) | Projected Cost (FY 2027) |
|--------------------------------------|---------------------------|--------------------------|
| Rangit | 29.80 | 12.55 |
| Solar PV KTPS (Ground Mounted) | 19.43 | 8.16 |
| Solar PV at Panchet (Ground Mounted) | 15.66 | 5.67 |



| RE Sources | Projected Sales (FY 2027) | Projected Cost (FY 2027) |
|--|---------------------------|--------------------------|
| Solar PV RTPS (Floating) | 14.78 | 6.87 |
| Solar PV MTPS (Floating) | 20.70 | 6.68 |
| Solar PV KTPS (Floating) | 11.83 | 4.92 |
| Solar PV - Konar (Ground Mounted) | 7.88 | 2.24 |
| Floating Solar PV at CTPS | 4.93 | 1.58 |
| KBUNL | 68.90 | 36.62 |
| Kiru HEP | 27.31 | 12.67 |
| Rangit IV HEP | 21.16 | 9.25 |
| NTPC Solar | 29.37 | 27.46 |
| NVVNL Solar | 26.22 | 28.37 |
| DVC Solar Rooftop (JEM) | 4.30 | 1.42 |
| GDAM Solar | 699.05 | 312.90 |
| GDAM non-Solar | 486.43 | 222.15 |
| 310 MW Solar project at Panchet and Tilaya | 688.40 | 261.59 |
| Weightage Average Pooled Price of RE in Rs/kWh (A) | | 4.42 |

Table 110: Weighted Average Energy Charges from RE sources

| Non-RE Sources | Projected Sales (FY 2027) | Projected Cost (FY 2027) |
|--|---------------------------|--------------------------|
| MTPS U#1 to 3 | 3,066.63 | 1,159.77 |
| MTPS U# 4 | 1,321.24 | 500.34 |
| MTPS U#5 & 6 | 2,037.98 | 742.69 |
| MTPS U# 7&8 | 744.33 | 248.10 |
| CTPS U# 7&8 | 1,220.95 | 422.54 |
| DSTPS U 1 & 2 | 1,714.42 | 592.40 |
| KTPS U# 1 & 2 | 80.83 | 24.75 |
| BTPS 'A' | 1,745.70 | 518.07 |
| RTPS U # 1 & 2 | 264.76 | 89.54 |
| Weightage Average Pooled Price of Non - RE in Rs/kWh (A) | | 3.52 |

13.6 Furthermore, the Commission decides to levy only 50% of charges determined above i.e. $(0.89 \times 50\% = \text{Rs } 0.45/\text{kWh})$ as Green Tariff to the Consumer opting for meeting its power requirement through RE Sources. Such Green Energy Tariff would be in addition to regular tariff approved in Retail Tariff Order.



- 13.7 All Consumer shall be eligible for opting Renewable Energy power on payment of Green Energy Tariff
- 13.8 The Consumer will have option to select the quantum of Green Energy to be purchased in the step of 10% and going up to 100% of the consumption.
- 13.9 The Distribution Licensee will levy Green Energy Tariff only for percentage of consumption opted by the Consumer.
- 13.10 The Distribution Licenses shall issue Annual Certificate to consumers stating percentage of power requirement of such consumer that has been sourced through RE Sources.
- 13.11 The total tariff earned under “Green Energy Tariff” will be considered as a part of the revenue/tariff income of the Petitioner. Further, the Petitioner must file all details along with each ARR/Tariff filings with a list of consumers opting for it. Also, the Petitioner is to ensure that the requested Green Energy consumption of these consumers must be met by renewable energy source



CHAPTER 14: STATUS OF EARLIER DIRECTIVES



14. STATUS OF EARLIER DIRECTIVES

14.1 The Commission has time and again issued various directives in order to improve the functioning of the Petitioner. The Commission notes with concern the continued non-compliance by the Petitioner with some of the directives of the Commission. The Commission directs the Petitioner to comply with the directives with utmost sincerity failing which penal action may be taken.

| Directives | Status | Views of the Commission |
|--|--|--|
| Separation of Balance Sheet of Distribution Business | | |
| The Commission directs the Petitioner to separate the Balance Sheet of Distribution Business from other power business and direct the Petitioner to submit the same along with next tariff petition. | No submission has been made by the Petitioner in such regard. | The Petitioner has been unable to comply with the direction of the Commission and is being re-directed to comply with the same. |
| Timeliness and Data Adequacy in the Next Tariff Petition | | |
| The Commission directs the licensee to file the next tariff petition, after removing deficiencies highlighted in this Tariff Order. The Petitioner should ensure that the data submitted to the Commission is accurate and justified with adequate certification. The Commission also directs the licensee to ensure submission of the next tariff petition within the time frame as stipulated. | Petitioner has submitted the Tariff Petition within the time frame. | The Commission has taken note of reply submitted by Petitioner. |
| Short Term Power Purchases | | |
| The Commission disagrees with the justification provided for no planning Of short-term purchase. The Commission directs the Petitioner to submit the rolling quarterly forecast of the quantum of short-term power to be purchased as per Clause 5.20 of the Tariff Regulations, 2015. | The Petitioner submitted that presently it has been purchasing power from energy exchange based on hourly demand dynamics in a day under extreme exigency. Such contingency situation occurred rarely in FY 2020-21. During the period from April 2020 to November 2020 DVC purchased only around 13 MU from exchange. During December 2020 DVC has estimated to purchase up to 3 MU from exchange. However, from January 2021 to March 2021 it is expected that generation from thermal units will be sufficient to avoid any short term purchase. However, if any contingency situation arises, DVC will duly intimate the Commission. | The Commission has taken note of reply submitted by Petitioner and also directs the Petitioner submit the quarterly forecast of short term power purchase to the Commission. |
| Details of Voltage-wise Cost of Supply and Voltage-wise Losses | | |



| Directives | Status | Views of the Commission |
|---|---|--|
| <p>The Commission issued an explicit directive to the Petitioner to submit the details of voltage-wise cost of supply and voltage-wise losses along with the Business plan and MYT petition.</p> | <p>The Petitioner submitted that necessary metering arrangement for data acquisition in respect of voltage wise power transaction and loss assessment is under progress. However, due to COVID-19 and consequent lock down the progress became slow. The Petitioner is putting its best efforts to complete the work at the earliest and submitted that on completion of work related to installation of necessary data acquisition system, the Petitioner will submit the same to the Commission.</p> | <p>The Commission has taken note of reply submitted by Petitioner and directs the Petitioner to submit the requisite details along with next Tariff Petition.</p> |
| <p>Details of Rebate</p> | | |
| <p>The Commission directs the Petitioner to maintain the Rebate provided under each head as detailed in the Tariff Schedule in Chapter -11 of this Order in its Audited Accounts. Any rebate provided over and above the values specified in Chapter -12 shall be attributable to the Petitioner and shall not be recovered in the ARR.</p> | <p>The Petitioner submitted that under Indian Accounting Standards (Ind AS), revenue is measured at the fair value of the consideration received /receivable, considering any trade discounts and volume rebate. Accordingly, the requirements of Ind AS mandatorily require an entity to analyse and recognize discounts and sales scheme while accounting for revenue.</p> <p>The prompt payment rebate is allowed on revenue if the consumer paid within the stipulated period as per rules and Rebate for on line payment is allowed if the payment is made online. These two types of rebates accounted in the accounts as a separate expenditure and revenue is being considered on gross basis. Hence the amount of prompt payment rebate and rebate for online payment will be available from the audited accounts. In regard to other rebates like Rebate on supply voltage, Reduction in fixed/ demand charges due to lesser supply hours and Load factor rebate are concerned, no separate accounting is made in the books, since the revenue is recognized on net basis after allowing rebate on supply voltage and Load factor rebate. The amount of rebate provided in these scores may be submitted separately by DVC. Currently, there is no prepaid meter and billing is being done without any delay.</p> | <p>The Commission has taken note of reply submitted by Petitioner and directs the Petitioner to provide the requisite details along with next Tariff Petition.</p> |



CHAPTER 15: NEW DIRECTIVES



15. NEW DIRECTIVES

Separation of Balance Sheet of Distribution Business

- 15.1 The Commission directs the Petitioner to separate the Balance Sheet of Distribution Business from other power business and to submit the same by October 15, 2026.

Transmission and Distribution Loss

- 15.2 The Commission directs the Petitioner to do a comprehensive and detailed study of the Transmission and Distribution loss submit the same along with next tariff petition.

LT Consumer And 11 kV Infrastructure

- 15.3 Filing and approval of scheme-wise DPRs in terms of Regulation 6.12 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, including scope, cost-benefit, implementation schedule, financing plan and efficiency gains;
- 15.4 Submission of Area Level Co-ordination Committee (ALCC) resolutions/recording for each scheme as per the JSERC (Operation of Parallel Licensees) Regulations, 2019;
- 15.5 Proof of competitive procurement and rate reasonability; vendor/contract awards to be in accordance with applicable guidelines, with documentary support to be filed at capitalisation;
- 15.6 Admission in ARR only upon actual capitalisation (post energisation/put-to-use), supported by auditor-certified capital work-in-progress to asset transfer, with separate 11 kV schedules appended to the audited accounts and reconciliation to entity accounts;
- 15.7 Quarterly progress reports on physical and financial progress; any time/cost overrun (including IDC) beyond approved timelines shall be justified and shall remain subject to prudence review at True-up;
- 15.8 Infrastructure creation shall also cater to LT consumers; the Petitioner shall demonstrate that associated downstream LT network augmentation (wherever required) is planned and implemented, with scheme-wise details and cost-benefit to be filed;



- 15.9 Submission of all documents, formats and filings as required under the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, for the Control Period, including Business Plan, Allocation Statements and supporting schedules;
- 15.10 The Petitioner shall file an Affidavit before the Commission, affirming its commitment to release electricity connections to Low Tension (LT) consumers in its area of supply, as and when valid applications are received, in accordance with the provisions of the Electricity Act, 2003, the applicable JSERC Regulations; and as per (universal service obligation) USO section 43, Electricity Act, 2003,
- 15.11 The Petitioner is directed to publicise the availability of new LT connections within its area of supply through local newspapers and digital media platforms, in accordance with the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 and other applicable Regulations, so as to ensure adequate dissemination of information to prospective consumers;
- 15.12 The Petitioner shall also organise periodic consumer awareness camps within its area of supply for facilitating new LT connections, including receipt of applications, dissemination of information regarding procedural requirements, and redressal of queries;
- 15.13 Segregation of accounts for the Jharkhand area for the 11 kV system, with a separate Balance Sheet and Profit & Loss Account appended to the main audited accounts and reconciliation there to;
- 15.14 This approval is on a provisional basis, subject to prudence check at the time of True-up and subject to fulfilment of all the above conditions; non-compliance may result in disallowance/deferment.
- 15.15 The Commission directs the Petitioner to submit the compliances of the above directives pertaining to LT consumers and 11kV infrastructure by September 30, 2026.

Contingency Power from Exchange

- 15.16 In view of the above, the Commission directs the Petitioner to prepare and submit a comprehensive plan, within the timeline specified by the Commission, detailing the measures



proposed to minimise procurement of contingency power from the power exchange. The said plan shall, inter alia, include:

- Strategies for improving availability and reliability of own generation,
- Actions proposed for reducing forced outages and generation shortfall,
- A roadmap for meeting contingency requirements through internal resources to the extent feasible, thereby limiting consumer exposure to market price volatility.

15.17 The Commission clarifies that future approval of contingency power procurement shall be subject to prudence check, considering the Petitioner's compliance with the above directions and the demonstrated efforts towards strengthening self-reliant and cost-effective generation planning. The Petitioner is directed to furnish the compliance documents of the above directives pertaining to Procurement of Contingency Power from Exchange by June 30, 2026.

REGULATORY ASSET ADJUSTMENT SURCHARGE FOR FY 2026-27

15.18 The Commission directs the Petitioner to maintain a dedicated and separate accounting head for revenue realised on account of the Regulatory Asset Adjustment Surcharge, distinctly segregated for the Jharkhand distribution area and independent of other tariff-related revenues in the audited accounts. The Petitioner shall ensure that the actual revenue realised under this head is properly accounted for and duly certified by the Statutory Auditor, and the auditor-certified details of such revenue shall be submitted to the Commission at the time of true-up for verification and appropriate adjustment in accordance with the applicable regulatory framework.

15.19 The Commission further directs that the Regulatory Asset Adjustment Surcharge shall be clearly and distinctly reflected in the consumer electricity bills as a separate line item, in accordance with the provisions of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations, as amended from time to time. The presentation of the said charge on consumer bills shall be transparent and unambiguous, to clearly communicate to consumers the nature and purpose of the charge and to ensure compliance with the prescribed billing transparency requirements.

Compliance to RPO

15.20 The Commission directs the Petitioner to ensure that all the short fall in RPO targets should be met, or the road map should be submitted before the Commission before the Commission by August 31, 2026.



15.21 The Commission directs the Petitioner to furnish the details of the operational gains with the consumers in compliance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024.

Details of Rebate provided to Consumers

15.22 The Commission directs the Petitioner to maintain the Rebate provided under each head as detailed in the Tariff Schedule in Chapter 11 of this Order in its Audited Accounts. Any rebate provided over and above the values specified in Chapter 12 (Terms and Conditions of Supply) shall be attributable to the Petitioner and shall not be recovered in the ARR.

Publicising Tariff Approved by the Commission

15.23 The Commission directs the Petitioner to submit a draft Notice to the Commission on the Tariff Approved by the Commission along with the Terms and Conditions of Supply for approval and publishing in the newspapers within a week of issue of this Order for enhancing consumer awareness of the applicable Rate Schedule and salient features of the Order impacting general consumers in the Licensee area.

15.24 In addition to above new directives, the Petitioner is directed to comply with the earlier directives issued by the Commission which are still pending.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on March 30, 2026.

Date: 30.03.2026

Place: Ranchi

**Sd/-
Mahendra Prasad
Member (Law)**

**Sd/-
Justice Navneet Kumar
Chairperson**



ANNEXURE - I

Name of Public participated in the Public Hearing

| Sr. No. | Name | Address / Organisation |
|--|------------------------|-------------------------------------|
| Place: Hazaribagh, Date February 24, 2026 | | |
| 1 | Ms. Gargi Srivastava | Noida |
| 2 | Varun Joel | DVC Consumer Association |
| 3 | Pramod Agarwal | DVC Consumer Association |
| 4 | Sunil Kumar Agarwal | Rishta Polymer Industry, Hazaribagh |
| 5 | Maihar Khan | Maihar Alloys (p) Ltd., Ramgarh |
| 6 | Pramod Kumar | DVC, Kolkata |
| 7 | Punit Kumar Jain | DVC, Ranchi |
| 8 | Nihal Bhardawaj | DVC |
| 9 | Rakesh Kesari | DVC, Hazaribagh |
| 10 | Rajan Tudu | DVC, Hazaribagh |
| 11 | Rakesh Agarwal | Barhi |
| 12 | Biswajit Kumar | DVC, Hazaribagh |
| 13 | Bikas Das | DVC, Hazaribagh |
| 14 | Satyam Rajgaria | Barhi Industrial Area |
| 15 | Kaustav Dutta | DVC, Kolkata |
| 16 | M.S. Chakraborty | DVC, Kolkata |
| 17 | Samart Bhowmik | DVC, Kolkata |
| 18 | Samit Mandal | DVC, Kolkata |
| 19 | Aniket | New Delhi |
| 20 | Siddhartha Ranjan Jena | DVC, Hazaribagh |
| 21 | Prasant Kr. Singh | DVC, Hazaribagh |
| 22 | Rakesh Kr. Singh | Shree Broley Alloys |
| 23 | Vikrant Vishal | DVC |
| 24 | Rinkesh Meena | DVC, Hazaribagh |
| 25 | Indromil Biswas | Soil Conservation dept., Hazaribagh |
| 26 | Shubham Kumar Pramanik | Soil Conservation dept., Hazaribagh |
| Place: Dhanbad, Date February 25, 2026 | | |
| 1 | M.S. Chakraborty | DVC, Kolkata |
| 2 | Roshan Kumar | DVC, Kolkata |
| 3 | Vashwar Banerjee | DVC, Kolkata |
| 4 | Joydeo Adak | DVC, Kolkata |
| 5 | Amit Agarwalla | Anjaney Ferro Alloys, Dhanbad |
| 6 | D. Tripathi | DVC Maithan |



| Sr. No. | Name | Address / Organisation |
|---------|-------------------|--------------------------|
| 7 | Brahmdeo Mishra | Gridih |
| 8 | Animesh | Maithan |
| 9 | Pramod Kumar | DVC, Kolkata |
| 10 | Kaustav Dutta | DVC, Kolkata |
| 11 | Vikrant Vishal | DVC, Kolkata |
| 12 | Samart Bhowmik | DVC, Kolkata |
| 13 | Robin Mandal | Transmission Dept. |
| 14 | Tarun Kumar | DVC, Maithan |
| 15 | K.C. Goyal | DVC |
| 16 | Nishant Jain | Ekant Polyfabs Pvt. Ltd. |
| 17 | Pawan Kumar Lodha | Renuka Ispat Pvt. Ltd. |
| 18 | Anup Kumar Mittal | Food Products Pvt. Ltd. |



ANNEXURE - II

Table 111: Fixed Charges approved by the Commission of DVC own generating Stations for Control Period from FY 2026-27 to FY 2030-31 (Rs. Cr.)

| Station | AFC Excluding Ash, P&G and Sinking Fund | | | | | | | | % of Generation for firm consumers | | | | | Normative Availability (NAPAF) | Projected Yearly availability (PAFY) | | Approved | | | | |
|------------------------|---|---------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------------|-----------|-----------|-----------|-----------|--------------------------------|--------------------------------------|----------|-----------|-----------|-----------|-----------|-----------|
| | Growth rate | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | | Peak | Off Peak | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| | | Actuals | Projected | Projected | Projected | Projected | Projected | | | | Projected | Projected | Projected | Projected | Projected |
| MTPS U#1 to 3 | 2% | 450.9 | 450.95 | 459.97 | 469.17 | 478.56 | 488.13 | 497.89 | 100% | 100% | 100% | 100% | 100% | 85% | 85% | 85% | 459.97 | 469.17 | 478.56 | 488.13 | 497.89 |
| MTPS U# 4 | 2% | 146.6 | 146.68 | 149.62 | 152.61 | 155.66 | 158.78 | 161.95 | 100% | 100% | 100% | 100% | 100% | 85% | 85% | 85% | 149.62 | 152.61 | 155.66 | 158.78 | 161.95 |
| MHS | 2% | 42.78 | 42.78 | 43.64 | 44.51 | 45.40 | 46.31 | 47.24 | 100% | 100% | 100% | 100% | 100% | 80% | 80% | 80% | 43.64 | 44.51 | 45.40 | 46.31 | 47.24 |
| PHS | 2% | 39.71 | 39.71 | 40.50 | 41.31 | 42.14 | 42.98 | 43.84 | 100% | 100% | 100% | 100% | 100% | 80% | 80% | 80% | 40.50 | 41.31 | 42.14 | 42.98 | 43.84 |
| THS | 2% | 12.69 | 12.69 | 12.94 | 13.20 | 13.47 | 13.74 | 14.01 | 100% | 100% | 100% | 100% | 100% | 80% | 80% | 80% | 12.94 | 13.20 | 13.47 | 13.74 | 14.01 |
| T & D System | 2% | 457.6 | 457.68 | 466.83 | 476.17 | 485.69 | 495.41 | 505.32 | 100% | 100% | 100% | 100% | 100% | 99% | 99% | 99% | 466.83 | 476.17 | 485.69 | 495.41 | 505.32 |
| MTPS U#5 & 6 | 2% | 365.1 | 365.17 | 372.48 | 379.93 | 387.52 | 395.27 | 403.18 | 67% | 67% | 67% | 67% | 67% | 85% | 85% | 85% | 249.43 | 254.34 | 259.35 | 264.45 | 269.63 |
| MTPS U# 7&8 | 2% | 989.2 | 989.20 | 1008.98 | 1029.16 | 1049.75 | 1070.74 | 1092.16 | 11% | 16% | 11% | 11% | 11% | 85% | 85% | 85% | 112.04 | 159.80 | 115.40 | 117.06 | 118.62 |
| CTPS U# 7&8 | 2% | 508.5 | 508.55 | 518.72 | 529.09 | 539.67 | 550.47 | 561.47 | 40% | 40% | 40% | 40% | 40% | 85% | 85% | 85% | 207.17 | 211.09 | 215.14 | 219.22 | 223.33 |
| DSTPS U 1 & 2 | 2% | 977.1 | 977.19 | 996.73 | 1016.67 | 1037.00 | 1057.74 | 1078.89 | 27% | 19% | 28% | 26% | 26% | 85% | 85% | 85% | 268.39 | 193.58 | 291.10 | 271.65 | 276.43 |
| KTPS U# 1 & 2 | 2% | 1047 | 1047.15 | 1068.09 | 1089.46 | 1111.24 | 1133.47 | 1156.14 | 1% | 1% | 1% | 1% | 1% | 85% | 85% | 85% | 12.29 | 11.78 | 11.41 | 10.88 | 10.17 |
| BTSPS 'A' | 2% | 724.2 | 724.27 | 738.76 | 753.54 | 768.61 | 783.98 | 799.66 | 54% | 54% | 53% | 53% | 53% | 85% | 85% | 85% | 395.63 | 403.30 | 411.17 | 419.14 | 427.22 |
| RTPS U # 1 & 2 | 2% | 1327 | 1327.07 | 1353.61 | 1380.68 | 1408.30 | 1436.46 | 1465.19 | 3% | 6% | 1% | 3% | 3% | 85% | 85% | 85% | 47.19 | 76.93 | 17.04 | 47.40 | 47.20 |
| RTPS PH-II (2x 660 MW) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2944.12 | 3368.91 | 0% | 0% | 0% | 11% | 13% | 85% | 85% | 85% | 0.00 | 0.00 | 0.00 | 330.06 | 429.44 |
| KTPS Ph-II (2X 800 MW) | | 0.00 | 0.00 | 0.00 | 0.00 | 508.98 | 3046.26 | 3050.07 | 0% | 0% | 50% | 20% | 19% | 85% | 85% | 85% | 0.00 | 0.00 | 253.92 | 621.14 | 572.41 |
| DTPS Ph-II (1X 800 MW) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 885.48 | 1519.87 | 0% | 0% | 0% | 13% | 20% | 85% | 85% | 85% | 0.00 | 0.00 | 0.00 | 115.85 | 296.59 |



Table 112: Source-Wise Power Purchase Cost approved by the Commission for FY 2024-25 (Rs. Cr.)

| Stations | Allocation to DVC (MW) | Projected Power purchase (in MU) | | | | | Avg. Rate (Paise/kWh) | | | | | Power Purchase cost (in INR Cr.) Based on considered/not considered | | | | |
|---|------------------------|----------------------------------|----------|----------|----------|----------|-----------------------|----------|----------|----------|----------|---|---------|---------|---------|---------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| NHPC | | | | | | | | | | | | | | | | |
| Rangit | 6.00 | 29.80 | 29.80 | 29.80 | 29.80 | 29.80 | 421.10 | 426.59 | 432.23 | 442.63 | 448.55 | 12.55 | 12.71 | 12.88 | 13.19 | 13.37 |
| Teesta | 44.00 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Teesta VI HEP | 12.00 | - | 13.29 | 57.60 | 57.60 | 57.60 | - | 407.00 | 407.00 | 407.00 | 407.00 | - | - | - | - | - |
| Parvati II | 29.00 | 113.27 | 113.27 | 113.27 | 113.27 | 113.27 | 614.00 | 614.00 | 614.00 | 614.00 | 614.00 | - | - | - | - | - |
| Kiru HEP | 15.00 | 27.31 | 54.62 | 54.62 | 54.62 | 54.62 | 464.00 | 464.00 | 464.00 | 464.00 | 464.00 | - | - | - | - | - |
| Rangit IV HEP | 5.00 | 21.16 | 21.16 | 21.16 | 21.16 | 21.16 | 437.00 | 437.00 | 437.00 | 437.00 | 437.00 | - | - | - | - | - |
| NTPC | | | | | | | | | | | | - | - | - | - | - |
| TSTPS | 2.00 | 14.19 | 14.19 | 14.19 | 14.19 | 14.19 | 276.40 | 283.31 | 290.39 | 297.65 | 305.10 | 3.92 | 4.02 | 4.12 | 4.22 | 4.33 |
| PTC | | | | | | | | | | | | - | - | - | - | - |
| Chukha | 28.00 | 175.97 | 175.97 | 175.97 | 175.97 | 175.97 | 299.53 | 299.53 | 299.53 | 299.53 | 299.53 | 52.71 | 52.71 | 52.71 | 52.71 | 52.71 |
| Kurichu | 30.00 | 25.73 | 25.73 | 25.73 | 25.73 | 25.73 | 228.00 | 239.40 | 239.40 | 239.40 | 239.40 | 5.87 | 6.16 | 6.16 | 6.16 | 6.16 |
| Tala | 56.51 | 152.95 | 152.95 | 152.95 | 152.95 | 152.95 | 227.00 | 238.35 | 238.35 | 238.35 | 238.35 | 34.72 | 36.45 | 36.45 | 36.45 | 36.45 |
| Punatsangchhu-II HEP | 137.50 | 470.39 | 470.39 | 470.39 | 470.39 | 470.39 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | - | - | - | - | - |
| MPL | 150.00 | 1,096.10 | 1,096.10 | 1,096.10 | 1,096.10 | 1,096.10 | 431.42 | 440.76 | 450.31 | 460.07 | 470.06 | 472.88 | 483.11 | 493.58 | 504.28 | 515.23 |
| KBUNL | 10.00 | 68.90 | 70.28 | 71.69 | 73.12 | 74.58 | 531.49 | 534.43 | 537.43 | 540.50 | 543.65 | 36.62 | 37.56 | 38.53 | 39.52 | 40.55 |
| Exchange Purchase | | 499.16 | 428.15 | 617.57 | 637.57 | 637.57 | 553.00 | 553.00 | 553.00 | 553.00 | 553.00 | 276.03 | 236.77 | 341.52 | 352.58 | 352.58 |
| NTPC Solar | 20.00 | 29.37 | 29.37 | 29.37 | 29.37 | 29.37 | 935.00 | 935.00 | 935.00 | 935.00 | 935.00 | - | - | - | - | - |
| NVVNL Solar | 20.00 | 26.22 | 26.22 | 26.22 | 26.22 | 26.22 | 1,081.92 | 1,098.15 | 1,114.62 | 1,131.34 | 1,148.31 | - | - | - | - | - |
| DVC Solar Rooftop (JEM) | 3.82 | 4.30 | 4.30 | 4.30 | 4.30 | 4.30 | 331.21 | 331.21 | 331.21 | 331.21 | 331.21 | - | - | - | - | - |
| GDAM Solar | - | 699.05 | 35.00 | 180.11 | 255.92 | 332.70 | 447.60 | 447.60 | 447.60 | 447.60 | 447.60 | - | - | - | - | - |
| GDAM Non-Solar | - | 486.43 | 300.11 | 120.12 | 259.25 | 337.02 | 456.70 | 456.70 | 456.70 | 456.70 | 456.70 | - | - | - | - | - |
| 1200 MW PSP + Solar project by GreenKo at Peenapuram/Kurnool/AP | 200.00 | 613.20 | 613.20 | 613.20 | 613.20 | 613.20 | 376.00 | 376.00 | 376.00 | 376.00 | 376.00 | - | - | - | - | - |
| 315 MW Solar power by NTPC REL at Kahvra, Gujarat | 100.00 | 291.88 | 291.88 | 291.88 | 291.88 | 291.88 | 257.00 | 257.00 | 257.00 | 257.00 | 257.00 | - | - | - | - | - |
| 310 MW Solar project at Panchet and Tilaya | 310.00 | 688.40 | 688.40 | 688.40 | 688.40 | 688.40 | 380.00 | 380.00 | 380.00 | 380.00 | 380.00 | - | - | - | - | - |

True-up for FY 2024-25, APR for FY 2025-26, MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27



| Stations | Allocation to DVC (MW) | Projected Power purchase (in MU) | | | | | Avg. Rate (Paise/kWh) | | | | | Power Purchase cost (in INR Cr.) Based on considered/not considered | | | | |
|---|------------------------|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|---------|---------|---------|---------|---|-----------------|-----------------|-----------------|-----------------|
| | | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 |
| Project developed by Avaada Inclean Pvt Ltd | 300.00 | 709.56 | 709.56 | 709.56 | 709.56 | 709.56 | 270.00 | 270.00 | 270.00 | 270.00 | 270.00 | - | - | - | - | - |
| Project developed by Renew Power Pvt Ltd | 200.00 | 464.28 | 464.28 | 464.28 | 464.28 | 464.28 | 269.00 | 269.00 | 269.00 | 269.00 | 269.00 | - | - | - | - | - |
| Project developed by Avaada Pvt Ltd | 50.00 | 166.44 | 166.44 | 166.44 | 166.44 | 166.44 | 359.00 | 359.00 | 359.00 | 359.00 | 359.00 | - | - | - | - | - |
| ACME Solar Capacity 250 MW in Rajasthan | 250.00 | - | 600.33 | 800.45 | 800.45 | 800.45 | - | 463.00 | 463.00 | 463.00 | 463.00 | - | - | - | - | - |
| Tilaiya Hydel Station | | 17.36 | 17.41 | 17.36 | 17.36 | 17.36 | 409.67 | 409.67 | 409.67 | 409.67 | 409.67 | - | - | - | - | - |
| REC Rate (Based on IEX Apr-25 to Sep-25) | | | | | | | 35.20 | 35.20 | 35.20 | 35.20 | 35.20 | - | - | - | - | - |
| Projected Incidental charges | | | | | | | | | | | | - | - | - | - | - |
| POC TRANSMISSION CHARGES | | | | | | | | | | | | 121.39 | 123.81 | 126.29 | 128.82 | 131.39 |
| POSOCO Charges | | | | | | | | | | | | 1.67 | 1.70 | 1.74 | 1.77 | 1.81 |
| ULDC Charges | | | | | | | | | | | | 10.09 | 10.29 | 10.50 | 10.71 | 10.92 |
| Contribution to ERPC fund | | | | | | | | | | | | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 |
| Total | 1,978.83 | 6,891.44 | 6,612.42 | 7,012.73 | 7,249.11 | 7,405.12 | | | | | | 1,028.60 | 1,005.47 | 1,124.63 | 1,150.57 | 1,165.65 |



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