

Jharkhand State Electricity Regulatory Commission



Order on
True-up for FY 2018-19,
Annual Performance Review for FY 2019-20 and
ARR & Tariff for FY 2020-21
for

Damodar Valley Corporation (DVC)

Ranchi
September 30, 2020



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List of Abbreviations

Abbreviation	Description
ABR	Average Billing Rate
ACS/ACoS	Average Cost of Supply
AFC	Annual Fixed Charges
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	Horse Power
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	Kanti Bijlee Utpadan Nigam Limited- Muzaffarpur Thermal Power



MTPS	Station
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
PHS	Panchet Hydropower Station
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
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
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
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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BEFORE

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 01 of 2020 and 02 of 2020

In the matter of:

**Petitions for
True-up for FY 2018-19,
Annual Performance Review for FY 2019-20
And
ARR and Tariff for FY 2020-21**

In the matter:

Damodar Valley Corporation (DVC)

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

PRESENT

Mr. Rabindra Narayan Singh

Member (Engg.)

Mr. Pravas Kumar Singh

Member (Legal)

Order dated September 30, 2020

Damodar Valley Corporation (hereinafter referred to as 'DVC' or the 'Petitioner') has filed Petitions dated January 14, 2020 for approval of True up for FY 2018-19 and January 02, 2020, for approval of Annual Performance Review for FY 2019-20 and ARR & Tariff for FY 2020-21.



A 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 Petition No. 02 of 2020 for True-up for FY 2018-19 has prayed before the Commission as below to:

- *“determine the trued-up ARR based on the submission in the instant true-up petition for the year 2018-19 and pass the direction for adjustment of revenue gap / surplus as deemed proper;*
- *settle other commercial issues based on the submissions made by DVC;*
- *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”*

1.12 The Petitioner in Petition No. 01 of 2020 for APR for FY 2019-20 and ARR & Tariff for FY 2020-21 has prayed before the Commission as below to:

- *“Admit the present petition and determine the Aggregate Revenue Requirement and Distribution & Retail Tariff for the year 2020-21 based on the submissions herein made by DVC,*
- *Determine the tariff schedule for applicable category of consumers/licensees based on the submissions made in the present petition,*
- *Settle other commercial issues as mentioned in the present submission,*
- *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

1.13 As stated above, the Petitioner has filed two Petitions seeking truing up for FY 2018-19, Annual Performance Review for FY 2019-20 and determination of Tariff for FY 2020-21. The Commission has considered the submissions made by the Petitioner and Stakeholders on the two Petitions and has decided to deal with both the Petitions together through this Order.

1.14 The Commission has also issued the True-up Order for FY 2017-18 on September 29, 2020. The Commission has considered the Gap/(Surplus) approved in that Order for arriving at the cumulative Gap/(Surplus) at the end of FY 2020-21 in this Order.



- 1.15 Accordingly, the Commission in this Order has approved the True-up for FY 2018-19, Annual Performance Review for FY 2019-20 and ARR & Tariff for FY 2020-21.
- 1.16 While approving this Order, the Commission has taken into consideration:
- a) Material placed on record by the Petitioner
 - b) Provisions of the Electricity Act, 2003;
 - c) Principles laid down in the National Electricity Policy;
 - d) Principles laid down in the Tariff Policy;
 - e) Provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 (hereinafter referred to as “Tariff Regulations, 2015”);
- 1.17 Accordingly, the Commission has scrutinized the Petition in detail and hereby issues the Order on Truing-up for FY 2018-19, Annual Performance Review for FY 2019-20 and ARR & Tariff for FY 2020-21 for DVC.



A 2 PROCEDURAL HISTORY

Background

- 2.1 The Commission issued Order on True-up for FY 2016-17, Annual Performance Review for FY 2017-18 (Suo-motu) & FY 2018-19 and determination of ARR & Tariff for FY 2019-20 dated May 28, 2019.
- 2.2 The Commission has also issued Order on True-up for FY 2017-18 vide its Order dated September 29, 2020.
- 2.3 The Petitioner has now filed the Petition for True-up for FY 2018-19 on January 14, 2020 and the Petition for Annual Performance Review for FY 2019-20 and ARR & Tariff for FY 2020-21 on January 02, 2020.

DVC Case History

- 2.4 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.
- 2.5 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 and Order 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.
- 2.6 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 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 subjudice 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.

- 2.7 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)*

- 2.8 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)*

- 2.9 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.
- 2.10 Hon'ble APTEL, by its Order dated May 10, 2010, directed the Petitioner to approach the concerned SERCs for finalizing the retail tariffs, the relevant extract is being reproduced below:



“107. Thereafter, the DVC is directed to approach the concerned State Electricity Commissions for getting the final Order relating to the Retail Tariff who in turn will fix the retail Tariff according to law.”

- 2.11 The Commission, in line with the directions 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 22nd November, 2012.
- 2.12 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 subjudice. 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 ATE 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.”

- 2.13 One of the HT consumer 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 subjudice, 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.
- 2.14 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.”

- 2.15 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.



- 2.16 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.”

- 2.17 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)*

- 2.18 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.”

- 2.19 In compliance to the direction, the Petitioner has submitted the roadmap for recovery of the accumulated gap/(surplus) along with this Petition. Hence, the Commission has dealt with the methodology for disbursal of surplus till FY 2014-15 in this Order in **Section A 8.**

Information Gaps in the Petitions

- 2.20 As part of the true-up and tariff determination exercise, several deficiencies/information gaps were observed in the Petitions submitted by the Petitioner which were communicated to the Petitioner vide Letter Nos. JSERC/Case (Tariff) No. 2 of 2020/434 dated February 18, 2020 and JSERC/Case (Tariff) No. 1 of 2020/433 dated February 18, 2020.
- 2.21 The Petitioner submitted its response to the aforesaid letter and furnished additional data/information to the Commission vide letter nos. Coml./Tariff/JSERC/Adl. Info 18-19/23 dated March 03, 2020, Coml./Tariff/JSERC/Adl. Info 18-19/145 dated March 17, 2020, Coml./Tariff/JSERC/Adl. Info-19-20-21/22 dated March 03, 2020 and Coml./Tariff/JSERC/Adl. Info-19-20-21/146 dated March 17, 2020.
- 2.22 The Commission has scrutinized the additional data/ information supporting documents as supplied by the Petitioner and has considered the same while passing this Order.
- 2.23 In order to provide adequate opportunities 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 in order to ensure transparency in the process of tariff determination, the Commission decided to hold Virtual Public Hearing on August 17 and 18, 2020, owing to the COVID-19 Pandemic.

Inviting Public Comments/Suggestions

- 2.24 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.
- 2.25 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
The Telegraph	10.05.2020 & 11.05.2020
The Times of India	10.05.2020 & 11.05.2020
Dainik Jagran	10.05.2020 & 11.05.2020
Prabhat Khabar	10.05.2020 & 11.05.2020



2.26 Further, taking a considerate view of the pandemic situation due to COVID-19, the Commission issued a Notice on its website www.jserc.org and various newspapers providing additional time till August 14, 2020 to various Stakeholders to submit their comments/suggestions. Further, the Commission also organized a public hearing through video conference on August 17 and August 18, 2020, 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

Newspaper	Date of Publication
Prabhat Khabar	30.07.2020, 12.08.2020 & 13.08.2020
Dainik Bhaskar	30.07.2020 & 12.08.2020
Morning India	30.07.2020
Hindustan Times	30.07.2020 & 13.08.2020
Hindustan	13.08.2020
The Pioneer	13.08.2020

Submission of Comments/Suggestions and Conduct of Public Hearing

2.27 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 **Section A 4** of this Order.



A 3 BRIEF FACTS OF THE PETITION

Aggregate Revenue Requirement

- 3.1 The summary of Aggregate Revenue Requirement for FY 2018-19, FY 2019-20 and FY 2020-21 as approved in the MYT/Tariff Order vis-a-vis that claimed by the Petitioner is tabulated below:

Table 3: ARR as submitted by the Petitioner for FY 2018-19, FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	FY 2018-19		FY 2019-20		FY 2020-21	
	ARR Order	Actual	ARR Order	Revised Estimated	MYT Order	Projected
Own Generation Cost	7813.34	7216.92	6995.73	7242.23	11198.09	7868.73
Power Purchase cost	772.11	1245.80	697.69	869.98	201.23	774.79
O&M Exp. For ULDC		3.22				
Tariff Filing & Publication Exp.(CERC)	5.11	4.39	5.22	4.81	5.34	4.74
Water Cess	0.20	0.33	0.25	0.20	4.13	0.25
Interest on Temporary Financial Accommodation		374.49				
Investment in Cyber Security		11.96				
Non Tariff Income	48.53	288.68	48.53	0.49	62.63	0.51
Total ARR	8542.23	8568.43	7650.36	8116.73	11346.16	8648.00
Percentage Share of Sale in Jharkhand	54.84%	55.31%	44.78%	43.29%	52.30%	44.09%
ARR Before IoWC, IoSD, Tariff Filing Fees for Jharkhand	4684.30	4738.82	3425.83	3513.53	5934.56	3813.33
Rebate on Sale of Power		52.57				
Cost of REC/ RE Purchased	100.49	113.14	114.27	169.66	196.33	182.51
Interest on Working Capital	5.85	91.87	4.45	67.49	8.49	74.27
Interest on Consumer Security Deposit	0.44	0.81	0.45	3.83	2.61	3.93
Tariff Filing & Publication Fees (JSERC)	0.73	1.17	0.76	0.57	0.48	0.64
Bad Debt		0.99				
Total ARR for Jharkhand	4791.80	4999.36	3545.77	3755.08	6142.46	4074.67
Revenue at Existing Tariff	4305.11	4202.83	3288.36		6630.90	3300.16
Revenue Gap/(Surplus) at Existing Tariff	486.69	796.53	257.40		(488.44)	774.51

Proposed Tariff Rationalisation Measures

a) Introduction of ToD based Tariff

- 3.2 DVC has proposed time periods in respect of time of the day (TOD) from 06:00 hrs. to 17:00 hrs. for Normal Period, from 17:00 hrs. to 23:00 hrs. for Peak Period and from 23:00 hrs. to 06:00 hrs. for Off Peak Period.



Tariff Proposed for FY 2020-21

Table 4: Revised Tariff Proposed for FY 2020-21 by the Petitioner

Consumer Category	Name of Tariff Scheme	Consumption slab	Existing Tariff (FY 2019-20)		Proposed Tariff (FY 2020-21)	
			Energy Charges	Fixed/Demand Charges	Energy Charges	Fixed/Demand Charges
			(p/kWh)	(Rs./ Month)	(p/kWh)	(Rs./ Month)
LT (Domestic)	NON TOD	All units	425.00	75.00/ conn.	435.00	80.00/ conn.
LT (Commercial)	NON TOD	All units	420.00	150.00/ kW	430.00	160.00/ kW
Industries (11KV)	NON TOD	All units	295.00	600.00	365.00	833.00
Industries (33KV)	NON TOD	All units	289.10	600.00/ kVA	357.00	833.00/ kVA
	TOD	Normal (06:00 to 17:00)	289.10	600.00/ kVA	350.00	833.00/ kVA
		Peak (17:00 to 23:00)	289.10		418.00	
		Off Peak (23:00 to 6:00)	289.10		297.00	
Industries (132KV)	NON TOD	All units	286.15	600.00/ kVA	354.00	833.00/ kVA
	TOD	Normal (06:00 to 17:00)	286.15	600.00/ kVA	347.00	833.00/ kVA
		Peak (17:00 to 23:00)	286.15		414.00	
		Off Peak (23:00 to 6:00)	286.15		294.00	
Traction (132KV)	NON TOD	All units	286.15	600.00/ kVA	354.00	833.00/ kVA
Industries (220KV)	NON TOD	All units	283.20	600.00/ kVA	350.00	833.00/ kVA
	TOD	Normal (06:00 to 17:00)	283.20	600.00/ kVA	343.00	833.00/ kVA
		Peak (17:00 to 23:00)	283.20		410.00	
		Off Peak (23:00 to 6:00)	283.20		292.00	



A 4 PUBLIC CONSULTATION PROCESS

- 4.1 The Petition filed by the Petitioner evoked responses from several stakeholders. The virtual Public Hearings were held by video conferencing on two days to ensure the maximum public participation and transparency wherein stakeholders put forth their comments and suggestions before the Commission in the presence of the Petitioner. The list of the participants during the virtual public hearings is attached as **Annexure-1** to this Order.
- 4.2 In course of public hearings, the Commission also allowed persons/representatives of entities who had not submitted prior written representations but attended the public hearings to express their views via video conferencing, regarding the Petition filed by the Petitioner and also about ways and means to improve the services rendered by the Petitioner.
- 4.3 The written as well as comments and suggestion of the members of the public expressed during the Public Hearings along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

Finalization of DVC's Retail tariff for the period FY 2006-09 and 2009-12

Public Comments/ Suggestions

- 4.4 The Stakeholder submitted that in reference to Tariff order dated May 28, 2019, the Commission had determined the revenue surplus of Rs 1,287 Crore for the FY 2006- 07 to FY 2011-12 and further that Appeal Nos 163 of 2017 and 281 of 2018 are pending before Hon'ble APTEL in the matter. By doing so, the refund of the amount to consumers against such revenue surplus is getting delayed.
- 4.5 The Stakeholder requested Commission to initiate the process of determination of category wise retail tariff of DVC for FY 2006-07 to FY 2011-12 and thereafter revision of the bills preferred earlier by DVC as per the said approved tariff. The difference between the revised bills and actual payment realized recovery from /refund to the individual consumers/licensees (except JBVNL) may be done along with 6% yearly simple interest in terms of the Order of the Hon'ble Appellate Tribunal in the Judgement dated May 10, 2010 in the Appeal No.146 of 2009.



Petitioner's Response

- 4.6 The Petitioner in its reply vide letter no. Coml/Tariff/JSERC-Compliance/3057 dated July 31, 2019 stated that it has already submitted before this Commission the 'Road Map for the treatment of Revenue Surplus for the period FY 2006-07 to FY 2014-15', wherein DVC has already proposed for determination of category-wise retail tariff for DVC's distribution and retail supply in Jharkhand for the FY 2006-12 period and revision of bills thereafter.
- 4.7 The Petitioner further submitted that petitioner has already settled its past dues with JBVNL up to September 2015 under the UDAY scheme of the Government of India, wherein Petitioner has waived off a substantial amount of principal dues. As such there remains no further claim of JBVNL on the revenue gap or surplus for the period from FY 2006-07 to FY 2014-15 and that up to September 2015. Yearly sale to JBVNL (erstwhile JSEB) constituted around 40% of the total distribution sale of petitioner in Jharkhand during the said period. Therefore, around 40% of the yearly revenue surplus of Rs. 1287.39 Crore as approved by this Hon'ble Commission for the period from FY 2006-07 to FY 2014-15 in the tariff order dated 18.05.2018 (ref. para 5.6, page 28 of the order) does not appear to qualify as unsettled amount and the same is no more eligible to be refunded by Petitioner.
- 4.8 The Petitioner further submitted that the carrying cost and resulting cumulative revenue surplus becomes overstated if around JBVNL's share of 40% is not deducted. Such overstated revenue surplus will ultimately result in DVC being subjected to payment of twice the amount payable to JBVNL, which will cause immense financial injury to petitioner. Further, this Commission approved the aforesaid revenue surplus for the period from FY 2006-07 to FY 2014-15 based on revenue billed (assessed) considering 100% collection efficiency.
- 4.9 The Petitioner submitted that the determination of revenue gap / surplus on the basis of revenue billed (assessed) instead of revenue actually realized during the relevant period and prospective gross settlement therefrom has the following implications:
- a. The bills preferred by petitioner were retrenched by many consumers during the period from FY 2006-07 to FY 2009-10 due to the various orders / Judgments passed by this Commission and the Hon'ble Appellate Tribunal. Moreover, due to then existing orders, Petitioner could not discontinue the power supply despite of unpaid dues. Therefore, determination of revenue gap / (surplus) on the basis of



the revenue billed (assessed) will not be justified and impose serious financial burden on Petitioner pending realization of the billed amount.

- b. Many consumers with outstanding dues accrued during the past period i.e. FY 2006-12 (due to different court orders) got disconnected on a future date due to default in paying current bills. Therefore, recovery of the entire past dues accrued due to retrenched payment made by the consumer is no more possible. Under such circumstance determination of revenue surplus based on entire billed revenue may be unjust to the Petitioner.
 - c. Disciplined and good consumers who paid the bills in full during FY 2006-12 and either left thereafter or still continuing will not get their correct share of refund, if any, if prospective gross settlement is adopted in place of one-to-one settlement through determination of tariff of petitioner with a direction for retrospective adjustment.
 - d. The consumers who have started taking power after FY 2011-12 will get undue benefit at the cost of the payments made by the earlier consumers.
 - e. Petitioner will be subjected to double deduction i.e.,
 - i. once due to non-payment / short payment of the billed amount by the consumers & licensees in the past, and
 - ii. next due to the prospective adjustment of revenue surplus as approved by this Commission at 100% collection efficiency i.e. based on revenue billed (assessed) which could not be realized in full due to pending litigation.
 - f. Consumers did not liquidate the outstanding dues accrued during the relevant period and as a result petitioner was forced to borrow from market to maintain cash flow and had to bear the cost of borrowing.
 - g. Consumers somehow managed to get supply from petitioner without paying the legitimate tariff in the past and thereafter will enjoy the reduced tariff (due to prospective adjustment of revenue surplus).
- 4.10 Because of the above facts, determination of revenue gap/surplus based on billed (assessed revenue) will mean the following to Petitioner:
- a. Unpaid outstanding dues will never be liquidated by the consumers,



- b. Petitioner will have to pay an amount in the form of revenue surplus (along with compound interest) which it never possessed (received from the consumers) in past,
 - c. Petitioner will thus get penalized twice and will have to bear a serious financial burden without any valid ground and also not due to any inefficiency on the part of petitioner.
- 4.11 In view of this, the Petitioner has proposed for determination of tariff for the disputed period (i.e. FY 2006-07 to FY 2011-12) in a retrospective manner instead of prospective gross settlement. Any amount, derived to be refundable to the individual consumers other than JBVNL after retrospective application of the tariff to be determined by this Hon'ble Commission, will be refunded to the individual consumers. It is submitted here that the Hon'ble WBERC has also approved tariff for distribution and retail supply of electricity by petitioner in West Bengal for the period from FY 2006-07 to FY 2008-09 vide tariff order dated June 19, 2020 and for the period from FY 2009-10 to FY 2012-13 vide tariff order dated March 19, 2020.
- 4.12 The Petitioner further submitted that the Commission vide letter dated September 24, 2019 directed the Petitioner to file the petition for determination of tariff for FY 2006-07 to FY 2011-12. However, since the issues of "Roadmap for settlement of revenue surplus for 2006-07 to 2014-15" came up for hearing on 17th and 18th August 2020, petitioner humbly submits that said petition will be submitted as may further be directed by the Commission. Since the Appeal Nos. 163 of 2017 and 281 of 2018 in the matter of computation of ARR for the period from FY 2006-07 to FY 2014-15 are still pending before the Hon'ble Appellate Tribunal, the Petitioner has prayed before this Hon'ble Commission to further revise the distribution and retail tariff for the period FY 2006-07 to FY 2011-12 period based on the final judgments pronounced by the Hon'ble Appellate Tribunal in Appeal Nos. 163 of 2017 and 281 of 2018. The Petitioner therefore submitted that as requested by M/s BSL in line with other consumers of Petitioner the Commission may please direct the petitioner to submit proposal for determination of ARR and Tariff for the period 2006-07 to 2011-12.

Views of the Commission

- 4.13 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has dealt the issue in detail and given suitable directions to resolve the issue in **Section A 8** of this Order.

Cost of Own Generation

Public Comments/ Suggestions

- 4.14 The Stakeholder has submitted that Annual Fixed Cost (AFC) for T&D system should be considered as per latest CERC Orders {ref. Order dated 09.08.2019 in Petition No. 150-TT-2018 (Para 70, Pg. 47), Order dated 05.02.2020 in Petition No. 335-TT-2018 (Para 78, Pg. 48-49)}: Rs. 370.11 Crores for FY 2017-18 and Rs. 371.82 Crores for FY 2018-19, FY 2019-20 and FY 2020-21. Instead, Petitioner has used ARR for FY 2013-14 i.e. Rs. 524.79 Crores, provided in CERC Order dated 29.09.2017 in Petition No. 547-TT-2014 (Para 132, Pg. 89-90).
- 4.15 The Stakeholder further submitted that the average Landed Price of Primary Fuel escalation factor is 1.94%, then why the Petitioner has considered 2% annual escalation on estimated energy charge rate for FY 2019-20.

Petitioner's Response

- 4.16 The Petitioner submitted that provisional tariff orders for FY 2014-19 period for Petitioner's entire T&D system was yet to be issued by CERC by the time Petitioner filed the petitions before the Commission. Since FY 2013-14 was the latest year for which AFC for entire T&D system was available, therefore, the Petitioner has considered the AFC for FY 2013-14 as per CERC's FY 2009-14 true-up order.
- 4.17 The Petitioner further submitted that it has filed FY 2014-19 true up petitions before CERC for T&D system, for which hearing was conducted and additional replies were also submitted by DVC. The Petitioner requested the Commission to consider T&D AFC as per FY 2014-19 true up orders to be issued by CERC. The Petitioner stated that the Commission in its order dated May 18, 2018, (para 7.38) has stated that fixed costs will be subjected to true-up based on final CERC orders.

Views of the Commission

- 4.18 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission is of the view that as CERC has determined the tariff for the period FY 2014-15 to FY 2018-19. Hence, there is no rationale in considering the tariff on the basis of FY 2013-14. The Commission has accordingly considered the revised tariffs as approved by CERC. However, the same shall be subject to trueing up.



Power Purchase Escalation

Public Comments/ Suggestions

- 4.19 The Stakeholder submitted that the Petitioner has projected cost of own generation for FY 2019-20 by applying an escalation rate of 2.5% over the input cost (both fixed and energy charges) for FY 2018-19 as approved in the Tariff Orders issued by the Hon'ble CERC for the period FY 2014-19 and for T&D system based on True-up order for FY 2009-14. Further, an additional 2.5% Escalation rate over FY 2019-20 projected costs has been considered by the Petitioner for estimating Input costs for FY 2020-21. This should not be permitted as per Clause 10(4) CERC Regulations 2019.

Petitioner's Response

- 4.20 The Petitioner submitted that 2.5% escalation considered is in line with Commission's approach in order dated May 18, 2018 order (para 7.38). CERC in its Tariff Regulations 2019 has also considered an escalation of ~3% in normative O&M expenses. Considering these, petitioner's approach of 2.5% escalation is appropriate.

Views of the Commission

- 4.21 The Commission has considered the submissions made by the Stakeholder and the Petitioner. The Commission has discussed its approach in detail in the subsequent sections of this Order while approving cost of generation while carrying out APR for FY 2019-20 and ARR for FY 2020-21.

Recovery of P&G Fund

Public Comments/ Suggestions

- 4.22 The Stakeholder submitted that the Plant Availability Factor (PAF) shall apply on actual AFC (inclusive of Sinking Fund and Pension & Gratuity) – {ref. JSERC Order dated September 04, 2014 (Para 6.72 (Pg. 70)) pertaining to MYT Order for FY 2013-14 to FY 2015-16 for DVC, APTEL Judgment dated March 23, 2016, in Appeal No. 255 of 2014 (Para 13(k), Pg.56)}. The Stakeholder further submitted that the Petitioner has not prorated Sinking Fund and Pension & Gratuity on the basis of PAF.

Petitioner's Response

- 4.23 The Petitioner submitted that Hon'ble APTEL in its Judgment dated November 23, 2007, decided in favor of full recovery of P&G and Sinking Fund amounts from consumers



- through tariff. This Judgment was upheld by Hon'ble Supreme Court vide order dated July 23, 2018.
- 4.24 CERC in its Tariff Regulations provides for PAF-linked Capacity Charge computation based on five stipulated AFC components. Those AFC components don't include P&G or Sinking Fund.
- 4.25 For Working Capital computation, P&G, sinking fund, etc. are not considered as receivables by CERC and only the five stipulated AFC components are considered. Thus, recovery of P&G Fund and Sinking fund liabilities of DVC cannot be treated at par with normal elements of AFC viz. (a) Return on equity, (b) Interest on loan, (c) Depreciation, (d) O&M expenditure and (e) Interest on Working Capital etc.
- 4.26 CERC treats P&G, Sinking fund as additional elements of Fixed Charges (an example is the Order dated April 08, 2019 in Petition No. 331/MP/2018, where ash disposal expenses was treated as additional item in para-29). Such additional elements are not considered for computation of IWC. Recovery of additional elements are in full without factoring in PAFM/PAFY.
- 4.27 Hon'ble APTEL in Judgment dated March 23, 2016 in Appeal No. 255 of 2014 stated that no part of the CERC determined AFC is required to be re-determined by the State Commission. Other state Regulators like Chhattisgarh, Haryana also in their regulations and tariff orders did not link P&G / terminal liabilities to Availability.
- 4.28 The Commission in its Order dated April 19, 2017 did not link P&G and Sinking Fund with PAF/TAF. Hon'ble WBERC in its Order dated June 19, 2020, also followed the same approach. Considering the above, the Commission is requested to allow full recovery of the P&G and Sinking Fund as claimed by DVC.

Views of the Commission

- 4.29 The Commission has considered the submissions made by the Stakeholder and the Petitioner. The Commission is of the view that the Pension & Gratuity Fund, like any other component of the AFC should be recoverable based on the actual availability. In addition, the methodology is sub-judice before the APTEL in Appeal Nos. 163 of 2017 and 281 of 2018. Hence, the Commission has followed the same methodology as adopted in the previous Order dated May 28, 2019, while calculating the P&G Funds.

Relaxation in NAPAF

Public Comments/ Suggestions

- 4.30 The Stakeholder has submitted that the Petitioner has claimed relaxation in NAPAF. No relaxation should be provided in NAPAF – Status of NAPAF review by CERC based on actual coal shortage scenario may be checked by the Commission.

Petitioner's Response

- 4.31 The Petitioner has submitted that for FY 2018-19, FY 2019-10 and FY 2020-21, Petitioner has considered NAPAF as per CERC tariff orders for 2014-19 period and CERC Tariff Regulations 2019.
- 4.32 For FY 2017-18, there was some inadvertent mistake by petitioner while considering the NAPAF of the stations. However, while computing the Own Generation cost of DVC for FY 2017-18 vide Order dated May 28, 2019, (Ref Table-31), the Commission has correctly applied the NAPAF for all the stations. Therefore, DVC requested the Commission to adopt NAPAF figures for determining the ARR as approved by CERC. The Petitioner further added that it has already submitted this reply in its earlier letter to the Commission dated June 08, 2020 against the objections raised by the objector.

Views of the Commission

- 4.33 The Commission has considered the submissions made by the Stakeholder and the Petitioner. The Commission has considered the NAPAF specified by CERC for various stations as per CERC Tariff Regulations, 2014 and CERC Tariff Regulations 2019.

PAF & Ex-Bus Energy Availability

Public Comments/ Suggestions

- 4.34 The Stakeholder has submitted that there is a large difference between the PAF and Net Ex Bus Energy declared by the Petitioner for FY 2019-20 and FY 2020-21. PAF should be considered in accordance to the Net Ex Bus Energy declared by the Petitioner for 2019-20 and 2020-21.

Petitioner's Response

- 4.35 The Petitioner has submitted that PAF for generating stations have been proposed for FY 2019-20 & FY 2020-21 as could be envisaged based on readiness or healthiness of the



generating station equipment, fuel availability, availability of network etc. Truing up will be done based on actual PAF, which is also a function of the aforesaid parameters at actuals. For FY 2018-19 PAF have been considered at actuals.

- 4.36 Ex-bus Energy for its generating stations estimated by the Petitioner is based on equipment maintenance schedule, retirement plan of old units and expected demand of consumers and beneficiaries. The actual ex-bus energy while truing up will depend on real-time energy demand-supply situation, grid availability, grid frequency, firm commitment to beneficiaries, power surrendered by beneficiaries (if any), real time availability of the generating station. Hence PAF and Ex-bus energy are influenced by separate factors.
- 4.37 PAF and Ex-bus Energy may also differ as Petitioner has to maintain spinning reserve for meeting exigencies. CERC in its Tariff Regulations also provides for separate definitions for PAF and PLF. To be precise Ex-bus energy is directly related to PLF and not with PAF since PAF is determined in terms of Power (in MW). Therefore, the Petitioner requested to consider the PAF and Ex-Bus Energy projections as claimed by the Petitioner.

Views of the Commission

- 4.38 The Commission has considered the submissions made by the Stakeholder and the Petitioner. The Commission has discussed its approach in detail while approving the energy availability and PAF while carrying out APR for FY 2019-20 and ARR for FY 2020-21 in subsequent sections of this Order.

Interest on Temporary Financial Accommodation

Public Comments/ Suggestions

- 4.39 The Stakeholder has submitted that there is no provision for Interest on Temporary Financial Accommodation in JSERC Regulations.
- 4.40 Shortage in cash flow faced by the Petitioner is on account of inefficient collection from JBVNL {ref. Para 27, Pg. 5-6 of the FY 2017-18 True Up Petition and Para 36 of FY 2018-19 True Up Petition}
- 4.41 The Petitioner receives sufficient funds towards Working Capital (in accordance to the JSERC Order dated November, 2012 pertaining to ARR for FY 2012-13) and JSERC Supply Code 2015 (Security Deposit (Para 8.2.8)) alongside Receivables. Moreover,



Petitioner also has sufficient Working Capital provision on account of its integrated power business of Generation, Transmission and Distribution

Petitioner's Response

- 4.42 The Petitioner submitted that Temporary Financial Accommodation is required to fund the deferred / delayed payment by the consumers and there are catenna of APTEL Judgments supporting such claim (e.g. APTEL Judgment in Appeal No. 117 of 2008 between Reliance Infrastructure Ltd. vs. MERC – para 47; Appeal No. 153 of 2009 between North Delhi Power Ltd. vs. DERC – para 25; Appeal No. 177 & 178 of 2012 between BSES Rajdhani Power Ltd. vs. DERC).
- 4.43 WBERC in its Tariff Regulations also provides for such component.
- 4.44 The Temporary Financial Accommodation is used to fund the deferred / delayed payment for all firm consumers of Petitioner (including JBVNL). Since the entire Delayed Payment Surcharge (including that from JBVNL) is deducted from the ARR to arrive at the Net ARR for Jharkhand distribution activity of Petitioner, hence the entire Temporary Financial Accommodation (including that due to JBVNL) is claimed as part of the ARR by the Petitioner.
- 4.45 The Petitioner requested to allow its claim for Temporary Financial Accommodation in line with that already approved in the tariff order dated May 28, 2019.

Views of the Commission

- 4.46 The Commission has considered the submissions made by the Stakeholder and the Petitioner. 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% p.a. whereas the interest rates for accommodating such shortfall is at the rate of the Interest on Working Capital for that year. Hence, the Commission has approved the interest at the rate of the Interest on Working Capital for that year on the principal amount outstanding on which DPS was charged for improving the liquidity of the Petitioner.

Interest on Working Capital

Public Comments/ Suggestions

- 4.47 The Stakeholder has submitted that in case of interest on working capital there is no need to deviate from the Commission's approach adopted in the previous orders.



Petitioner's Response

- 4.48 The Petitioner submitted that CERC determines Working Capital only for the generation and transmission activities of Petitioner and not for distribution activity. In order to manage its distribution activities, the Petitioner submitted that it has to maintain (a) separate manpower to deal with various technical / non-technical issues, safety / security requirements related to power supply, (b) repair and maintenance work related to consumer power supply, (c) arrangements for data communication, meter reading, billing, collection, (d) IT-based monitoring and data acquisition systems, etc.
- 4.49 Therefore, the Petitioner submitted that additional rolling fund is required for these activities as these are not covered in Normative O&M or Normative Working Capital requirements provided by CERC.
- 4.50 The Petitioner submitted that it has also substantiated its Working Capital needs based on computation of Net Working Capital as per Accounts (Net Working Capital = Net Current Assets – Net Current Liabilities) and submitted justifications to the Commission vide reply dated March 02, 2020 (for FY 2018-19).
- 4.51 The Petitioner submitted that if the working capital requirements for distribution activity are not considered, it will remain unrecovered and will put financial stress on Petitioner. Therefore, the Petitioner requested the Commission to consider Petitioner's claim of Working Capital and Interest thereon.

Views of the Commission

- 4.52 The Commission has considered the submissions made by the Stakeholder and the Petitioner. The Commission for approving IoWC has considered its earlier approach for reasons brought out in its earlier Tariff Orders. The detailed computation in this regard is dealt with in subsequent sections of this Order.

Non Tariff Income

Public Comments/ Suggestions

- 4.53 The Stakeholder has submitted that actual non-tariff income as per audited accounts should be considered. It further submitted that the Commission has allowed Non-Tariff Income under several heads for JBVNL (ref. JBVNL Order on True-up for FY 2016-17 & FY 2017-18, APR for FY 2018-19 and ARR for FY 2019-20 dated February 28, 2019)



and for JUSCO (ref. JUSCO Order on True up for FY 2016-17 and FY 2017-18, dated June 19, 2020 and JUSCO Audited Accounts of FY 2018-19).

- 4.54 The Stakeholder further submitted that the income from Power Trading Businesses shall also form part of NTI.

Petitioner's Response

- 4.55 The Petitioner has submitted that the Commission in different Tariff Orders of Petitioner has already settled that only the Delayed Payment Surcharge accounts for non-tariff income so far as the distribution activity of the Petitioner is concerned. The Commission order references:
- a. Para 5.33, 5.34, 6.28 to 6.30 and 7.31 to 7.33 of Order dt. November 22, 2012, (for 2006-07 to 2012-13).
 - b. Para 6.69 of Order dt. September 04, 2014 (for 2013-14 to 2015- 16).
 - c. Para 5.50 – 5.55 and 6.45-6.46 of Order dt. April 19, 2017.
- 4.56 Item-wise justifications for the different heads of income (except Delayed Payment Surcharge) as per petitioner's audited annual accounts were already provided to the Commission vide Petitioner's letter no. Coml./Tariff/JSERC/Addl. Info 19-20/1977 dt. May 23, 2019. The Petitioner submitted that it has explained that the other heads of income are not incidental to the distribution activity of Petitioner and are not to be considered as Non-Tariff Income.
- 4.57 The Petitioner further submitted that WBERC in order dt. August 24, 2015, (para 3.8.6 and 4.10), May 25, 2015 and June 19, 2020 also considered only the Delayed Payment Surcharge as the Non-Tariff Income. Further, CERC in Tariff Regulations 2019 has not included even the delayed payment surcharge from Generation / Transmission business under 'Non-Tariff Income'.
- 4.58 Therefore, the Petitioner requested the Commission to consider only the Delayed Payment Surcharge as Non-Tariff Income as claimed by DVC.
- 4.59 Regarding separate accounts for Distribution business of DVC, Hon'ble APTEL in Judgment dt. November 23, 2007, recognizes DVC's T&D system as a single inseparable entity and considered to be "deemed unified inter-state transmission network" (para 111). Further, Hon'ble Supreme Court in order dt. July 23, 2018, (para 55) says activity-wise



separate accounts is not necessarily to be maintained by DVC. Accordingly, DVC does not maintain separate accounts for its distribution activity.

Views of the Commission

- 4.60 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has adopted same approach as considered in its previous Order dated May 28, 2019.

T&D Losses

Public Comments/ Suggestions

- 4.61 The Stakeholder has submitted that T&D Loss is controllable. The Commission should maintain T&D loss levels of Petitioner at originally approved value as per past order / past approach.

Petitioner's Response

- 4.62 The Petitioner has submitted that Hon'ble APTEL in Judgment dated November 23, 2007 recognizes Petitioner's T&D system as a single inseparable entity and considered to be ***"deemed unified inter-state transmission network"*** (para 111).
- 4.63 The Petitioner further added that the State Commission in Tariff Regulations, 2015 specifies target of distribution loss only and not T&D loss and Petitioner's T&D loss has never crossed the 5% distribution loss target. Further, the Commission in its Order dated May 28, 2019 approved T&D loss for FY 2017-18 to FY 2019-20 at 3.23% based on actual figures for FY 2016-17, and also said that actual loss is not finalized (para 6.5) and shall be subject to truing up (para 6.36).
- 4.64 Petitioner has submitted actual T&D losses for FY 2017-18 and FY 2018-19, and has provided justification for the same (vide letter no. Coml./Tariff/JSERC/Addl. Info 18-19/145, dated March 17, 2020). The Petitioner further submitted that the main reason for increase of loss from FY 2016-17 level was the increase of proportion of sale at lower voltage (LT and 33 kV) in the overall sales mix of DVC from FY 2016- 17 to FY 2018-19 and that the change of sales mix is beyond the control of Petitioner.
- 4.65 The Petitioner submitted that its projection of T&D loss for FY 2019-20 and FY 2020-21 has been based on the actual figures for FY 2017-18 and FY 2018-19. DVC has put its best endeavor to contain the T&D loss. The Petitioner therefore requested the



Commission to consider actual T&D loss for FY 2017-18 and FY 2018-19 and projected T&D loss for FY 2019-20 and FY 2020-21 as claimed by DVC.

Views of the Commission

- 4.66 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has approved T&D loss along with reasons in the subsequent sections of this Order.

Cost of Power Purchase

Public Comments/ Suggestions

- 4.67 The Stakeholder submitted that prudence check may kindly be conducted on the rate considered for Power Purchase from the Power Exchanges as the rate considered by the DVC seems to be on the higher side particularly when the actual rates have been much lower in the last one year.

Petitioner's Response

- 4.68 The Petitioner submitted that the Objector's approach of considering the average exchange price to compare the power purchase rate is flawed. While the average price of power from IEX during the period from September 2019 to November 2019 was around 276.4 paisa/kWh, the hourly price at the IEX varied from 94.1 paisa/kWh to 607.2 paisa/kWh during the said period. Purchase of power from the Exchange is contingent in nature, which means that when needed, DVC is compelled to purchase power at price prevailing at the Exchange in order to ensure uninterrupted supply to its consumers. Therefore, it will be unjustified to consider the average Exchange price for estimating the Exchange power purchase cost for Petitioner and requested the Commission to allow the Exchange purchase rate as claimed by the Petitioner.

Views of the Commission

- 4.69 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has discussed the same in detail in **Sections A 5, A 6 and A 7** of this Order.



Revenue from Sale of Surplus Power

Public Comments/ Suggestions

- 4.70 The Stakeholder has submitted that the Petitioner has proposed to consider Revenue from Sale of Power on Realized Basis rather than Billed Basis. The Stakeholder further submitted that this is due to its poor collection efficiency from a single consumer i.e., JBVNL. It further submitted that the JSERC Regulations mandates a Collection Efficiency of 100% for the Petitioner.

Petitioner's Response

- 4.71 The Petitioner submitted that for computation of Revenue Gap / Surplus, DVC has proposed the following:
- a. For JBVNL, the actual realized amount to be considered given the huge outstanding dues from JBVNL.
 - b. For other consumers, the entire billed amount to be considered since the gap between billed and realized amount is fairly less.
- 4.72 The Petitioner requested the Commission to devise a suitable procedure to help DVC to recover the payment shortfall of JBVNL without putting any unjustified burden on other consumers and also to make it a regulatory binding for JBVNL.

Views of the Commission

- 4.73 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has considered the revenue from sale of power on billed basis as per the approach adopted by it in its previous Orders.

Disproportionate Tariff Hike

Public Comments/ Suggestions

- 4.74 The Stakeholder submitted that the Petitioner has proposed disproportionate increase in Fixed charges i.e., 39% hike in Fixed Charges and 21%~45% hike in Energy Charges for most of the industrial consumer categories for FY 2020-21.
- 4.75 The Stakeholder further submitted that Average Cost of Supply (ACoS) for FY 2020-21, as per its own assessment is Rs. 4.27/ kWh. This is significantly lower than the Petitioner's proposed ACoS of Rs. 5.57/ kWh. Moreover, the Objector's ACoS (Rs.



4.27/kWh) is lower than that approved (Rs. 4.93/ kWh) by the Commission in its Order dated May 28, 2019. This implies that a Tariff reduction ought to be allowed by the Commission.

Petitioner's Response

- 4.76 The Petitioner submitted that entire fixed cost of generating stations (proportionate to utilization) and T&D system has been proposed to be recovered through demand charge without merging any part of it in the energy charge. If Demand Charge is set at a lower level it acts as a deterrent to improvement in load factor, thereby causing reduced recovery.
- 4.77 The Petitioner further stated that incorrect load assessment and improper load management by the consumers results into unnecessary blocking of the capacity of the licensee at different sub-stations by means of hike in Contract Demand. This is evident from low load factor. In such a case, only a part of the Fixed Cost gets recovered and recovery of energy charge is low.
- 4.78 While estimating the proposed Energy Charges and Demand Charges for DVC's HT consumers in Jharkhand for FY 2020- 21, the Petitioner has attempted to keep the Energy Charges and Demand Charges for individual consumer categories within +/- 20% of the average Energy Charges or Demand Charges in line with the National Tariff Policy guidelines.
- 4.79 The Petitioner therefore requested the Commission to consider its claim for demand and energy charges.

Views of the Commission

- 4.80 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has discussed tariff rationalisation in **Section A 10** of this Order.

Voltage Rebate

Public Comments/ Suggestions

- 4.81 The Stakeholder has submitted that the Commission should allow Voltage Rebate and Load Factor Rebate for consumers who are approved by DVC to pay arrears in instalments.



Petitioner's Response

- 4.82 The Petitioner has submitted that instalments were offered to those consumers because of their financial conditions. Allowing rebate to those same consumers will not be appropriate. Hence DVC requests the Commission to maintain the same Terms & Conditions for rebate as that allowed in the previous order dated May 28, 2019.

Views of the Commission

- 4.83 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has discussed the issue in detail in **Sections A 10 and A 13** of this Order.

Load Factor Rebate

Public Comments/ Suggestions

- 4.84 The Stakeholder has submitted that DVC is offering load factor rebate on full energy consumption by consumers and not on incremental energy consumption.

Petitioner's Response

- 4.85 The Petitioner did not submit any replies.

Views of the Commission

- 4.86 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has discussed the load factor rebate mechanism in detail in **Sections A 10 and A 13** of this Order. In addition, **the Commission directs in future the Petitioner should allow and maintain record of various Rebate provided under separate head in its Audited Accounts as detailed in the Tariff Schedule in Section A 13 of this Order.**

Unbundling of DVC Distribution

Public Comments/ Suggestions

- 4.87 The Stakeholder has submitted that the Petitioner should draw up a transfer scheme for its unbundling in to separate distribution company overlooking operations in Jharkhand. The Stakeholder further submitted that DVC should handover its distribution asset in Jharkhand State including interest in properties, rights and liabilities to the separate



distribution company which may be handed over to distribution license of DVC command areas falling in Jharkhand.

Petitioner's Response

4.88 The Petitioner did not submit any replies.

Views of the Commission

4.89 The Commission is of the view that the issue raised do not pertain to tariff determination exercise and hence merit no response.

Standby and DSM Charges

Public Comments/ Suggestions

4.90 The Stakeholder has submitted that the accounting done for the Standby charges and DSM charges and respective units billed to JBVNL by DVC is not included in the Petition.

Petitioner's Response

4.91 The Petitioners have submitted that computation of Standby Charges and DSM charges are guided by the CERC Regulations and further the tariffs for DVC's generating stations and T&D system are determined by CERC. Therefore, the Standby and DSM charges are not related to DVC's distribution activity. If JBVNL has any specific contention in this matter, the same may be taken up bilaterally or CERC may be approached for the same.

Views of the Commission

4.92 The Commission has considered the submissions made by the Stakeholder and the Petitioner. The Commission is of the view that the affected party is at liberty to file a separate application before the Appropriate Commission.

Penalty for Exceeding Billing/Contract Demand

Public Comments/ Suggestions

4.93 The Stakeholder has submitted that if the actual demand exceeds 110% of the Contract Demand (CD), DVC is levying penal demand charges on the entire overdrawl over and above CD.



Petitioner's Response

- 4.94 The petitioner has submitted that at present it levies Penal Demand Charge as per Section A13 Clause-I of the Commission's Order dated May 28, 2019 which states the following:

"Clause I: Penalty for exceeding Billing/ Contract Demand In case of the actual demand exceeding 110% of the contract demand, the consumer shall pay penal charges for the exceeded demand. 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."

Views of the Commission

- 4.95 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has discussed penalty charges on contract demand in detail in **Section A 13** of this Order.

RPO Obligation

Public Comments/ Suggestions

- 4.96 The Stakeholder has submitted that Petitioner should consider RPO of TSL and TSUISL while computing DVC's RPO requirements.

Petitioner's Response

- 4.97 While computing the RE purchase requirements to fulfil RPO, DVC deducts firm sale to all Licensees and applies the % RPO target on the firm energy sale to retail consumers only. Licensee sales are deducted by DVC for RPO computation, because otherwise RPO will be charged twice on same energy which will increase the retail tariff. The Commission in its past orders has approved DVC's approach of RPO computation (para 6.59 – 6.63 of order dt. May 28, 2019). DVC follows similar approach while submitting yearly fulfilment of its Renewable Purchase Obligation (RPO) before the Hon'ble WBERC in respect of distribution activity in the West Bengal part of DVC also.

Views of the Commission

- 4.98 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission is of the view that in order to have simplicity and uniformity in the



process of fulfilling RPO by all Distribution Licensee across the State, the first Licensee who sells power to any consumer including a distribution licensee must comply with the RPO Target. Therefore, the Petitioner is required to comply with the RPO targets including sales to other Distribution Licensee. The Commission shall allow the cost of meeting the same as and when the Petitioner complies with the same. Further, the issue is discussed in detail in subsequent sections of this Order.

Bilateral Sale and Fixed Cost

Public Comments/ Suggestions

- 4.99 The Stakeholder has submitted that allocation of fixed cost of generating units should be done based on balance of allocation of generating plants after bilateral PPAs, but it has been done based on proportion of sales units.
- 4.100 Further, the Petition does not contain data of energy sold through exchange and the revenue realized from this trading activity.

Petitioner's Response

- 4.101 The Petitioner has submitted that the procedure adopted for allocation of Fixed Cost of generating stations for its distribution activity in the present petitions under consideration are as per the methodology already settled by the Commission in the previous tariff orders. Such tariff orders are in public domain and the objector herein may refer the same. So far as sale through exchange is concerned DVC furnishes the details as and when directed by the Commission.

Views of the Commission

- 4.102 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has discussed fixed cost and bilateral sale allocation in detail in **Sections A 5, A 6 and A 7** for FY 2018-19, FY 2019-20 and FY 2020-21 respectively in this Order.

LT Tariff

Public Comments/ Suggestions

- 4.103 The Stakeholder has submitted that LT supply tariff other than domestic and commercial should be under separate tariff category. Details about metered vs. non-metered consumers should also be furnished.



Petitioner's Response

4.104 The Petitioner has submitted that it has proposed LT tariff for the existing category of consumers. It further submitted that the Commission has approved tariff applicable for other categories also in the last tariff order dated May 28, 2019, which includes street lights, hospitals, water supply, etc. Please also note that DVC has no unmetered power supply to its consumers.

Views of the Commission

4.105 The Commission has gone through the submissions of the Stakeholder and the Petitioner. LT tariff has already defined in different categories and discussed in detail in **Section A 12** of this Order.

Bad Debt

Public Comments/ Suggestions

4.106 The Stakeholder has submitted that DVC has shown written off old dues/bad debt of Rs. 0.99 Crore during FY 2018-19, to consider the same in ARR of FY 2018-19. It cannot be allowed as per existing provisions of JSERC (Distribution) Tariff Regulations, 2015. DVC has responsibility of collection efficiency of 100% for the year. Further, no bad debt is allowed as per regulation.

Petitioner's Response

4.107 The Petitioner has submitted that written off bad debt is a legitimate claim of the utility for being serviced through tariff. Terms and Conditions of distribution tariff are framed in terms of Electricity Act, 2003 and its amendments and also in terms of the Tariff Policy. Accordingly, DVC has claimed the bad debt as a part of ARR.

Views of the Commission

4.108 The Commission has stipulated 100% Collection Efficiency in the Tariff Regulations, 2015. Hence, the Commission has not approved any Bad Debt for FY 2018-19.

Data Format/Assets

Public Comments/ Suggestions

4.109 The Stakeholder submitted that the petition should be in the standard format required as per the Tariff Regulations, 2015. Almost all data are given in different annexures, and thus the assumptions / considerations for projections of costs are not visible.



4.110 It further stated that Table 28 and 29 in Annexure 8 does not contain the amount of Revenue billed/expected revenue during FY 2019-20 and FY 2020-21 as has been given in table 29 of Annexure 21 for FY 2018-19. Further, as per Annexure 1 (Audited accounts of FY 2018-19) Total value of Tangible assets have reduced from Rs. 31319.00 Crore (March 2018) to Rs. 29088.34 Crore (March 2019), while the total value of depreciation has increased from Rs. 2854.72 Crore to Rs. 2904.14 Crore. The Petitioner should give the reason for same, as depreciations should also be reduced in case of reduction in assets.

Petitioner's Response

4.111 The Petitioner has submitted that Tariff for Generation and T&D System of the DVC are determined by CERC. Details regarding DVC's assets have been furnished before the Hon'ble Central Commission. The Commission only adopts it for finalizing the ARR for distribution activity of DVC. DVC submitted that it has furnished all relevant details before the Commission as and when directed.

Views of the Commission

4.112 The Commission has gone through the submissions of the Stakeholder and the Petitioner, and is of the view that all necessary details are submitted either in the Petition or by way of the replies submitted to the Commission's queries.

Grants from Government/O&M expenses for ULDC Scheme

Public Comments/ Suggestions

4.113 The Stakeholder has submitted that as per Audited Accounts Note 10, Grants from Government and other agencies towards revenue expenditure are recognized over the period in which the related costs are incurred and are deducted from the related expenses. The Petitioner should submit the details of grants received and such adjustments done matching with the figures of ARR considered.

4.114 It further submitted that under point 9 of True up Petition, it is mentioned that O&M charges related to ULDC for period FY 2014-15 to FY 2017-18 could not be claimed inadvertently. Now DVC is claiming the same in true up of FY 2018-19. The Stakeholder requested the Commission to check it thoroughly, as really it was not claimed in last 5 years.



Petitioner's Response

4.115 The Petitioner has submitted that the Commission has already considered the issue in the last tariff order dated May 28, 2019, based on the justifications submitted by DVC. Regarding O&M expenses of ULDC scheme DVC has furnished all necessary details before the Commission for prudence check.

Views of the Commission

4.116 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has discussed the ULDC charges in detail in **Section A 5** of this Order.

Delayed Payment Surcharges and Electricity Duty Bill Data

Public Comments/ Suggestions

4.117 The Stakeholder submitted that Point 36 Clause 13 (h) contains the figures of billed amount to JBVNL as Rs. 1577.60 Crore, and collection amount as Rs. 805.75 Crore for FY 2018-19. The Stakeholder further mentioned that this collection amount does not contain payment realised against DPS and ED and therefore the Petitioner should specify whether the billed amount of Rs. 1577.60 Crore contain DPS & ED billed and submit the DPS & ED billed amount to JBVNL for FY 2018-19.

Petitioner's Response

4.118 The Petitioner has submitted that all relevant details required for determination of tariff have been submitted before the Commission. Any further details as may further be directed by the Commission will be complied by DVC.

Views of the Commission

4.119 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has discussed the DPS and ED in detail in **Section A 5** of this Order.

Postponing Tariff Hike proposed

Public Comments/ Suggestions

4.120 The Stakeholder suggested that the Petitioner and the Commission should consider difficulty faced by the industries during the lockdown period due to COVID -19 and should postpone the tariff hike for the time being.



Petitioner's Response

4.121 The Petitioner submitted that it acknowledges the difficulties faced by different industries during the lockdown period. Economic activities in the whole country slowed down in general due to the pandemic situation. Demand of electricity also nosedived to a minimum level. As a result, DVC has also been facing a tough time. Despite of such a tough time faced by DVC, it continued with 24 x 7 power supply to all the consumers despite of delay in making payment of the electricity bills. Such arrangement continued until August 01, 2020. In doing so DVC had to bear the cost of additional working capital.

Views of the Commission

4.122 The Commission has gone through the submissions of the Stakeholder and Petitioner and has dealt with the reasonability of the necessity of tariff hike in the subsequent sections of this Order.

Reduction in Tariff

Public Comments/ Suggestions

4.123 The Stakeholder submitted that there should be 15% reduction in the Petitioner's Tariff.

Petitioner's Response

4.124 The Petitioner has submitted that the proposal made by the objector before this Commission for reduction of tariff by 15% is without any justification and without any back-up computational details. It is submitted that the suggestion of the objector for reduction of tariff has no merit for its acceptance.

Views of the Commission

4.125 The Commission has gone through the submissions of the Stakeholder and Petitioner and has dealt with the sufficiency of existing tariff in the subsequent sections of this Order.



A 5 TRUE-UP FOR FY 2018-19

- 5.1 The Commission by its previous Orders has already carried out truing up till FY 2016-17.
- 5.2 The Commission has issued its latest Order on Truing up for FY 2017-18 on September 29, 2020.
- 5.3 The Petitioner submitted that the Petition for True-up for FY 2018-19 has been prepared based on the Audited Accounts taking into consideration the provisions of the Tariff Regulations, 2015 and the methodology adopted by the Commission in its earlier Orders.
- 5.4 The Commission based on the provisions of the Tariff Regulations, 2015 has now carried out True-up for the FY 2018-19 taking into account the following;
 - a) Audited (Statutory) accounts for the FY 2018-19.
 - b) Tariff Regulations, 2015.
 - c) Methodology adopted by the Commission in its earlier Orders.
- 5.5 The component-wise description of the Petitioner's submission and the Commission's analysis on the same is provided in the foregoing paragraphs.

Supply Points, Connected Load and Energy Sales

Petitioner's Submission

- 5.6 The Petitioner 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 2018-19.

Commission's Analysis

- 5.7 The Commission after scrutinizing the latest information submitted by the Petitioner, the Audited Accounts 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 2018-19 which is as summarised below:

Table 5: Consumers, Connected Load and Sales in Jharkhand submitted by the Petitioner and Approved by the Commission

Consumer Category	FY 2018-19					
	Petition			Approved		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
LT	4	-	42.19	4	-	42.19



Consumer Category	FY 2018-19					
	Petition			Approved		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
33 kV	114	756.94	7,017.31	114	756.94	7,017.31
132 kV	7	275.50	1,293.13	7	275.50	1,293.13
132 kV (Traction)	3	72.63	237.38	3	72.63	237.38
220 kV	2	285.00	1,657.21	2	285.00	1,657.21
Total	130	1,390.07	10,247.22	130	1390.07	10247.22

Transmission & Distribution Losses and Energy Requirement

Petitioner's Submission

- 5.8 The Petitioner submitted that as it is supplying power in bulk to WBSEDCL and JBVNL and since majority of HT consumers falling in the Damodar valley area are at 33 kV and above voltage, it incurs very low Transmission & Distribution (T&D) losses. The Petitioner submitted that the Commission approved 3.41% T&D loss for the network of DVC for the period FY 2018-19 vide its Tariff Order dated May 18, 2018. However, in the APR for FY 2018-19, the Commission had considered T&D loss as 3.23% which is the actual loss figure for FY 2016-17. The Petitioner submitted that various measures were taken to reduce T&D loss of entire DVC network. As a result, T&D loss could be reduced from 4.86% during FY 2013-14 to 3.55% during FY 2018-19. However, as compared to FY 2016-17 the total utilization of electricity for distribution activity has increased by 4.33% during FY 2018-19. Accordingly, the actual loss of 3.55% in the entire T&D network of DVC appears to be justified on technical ground.
- 5.9 Further, in addition to the energy sold in the Jharkhand area, the Petitioner also submitted the actual sales in the West Bengal area and the energy wheeled from its inter-state transmission system for the purposes of computation of the energy requirement for the entire Damodar Valley area.
- 5.10 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 actual energy requirement for FY 2018-19.

Commission's Analysis

- 5.11 As regards the T&D Losses for Control Period from FY 2016-17 to FY 2020-21, Clause 5.23 of the Tariff Regulations, 2015, is reproduced below:

“5.23 The Licensee shall file the distribution loss trajectory for the entire Control Period in the Business Plan commensurate with the capital investment plan for each year of the control period for approval of the Commission after verification and evaluation of the same.

The Licensee shall be allowed to operate at below 5% audited distribution loss without any incentive/ penalty mechanism.”

5.12 The Commission has therefore approved actual T&D Losses as submitted by the Petitioner.

5.13 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 2018-19 has been summarized in the following table.

Table 6: Energy Requirement submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2018-19	
	Petition	Approved
Energy sales within the state of Jharkhand	10247.22	10247.22
Energy sales within the state of West Bengal	8281.16	8281.16
Total energy sales in DVC Area	18528.37	18528.37
Energy wheeled	598.42	598.42
Overall Utilization	19126.79	19126.79
T&D loss (MU)	704.59	704.59
T&D loss (%)	3.55%	3.55%
Total Energy Requirement for DVC	19831.38	19831.38

Energy Availability from Own Generating Stations for Distribution Function

Petitioner's Submission

5.14 The Petitioner 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 include both thermal and hydel stations.

5.15 The Petitioner also submitted the actual generation available from own generating stations during the period FY 2018-19.

Commission's Analysis

5.16 The Commission has considered the submission made by the Petitioner on energy availability from its own generating stations. Based on the availability certificate and the power purchase submitted, the Commission approves the energy availability from own

generation. The energy availability from own generation as per the submission of the Petitioner and approved by the Commission is summarised below:

Table 7: Energy Availability from Own Generating Stations submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2018-19	
	Petition	Approved
BTPS 'B'	601.66	601.66
DTPS U# 4	856.20	856.20
MTPS U#1 to 3	2653.07	2653.07
MTPS U#4	873.65	873.65
HYDEL	185.06	185.06
Sub Total	5169.65	5169.65
MTPS U#5 & 6	2776.28	2776.28
MTPS U#7&8	5428.79	5428.79
CTPS U# 7&8	3234.94	3234.94
DSTPS U # 1 & 2	5981.56	5981.56
KTPS U# 1 & 2	5975.58	5975.58
RTPS U # 1 & 2	2990.03	2990.03
BTPS 'A'	2750.10	2750.10
Sub Total	29137.30	29137.30
Total Own Generation	34306.94	34306.94

Power Purchase from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

- 5.17 The Petitioner submitted that it is also purchasing power from CSGS and other sources viz. NTPC, NHPC, PTC & other sources (excluding net power purchased under Unscheduled Interchange mechanism) to meet the energy requirements in the DVC area.
- 5.18 Further, during the period FY 2018-19, the Petitioner also purchased and sold power through the Unscheduled Interchange (UI) mechanism.

Commission's Analysis

- 5.19 The Commission has determined the balance energy requirement to be met through purchase of power from CSGS and other sources after meeting the energy requirement from own generation.
- 5.20 The following table summarizes the station-wise net power purchase as submitted by the Petitioner and as approved by the Commission for FY 2018-19.

Table 8: Station-wise Net Power Purchase submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2018-19	
	Petition	Approved
NHPC		
Rangit	33.44	33.44
Teesta- V	223.97	223.97
NTPC		
FSTPS III	164.89	164.89
TSTPS I	17.59	17.59
KBUNL MTPS II	81.09	81.09
PTC		
Chukha	152.83	152.83
Kurichu	32.53	32.53
Tala	140.73	140.73
MPL	983.78	983.78
Solar	67.16	67.16
Net UI	978.49	978.49
Total	2876.51	2876.51

Energy Balance

5.21 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 for FY 2018-19 as submitted by the Petitioner and as per Commission's analysis is summarized in the following table:

Table 9: Energy Balance submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2018-19	
	Petition	Approved
A. Energy Requirement		
Energy sales within the state of Jharkhand	10247.22	10247.22
Energy sales within the state of West Bengal	8281.16	8281.16
Total energy sales in DVC Area	18528.37	18528.37
Energy wheeled	598.42	598.42
Overall Utilization	19126.79	19126.79
T&D loss (MU)	704.59	704.59
T&D loss (%)	3.55%	3.55%
Total Energy Requirement for DVC	19831.38	19831.38
B. Energy Availability		
<i>Own Generation-Firm sources</i>		
Thermal	34121.89	34121.89
Hydel	185.06	185.06
Sub Total	34306.94	34306.94
Net Power Purchase (including UI)	2840.73	2840.73
Energy received for Wheeling	612.98	612.98

Particulars	FY 2018-19	
	Petition	Approved
Less: Energy sold to other licensees & exchange	17929.27	17929.27
Total Energy Available for DVC	19831.38	19831.38

Cost of Own Generation

Petitioner's Submission

- 5.22 DVC constituted under the DVC Act, 1948, is a PSU as envisaged under Section 79 (1) (a) of the Electricity Act, 2003, and the tariff for generation of electricity is to be decided by the CERC. Accordingly, cost of generation for DVC as a whole from own stations has been taken as approved by the CERC in its relevant Orders.
- 5.23 Further, the effect of variation in Fuel Price Adjustment (FPA) in energy charges has also been built in the own cost of generation in accordance with the formula prescribed by the CERC.

Commission's Analysis

- 5.24 The Commission has taken note that the CERC has issued final Tariff Orders for the following stations for the period FY 2014-15 to FY 2018-19:

Table 10: CERC Orders considered for approval of Fixed Charges of Own Generating Stations

Station	Date of CERC Order
BTPS 'B'	19.05.2017
CTPS U# 1,2,3	23.09.2016
DTPS U # 3,4	20.07.2017
MTPS U#1 to 3	31.08.2016
MTPS U#4	20.09.2016
MHS	20.09.2016
PHS	20.09.2016
THS	23.09.2016
T&D System	09.08.2019 & 05.02.2020
MTPS U#5 & 6	16.03.2017
MTPS U# 7 & 8	03.10.2016
CTPS U# 7&8	17.02.2017
DSTPS U # 1 & 2	17.03.2017
KTPS U # 1 & 2	28.02.2017
RTPS U # 1 & 2	28.09.2017
BTPS 'A' U # 1	30.05.2018

- 5.25 The Commission after scrutinizing the information made available by the Petitioner and after perusal of the above CERC Orders has adopted the fixed charges for own power

generation from thermal & hydel stations for DVC for FY 2018-19 as approved by CERC in its relevant Tariff Orders. The Commission has verified the ECR Computation and approves the Energy Charge Rate as submitted by the Petitioner.

5.26 The Commission shall take into consideration any changes in the cost of own generation/T&D business and revise the ARR to the extent of changes in the input cost, due to issuance of True-up Orders of Petitioner's generating stations and the T&D business by the CERC for FY 2018-19.

5.27 The AFC of own power generating stations as adopted by the Commission from the aforementioned CERC Orders for the period FY 2018-19 has been summarized in the following table. The Commission has adopted the methodology used in its previous Order dated February 28, 2019 for calculation of Fixed Charges for own generating stations.

Table 11: Fixed Charges approved by the Commission (Rs. Crore)

Station	Normative Availability (NAPAF)	Actual Yearly Plant Availability Factor (PAFY)	Annual Fixed Charge (AFC) (Rs. Crore)	Recoverable fixed charges as per CERC formula (Rs. Crore)	Share of firm consumer	Recoverable Fixed charge from Firm Consumers (Rs. Crore)
	A	B	C	$D = \min(C, C \cdot B/A)$	E	F = D * E
BTPS 'B'	75%	37.97%	95.37	48.28	100.00%	48.28
DTPS U # 4	74%	60.43%	112.50	91.87	100.00%	91.87
MTPS U#1 to 3	83%	58.96%	362.06	257.20	100.00%	257.20
MTPS U#4	85%	55.67%	118.93	77.89	100.00%	77.89
MHS*	80%	80.00%	34.90	17.45	100.00%	17.45
PHS*	80%	80.00%	25.77	12.88	100.00%	12.88
THS*	80%	80.00%	9.85	4.93	100.00%	4.93
T & D System	98.50%	99.47%	371.82	375.50	100.00%	375.50
SUB-TOTAL			1095.95	886.00		886.00
MTPS U#5 & 6	85%	73.13%	473.78	407.62	74.44%	303.41
MTPS U# 7 & 8	85%	71.01%	1019.21	851.46	40.14%	341.73
CTPS U # 7 & 8	85%	83.41%	530.60	520.67	0.00%	0.00
DSTPS U # 1 & 2	85%	78.00%	1104.17	1013.24	71.27%	722.17
KTPS U # 1 & 2	85%	77.01%	1175.74	1065.22	7.47%	79.58
RTPS U # 1 & 2	85%	31.61%	1395.55	518.98	45.45%	235.88
BTPS 'A'	85%	72.42%	771.89	657.65	32.51%	213.78
SUB-TOTAL			6470.93	5034.83		1896.55
GRAND TOTAL			7566.87	5920.83		2782.55

*The Petitioner has proposed to recover the total AFC charges through capacity charges, while the Commission has approved the recovery as per the CERC Tariff Regulations, 2014.

- 5.28 The Commission has considered the ARR approved for T&D business as per the latest CERC Order dated August 09, 2019 and February 05, 2020, while approving the Power Purchase Cost for FY 2018-19.
- 5.29 The Commission has approved the Energy Charge Rate for own generating stations for FY 2018-19 as submitted by the Petitioner after performing due-diligence of the relevant documentary evidence submitted. The Energy Charges approved by the Commission for FY 2018-19 for own generating stations is summarised below:

Table 12: Energy Charges submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2018-19	
	Petition	Approved
BTPS	126.49	126.49
DTPS	281.60	281.60
MTPS U# 1 to 3	761.80	761.80
MTPS U# 4	250.21	250.21
MTPS U# 5 & 6	599.82	599.82
MTPS U# 7 & 8	579.86	579.86
CTPS U # 7 & 8	0.00	0.00
DSTPS U # 1 & 2	1077.32	1077.32
KTPS U # 1 & 2	91.84	91.84
RTPS U # 1 & 2	322.12	322.12
BTPS 'A'	147.76	147.76
MHS*	0.00	12.91
PHS*	0.00	4.34
THS*	0.00	1.54
Total Energy Charges	4238.82	4257.60

*The Petitioner has proposed to recover the total AFC charges through capacity charges, while the Commission has approved the recovery through fixed and variable charges as per the CERC Tariff Regulations, 2014.

Table 13: Total Charges submitted by the Petitioner and approved by the Commission (Rs. Crore)

Station/item	FY 2018-19			
	Petition		Approved	
	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost
BTPS	126.49	48.28	126.49	48.28
DTPS U# 4	281.60	91.87	281.60	91.87
MTPS 1 TO 3	761.80	251.15	761.80	257.20
MTPS 4	250.21	77.89	250.21	77.89
HYDEL		70.52	18.79	35.26
T&D		531.42		375.50
MTPS 5 & 6	599.82	305.08	599.82	303.41
MTPS 7 & 8	579.86	343.44	579.86	341.73
CTPS 7 & 8	-	-	-	-
DSTPS 1 & 2	1,077.32	725.47	1,077.32	722.17
KTPS 1 & 2	91.84	80.01	91.84	79.58



Station/item	FY 2018-19			
	Petition		Approved	
	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost
BTPS A	147.76	213.78	147.76	213.78
RTPS 1 & 2	322.12	239.20	322.12	235.88
Cost of Own Generation	4,238.82	2,978.10	4,257.60	2,782.55

Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

- 5.30 The Petitioner submitted the actual power purchase cost from CSGS and other sources (including RE sources) during FY 2018-19 has been considered based on the actual power purchase bills received from the generators.
- 5.31 The Petitioner also claimed Rs 116.08 Crore towards Transmission Charges including the expenses towards ERPC Fund.

Commission's Analysis

- 5.32 Based on the total energy requirement, the Commission has allowed the quantum of energy to be purchased from CSGS and other sources (other than own sources) and from own generating stations as proposed by the Petitioner.
- 5.33 Besides, the Petitioner has segregated the cost of RPO into West Bengal and Jharkhand based on the RPO requirements stipulated by the respective State Regulatory Commissions for FY 2018-19. Accordingly, the Commission also finds it prudent to segregate the cost of RPO for FY 2018-19 as per the RPO requirements stipulated by the respective Commissions and actual RPO compliance by the Petitioner.
- 5.34 Based on the RPO Compliance submitted by the Petitioner, the Commission has approved the expenses below for purchase of Renewable Energy Certifications (RECs) towards RPO Compliance for Sales in Jharkhand.

Table 14: Expenses towards RECs for Jharkhand submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2018-19		
	APR Order	Petition	Approved
Solar (REC)	16.53	37.90	37.90
Non-Solar (REC)	18.54	11.35	11.35

- 5.35 The Commission, in its previous Order dated May 28, 2019, directed the Petitioner as below:



“6.19 The Commission has not considered that the quantum of Hydro Power purchased for RPO Compliance for FY 2017-18 i.e., 619.51 MU as per the National Tariff Policy, 2016. The Commission has also not considered the RPO compliance for energy sold to Other Distribution Licensees as the same shall be met by the respective Licensee either through RE purchase or through purchase of RECs.”

5.36 The Commission, observes that there should be no differentiation among consumers when it comes to RPO Compliance as the Licensee that purchases power from DVC partially pays for the RPO Compliance of the other Consumers of DVC as the same is in built in the Tariff. The Commission, therefore is of the view that in order to rectify this anomaly and in order to maintain consistency across all Discoms within the State of Jharkhand, **the Commission directs the Petitioner to comply with all pending RPO compliance including RPO corresponding to Sales to other Licensees from FY 2016-17 onwards.** Any REC Purchase on this regard shall be approved by the Commission on actuals in the upcoming years.

5.37 Thus, the net Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources (including RE sources and excluding purchase from own generating stations) approved is summarised below:

Table 15: Source-wise Power Purchase Cost submitted by Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2018-19							
	Petition				Approved			
	Quantum (MU)	Fixed Cost	Energy Cost	Total Cost	Quantum (MU)	Fixed Cost	Energy Cost	Total Cost
NHPC								
Rangit	33.44	6.81	7.02	13.83	33.44	6.81	7.02	13.83
Teesta- V	223.97	29.67	32.67	62.34	223.97	29.67	32.67	62.34
NTPC								
FSTPS III	164.89	24.03	38.63	62.66	164.89	24.03	38.63	62.66
TSTPS I	17.59	1.78	3.12	4.91	17.59	1.78	3.12	4.91
KBUNL MTPS II	81.09	15.94	25.76	41.70	81.09	15.94	25.76	41.70
Adj	0.00	-0.07	-0.10	-0.17	0.00	-0.07	-0.10	-0.17
PTC								
Chukha	152.83	0.00	36.71	36.71	152.83	0.00	36.71	36.71
Kurichu	32.53	0.00	7.05	7.05	32.53	0.00	7.05	7.05
Tala	140.73	0.00	30.40	30.40	140.73	0.00	30.40	30.40
MPL	983.78	155.10	242.17	397.27	983.78	155.10	242.17	397.27
Solar	67.16	0.00	71.92	71.92	67.16	0.00	71.92	71.92
Contingency	978.49	0.00	473.03	473.03	978.49	0.00	473.03	473.03



Particulars	FY 2018-19							
	Petition				Approved			
	Quantum (MU)	Fixed Cost	Energy Cost	Total Cost	Quantum (MU)	Fixed Cost	Energy Cost	Total Cost
Total	2876.51	233.26	968.38	1201.64	2876.51	233.26	968.38	1201.64

5.38 The Commission also approves Rs 116.08 Crore towards transmission charges including the expenses towards ERPC fund.

5.39 The Commission has also noted that the Petitioner has not submitted the rolling quarterly forecast of the quantum of short term power to be purchased by the Petitioner for the Commission's Approval. Hence, **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 on regular basis.**

O&M Expenses of ULDC Scheme

Petitioner's Submission

5.40 The Petitioner has claimed Rs. 3.22 Crore, towards O&M Expenses of ULDC Schemes till FY 2018-19. The Petitioner submitted that it pays the POSOCO charges for the purpose of load dispatch and management and the ULDC charges billed by PGCIL in terms of the Tariff approved by CERC which is without the O&M component. O&M charges related to ULDC are paid separately to PGCIL against invoice. Such O&M charges for the period FY 2014-15 to FY 2017-18 could not be claimed inadvertently. Therefore, DVC claimed the past period's ULDC O&M charges (for the period FY 2014-15 to FY 2017-18) and that for 2018-19 in the trued-up ARR submitted in the present petition.

Commission's Analysis

5.41 The Commission observes that the expenses incurred are with respect to the Transmission Business. The Commission approves only expenses incurred by the Distribution Licensee within the State of Jharkhand. In addition, the Petitioner has not proposed any such expenses in the MYT Order and has suddenly proposed such expenses from the past period viz., FY 2014-15 to FY 2017-18 as a part of truing up for FY 2018-19. Hence, the Commission has not approved these expenses while truing up for FY 2018-19.



Tariff Filing and Publication Expenses (CERC)

Petitioner's Submission

5.42 The Petitioner has claimed Rs. 4.39 Crore, towards Tariff Filing and Publication Expenses (CERC) for FY 2018-19.

Commission's Analysis

5.43 The Commission has approved the amount claimed by the Petitioner towards Tariff Filing and Publication Expenses (CERC) for FY 2018-19 based on the Audited Accounts and the requisite receipts submitted.

Water Cess and Pollution Cess

Petitioner's Submission

5.44 The Petitioner has claimed Rs. 0.33 Crore towards Water Cess and Pollution Cess for FY 2018-19.

Commission's Analysis

5.45 The Commission has approved the amount claimed by the Petitioner towards Water Cess and Pollution Cess for FY 2018-19 based on the Audited Accounts and the details submitted by the Petitioner.

Interest on Temporary Financial Accommodation

Petitioner's Submission

5.46 The Petitioner has claimed Rs 374.49 Crore towards Interest on Temporary Financial Accommodation for FY 2018-19 stating that the cost of Temporary Financial Accommodation was required to avoid any financial injury to the utility due to delayed payment by the purchaser of electricity in retail mode needs to be compensated in the interest of the consumers as well. Such safeguard of the utility has been considered by the West Bengal Electricity Regulatory Commission (WBERC) while formulating the tariff regulations. Clause 5.6.5.4 of the "Terms and Conditions of Tariff" Regulations, 2011 is reproduced below;

"5.6.5.4 The Commission may allow, if considered necessary, interest on temporary financial accommodation taken by the generating company / licensee



from any source to a reasonable extent of unrealized arrears from the consumers / beneficiaries.”

5.47 The Petitioner also referred to Appeal No. 153 of 2009 and Appeal No. 177 & 178 of 2012 to substantiate the same.

Commission's Analysis

5.48 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.

Table 16: Interest on Temporary Financial Accommodation submitted by the Petitioner and Approved by the Commission (Rs. Crore)

Particulars	FY 2018-19		
	APR Order	Petition	Approved
DPS	-	288.68	288.68
Principal Amount Outstanding (DPS/18%)	-	1603.79	1603.79
Interest on Temporary Financial Accommodation	-	374.49	195.66

Investment on Cyber Security

Petitioner's Submission

5.49 The Petitioner has submitted that it has incurred an amount of Rs. 11.96 Crore towards Cyber Security.

Commission's Analysis

5.50 The Commission has observed that the Petitioner has incurred an expense of Rs. 11.96 Crore towards Investment in Cyber Security, which is a part of the Fixed Asset of the Petitioner. Since, the Commission does not approved the Fixed Assets of the Petitioner, the same is not approved to be recovered from the Distribution Business by this Commission.



Non-Tariff Income

Petitioner's Submission

5.51 The Petitioner has claimed Rs. 288.68 Crore towards Non-Tariff Income for FY 2018-19.

Commission's Analysis

5.52 The Commission has observed that the value claimed by the Petitioner is the Delayed Payment Surcharge (DPS) by the firm consumers of DVC distribution licensee. The Commission in line with its earlier approach has approved the Non-Tariff Income as proposed by the Petitioner.

Allocation of Costs for DVC as a whole to Jharkhand Area

Petitioner's Submission

5.53 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

5.54 The Commission has allocated the expenses of DVC as a whole to Jharkhand area by following the methodology approved in the previous Order dated May 28, 2019. The following table summarizes the input cost allocated to the Jharkhand area for the period FY 2018-19 as submitted by the Petitioner and as approved by the Commission.

Table 17: Cost Allocation for Jharkhand submitted by the Petitioner and approved by the Commission for FY 2018-19 (Rs. Crore)

Particulars	2018-19		
	APR Order	Petition	Approved
Cost of Own Generation	7,813.34	7,216.92	7,040.15
Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses)	772.11	1,245.80	1,245.80
O&M Expenses for ULDC Scheme	0.00	3.22	0.00
Tariff filling fees & publication expenses to CERC	5.11	4.39	4.39
Water cess	0.20	0.33	0.33
Interest on Temporary Financial Accommodation	0.00	374.49	195.66
Investment on Cyber Security	0.00	11.96	0.00



Particulars	2018-19		
	APR Order	Petition	Approved
Less Non Tariff Income (NTI)	48.53	288.68	288.68
Total ARR of DVC (Distribution)	8,542.23	8,568.43	8,197.65
Ratio of sales in Jharkhand	54.84%	55.31%	55.31%
ARR Apportioned to Jharkhand	4,684.30	4,738.82	4,533.75

Rebate on Sale of Power

Petitioner's Submission

5.55 The Petitioner, in its Petition has claimed Rs 52.57 Crore towards Rebate on Sale of Power for FY 2018-19.

Commission's Analysis

5.56 The Petitioner vide its reply dated March 17, 2020 revised its claim as Rs. 51.24 Crore for FY 2018-19. The Commission has observed that the Petitioner has provided rebate such as Load Factor Subsidy on the complete energy consumption instead of providing subsidy on the consumption above the stipulated Load Factor. Hence, **the Commission directs in future the Petitioner should allow and maintain record of various Rebate provided under separate head in its Audited Accounts as detailed in the Tariff Schedule in Section A 13 of this Order.** Any rebate provided over and above the values specified in **Section A 13** shall be attributable to the Petitioner and shall not be recovered in the ARR. The Commission has approved the Rebate on Sale of Power as submitted by the Petitioner.

Interest on Working Capital (IoWC)

Petitioner's Submission

5.57 The Petitioner has submitted that the Interest on Working Capital has been determined in accordance with the applicable provisions of the Tariff Regulations, 2015, according to which, the Interest on Working Capital shall be as given below:

"6.30 Working capital for the Retail Supply of Electricity for the Control Period shall consist of:

a) One-twelfth of the amount of Operation and Maintenance expenses for retail supply business for such financial year; plus

b) Maintenance spares at 1% of Opening GFA for retail supply business; plus

c) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus

d) Amount held as security deposits under clause (a) and clause (b) of subsection(1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for wheeling business; minus

e) One month equivalent of cost of power purchased, based on the annual power procurement plan.

6.31 Rate of interest on working capital shall be equal to the base rate of SBI plus 350 bps as applicable on the 1st April of the relevant financial year.”

5.58 Accordingly, the Petitioner has claimed the Interest on Working Capital required for DVC for Jharkhand Area to be Rs. 91.87 Crore for FY 2018-19.

Commission's Analysis

5.59 As per the Tariff Regulations, 2015, Interest on Working Capital shall be calculated on the basis of the following:

“Working capital for the Retail Supply of Electricity for the Control Period shall consist of:

a) One-twelfth of the amount of Operation and Maintenance expenses for retail supply business for such financial year; plus

b) Maintenance spares at 1% of Opening GFA for retail supply business; plus

c) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus

d) Amount held as security deposits under clause (a) and clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for wheeling business; minus

e) One month equivalent of cost of power purchased, based on the annual power procurement plan.”

5.60 However, since the O&M cost and other expenses of the Petitioner are included in the cost of generation of power from its own stations, applying the aforementioned methodology as per the Tariff Regulations, 2015 is not possible. Hence, the Commission



has approved Interest on Working Capital as per the methodology adopted by the Commission for calculation of Interest on Working capital in its earlier Orders.

Table 18: Interest on Working Capital submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2018-19		
	APR Order	Petition	Approved
Revenue from Sales in Jharkhand	4,791.80		4705.85
Working Capital Requirement in Jharkhand Area (at 1% of Revenue from sale of power)	47.92		47.06
Interest Rate (%)	12.20%		12.20%
Interest on Working Capital for Jharkhand Area	5.85	91.87	5.74

Interest on Consumer Security Deposit

Petitioner's Submission

5.61 The Petitioner submitted an amount of Rs. 0.81 Crore towards Interest on Consumer Security Deposit.

Commission's Analysis

5.62 The Clause 6.28 of the Tariff Regulations, 2015, allows the Petitioner to recover the interest on security deposits through the ARR. The Commission has approved the Interest on Consumer Security Deposit as submitted by the Petitioner based on scrutiny of the Audited Accounts for FY 2018-19.

Tariff Filing and Publication Expenses (JSERC)

Petitioner's Submission

5.63 The Petitioner submitted an amount of Rs. 1.17 Crore towards Tariff Filing and Publication Expenses in JSERC.

Commission's Analysis

5.64 The Commission has approved the Tariff Filing and Publication Expenses in JSERC as submitted by the Petitioner after considering the receipts submitted by the Petitioner.

Bad Debt

Petitioner's Submission

5.65 The Petitioner submitted an amount of Rs. 0.99 Crore towards Bad Debt.

Commission's Analysis

5.66 The Commission has stipulated 100% Collection Efficiency in the Tariff Regulations, 2015. Hence, the Commission has not approved any Bad Debt for FY 2018-19.

Summary of ARR approved by the Commission

5.67 Based on the above, the Commission has approved ARR for FY 2018-19 vis-à-vis that approved in the MYT Order and the ARR claimed by the Petitioner which is as summarised below:

Table 19: ARR submitted by the Petitioner and approved by the Commission (Rs. Crore)

Station/item	FY 2018-19					
	APR Order		Petition		Approved	
	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost
Cost of Own Generation	4,224.45	3,588.89	4,238.82	2,978.10	4,257.60	2,782.55
Power Purchase Cost (Incl. Trans. Charges & Excl. RE/REC Expense)	420.09	352.02	1,245.80		896.46	349.34
O&M Expenses of ULDC Scheme			3.22			-
Tariff filling fees & publication expenses in CERC		5.11		4.39		4.39
Water cess		0.20	0.33			0.33
Interest on Temporary Financial Accommodation			374.49			195.66
Investment on Cyber Security			11.96			-
Less Non Tariff Income (NTI)		48.53	288.68			288.68
Total	4,644.55	3,897.69	5,585.94	2,982.49	5,154.07	3,043.58
Ratio of sales in Jharkhand part to total firm sale in entire DVC	54.84%	54.84%	55.31%	55.31%	55.31%	55.31%
ARR before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand	2,546.93	2,137.37	3,089.33	1,649.48	2,850.48	1,683.27
Rebate on Sale of Power			52.57		51.24	
Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand	100.49		113.14		113.14	
Interest on Working Capital		5.85		91.87		5.74
Interest on security deposit		0.44		0.81		0.81
Tariff Filing Fees & Publication Expenses in JSERC		0.73		1.17		1.17
Bad Debt			0.99		-	
Net ARR for Jharkhand	2,647.41	2,144.39	3,256.03	1,743.33	3,014.87	1,690.99
TOTAL ARR	4,791.80		4,999.36		4,705.85	
Sale in Jharkhand (MU)	10,259.27		10,247.22		10,247.22	
Avg Cost of Supply (Rs. / kWh)	4.67		4.88		4.59	

Revenue from Sale of Power in Jharkhand Area

Petitioner's Submission

5.68 The Petitioner submitted that the revenue billed from sale of power in Jharkhand is Rs. 4202.83 Crore for FY 2018-19.

Commission's Analysis

5.69 The Commission approves the revenue as submitted by the Petitioner for FY 2018-19 based on the Audited Accounts and reconciliation submitted by the Petitioner.

Revenue Gap/(Surplus) and its Treatment

5.70 The Commission has approved the revenue gap/(surplus) based on the Audited Accounts and scrutiny of the Petition as summarised below:

Table 20: Revenue Gap/(Surplus) approved by the Commission (Rs. Crore)

Particulars	FY 2018-19
ARR Approved	4,705.85
Revenue Billed	4,202.83
Gap/(Surplus) Created	503.02

5.71 The Commission has approved the treatment of the surplus approved in the subsequent **Chapter A 8** of this Order.



A 6 ANNUAL PERFORMANCE REVIEW FOR FY 2019-20

6.1 As per Clause 9.2 of the Tariff Regulations, 2015

“9.2 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 11 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 has approved the APR for FY 2019-20 taking into consideration:

- a) Tariff Regulations, 2015.
- b) Methodology adopted by the Commission in its previous Orders.

Supply Points, Connected Load and Energy Sales

Petitioner's Submission

6.3 The Petitioner in its Petition submitted the estimated 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 2019-20 based on the actuals of the first half of FY 2019-20.

Commission's Analysis

6.4 The Commission after scrutinizing the information submitted by the Petitioner in its replies, approves the supply points, connected load and energy sales for FY 2019-20, based on the actuals as submitted by the Petitioner till December 2019, as summarised below:

Table 21: Consumers, Connected Load and Sales in Jharkhand submitted by the Petitioner and Approved by the Commission

Consumer Category	FY 2019-20					
	Petition			Approved		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
LT	4	8.04 MW	42.28	4	8.04 MW	42.28
33 kV	117	800.00	4,144.24	117	800.00	4,184.78
132 kV	8	300.00	1,019.46	8	300.00	990.12
132 kV (Traction)	3	80.00	250.41	3	80.00	251.95



Consumer Category	FY 2019-20					
	Petition			Approved		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
220 kV	2	322.00	1,391.94	2	322.00	1,484.81
Total	130	1,502.00	6,848.32	134	1,502.00	6,953.94

Transmission & Distribution Losses and Energy Requirement

Petitioner's Submission

- 6.5 The Petitioner submitted that as it is supplying power in bulk to WBSEDCL and JBVNL and since majority of HT consumers falling in the Damodar valley area are at 33 kV and above voltage, it incurs very low Transmission & Distribution (T&D) losses. The Petitioner submitted a T&D loss of 3.34% for FY 2019-20 as against the approved loss of 3.23% as per the MYT Order dated May 28, 2019.
- 6.6 Further, in addition to the energy sold in the Jharkhand area, the Petitioner also submitted the projected sales in the West Bengal area and the energy wheeled from its inter-state transmission system for the purposes of computation of the energy requirement for the entire Damodar Valley area.
- 6.7 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 actual energy requirement for the period FY 2019-20 as per Clause 5.23 of the Tariff Regulations, 2015 as reproduced below:

"5.23 The Licensee shall file the distribution loss trajectory for the entire Control Period in the Business Plan commensurate with the capital investment plan for each year of the control period for approval of the Commission after verification and evaluation of the same.

The Licensee shall be allowed to operate at below 5% audited distribution loss without any incentive/ penalty mechanism."

Commission's Analysis

- 6.8 The Commission observes that Clause 5.23 of the Tariff Regulations, 2015, provides for approval of actual loss below 5% without any profit/loss to the Licensee. The Commission has therefore approved the energy requirement considering the loss of 3.34% as approved submitted by the Petitioner. The same shall be subject to truing up.

Table 22: Energy Requirement submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2019-20	
	Petition	Approved
Energy sales within the state of Jharkhand	6848.32	6953.94
Energy sales within the state of West Bengal	8972.22	8972.22
Total energy sales in DVC Area	15820.54	15926.16
Energy wheeled	840.69	840.69
Overall Utilization	16661.23	16766.85
T&D loss (MU)	574.95	578.60
T&D loss (%)	3.34%	3.34%
Total Energy Requirement for DVC	17236.18	17345.45

Power Purchase

Merit Order Despatch

- 6.9 The Commission has observed that the Petitioner has proposed low energy availability as against the proposed Plant Availability Factor (PAF) from its own generating stations and the allocated power generation capacity from CSGSs. Hence, the Commission has considered the PAF as per CERC Tariff Regulations for CSGSs, PAF as proposed by the Petitioner for FY 2019-20 based on the actuals for the first half of the FY except for MTPS Unit # 1 to 3 and MTPS Unit # 4. For, MTPS Unit # 1 to 3 and MTPS Unit # 4, for which the Commission has considered the PAF as approved vide its MYT Order dated May 18, 2018 as the PAF values proposed by Petitioner are substantially higher as compared to the actual availability achieved during the past few years. Based on the above approach, the Commission observes that there is an energy surplus and has hence has applied MOD on the available generation as per the approach adopted in previous orders.

Energy Availability from Own Generating Stations for Distribution Function

Petitioner's Submission

- 6.10 The Petitioner submitted that it generates power from its own generating stations to meet part of the power requirements for its consumers in the Jharkhand and West Bengal. The generating stations include both thermal and hydel stations.
- 6.11 The Petitioner also projected the generation available from own stations during the period FY 2019-20.

Commission's Analysis

6.12 The Commission has considered the submission made by the Petitioner on energy availability from its own generating stations. The Commission approves the energy availability from own generation as per the PAF as submitted by the Petitioner except for MTPS Units# 1 to 3 & Unit# 4, as the proposed PAF is much higher than the PAF observed by the Commission in the past few years. Hence, the Commission has considered the PAF as approved in the previous Order dated May 28, 2019, for the abovementioned units. The Commission has also observed that there is a large variance in the PAF proposed and the PLF considered by the Petitioner. Hence, the Commission approves the energy availability from own generation as per the PAF approved, following the methodology adopted in the previous Order dated May 28, 2019 as summarised below:

Table 23: PAF of Own Generating Stations submitted by the Petitioner and approved by the Commission

Station	PAF Proposed (%)	PAF Approved (%)
BTPS 'B'	62.92%	62.92%
DTPS U # 4	57.36%	57.36%
MTPS U#1 to 3	83.00%	61.09%
MTPS U#4	85.00%	64.85%
MHS	80.00%	80.00%
PHS	80.00%	80.00%
THS	80.00%	80.00%
T & D System	99.30%	99.30%
MTPS U#5 & 6	90.00%	90.00%
MTPS U# 7 & 8	85.09%	85.09%
CTPS U # 7 & 8	88.02%	88.02%
DSTPS U # 1 & 2	88.93%	88.93%
KTPS U # 1 & 2	92.62%	92.62%
RTPS U # 1 & 2	86.32%	86.32%
BTPS 'A'	69.36%	69.36%

Table 24: Energy Availability from Own Generating Stations for Distribution submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2019-20	
	Petition	Approved
BTPS 'B'	377.56	1041.73
DTPS U# 4	495.37	946.92
MTPS U#1 to 3	2776.76	3076.41
MTPS U#4	1086.35	1088.59
HYDEL	198.00	386.50
Sub Total	4934.04	6540.15
MTPS U#5 & 6	2980.45	3587.22



Particulars	FY 2019-20	
	Petition	Approved
MTPS U#7&8	5599.26	7062.17
CTPS U# 7&8	3063.22	3508.33
DSTPS U # 1 & 2	6089.37	7381.69
KTPS U# 1 & 2	6384.40	7687.95
RTPS U # 1 & 2	5294.78	6908.76
BTPS 'A'	2971.61	3582.20
Sub Total	32383.08	39718.32
Total Own Generation	37317.12	46258.47

Energy Availability from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

- 6.13 The Petitioner submitted that it is also purchasing power from CSGS and other sources, viz., NTPC, NHPC, PTC & other sources (excluding net power purchased under Unscheduled Interchange mechanism) to meet the energy requirements in the DVC area.
- 6.14 Further, during FY 2019-20, the Petitioner has also proposed to purchase contingency power.

Commission's Analysis

- 6.15 The Commission has approved the energy availability from external sources based on the contracted capacity, NAPA and Normative Auxiliary Consumption for the Thermal Power Plants as per the Latest CERC Tariff Regulations, 2019 and based on the Design Energy for NHPC power plants. The Commission has approved the availability as proposed by the Petitioner for power purchase from Tala, Chuka and Kurichu HPS.

Energy Balance

- 6.16 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 for FY 2019-20 as submitted by the Petitioner and as per Commission's analysis (based on Merit Order Despatch) is summarized in the following table. The Commission has observed that the Petitioner has surplus generation and has approved the surplus power available from internal generation.

Table 25: Energy Balance submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2019-20	
	Petition	Approved
A. Energy Requirement		
Energy sales within the state of Jharkhand	6848.32	6953.94
Energy sales within the state of West Bengal	8972.22	8972.22
Total energy sales in DVC Area	15820.54	15926.16
Energy wheeled	840.69	840.69
Overall Utilization	16661.23	16766.85
T&D loss (MU)	574.95	578.60
T&D loss (%)	3.34%	3.34%
Total Energy Requirement for DVC	17236.18	17345.45
B. Energy Availability		
<i>Own Generation-Firm sources</i>		
Thermal	37119.12	45871.97
Hydel	198.00	386.50
Sub Total	37317.12	46258.47
Net Power Purchase (including UI)	1983.37	1766.62
Energy received for Wheeling	870.69	870.69
Less: Energy sold to other licensees & exchange	22935.00	31550.33
Total Energy Available for DVC	17236.18	17345.45

Power Purchase- Own Generation

Petitioner's Submission

- 6.17 The Petitioner submitted the Power Purchase from own generation plants (new and old) for meeting the demand of its consumers in Jharkhand and West Bengal.

Commission's Analysis

- 6.18 The Commission has approved the power purchase from own generating stations based on Merit Order Despatch as summarised below:

Table 26: Power Purchase from Own Generating Stations submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2019-20	
	Petition	Approved
BTPS 'B'	377.56	1041.73
DTPS U# 4	495.37	946.92
MTPS U#1 to 3	2776.76	3076.41
MTPS U#4	1086.35	1088.59
HYDEL	198.00	386.50
Sub Total	4934.04	6540.15
MTPS U#5 & 6	1555.34	0.00

Particulars	FY 2019-20	
	Petition	Approved
MTPS U#7&8	1727.73	2381.15
CTPS U# 7&8	496.34	1222.02
DSTPS U # 1 & 2	3122.84	3488.26
KTPS U# 1 & 2	0.00	0.00
RTPS U # 1 & 2	1110.00	0.00
BTPS 'A'	1435.84	1947.25
Sub Total	9448.08	9038.68
Total Own Generation	14382.12	15578.83

Power Purchase- Other Sources

Petitioner's Submission

6.19 The Petitioner submitted the power purchase from other sources, viz., NTPC, NHPC, PTC, etc. for meeting its consumer demands in addition to the internal generation.

Commission's Analysis

6.20 The Commission has approved power purchase from other sources, viz., NTPC, NHPC, PTC, etc. for meeting its consumer demands in addition to the internal generation considering Merit Order Despatch as summarised below:

Table 27: Power Purchase from Other Sources submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2019-20	
	Petition	Approved
NHPC		
Rangit	28.91	33.52
Teesta- V	252.98	219.64
NTPC		
TSTPS I	4.47	10.91
KBUNL MTPS II	65.27	68.90
PTC		
Chukha	160.70	160.70
Kurichu	36.64	36.64
Tala	139.23	139.23
MPL	965.01	1055.56
Solar	67.18	67.18
Net UI	372.22	0.00
Total	2092.61	1792.27

Cost of Own Generation

Petitioner's Submission

- 6.21 DVC is a statutory body controlled by the Central Government as envisaged under Section 79 (1) (a) of the Electricity Act, 2003. The tariff for generation of electricity from DVC's own stations is determined by CERC. Accordingly cost of generation for DVC as a whole from own stations has been determined in accordance with the relevant CERC Orders.
- 6.22 While computing the ARR for 2019-20, the Petitioner considered the fixed cost of own generation and T&D system as per the latest Tariff Orders of its own generating stations issued by CERC, escalated by 2.50%. In case, Order of any station has not yet been issued by CERC, the fixed charges proposed in the tariff petitions for those stations filed before CERC has been considered.
- 6.23 The Petitioner submitted that the energy charge rate of different thermal generating stations for FY 2019-20 has been calculated based on the average of the actual energy charge rates based on the stipulated formula of CERC for the period April 2019 to September 2019.

Commission's Analysis

- 6.24 The Commission has taken note that CERC has issued final Tariff Orders for the period FY 2014-15 to FY 2018-19 for the following stations:

Table 28: CERC Orders considered for approval of Fixed Charges of Own Generating Stations

Station	Date of CERC Order
BTPS 'B'	19.05.2017
CTPS U# 1,2,3	23.09.2016
DTPS U # 3,4	20.07.2017
MTPS U#1 to 3	31.08.2016
MTPS U#4	20.09.2016
MHS	20.09.2016
PHS	20.09.2016
THS	23.09.2016
T&D System	09.08.2019 & 05.02.2020
MTPS U#5 & 6	16.03.2017
MTPS U# 7 & 8	03.10.2016
CTPS U# 7&8	17.02.2017
DSTPS U # 1 & 2	17.03.2017
KTPS U # 1 & 2	28.02.2017
RTPS U # 1 & 2	28.09.2017
BTPS 'A' U # 1	30.05.2018

6.25 The Commission after scrutinizing the information made available by the Petitioner and after perusal of the above CERC Orders has adopted the fixed charges for own power generation from thermal and hydel stations for DVC for FY 2019-20 as approved by CERC in its relevant Tariff Orders for FY 2018-19 as tariff for FY 2019-20 is yet to be approved by the Commission. The Commission approves the Energy Charge Rate as submitted by the Petitioner.

6.26 The cost of own power generating stations as submitted by the Petitioner and as adopted by the Commission from the aforementioned CERC Orders for the period FY 2019-20 has been summarized in the following table. The Commission has adopted the methodology used in its previous Order dated May 28, 2019 for calculation of Fixed Charges for own generating stations. The Commission has however approved the purchase of power from the newer generating plants and the Other Sources based on Merit Order Despatch, except for Renewable and Hydro generations.

Table 29: Fixed Charges approved by the Commission (Rs. Crore)

Station	Normative Availability (NAPAF)	Actual Yearly Plant Availability Factor (PAFY)	Annual Fixed Charge (AFC)	Recoverable fixed charges as per CERC formula	Share of firm consumer	Recoverable Fixed charge from Firm Consumers
	A	B	C	$D = \text{Min}(C, C*B/A)$	E	$F = D * E$
BTPS 'B'	75%	62.92%	95.37	80.01	100.00%	80.01
DTPS U # 4	74%	57.36%	112.50	87.20	100.00%	87.20
MTPS U#1 to 3	83%	61.09%	362.06	266.49	100.00%	266.49
MTPS U#4	85%	64.85%	118.93	90.74	100.00%	90.74
MHS*	80%	80.00%	34.90	17.45	100.00%	17.45
PHS*	80%	80.00%	25.77	12.88	100.00%	12.88
THS*	80%	80.00%	9.85	4.93	100.00%	4.93
T & D System	98.50%	99.30%	371.82	374.84	100.00%	374.84
SUB-TOTAL			1095.95	934.54		934.54
MTPS U#5 & 6	85%	90.00%	473.78	473.78	0.00%	0.00
MTPS U# 7 & 8	85%	85.09%	1019.21	1019.21	33.72%	343.65
CTPS U # 7 & 8	85%	88.02%	530.60	530.60	34.83%	184.82
DSTPS U # 1 & 2	85%	88.93%	1104.17	1104.17	47.26%	521.78
KTPS U # 1 & 2	85%	92.62%	1175.74	1175.74	0.00%	0.00
RTPS U # 1 & 2	85%	69.36%	1395.55	1138.84	0.00%	0.00
BTPS 'A'	85%	86.32%	771.89	771.89	54.36%	419.59
SUB-TOTAL			6470.93	6214.21		1469.84
GRAND TOTAL			7566.87	7148.75		2404.37

*The Petitioner has proposed to recover the total AFC charges through capacity charges only, while the Commission has approved the recovery from both fixed and energy charges as per the CERC Tariff Regulations, 2019.

6.27 The Energy Charges approved by the Commission for FY 2019-20 for own generating stations is summarised below:

Table 30: Energy Charges submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2019-20	
	Petition	Approved
BTPS	92.05	253.97
DTPS	164.94	315.29
MTPS U# 1 to 3	888.72	984.62
MTPS U# 4	347.69	348.41
MTPS U# 5 & 6	467.93	0.00
MTPS U# 7 & 8	490.97	676.65
CTPS U # 7 & 8	113.55	279.56
DSTPS U # 1 & 2	893.15	997.66
KTPS U # 1 & 2	0.00	0.00
RTPS U # 1 & 2	419.49	0.00
BTPS 'A'	237.20	416.12
MHS*	0.00	17.45
PHS*	0.00	12.88
THS*	0.00	4.93
Total Energy Charges	4115.69	4307.55

*The Petitioner has proposed to recover the total AFC charges through capacity charges, while the Commission has approved the recovery from both fixed and variable charges as per the CERC Tariff Regulations, 2019.

Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

- 6.28 The Petitioner submitted the actual power purchase cost from CSGS and other sources (including RE sources) during the first half of FY 2019-20 based on the actual power purchase bills received from the generators.
- 6.29 The Petitioner also claimed Rs 129.18 towards transmission charges including ERPC fund.
- 6.30 The Petitioner has further proposed the cost of REC as Rs. 2.72/kWh for Solar REC and Rs. 1.87/kWh for Non-Solar REC for meeting its RPO targets.

Commission's Analysis

- 6.31 The Commission has approved the Fixed Charges for Thermal Power Plants and Hydro Power Plants as per the respective CERC Tariff Orders for FY 2018-19 as the Tariff Orders for FY 2019-20 are yet to be issued. The Energy Charge Rate of Thermal Power Plants are approved based on the actuals submitted by the Petitioner vide its reply dated



- March 03, 2020. Energy Charge Rate for Hydro Plants are approved as per the Design Energy approved by CERC. The Energy Charge Rate for Tala, Chuka and Kurichu are approved as per the submission of the Petitioner.
- 6.32 As stated earlier in this Order, the Commission has adopted MOD principles in approving the power purchase quantum and consequently the power purchase cost for FY 2019-20. Based on the total energy requirement, the Commission has disallowed the purchase of energy from generating stations having the highest variable cost per unit among all new internal generation plants, CSGS's and other sources from where DVC procures power (except RE and hydro power).
- 6.33 Besides, the Petitioner has segregated the cost of RPO into West Bengal and Jharkhand based on the RPO requirements stipulated by the respective State Regulatory Commissions for FY 2019-20. Accordingly, the Commission also finds it prudent to segregate the cost of RPO for FY 2019-20 as per the RPO requirements stipulated by the respective Commissions and actual RPO compliance by the Petitioner.
- 6.34 Based on the RPO Compliance submitted by the Petitioner, the Commission has approved the expenses for purchase of Renewable Energy Certifications (RECs) towards RPO Compliance for Sales in Jharkhand. The Commission has approved REC cost as proposed by the Petitioner, subject to true up by the Commission.
- 6.35 The Commission has not considered that the quantum of Hydro Power purchased for RPO Compliance for FY 2019-20, as per the National Tariff Policy, 2016, and as per the methodology adopted in the previous Order dated May 28, 2019. As stated in detail in the true up section, the Commission, observes that there should be no differentiation among consumers when it comes to RPO Compliance as the Licensee that purchases power from DVC partially pays for the RPO Compliance of the other Consumers of DVC as the same is built in the tariff. The Commission, in order to rectify this anomaly and in order to maintain consistency across all Discoms within the State of Jharkhand, **Commission directs the Petitioner to comply with all pending RPO compliance including RPO corresponding to Sales to other Licensees from FY 2016-17 onwards.** Any REC Purchase on this regard shall be approved by the Commission on actuals in the upcoming years.
- 6.36 Hence, the Commission has approved REC Purchase on the entire quantum subtracting purchase from Hydro Generation as below:

Table 31: Expenses towards RECs for Jharkhand submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		
	ARR Order	Petition	Approved
Solar (REC)	22.92	64.95	64.95
Non-Solar (REC)	22.44	41.54	41.54

6.37 Thus, the net Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources (including RE sources and excluding purchase from own generating stations) approved is summarised below:

Table 32: Source-wise Power Purchase Cost submitted by Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2019-20					
	Petition		Approved			
	Quantum (MU)	TC	Quantum (MU)	FC	EC	TC
NHPC						
Rangit	28.91	11.17	33.52	5.55	5.55	11.11
Teesta- V	252.98	66.07	219.64	22.21	22.21	44.42
NTPC						
TSTPS I	4.47	1.41	10.91	1.04	2.46	3.50
KBUNL MTPS II	65.27	41.11	68.90	16.14	18.88	34.97
PTC						
Chukha	160.70	38.59	160.70	-	38.59	38.59
Kurichu	36.64	7.95	36.64	-	7.95	7.95
Tala	139.23	30.07	139.23	-	30.07	30.07
MPL	965.01	414.14	1055.56	155.10	285.35	439.67
Solar	67.18	72.08	67.18	-	71.67	71.67
Contingency	372.22	130.28	-	-	-	-
Total	2092.61	812.87	1792.27	200.04	482.74	682.79

6.38 The Commission has also approved Rs. 97.06 Crore excluding the ULDC Charges towards transmission charges including ERPC fund as the Commission has not approved the same till date and the Petitioner has not submitted any justification for the same, subject to truing up based on the justification provided by the Petitioner.

Tariff Filing and Publication Expenses (CERC)

Petitioner's Submission

6.39 The Petitioner has claimed Rs. 4.81 Crore, towards Tariff Filing and Publication Expenses (CERC) for FY 2019-20.



Commission's Analysis

6.40 The Commission has approved the amount claimed by the Petitioner towards Tariff Filing and Publication Expenses (CERC) for FY 2019-20.

Water Cess and Pollution Cess

Petitioner's Submission

6.41 The Petitioner has claimed Rs. 0.20 Crore towards Water Cess and Pollution Cess for FY 2019-20.

Commission's Analysis

6.42 The Commission has approved the amount claimed by the Petitioner towards Water Cess and Pollution Cess for FY 2019-20.

Non-Tariff Income

Petitioner's Submission

6.43 The Petitioner has claimed Rs. 0.49 Crore towards Non-Tariff Income for FY 2019-20.

Commission's Analysis

6.44 The Commission observed the sudden reduction in the Non-Tariff Income claimed by the Petitioner and asked the Petitioner to justify the same. The Petitioner vide its reply submitted that the Non-Tariff Income was inadvertently submitted at Rs. 0.49 Crore against the value approved by the Commission viz., Rs. 48.53 Crore for FY 2019-20. The Commission approves the Non Tariff Income as approved vide its previous Order dated May 28, 2019 the same shall be subject to truing up.

Allocation of Expenses of DVC to Jharkhand Area

Petitioner's Submission

6.45 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

6.46 The Commission has allocated the expenses of DVC as a whole to Jharkhand area by following the methodology approved in the previous Order dated May 28, 2019. The following table summarizes the input cost allocated to the Jharkhand area for the period FY 2019-20 as approved in the previous Order dated May 28, 2019, that claimed by the Petitioner and as approved by the Commission.

Table 33: Cost Allocation for Jharkhand submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		
	ARR Order	Petition	Approved
Cost of Own Generation	6,995.73	7,242.23	6,711.93
Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses)	697.69	869.98	779.85
O&M Expenses for ULDC Scheme	0.00	0.00	0.00
CERC Tariff filling fees & publication expenses	5.22	4.81	4.81
Water Cess & other State Cesses	0.25	0.20	0.20
Less: Non Tariff Income (NTI)	48.53	0.49	48.53
Total ARR of DVC (Distribution)	7,650.36	8,116.73	7,448.26
Ratio of Sales in Jharkhand	44.78%	43.29%	43.66%
ARR Apportioned to Jharkhand	3,425.83	3,513.53	3,252.18

Interest on Working Capital (IoWC)

Petitioner's Submission

6.47 The Petitioner has submitted that the Interest on Working Capital has been determined in accordance with the applicable provisions of the Tariff Regulations, 2015, according to which, the Interest on Working Capital shall be as given below:

“6.30 Working capital for the Retail Supply of Electricity for the Control Period shall consist of:

a) One-twelfth of the amount of Operation and Maintenance expenses for retail supply business for such financial year; plus

b) Maintenance spares at 1% of Opening GFA for retail supply business; plus

c) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus



d) Amount held as security deposits under clause (a) and clause (b) of subsection(1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for wheeling business; minus

e) One month equivalent of cost of power purchased, based on the annual power procurement plan.

6.31 Rate of interest on working capital shall be equal to the base rate of SBI plus 350 bps as applicable on the 1st April of the relevant financial year.”

6.48 Accordingly, the Petitioner submitted the Interest on Working Capital required for DVC for Jharkhand Area to be Rs. 67.49 Crore for FY 2019-20.

Commission's Analysis

6.49 The Commission has approved Interest on Working Capital as per the methodology adopted by the Commission for calculation of Interest on Working capital in its previous Order dated May 28, 2019.

Table 34: IoWC submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		
	ARR Order	Petition	Approved
Revenue from Sales in Jharkhand	3,545.77		3,429.23
Working Capital Requirement in Jharkhand Area (at 1% of Revenue from sale of power)	35.46		34.29
Interest Rate (%)	12.55%		12.55%
Interest on Working Capital for Jharkhand Area	4.45	67.49	4.30

Interest on Consumer Security Deposit

Petitioner's Submission

6.50 The Petitioner submitted an amount of Rs. 3.83 Crore towards Interest on Consumer Security Deposit.

Commission's Analysis

6.51 The Commission has observed that the consumer security deposit as on September 30, 2019, is considered as the average consumer security deposit., The Commission is of the view that since most of the consumers have already submitted the security deposit as per the directive of the previous Tariff Order dated May 28, 2019, the Commission has considered the same to be the closing consumer security deposit for FY 2019-20. The Commission has calculated the Interest on Consumer Security Deposit for FY 2019-20 as

per Clause 6.28 of the Tariff Regulations, 2015 and the Interest Rate as per the Supply Code Regulations, 2015.

Table 35: IoSD submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2019-20		
	ARR Order	Petition	Approved
Average CSD	-	42.55	31.79
Interest Rate (%)	-	9.00%	9.05%*
Interest on CSD	0.45	3.83	2.88

* Rate Considered as per the SBI Base Rate as on April 01, 2019

Tariff Filing and Publication Expenses (JSERC)

Petitioner's Submission

6.52 The Petitioner submitted an amount of Rs. 0.57 Crore towards Tariff Filing and Publication Expenses in JSERC.

Commission's Analysis

6.53 The Commission has approved the Tariff Filing and Publication Expenses in JSERC as submitted by the Petitioner.

Summary of ARR approved by the Commission

6.54 The Commission has approved ARR for FY 2019-20 vis-à-vis the ARR submitted by the Petitioner as summarised below:

Table 36: ARR submitted by the Petitioner and approved by the Commission (Rs. Crore)

Station/item	2019-20					
	ARR Order		Petition		Approved	
	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost
Cost of Own Generation	3,848.42	3,147.31	4,115.69	3,126.53	4,307.55	2,404.37
Power Purchase Cost (Incl. Trans. Charges & Excl. RE/REC Expense)	372.88	324.80	869.98		482.74	297.11
Tariff filling fees & publication expenses in CERC		5.22		4.81		4.81
Water cess		0.25		0.20		0.20
Less Non Tariff Income (NTI)		48.53		0.49		48.53
Total	4,221.30	3,429.06	4,985.67	3,131.06	4,790.30	2,657.96
Ratio of sales in Jharkhand part to total firm sale in entire DVC	44.78%	44.78%	43.29%	43.29%	43.66%	43.66%
ARR before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand	1,890.30	1,535.53	2,158.17	1,355.36	2,091.62	1,160.56
Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the	114.27		169.66		169.30	



Station/item	2019-20					
	ARR Order		Petition		Approved	
	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost
state of Jharkhand						
Interest on working capital		4.45		67.49		4.30
Interest on security deposit		0.45		3.83		2.88
Tariff filing fees & publication expenses in JSERC		0.76		0.57		0.57
Net ARR for Jharkhand	2,004.57	1,541.20	2,327.83	1,427.25	2,260.92	1,168.31
TOTAL ARR	3,545.77		3,755.08		3,429.23	
Sale in Jharkhand (MU)	7,188.05		6,848.32		6,953.94	
Avg Cost of Supply (Rs. / kWh)	4.93		5.48		4.93	

Revenue from Sale of Power in Jharkhand Area

6.55 The Petitioner has not submitted the Revenue calculation for FY 2019-20. Hence, the Commission has computed the same based on the consumers data, contracted load and sales approved for FY 2019-20. The Revenue calculated by the Commission for FY 2019-20 is Rs. 3281.33 Crore.

6.56 The Standalone Gap on account of APR of FY 2019-20 is Rs. 147.90 Crore.



A 7 ARR & TARIFF FOR FY 2020-21

- 7.1 The Petitioner submitted that the details of elements of ARR for FY 2020-21 are projected based on the provisions of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations 2015, figures approved in previous Tariff Orders and Principles adopted by the Commission.
- 7.2 The Commission has approved the ARR and Tariff for FY 2020-21 taking into consideration:
- a) Tariff Regulations, 2015.
 - b) Methodology adopted by the Commission in its earlier Orders.

Consumers, Connected Load and Energy Sales

Petitioner's Submission

- 7.3 The Petitioner submitted the estimated 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 2020-21 based on the actuals in the first half of FY 2019-20.

Commission's Analysis

- 7.4 The Commission after scrutinizing the information submitted for FY 2020-21 by the Petitioner and prudence check, approves energy sales for FY 2020-21 as follows:
- LT sales as proposed by the Petitioner,
 - 33kV sales considering the actual sales for FY 2019-20, escalated by 5 year CAGR,
 - 132 kV sales equivalent to sales for FY 2019-20
 - 132 kV (Tractions) sales for FY 2019-20 escalated based on the one year growth rate derived against the actual for FY 2018-19
 - 220 kV sales as per the actuals for FY 2018-19.
- 7.5 The Commission has approved the supply points and connected load as submitted by the Petitioner:

Table 37: Consumers, Connected Load and Sales in Jharkhand submitted by the Petitioner and Approved by the Commission

Consumer Category	FY 2020-21					
	Petition			Approved		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
LT	8	8.68 MW	45.60	8	8.68 MW	45.60
33 kV	120	850.00	4,186.17	120	850.00	4,218.73
132 kV	10	310.00	1,123.93	10	310.00	990.12
132 kV (Traction)	5	85.00	263.89	5	85.00	267.43
220 kV	2	350.00	1,649.54	2	350.00	1,657.21
Total	137	1,595.00	7,269.13	145	1,595.00	7,179.08

Transmission & Distribution Losses and Energy Requirement

Petitioner's Submission

- 7.6 The Petitioner submitted that as it is supplying power in bulk to WBSEDCL and JBVNL and since majority of HT consumers falling in the Damodar valley area are at 33 kV and above voltage, it incurs very low Transmission & Distribution (T&D) losses. The Petitioner submitted a T&D loss of 3.30% for FY 2020-21 as against the approved loss of 3.23% as per the Order dated May 28, 2019.
- 7.7 Further, in addition to the energy sold in the Jharkhand area, the Petitioner also submitted the projected sales in the West Bengal area and the energy wheeled from its inter-state transmission system for the purposes of computation of the energy requirement for the entire Damodar Valley area.
- 7.8 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 actual energy requirement for the period FY 2020-21 as summarised as below as per Clause 5.23 of the Tariff Regulations, 2015 as reproduced below:

“5.23 The Licensee shall file the distribution loss trajectory for the entire Control Period in the Business Plan commensurate with the capital investment plan for each year of the control period for approval of the Commission after verification and evaluation of the same.

The Licensee shall be allowed to operate at below 5% audited distribution loss without any incentive/ penalty mechanism.”

Commission's Analysis

- 7.9 The Commission observes that Clause 5.23 of the Tariff Regulations, 2015, provides for approval of actual loss below 5% without any profit/loss to the Licensee. In addition, the Commission observes that the Loss approved for FY 2020-21 as per the MYT as 3.33%. Hence, the Commission has approved the energy requirement considering the loss of 3.30% as proposed by the Petitioner for FY 2020-21.

Table 38: Energy Requirement submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2020-21	
	Petition	Approved
Energy sales within the state of Jharkhand	7269.13	7179.08
Energy sales within the state of West Bengal	9216.04	9216.04
Total energy sales in DVC Area	16485.17	16395.12
Energy wheeled	855.00	855.00
Overall Utilization	17340.17	17250.12
T&D loss (MU)	591.01	587.94
T&D loss (%)	3.30%	3.30%
Total Energy Requirement for DVC	17931.17	17838.06

Power Purchase

Merit Order Despatch

- 7.10 The Commission has applied MOD on surplus energy while approving the power purchase for FY 2020-21 as followed in the previous Order dated May 28, 2019.

Energy Availability from Own Generating Stations for Distribution Function

Petitioner's Submission

- 7.11 The Petitioner 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 include both thermal and hydel stations.
- 7.12 The Petitioner also projected the actual generation available from own stations during the period FY 2020-21.

Commission's Analysis

- 7.13 The Commission has considered the submission made by the Petitioner on energy availability from its own generating stations. The Commission has approved the energy availability from DVC's generating stations by considering the availability approved by

the Commission in its MYT Order dated May 18, 2018 as it is observed that the energy availability projected by DVC from its own generating stations is very low as compared to the proposed Plant Availability Factor (PAF). The Commission has also observed that there is a large variance in the PAF proposed and the PLF considered by the Petitioner. Hence, the Commission approves the energy availability from own generation as per the PAF approved, following the methodology adopted in the previous Order dated May 28, 2019 as summarised below:

Table 39: Energy Availability from Own Generating Stations for Distribution submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2020-21	
	Petition	Approved
BTPS 'B'	660.42	713.91
DTPS U# 4	731.84	767.24
MTPS U#1 to 3	2829.71	3133.29
MTPS U#4	871.71	1050.29
HYDEL	227.70	386.50
Sub Total	5321.37	6051.24
MTPS U#5 & 6	2651.40	3326.55
MTPS U#7&8	5944.49	6586.13
CTPS U# 7&8	2963.07	3244.44
DSTPS U # 1 & 2	5944.45	6756.28
KTPS U# 1 & 2	5944.53	6884.93
RTPS U # 1 & 2	6637.92	8067.70
BTPS 'A'	2972.27	3527.54
Subtotal	33058.13	38393.57
Total Own Generation	38379.50	44444.81

Power Purchase from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

- 7.14 The Petitioner submitted that it is also purchasing power from CSGS and other sources, viz., NTPC, NHPC, PTC & other sources (excluding net power purchased under Unscheduled Interchange mechanism) to meet the energy requirements in the DVC area.
- 7.15 Further, during the period FY 2020-21, the Petitioner has also proposed to purchase contingency power.

Commission's Analysis

- 7.16 The Commission has approved the energy availability from external sources based on the allocated capacity, NAPAF and Normative Auxiliary Consumption for the Thermal

Power Plants as per the Latest CERC Tariff Regulations, 2019 and based on the Design Energy for NHPC power plants. The Commission has approved the availability as proposed by the Petitioner for power purchase from Tala, Chuka and Kurichu HPS.

Energy Balance

7.17 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 for FY 2020-21 as submitted by the Petitioner and as per Commission's analysis (based on Merit Order Despatch) is summarized in the following table:

Table 40: Energy Balance submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2020-21	
	Petition	Approved
A. Energy Requirement		
Energy sales within the state of Jharkhand	7269.13	7179.08
Energy sales within the state of West Bengal	9216.04	9216.04
Total energy sales in DVC Area	16485.17	16395.12
Energy wheeled	855.00	855.00
Overall Utilization	17340.17	17250.12
T&D loss (MU)	591.01	587.94
T&D loss (%)	3.30%	3.30%
Total Energy Requirement for DVC	17931.17	17838.06
B. Energy Availability		
<i>Own Generation-Firm sources</i>		
Thermal	38151.80	44058.31
Hydel	227.70	386.50
Sub Total	38379.50	44444.81
Net Power Purchase (including UI)	1796.68	1769.68
Energy received for Wheeling	890.00	890.00
Less: Energy sold to other licensees & exchange	23135.00	29266.43
Total Energy Available for DVC	17931.17	17838.06

Power Purchase- Own Generation

Petitioner's Submission

7.18 The Petitioner submitted the generation from own generation plants (new and old) for meeting the demand of its consumers in Jharkhand and West Bengal.

Commission's Analysis

7.19 The Commission has approved the generation from own generating stations after applying Merit Order Despatch which is as summarised below:

Table 41: Power Purchase from Own Generating Stations submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2020-21	
	Petition	Approved
BTPS 'B'	660.42	713.91
DTPS U# 4	731.84	767.24
MTPS U#1 to 3	2829.71	3133.29
MTPS U#4	871.71	1050.29
HYDEL	227.70	386.50
Sub Total	5321.37	6051.24
MTPS U#5 & 6	1462.56	0.00
MTPS U#7&8	993.30	2214.58
CTPS U# 7&8	105.62	1127.02
DSTPS U # 1 & 2	3279.06	4373.80
KTPS U# 1 & 2	297.23	0.00
RTPS U # 1 & 2	2380.03	389.45
BTPS 'A'	1405.33	1912.30
Sub Total	9923.13	10017.15
Total Own Generation	15244.50	16068.38

Power Purchase- Other Sources***Petitioner's Submission***

7.20 The Petitioner submitted the power purchase from other sources, viz., NTPC, NHPC, PTC, etc., for meeting its consumer demands in addition to the internal generation.

Commission's Analysis

7.21 The Commission has approved power purchase from other sources, viz., NTPC, NHPC, PTC, etc., for meeting its consumer demands in addition to the internal generation considering Merit Order Despatch as summarised below:

Table 42: Power Purchase from Other Sources submitted by the Petitioner and approved by the Commission (MU)

Particulars	FY 2020-21	
	Petition	Approved
NHPC		
Rangit	32.87	33.52
Teesta- V	246.11	219.64
NTPC		
KBUNL MTPS II	55.46	68.71
PTC		
Chukha	166.71	166.71
Kurichu	42.65	42.65
Tala	137.17	137.17

Particulars	FY 2020-21	
	Petition	Approved
MPL	919.01	1052.68
Solar	74.27	74.27
Net UI	150.90	0.00
Total	1825.15	1795.35

Cost of Own Generation

Petitioner's Submission

- 7.22 DVC is a statutory body controlled by the Central Government as envisaged under Section 79 (1) (a) of the Electricity Act, 2003. The tariff for generation of electricity from DVC's own stations is determined by CERC. Accordingly cost of generation for DVC as a whole from own stations has been determined in accordance with the relevant CERC Orders.
- 7.23 While computing the ARR for 2020-21, the Petitioner has considered the fixed cost of own generation and T&D system as per the latest Tariff Orders of its own generating stations issued by CERC for FY 2018-19, escalated by 2.5% twice.
- 7.24 The Petitioner submitted that while computing the energy charge rate of different thermal generating stations for FY 2020-21, the Energy Charge Rate as proposed for FY 2019-20 has been escalated by 2%, based on average of Landed Price of Primary Fuel (LPPF) escalation from Apr 2015-October 2019 based on CERC notifications and the average LPPF escalation factor.

Commission's Analysis

- 7.25 The Commission has adopted the methodology used in its previous Order dated May 28, 2019 for calculation of Fixed Charges for own generating stations. The cost of own power generating stations as submitted by the Petitioner and as adopted by the Commission from the aforementioned CERC Orders for the period FY 2018-19 has been summarized in the following table.
- 7.26 The Commission for FY 2020-21 has approved the Fixed Charges and Energy Charge Rate as approved for FY 2019-20.

**Table 43: Fixed Charges approved by the Commission (Rs. Crore)**

Station	Normative Availability	Actual Yearly Plant Availability Factor	Annual Fixed Charge	Recoverable FC as per CERC formula	Share of firm consumer	Recoverable FC from Firm Consumers
	A	B	C	D=Min (C,C*B/A)	E	F = D*E
BTPS 'B'	75%	43.24%	95.37	54.98	100.00%	54.98
DTPS U # 4	74%	46.60%	112.50	70.84	100.00%	70.84
MTPS U#1 to 3	83%	62.39%	362.06	272.16	100.00%	272.16
MTPS U#4	85%	62.74%	118.93	87.79	100.00%	87.79
MHS*	80%	80.00%	34.90	17.45	100.00%	17.45
PHS*	80%	80.00%	25.77	12.88	100.00%	12.88
THS*	80%	80.00%	9.85	4.93	100.00%	4.93
T & D System	98.50%	99.15%	371.82	374.28	100.00%	374.28
SUB-TOTAL			1095.95	895.31		895.31
MTPS U#5 & 6	85%	83.46%	473.78	465.19	0.00%	0.00
MTPS U# 7 & 8	85%	79.35%	1019.21	951.46	33.62%	319.93
CTPS U # 7 & 8	85%	81.40%	530.60	508.13	34.74%	176.51
DSTPS U # 1 & 2	85%	81.40%	1104.17	1057.40	64.74%	684.53
KTPS U # 1 & 2	85%	82.95%	1175.74	1147.38	0.00%	0.00
RTPS U # 1 & 2	85%	81.00%	1395.55	1329.88	4.83%	64.20
BTPS 'A'	85%	85.00%	771.89	771.89	54.21%	418.45
SUB-TOTAL			6470.93	6231.33		1663.61
GRAND TOTAL			7566.87	7126.64		2558.92

*The Petitioner has proposed to recover the total AFC charges through capacity charges, while the Commission has approved the recovery through both fixed and variable charges as per the CERC Tariff Regulations, 2019.

7.27 The Energy Charges approved by the Commission for FY 2020-21 for own generating stations is summarised below:

Table 44: Energy Charges submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2020-21	
	Petition	Approved
BTPS	164.03	174.05
DTPS	248.29	255.47
MTPS U# 1 to 3	923.09	1002.83
MTPS U# 4	284.36	336.15
MTPS U# 5 & 6	448.48	0.00
MTPS U# 7 & 8	287.69	629.31
CTPS U # 7 & 8	24.63	257.83
DSTPS U # 1 & 2	955.86	1250.93
KTPS U # 1 & 2	81.04	0.00
RTPS U # 1 & 2	708.71	113.78
BTPS 'A'	306.07	408.65



Particulars	FY 2020-21	
	Petition	Approved
MHS*	0.00	17.45
PHS*	0.00	12.88
THS*	0.00	4.93
Total Energy Charges	4432.26	4464.27

*The Petitioner has proposed to recover the total AFC charges through capacity charges, while the Commission has approved the recovery as per the CERC Tariff Regulations, 2019.

Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

- 7.28 The Petitioner submitted the power purchase cost from CSGS and other sources (including RE sources) for FY 2020-21 based on the actuals for FY 2019-20.
- 7.29 The Petitioner also claimed Rs 132.40 Crore towards transmission charges including ERPC fund.
- 7.30 The Petitioner has further proposed the cost of REC as Rs. 2.72/kWh for Solar REC and Rs. 1.87/kWh for Non-Solar REC for meeting its RPO targets.

Commission's Analysis

- 7.31 The Commission has approved the Fixed Charges for Thermal Power Plants and Hydro Power Plants as approved for FY 2019-20. The Energy Charge Rate for Thermal Power Plants has been approved at the Energy Charge Rate approved for FY 2019-20. Energy Charge Rate for Hydro Plants are approved as per the Design Energy approved by CERC.
- 7.32 As stated earlier in this Order, the Commission has adopted MOD in approving the power purchase quantum and consequently the power purchase cost for FY 2020-21. Based on the total energy requirement, the Commission has disallowed the purchase of energy from generating stations having the highest variable cost per unit among all new internal generation plants, CSGS's and other sources from where DVC procures power (except RE and hydro power).
- 7.33 Besides, the Petitioner has segregated the cost of RPO into West Bengal and Jharkhand based on the RPO requirements stipulated by the respective State Regulatory Commissions for FY 2020-21. Accordingly, the Commission also finds it prudent to segregate the cost of RPO for FY 2020-21 as per the RPO requirements stipulated by the respective Commissions and actual RPO compliance by the Petitioner. The Commission

has considered the Order issued in Suo-Moto Case No.07 of 2020 dated April 24, 2020, while calculating the RPO compliance of the Petitioner for FY 2020-21.

- 7.34 The Commission has approved the expenses for purchase of Renewable Energy Certifications (RECs) towards RPO Compliance for Sales in Jharkhand. The cost of REC as proposed by the Petitioner is Rs. 2.72/kWh for Solar REC and Rs. 1.87/kWh for Non-Solar REC, while the Commission approves the ceiling value of Rs. 1.00/kWh for Solar and Non-Solar RECs for FY 2020-21, which will be subject to true-up based on actuals.
- 7.35 The Commission has not considered that the quantum of Hydro Power purchased for RPO Compliance for FY 2020-21, as per the National Tariff Policy, 2016, and as per the methodology adopted in the previous Order dated May 28, 2019. **The Commission directs the Petitioner to comply with all RPO compliance including Sales to other Licensees for FY 2020-21.**

Table 45: Expenses towards RECs for Jharkhand submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Solar (REC)	70.87	68.06	39.26
Non-Solar (REC)	93.84	44.05	34.96

- 7.36 Thus, the net Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources (including RE sources and excluding purchase from own generating stations) approved is summarised below:

Table 46: Source-wise Power Purchase Cost submitted by Petitioner and approved by the Commission

Particulars	FY 2020-21					
	Petition		Approved			
	Quantum (MU)	TC (Rs. Crore)	Quantum (MU)	FC (Rs. Crore)	EC (Rs./kWh)	TC (Rs. Crore)
NHPC						
Rangit	32.87	13.39	33.52	5.55	5.55	11.11
Teesta- V	246.11	53.67	219.64	22.21	22.21	44.42
NTPC						
KBUNL MTPS II	55.46	36.12	68.71	16.14	18.83	34.97
PTC						
Chukha	166.71	40.04	166.71		40.04	40.04
Kurichu	42.65	9.26	42.65		9.26	9.26
Tala	137.17	29.63	137.17		29.63	29.63
MPL	919.01	407.46	1052.68	155.10	284.57	439.67



Particulars	FY 2020-21					
	Petition		Approved			
	Quantum (MU)	TC (Rs. Crore)	Quantum (MU)	FC (Rs. Crore)	EC (Rs./kWh)	TC (Rs. Crore)
Solar	74.27	80.02	74.27		78.57	78.57
Contingency	150.90	52.82	0.00	0.00	0.00	0.00
Total	1825.15	722.40	1795.35	199.00	488.65	687.65

7.37 The Commission has also approved Rs. 99.48 Crore excluding the ULDC Charges towards transmission charges including ERPC fund as the Commission has not approved the same till date and the Petitioner has not submitted any justification for the same, subject to truing up based on the justification provided by the Petitioner.

Tariff Filing and Publication Expenses (CERC)

Petitioner's Submission

7.38 The Petitioner has claimed Rs. 4.74 Crore, towards Tariff Filing and Publication Expenses (CERC) for FY 2020-21.

Commission's Analysis

7.39 The Commission has approved the amount claimed by the Petitioner towards Tariff Filing and Publication Expenses (CERC) for FY 2020-21.

Water Cess and Pollution Cess

Petitioner's Submission

7.40 The Petitioner has claimed Rs. 0.25 Crore towards Water Cess and Pollution Cess for FY 2020-21.

Commission's Analysis

7.41 The Commission has approved the amount claimed by the Petitioner towards Water Cess and Pollution Cess for FY 2020-21.

Non-Tariff Income

Petitioner's Submission

7.42 The Petitioner has claimed Rs. 0.51 Crore towards Non-Tariff Income for FY 2020-21.

Commission's Analysis

- 7.43 The Commission observed the sudden reduction in the Non-Tariff Income claimed by the Petitioner and asked the Petitioner to justify the same. The Petitioner vide its reply submitted that the Non-Tariff Income has been inadvertently proposed as Rs. 0.51 Crore against the value of Rs. 50.96 Crore, which is the NTI for FY 2019-20 escalated by 5%. The Commission approves the Non Tariff Income of Rs. 50.96 Crore as proposed by the Petitioner which shall be subject to truing up.

Allocation of Expenses of DVC to Jharkhand Area

Petitioner's Submission

- 7.44 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

- 7.45 The Commission has allocated the expenses of DVC as a whole to Jharkhand area by following the methodology approved in the previous Order dated May 28, 2019. The following table summarizes the input cost allocated to the Jharkhand area for the period FY 2020-21 as submitted by the Petitioner and as approved by the Commission.

Table 47: Cost Allocation for Jharkhand submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Cost of Own Generation	11,198.09	7,868.73	7,023.18
Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses)	201.23	774.79	708.57
CERC Tariff filing fees & publication expenses	5.34	4.74	4.74
Water Cess & other State Cesses	4.13	0.25	0.25
Less: Non Tariff Income (NTI)	62.63	0.51	50.96
Total ARR of DVC (Distribution)	11,346.16	8,648.00	7,685.78
Ratio of Sales in Jharkhand	52.30%	44.09%	43.79%
ARR Apportioned to Jharkhand	5,934.56	3,813.33	3,365.44

Interest on Working Capital (IoWC)

Petitioner's Submission

- 7.46 The Petitioner has submitted that the Interest on Working Capital has been determined in accordance with the applicable provisions of Tariff Regulations, 2015, according to which, the Interest on Working Capital shall be as given below:

“6.30 Working capital for the Retail Supply of Electricity for the Control Period shall consist of:

- a) One-twelfth of the amount of Operation and Maintenance expenses for retail supply business for such financial year; plus*
- b) Maintenance spares at 1% of Opening GFA for retail supply business; plus*
- c) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus*
- d) Amount held as security deposits under clause (a) and clause (b) of subsection(1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for wheeling business; minus*
- e) One month equivalent of cost of power purchased, based on the annual power procurement plan.*

6.31 Rate of interest on working capital shall be equal to the base rate of SBI plus 350 bps as applicable on the 1st April of the relevant financial year.”

- 7.47 Accordingly, the Petitioner submitted the Interest on Working Capital required for DVC for Jharkhand Area to be Rs. 74.27 Crore for FY 2020-21.

Commission's Analysis

- 7.48 The Commission has approved Interest on Working Capital as per the methodology adopted by the Commission for calculation of Interest on Working Capital in its previous Order dated May 28, 2019.

Table 48: Interest on Working Capital submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Revenue from Sales in Jharkhand	6630.90		3517.03

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Working Capital Requirement in Jharkhand Area (at 1% of Revenue from sale of power)	66.31		35.17
Interest Rate (%)	12.80%		11.65%
Interest on Working Capital for Jharkhand Area	8.49	74.27	4.10

Interest on Consumer Security Deposit

Petitioner's Submission

7.49 The Petitioner submitted an amount of Rs. 3.93 Crore towards Interest on Consumer Security Deposit.

Commission's Analysis

7.50 The Commission has calculated the Interest on Consumer Security Deposit for FY 2020-21 by considering the closing Security Deposit for FY 2019-20 as the opening Security Deposit for FY 2020-21 and escalating it by 2.5% for calculating the closing Security Deposit for FY 2020-21. The Commission has calculated Interest on Consumer Security Deposit for FY 2020-21 as per Clause 6.28 of the Tariff Regulations, 2015 and the Interest Rate as per the Supply Code Regulations, 2015.

Table 49: Interest on Security Deposit submitted by the Petitioner and approved by the Commission (Rs. Crore)

Particulars	FY 2020-21		
	MYT Order	Petition	Approved
Average CSD	-	43.61	43.08
Interest Rate (%)	-	9.00%	8.15%
Interest on CSD	2.61	3.93	3.51

* Rate Considered as per the SBI Base Rate as on April 01, 2020

Tariff Filing and Publication Expenses (JSERC)

Petitioner's Submission

7.51 The Petitioner submitted an amount of Rs. 0.64 Crore towards Tariff Filing and Publication Expenses in JSERC.

Commission's Analysis

7.52 The Commission has approved the Tariff Filing and Publication Expenses in JSERC as submitted by the Petitioner.

Summary of ARR approved by the Commission

7.53 The Commission has approved ARR for FY 2020-21 vis-à-vis the ARR submitted by the Petitioner as summarised below:

Table 50: ARR submitted by the Petitioner and approved by the Commission (Rs. Crore)

Station/item	2020-21					
	MYT Order		Petition		Approved	
	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost	Energy Cost	Fixed Cost
Cost of Own Generation	6,436.89	4,761.20	4,432.26	3,436.46	4,464.27	2,558.92
Power Purchase Cost (Incl. Trans. Charges & Excl. RE/REC Expense)	201.23		774.79		410.08	298.48
Tariff filling fees & publication expenses in CERC		5.34		4.74		4.74
Water cess		4.13		0.25		0.25
Less Non Tariff Income (NTI)		62.63		0.51		50.96
Total	6,638.13	4,708.03	5,207.05	3,440.94	4,874.35	2,811.43
Ratio of sales in Jharkhand part to total firm sale in entire DVC	52.30%	52.30%	44.09%	44.09%	43.79%	43.79%
ARR before IWC, Interest on SD & tariff filling fees in the licensed area of Jharkhand	3,472.04	2,462.52	2,296.05	1,517.28	2,134.38	1,231.07
Cost of Solar & Non Solar Power and REC Purchased to meet the solar & non solar RPO in the state of Jharkhand	196.33		182.51		143.34	
Interest on Working Capital		8.49		74.27		4.10
Interest on security deposit		2.61		3.93		3.51
Tariff Filing Fees & Publication Expenses in JSERC		0.48		0.64		0.64
Net ARR for Jharkhand	3,668.38	2,474.09	2,478.55	1,596.12	2,277.71	1,239.31
TOTAL ARR	6,142.46		4,074.67		3,517.03	
Sale in Jharkhand (MU)	12,614.45		7,269.13		7,179.08	
Avg Cost of Supply (Rs. / kWh)	4.87		5.61		4.90	

Revenue from Sale of Power in Jharkhand Area

Petitioner's Submission

7.54 The Petitioner submitted that the revenue from sale of power in Jharkhand shall be Rs. 3300.16 Crore for FY 2020-21.

Commission's Analysis

7.55 The Commission has approved the revenue as calculated below for FY 2020-21 at existing Tariff.

**Table 51: Revenue at Existing Tariff as approved by the Commission (Rs. Crore)**

Category	Connections	Connected Load (MVA)	Sales (MU)	Fixed Charges	Energy Charges	FC	EC	Total Revenue
LT Commercial	8	8.68 MW	45.60	Rs. 150.00 /kW/Month	Rs. 4.20 /kWh	1.56	19.15	20.71
HT Supply	137	1595.00	7133.48	Rs. 600.00 /kVA/Month	Rs. 2.95 /kVAh	1148.40	2250.67	3399.07
Total Revenue	145	1603.68	7179.08			1149.96	2269.82	3419.78

7.56 The Standalone Gap on account of ARR of FY 2020-21 is Rs. 97.24 Crore.



A 8 REVENUE GAP AND ITS TREATMENT

Revenue Gap till FY 2014-15

Petitioner's Submission

- 8.1 The Petitioner has submitted vide its Letter No. Coml/Tariff/JSERC-Compliance/3057 dated July 31, 2019, the Roadmap of Treatment of Revenue Surplus for FY 2006-07 to FY 2014-15. The Petitioner has proposed the following:
- The Commission may take a final decision towards settlement of the Revenue Surplus for the period FY 2006-07 to FY 2014-15 based on the final outcome in the Appeal Nos. 163 of 2017 and 281 of 2018 pending before the Hon'ble Appellate Tribunal.
 - Determination of category wise retail tariff by the Commission for FY 2006-07 to FY 2011-12 and thereafter revision of the bills preferred earlier by DVC as per the said approved tariff. Resulting differential amount i.e., the difference between the revised bills and actual payment realized, recovery from / refund to the individual consumers/licensees (except JBVNL) may be done along with 6% yearly simple interest in terms of the order of the Hon'ble Appellate Tribunal in the judgment dtd. May 10, 2010 in the Appeal No. 146 of 2009.
 - DVC and JBVNL has already settled the past dues accrued up to September 2015 as a full and final settlement under the UDAY scheme of the Government of India. Hence, there remains no further scope of any further settlement with JBVNL after determination of category wise tariff for the past period FY 2006-07 to FY 2011-12 as proposed by the Petitioner.
 - Submission of truing up of tariff so determined by the Commission for FY 2006-07 to FY 2011-12 after final settlement with the individual consumers / licensees. If there remains any unadjusted dues of any consumer for the said period, presently disconnected, DVC will approach Commission to adjust such differential amount in the prospective tariff.
 - DVC started preferring the electricity bills as per the approved retail tariff by the Commission from November 2012 onwards. Therefore, for the period FY 2012-13 to FY 2014-15 the revenue gap / surplus as already determined by the Commission may be adjusted in the prospective tariff.



- f. The Commission may graciously be pleased to direct DVC to submit the ARR and category wise distribution / retail tariff for FY 2006-07 to FY 2011-12 for approval towards final settlement of dues of the individual consumers and licensees with retrospective effect after the final judgment is pronounced by the Hon'ble Tribunal in Appeal Nos. 163 of 2017 and 281 of 2018.

Commission's Analysis

- 8.2 The Commission doesn't find any merit in Petitioner's proposal to take up the refund process after the Appeal No. 163 of 2017 and 281 of 2018 as no stay has been granted in the matter. Further, during the Public Hearing various stakeholders suggested for liquidation of past surplus without any further delay. The Commission agrees with the views of the Stakeholders and therefore without any further delay the matter needs to be decided.
- 8.3 The Commission has however observed that the Petitioner has proposed passing on the Surplus approved from FY 2006-07 to FY 2011-12 on one-to-one basis to its consumers based on the tariff that the Commission may approve. However, the Petitioner has not submitted any Petition for the same along with the category wise and consumer wise Billing Details for the respective years. In addition, the Commission has observed that the Petitioner has not submitted the proportion of Sales or Revenue attributable to JBVNL that has to be withheld as it is no longer a consumer of DVC. As interest of various stakeholders are to be taken care of in just and fair manner therefore a separate proceeding needs to be initiated so that views of all the stakeholders are taken before deciding the matter. Hence, **the Commission directs the Petitioner to submit the detailed proposal as a separate Petition along with the requisite details such as the consumer wise and category wise Billing Details for FY 2006-07 to FY 2011-12 for Determination of Category-wise Tariff and the quantum of Sales and Revenue attributable to JBVNL that may be withheld as JBVNL is no longer the consumer of DVC, within 1.5 months of issue of this Order.**
- 8.4 The Commission shall approve the quantum of Surplus to be passed on to the current consumers based on the submission made by the Petitioner in the abovementioned Petition while issuing MYT Order for the next Control Period from FY 2021-22 to FY 2025-26.

Treatment of Revenue Gap/(Surplus) from FY 2016-17 till FY 2020-21

Petitioner's Submission

8.5 The Petitioner has not proposed any recovery of Gap/(Surplus) for FY 2018-19 and FY 2019-20, while proposing a hike in Tariff of ~23.49%. The Petitioner has sought tariff hike purely on the basis of anticipated gap arrived for FY 2020-21 to meet the expenses for FY 2020-21.

Commission's Analysis

8.6 The Commission has arrived at the Revenue Gap/(Surplus) for FY 2020-21 based on the difference between the gap passed on for FY 2016-17 in the previous Order dated May 28, 2019, and the revised gap calculated based on the actual sales to JBVNL for FY 2016-17 as submitted by the Petitioner in the instant petition. The Commission has also considered the surplus created for FY 2017-18 as trued up in the True up Order dated September 29, 2020 and the surplus created for FY 2018-19 to be passed on considering the sales to JBVNL during the respective years as per the methodology used for passing on the surplus in the Order dated May 28, 2019. The Commission has considered the sales to JBVNL as per the actuals as submitted by the Petitioner at 47.09%, 45.29% and 35.82% for FY 2016-17, FY 2017-18 and FY 2018-19 respectively based on the actuals submitted by the Petitioner.

8.7 In accordance with above, the Commission has approved the cumulative gap/(surplus) from FY 2016-17 to FY 2020-21 as summarised below:

Table 52: Cumulative Revenue Gap/(Surplus) approved by the Commission till FY 2020-21 (Rs. Crore)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
ARR Approved	4,705.79	4,751.80	4,705.85	3,429.23	3,517.03
Revenue Realised	5,017.09	5,285.19	4,202.83	3,281.33	3,437.19
Gap/(Surplus) Created	(311.30)	(533.39)	503.02	147.90	79.83
Opening Gap/(Surplus)		10.22	(298.69)	7.41	165.52
Gap/(Surplus) to be passed on	(164.72)	(291.82)	322.85	147.90	79.83
Gap/(Surplus) already passed on	(174.33)	-	-	-	-
Gap/(Surplus) Difference	9.61	(291.82)	322.85	147.90	79.83
Interest Rate (%)	12.80%	12.60%	12.20%	12.55%	11.65%
Carrying Cost on Opening Gap/(Surplus)	-	1.29	(36.44)	0.93	21.61
Carrying Cost on Gap/(Surplus) Addition	0.61	(18.38)	19.69	9.28	4.65
Closing Gap/(Surplus)	10.22	(298.69)	7.41	165.52	271.61



- 8.8 As discussed in **Para 8.3**, the Surplus calculated till FY 2014-15 shall be passed on to the Consumers as per the proposal to be submitted by the Petitioner.
- 8.9 In addition, the Hon'ble CERC has issued Orders dated August 09, 2019 and February 05, 2020, reducing the T&D Expenses of the Petitioner drastically, which was not considered while the Commission issued the True-up Orders for FY 2014-15, FY 2015-16 and FY 2016-17. Hence, the Commission is of the view that the approved Gap in **Table 52** shall be offset to the certain extent by the reduced T&D Tariffs approved by CERC for FY 2014-15 to FY 2016-17, including the carrying cost and the Commission has not passed on the same considering that the impact of COVID-19 pandemic on the Petitioner's Revenue during FY 2020-21 is uncertain. As the Commission has not passed on the previous year surplus in this Order, the Commission has also not increased the tariffs to meet the gap at this stage due to COVID-19 pandemic. The Commission will approve the appropriate treatment of previous years surplus/gap in the MYT Order for FY 2021-22 to FY 2025-26.
- 8.10 The Commission has however carried out the Tariff Simplification and Rationalization for FY 2020-21 as detailed in **Section A 12** and **Section A 13** of this Order.

A 9 SCHEDULE OF CHARGES

Open Access Charges

9.1 **Wheeling Charges:** As determined by the CERC for DVC's network

9.2 **Cross Subsidy Surcharge:**

- As per Clause 21.5 of the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016:

“The Cross subsidy surcharge shall be determined by the Commission in accordance with the principles and formula stipulated in the National Tariff Policy and shall be leviable at the rate as determined by the Commission from time to time.”

- The National Tariff Policy, 2016 has stipulated the following formula for computation of Cross Subsidy Surcharge:

$$S = T - [C / (1 - L/100) + D + R]$$

Where

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets.

...

Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access.”



- The Petitioner has not submitted the Voltage-wise distribution losses. Hence, the Commission has considered the T&D losses of 3.30% as approved for FY 2020-21. The Commission observes that the CSS calculated for FY 2020-21 based on the formula discussed above is “zero” for DVC. Hence the Commission approves no cross-subsidy surcharge for DVC consumers for FY 2020-21.

9.3 Additional Surcharge:

- Clause 6.58 of the Tariff Regulations, 2015 states the following about Additional Surcharge:

“Additional Surcharge shall be determined on ‘case to case’ basis and shall be payable only if the licensee is able to conclusively demonstrate the incidence of any stranded capacity”
- The Commission has observed that the Petitioner has not claimed any Additional Surcharge for FY 2020-21. Therefore, adopting the mythology in the previous Order dated May 28, 2019 and considering the submission of the Petitioner, the Commission has not approved any Additional Surcharge for FY 2020-21.

A 10 OTHER TARIFF RELATED ISSUES

Tariff Rationalisation

Petitioner's Submission

- 10.1 The Petitioner submitted that time periods in respect of Time of Day (TOD) is proposed to be from 06:00 hrs. to 17:00 hrs. for Normal Period, from 17:00 hrs. to 23:00 hrs. for Peak Period and from 23:00 hrs. to 06:00 hrs. for Off Peak Period based on the analysis as directed by the Commission in the tariff order dated May 28, 2019. Aforesaid time periods for TOD tariff has been proposed based on the analysis of the drawl pattern of the consumers. The Petitioner further submitted that for uniformity in the load pattern, economic use of resources, good performance and optimal investment throughout the day, reduced rate of energy charge has been proposed for the consumers during off-peak and normal period compared to the peak period.
- 10.2 The Petitioner also submitted that it will require reasonable time of at least 6 (six) weeks to implement the TOD tariffs as per the above proposed time periods, on approval of the Commission, by programming the consumer meters.

Commission's Analysis

- 10.3 The Commission has simplified the tariff and wherever necessary has rationalized the tariff structure in line with the Tariff Policy, 2016, with an intent to gradually move towards cost reflective tariff.
- 10.4 The Commission has rationalised the Fixed Charges of different Consumer Categories in such a way that it is more or less uniform with the Fixed Charges of the Other Licensees in the State. Further, in case of DVC, the recovery through fixed charges specially for HT consumers are considerably higher as compared to other Distribution Licensee. The Commission in its Order dated May 28, 2019 has approved higher fixed charges considering the high reliability of DVC's power supply, however, considering the pandemic situation prevailing and its impact on industrial consumers the Commission is of the view that the same needs to be rationalised and be brought to the levels approved for other distribution licensees. The Commission has however kept in mind that there is no/marginal increase/decrease in Average Billing Rate (ABR) for each category of consumers, while re-allocating recovery from Fixed and Energy Charges.



- 10.5 As regards Fixed Charge billing of Non-Domestic Category, the Commission is of the view that levying Fixed Charges on per connection basis is not appropriate especially considering that the marginal consumers having load upto 5 kW will now be charged at Domestic Tariff. The Commission is therefore of the view that consumers with load above 5 kW should be billed based on the Contracted Load/Demand rather than on per connection basis. Further, in order to protect the Consumers from any hassles on Connected Load determination and minimise any dispute arising out of billing load, the Commission approves billing based on the Recorded Demand as done in LTIS category. Further, as Fixed Charges on per kW basis will lead to increase in recovery through Fixed Charges, in order to nullify the impact of such increase in Fixed Charges, the Commission has reduced the Energy Charges in a manner that there is no/marginal increase/reduction in the ABR for such consumers.
- 10.6 As regards the existing mechanism of charging Fixed Charges to Domestic HT consumers and Commercial Consumers some of the stakeholders during Public Hearing of other Distribution Licensees requested that the Fixed Charge should not be billed for entire Contracted Capacity, instead the same should also take into consideration the maximum Demand of such consumers similar to that of LTIS and HTS consumers. The Commission has gone through the submissions of the Stakeholders and is of the view that for billing purposes, for all HT-Domestic Consumers and LT Commercial Consumers (CD > 5kW) the Maximum Demand for such categories should also be considered along with Contracted Demand. The Commission has therefore made necessary amendment to Fixed Charge billing mechanism as discussed in detail in **Section A 13** of this Order.
- 10.7 For Streetlight category, the Commission is of the view that this specific category is highly subsidised and needs to be billed appropriately to reduce the cross-subsidy burden on other consumers.
- 10.8 Historically, the Commission has been allowing Load Factor Rebate. However, taking into cognisance of the detrimental impact of pandemic situation and since energy cost being one of the major cost components of industries of the State, the Commission is of the view that in order to speed up the economic recovery process which is vital for general socio-economic development of the State there is need to modify the Load Factor Rebate mechanism. The Commission has therefore restructured the Load Factor rebates as stated in **Section A 13** of this Order.



- 10.9 In the wake of the COVID-19 pandemic and the sluggish market situation, the Commission has reduced the Delayed Payment Surcharges to be paid by the consumers from 1.50% per month or part thereof to 1.00% per month.
- 10.10 The Commission has eliminated Meter Rent currently paid by consumers since the Meters bought by the Licensees are already included in the GFA and its servicing cost forms part of ARR which in turn is recovered through tariff. Further, any Meter Rent collected as per current provisions are reduced from the ARR as part of Non-Tariff Income. The Commission is therefore, of the view that there is little rationale in collecting these rents from consumers which is finally refunded to the consumers. The Commission has therefore in order to simplify the process, eliminated the need to collect Meter Rent.
- 10.11 The Commission in order to implement transparent recovery of Fixed/Demand Charges based on the actual availability of power to the Consumer has introduced recovery of Fixed/Demand Charges based on the actual Hours of Supply as recorded in the Consumer's meter. The Commission is of the view that the Distribution Licensees should be held accountable for round the clock availability of power to the Consumers. The Licensees should compensate the Consumers for unavailability of power at least in terms of reduced Fixed/Demand Charges as per the mechanism approved in **Section A 13** of this Order.
- 10.12 The Commission is of the view that ToD mechanism is desirable as the same has a considerable impact on Demand Side Management of Load. However, The Commission is of the view that ToD should be levied after looking into various implications for the same. The Commission has observed that the Petitioner has not submitted the latest Load Curves for Peak, Off-Peak and Normal time slots proposed. The Commission is of the view that the complete proposal is outdated as major changes have happened in the Sales Mix of the Petitioner. In order to assess the necessity of such mechanism for the Petitioner, **the Commission directs the Petitioner to submit the load curves for days with maximum peak demand and minimum peak demand for each month of FY 2019-20 and April 2020 to September 2020 along with its technical preparedness for implementation of ToD Tariffs while submitting the Business Plan and MYT Petition for FY 2021-22 to FY 2025-26.** In the meanwhile, the Commission has introduced ToD uniformly to all Discoms as an Option for HTS and HT Institutional Consumers.



- 10.13 The Commission has introduced Rebate to Consumers on the Delayed billing by the Licensees to promote timely billing practices in the License Area.
- 10.14 The Commission has also introduced Prepaid Metering primarily to promote billing and collection efficiency of the Licensee. The target Consumers who shall be installed with Prepaid Meters on priority basis shall be the Consumers from whom the Collection/Billing Efficiency is the lowest, e.g., Government Utilities/offices/officials, Pockets where LT Domestic collection is very low, etc.
- 10.15 The Commission has approved Terms and Conditions of Supply consistent with JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.
- 10.16 The Commission has rationalised the Rebate on Prompt Online Payment to promote transparent and immediate payment of Bills by the Consumers.
- 10.17 The Commission has reintroduced the HT Institutional Supply Category since these institutional consumers either utilise this power for public welfare (Railways) or procure power to distribute to its various consumers comprising of domestic, agricultural, LT as well as HT consumers hence the Commission is of the view that separate tariff for such Institutional category is required. The HT Institutional Supply Category shall include Railway Traction Supply (RTS), Military & Engineering Services (MES) and Sale to Other Licensees. The Commission has also clarified that all the RPO Compliance of such consumers should be met by the Petitioner as discussed in the earlier Sections of this Petition.
- 10.18 The Commission, in order to maintain consistency in Rebate Structure with Other Licensees of the State has restructured the existing Rebate on Prompt Online Payment to bring uniformity across all the Distribution Licensees of the State.
- 10.19 The Commission, in order to maintain consistency in the Structure of Miscellaneous Charges across the Licensees of the State has done away with levying penal Delayed Payment Surcharge to consumers on payment of Security Deposit.



A 11 APPROVED RETAIL TARIFF FOR FY 2020-21

Petitioner's Submission

10.1 The summary of Tariff proposed by the Petitioner is provided below:

Table 53: Summary of Proposed Tariff submitted for FY 2020-21

Category	Existing Tariff		Proposed Tariff	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
LT Domestic	Rs. 75.00 /Conn./Month	Rs. 4.25 /kWh	Rs. 80.00 /Conn./Month	Rs. 4.35 /kWh
LT Commercial	Rs. 150.00 /kW/Month	Rs. 4.20 /kWh	Rs. 160.00 /kW/Month	Rs. 4.30 /kWh
HT 11 kV	Rs. 600.00 /kVA/Month	Rs. 2.95 /kVAh	Rs. 833.00 /kVA/Month	Rs. 3.65 /kVAh
HT 33 kV	Rs. 600.00 /kVA/Month	Rs. 2.89 /kVAh	Rs. 833.00 /kVA/Month	Rs. 3.57 /kVAh
HT 132 kV	Rs. 600.00 /kVA/Month	Rs. 2.86 /kVAh	Rs. 833.00 /kVA/Month	Rs. 3.54 /kVAh
HT 220 kV	Rs. 600.00 /kVA/Month	Rs. 2.83 /kVAh	Rs. 833.00 /kVA/Month	Rs. 3.50 /kVAh

Commission's Analysis

10.2 Based on the above discussions, the summary of Tariff approved by the Commission for FY 2020-21 is as below:

Table 54: Summary of Approved Tariff for FY 2020-21

Category	Existing Tariff		Approved Tariff	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
LT Domestic	Rs. 75.00 /Conn./Month	Rs. 4.25 /kWh	Rs. 75.00 /Conn./Month	Rs. 4.25 /kWh
LT IAS	Rs. 30.00 /HP/Month	Rs. 3.00 /kWh	Rs. 30.00 /HP/Month	Rs. 3.00 /kWh
LT Commercial	Rs. 150.00 /kW/Month	Rs. 4.20 /kWh	Rs. 150.00 /kW/Month	Rs. 4.20 /kWh
LTIS	Rs. 150.00 /kVA/Month	Rs. 4.20 /kVAh	Rs. 150.00 /kVA/Month	Rs. 4.20 /kVAh
Streetlight	Rs. 100.00 /Conn./Month	Rs. 4.40 /kWh	Rs. 100.00 /kW/Month	Rs. 4.40 /kWh
HT Domestic	Rs. 200.00 /kVA/Month	Rs. 3.80 /kVAh	Rs. 100.00 /kVA/Month	Rs. 3.80 /kVAh
HT Services	Rs. 600.00 /kVA/Month	Rs. 2.95 /kVAh	Rs. 350.00 /kVA/Month	Rs. 3.75 /kVAh
HT Institutional Services	Rs. 600.00 /kVA/Month	Rs. 2.95 /kVAh	Rs. 350.00 /kVA/Month	Rs. 3.40 /kVAh



A 12 TARIFF SCHEDULE FOR FY 2020-21

APPLICABLE FROM 01.10.2020

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. and including motor pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

This rate is also applicable for supply to religious institutions such as Temples, Gurudwaras, Mosques, Church and Burial/ Crematorium grounds, Rural Drinking Water Schemes and other recognised charitable institutions, where no rental/fees are charged for the energy needs and for its products and services.

This rate is also applicable for all consumers with contracted demand of upto 5 kW mixed, commercial, industrial, educational institutions, drinking water schemes or for any other purpose, except streetlight connections and agriculture/allied connections.

Category of Services:

Domestic Service-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:

- (i) For Rural: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.
- (ii) For Urban: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.



Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
Rural/Urban	Rs./Conn./month	75	4.25

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.



Domestic Service- HT

Applicability:

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. and 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 33 kV or 11 kV 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 11 kV or 33 kV

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HT-DS	Rs./kVA/month	100	3.80

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 Billing Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/ Contract Demand** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.



Irrigation & Agriculture Service (IAS)

Applicability:

This schedule shall apply to all consumers for use of electrical energy for Agriculture purposes including tube wells and processing of the agricultural produce, confined to Chaff-Cutter, Thresher, Cane crusher and Rice-Hauler, when operated by the agriculturist in the field or farm and does not include Rice mills, Flour mills, Oil mills, Dal mills.

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
IAS	Rs./HP/month	30	3.00

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.



Commercial Services

Applicability:

This schedule shall apply to all consumers, using electrical energy for light, fan and power loads for non-domestic purposes like shops, hospitals (govt. or private), nursing homes, clinics, dispensaries, restaurants, hotels, clubs, guest houses, marriage houses, public halls, show rooms, workshops, central air-conditioning units, offices (govt. or private), commercial establishments, cinemas, X-ray plants, schools and colleges (govt. or private), boarding/ lodging houses, libraries (govt. or private), research institutes (govt. or private), railway stations, fuel - oil stations, service stations (including vehicle service stations), All India Radio / T.V. installations, printing presses, commercial trusts / societies, Museums, poultry farms, banks, theatres, common facilities in multi-storied commercial office/buildings, Dharmshalas, public Electric Vehicles Charging stations and such other installations not covered under any other tariff schedule whose Contracted Demand is greater than 5 kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

This schedule shall also be applicable to electricity supply availed through separate (independent) connections for the purpose of advertisements, hoardings and other conspicuous consumption such as external flood light, displays, neon signs at public places (roads, railway stations, airports etc.), departmental stores, commercial establishments, malls, multiplexes, theatres, clubs, hotels and other such entertainment/ leisure establishments whose Connected Load/Contracted Demand is greater than 5kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

Service Category:

Commercial Service-Rural: Areas not covered by area indicated for Commercial Service Urban.

Commercial Service-Urban: Areas covered by Nagar Nigam, Nagar Parishad, Nagar Panchayat.

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)
Rural/Urban	Rs./kW/month	150	4.20

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 **Section A 13** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.



Low Tension Industrial Services

Applicability:

Low Tension Industrial Service (LTIS): This schedule shall apply to all industrial units having a Contracted Load more than 5 kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

Service Character:

Low Tension Industrial Service (LTIS): AC, 50 Cycles, Single Phase supply at 230 Volts or Three Phase Supply at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
LTIS	Rs./kVA/month	150	4.20

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 **Section A 13** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.



HT Services

Applicability:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs.kVAh)
HTS	Rs./kVA/month	350	3.75

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 **Section A 13** of this Tariff Order.

Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Voltage Rebate: In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

TOD Tariff: In accordance with **Clause VII: ToD Tariff** as provided in section on Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.



Street Light

This tariff schedule shall apply for use of Street Lighting system

Applicability:

Street Light Service (SS): This tariff schedule shall apply for use of Street Lighting system, including single system in corporation, municipality, Notified Area Committee, panchayats etc., and also in areas not covered by municipalities and Notified Area Committee provided the number of lamps served from a point of supply is not less than 5.

Service Character:

Street Light 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	Rs./kW/month	100	4.40

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.



HT Institutional Services

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

Applicability:

Railway Traction (RTS) and Military Engineering Services (MES): This tariff schedule shall apply for use of railway traction and Military Engineering Services (MES) for a mixed load in defence cantonment and related area.

Other Distribution Licensees: This tariff schedule shall apply to other distribution licensees procuring power from the Licensee for the sole purpose of supplying it to its consumers. It is clarified that such tariff shall not be applicable for the quantum of power utilised in industrial units owned by it or its parent or affiliate company.

Service Character:

Railway Traction Service (RTS): AC, 50 cycles, Single phase at 25 kV/ 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

Category	Fixed Charges		Energy Charges (Rs./kVAh)
	Unit	Rate	
HT- Institutional Services	Rs./kVA/month	350	3.40

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 **Section A 13** of this Tariff Order.

Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Voltage Rebate: In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.



Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

TOD Tariff: In accordance with **Clause VII: ToD Tariff** as provided in section on Terms & Conditions of Supply as provided in **Section A 13** of this Tariff Order.

RPO Compliance: RPO Compliance for Sale to Other Licensees, RTS and MES shall be made by the first Licensee which sells the power viz., in case 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 is proposed to 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 (LDHF) prescribed by the Commission.

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 for FY 2020-21 shall remain effective till the issue of subsequent Tariff Order/Individual Order as the case may be.



Schedule of Miscellaneous Charges

The Miscellaneous Charges are approved as per the previous Order dated May 28, 2019 as the Petitioner has not proposed any changes. However, the Commission has done away with levying penal Delayed Payment Surcharge on delayed payment of Security Deposit to maintain consistency of Structure of Miscellaneous Charges across all Licensees of the State.

Sl. No.	Purpose	Scale of Charges	Payment Realisation
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
	Trivector/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
	Trivector/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	
10	Replacement of meter card, if lost or damaged by Consumer	Rs. 100	Payable with Energy Bill
11	Security Deposit	As per JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time.	
12	Transformer Rent ³		
	Upto 200 kVA	Rs. 5500/Month	Payable with Energy Bill
	Above 200 kVA	Rs. 7500/Month	Payable with Energy Bill

¹First 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.*

**** Meter Rent is Deleted as the same is done away with in this Order.***



A 13 TERMS AND CONDITIONS OF SUPPLY

Clause I: Penalty for exceeding Billing/ Contract Demand

In case the Recorded/Actual Demand exceeds 110% of the Contract Demand, the consumer shall pay penal charges. The penal charges would be charged as follows: If the Recorded Demand exceeds 110% of Contract Demand, then the Demand Charge up to Contract Demand will be charged as per the normal Tariff rate. The remaining Recorded Demand over and above the Contract Demand will be charged at 1.5 times the normal Tariff rate.

In case Recorded Demand is higher than the Contract Demand by the quantum and for the duration as specified in the JSERC (Electricity Supply Code) Regulations, 2015, as amendment from time to time, the Contract Demand shall be revised as per the procedure specified therein.

Clause II: Jharkhand Electricity Duty

The charges in this tariff schedule do not include charges on account of State Electricity Duty/Surcharge to the consumers under the State Electricity Duty Act and the rules framed there under as amended from time to time and any other Statutory levy which may take effect from time to time.

Clause III: Delayed Payment Surcharge

The Delayed Payment Surcharge will be at the rate of 1.00% per month chargeable proportionately. The due date for making payment of energy bills or other charges shall be 21 days after issue date of bill. The bill should be generated and delivered on monthly basis. 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 whole billing duration.

Illustration:

In case the payment is made 10 days after the due date, the DPS shall be at:

$$10/30 * 1\% = 0.33\%$$

Clause IV: Voltage Rebate

Voltage rebate* will be applicable on Demand and Energy Charges as per the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time at the rate given below:

Consumer Category	Voltage Rebate
HTS/HT Institutional -33 kV	3.00%
HTS/ HT Institutional -132 kV	5.00%
HTS/ HT Institutional – 220 kV	5.50%
HTS/ HT Institutional – 400 kV	6.00%

* **Note:** 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.

It is further clarified that the voltage rebate will not be applicable to all consumers who are connected to the voltages specified above. The Commission in order to have uniform approach across all distribution utilities has now linked voltage rebate to be allowable to only those consumers who opt for higher voltages and meets the conditions specified in JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

Clause V: Load Factor Rebate

As also discussed in the Tariff Rationalisation section, the Commission is of the view that in order to speed up the economic recovery process which is vital for general socio-economic development of the State there is need to modify the Load Factor Rebate mechanism.

The Commission observed that the average actual Load Factor of HT Consumers of DVC for FY 2018-19 is approx. 64.25% and therefore in order to encourage consumption at higher Load Factor, incentive should be ideally applicable for consumption over and above the average current Load Factor.

The Commission therefore taking in cognisance the existing Load Factor and need to revive the Industries approves the following 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 energy consumption of the consumer subject to a maximum ceiling rebate of 15%.

Illustration: If a consumer's load factor for a given billing month is 78.50% then the percentage rebate allowed to such consumer shall be (78.50%-65.00%) i.e., 13.50%. The percentage rebate



thus calculated (13.50%) shall be multiplied with the total energy charges corresponding to the entire energy consumption of the consumers and the rebate amount shall be allowed.

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.

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: Rebate for Online Payment and Due Date Payment

The due date for making payment of energy bills or other charges shall be 21 days after issue date of the bill.

A rebate of 1.00% shall be allowed on the billed amount for payment within the due date of the entire billed amount made either through online or any digital mode or through cash.

Further, additional 1.00% rebate shall be allowed if the bills are paid in full within the due date through online web portal or any digital methods.

It is clarified that in accordance with the above, if a person pays the entire billed amount through online web portal or any digital mode, the consumer shall be entitled to 2.00% rebate on the total



billed amount. 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 to 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 that are uploaded on its website seven days in advance with a copy to the Commission and intimation to the respective consumers shall be excluded while computing scheduled supply hours.

Provided that any reduction in recovery of Fixed/Demand Charges on account of lower than 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 Commission directs the Petitioner to submit a report on implementation of the above, within 30 days of issue of this Order and implement the same from the subsequent billing cycle following the issuance of this Order.

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 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 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.



Release of New Connections

No new connections shall be provided without appropriate meter.

Conversion Factors

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

1 kiloWatt (kW) = 1.176 kiloVolt Ampere (kVA)

1 kiloWatt (kW) = 1/0.746 Horse Power (HP)

1 Horse Power (1 HP) = 0.878 kiloVolt Ampere (kVA)

Fuel & Power Purchase Cost Adjustment (FPPCA)

Applicable as per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 and as amended by the Commission from time to time.



A 14 STATUS OF EARLIER DIRECTIVES

The Commission has time and again issued various directives in order to improve the functioning of the Petitioner. The Commission notes with concern that the Petitioner has failed to comply 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
Power Supply below 33 kV		
<p>The Commission observes that the Petitioner has not complied with the direction consistently over the past. The Commission has taken a serious note of this.</p> <p>The Commission observes that the Petitioner is obligated to supply power to all consumer within its supply area who requests supply as per Section 43 of the Electricity Act, 2003. However, to avoid duplication of infrastructure, the Petitioner should strive to utilise the existing infrastructure wherever possible and construct new infrastructure only if necessary.</p>	<p>The Petitioner submitted that the infrastructure which was built by DVC as a consequence of Damodar Valley Corporation Act 1948 was for the purpose of selling electricity to the consumers within its area of operation at or above 30 kV. However, after the Electricity Act 2003 came into force, Section 43 thereof mandates every Distribution Licensee to supply electricity on demand to all consumers.</p> <p>It had published advertisements in newspapers to find out the interested consumers desiring to draw power at voltage levels below 33 kV including LT consumers. As a consequence, development of infrastructure which may be required could not be assessed including its geographical location. The duplication of infrastructure is not necessary until and unless required.</p> <p>Since DVC has historically been supplying power at a voltage level equal or more than 30 kV only a minimum network for supplying at lower voltages could be developed as per requirement. Moreover, under the RGGVY scheme PSUs including DVC were entrusted with the job of constructing supply network in rural areas of Jharkhand. After commissioning the transmission and</p>	<p>The Commission directs the Petitioner to supply power to all consumer within its supply area who requests for supply as per Section 43 of the Electricity Act, 2003.</p>



Directives	Status	Views of the Commission
	<p>distribution lines and sub-stations the same were handed over to JBVNL, the State DISCOM. As such there exists a vast distribution network in the State to cater the electricity demand at low and medium voltage levels. As such creation of any network for supply of electricity at low and medium voltage levels in the operational area of DVC within the State of Jharkhand will only be an additional infrastructure parallel to the existing network of JBVNL.</p> <p>DVC, however, assured that electricity supply to all consumers will be extended on receipt of application for such supply.</p> <p>The Petitioner hence submitted that as mandated in Section 43 of the Electricity Act, it is obligated to supply electricity to any consumer located within its operational area on receipt of a valid requisition for such supply. Creation of parallel infrastructure in advance for supplying electricity to all category of consumers including supply at low and medium voltage consumers may not be economically viable without proper assessment of demand quantum and its locations within the operational area of DVC. However, if applications from prospective consumers located within the operational area are received, DVC will take up all measures necessary to address the issue on case to case basis.</p>	
Facilitation of applications for new connection		
The Commission observes that the Petitioner has failed to meet its self-assigned target during the previous Public Hearings. Further, it is observed that	The Petitioner submitted that in compliance to the earlier directive from Commission, DVC has published a general notice in several newspapers regarding submission of application for new connection at Grid Sub-	The Commission takes note of the Compliance by the Petitioner.



Directives	Status	Views of the Commission
<p>only after rigorous follow up from the Commission, the Petitioner has taken appropriate steps.</p> <p>The Commission directs the Petitioner to implement the option to accept applications for new connection at every Grid Sub Station at the earliest and submit compliance within 2 months of issue of this Order, failing which the Commission shall take appropriate action.</p>	<p>stations. At present intending consumers will be facilitated at the Grid Sub-Stations for submission of application for new power supply connection.</p>	
Submission of impact analysis and requisite data along with proposal for introduction of ToD Tariff		
<p>The Commission has gone through the submission made by the Petitioner. The Commission is of the view that ToD mechanism is desirable as the same has a considerable impact on Demand Side Management of Load. However, The Commission is of the view that ToD if levied, should be levied for all consumers after looking into various implications for the same.</p> <p>The Commission directs the Petitioner to study the commercial and load impact of implementation of ToD mechanism on all consumers including Distribution Licensees in its area and submit the</p>	<p>The Petitioner quoted the relevant clauses of the Electricity Act, 2003, National Tariff Policy, 2016 and Recommendations of FoR, proposing:</p> <ul style="list-style-type: none"> Introduction of TOD tariff scheme in the present petition for determination of tariff for FY 2020-21. TOD tariff be made applicable on receipt of option from the consumers. TOD tariff is to be made applicable for all category of Industrial Consumers at HT level and on the licensees receiving power from DVC in consumer mode. Non-TOD tariff shall be applicable to the consumers who does not opt for TOD tariff. Three time strata TOD tariff scheme which consists of Normal Period 06:00 hrs. to 17:00 hrs., Peak Period 17:00 hrs. to 23:00 hrs. and Off-Peak Period 23:00 hrs to 	<p>The Commission has gone through the submission made by the Petitioner. The Commission has observed that the Petitioner has not submitted the latest Load Curves for Peak, Off-Peak and Normal time slots proposed. The Commission is of the view that the complete proposal is outdated as major changes have happened in the Sales Mix of the Petitioner. In order to assess the necessity of such mechanism for the Petitioner, the Commission directs the Petitioner to submit the load curves for days</p>



Directives	Status	Views of the Commission
same to the Commission within 2 months of issue of this Order. The above impact should be assessed considering that the same is either optional or mandatory for all consumers. The Commission has therefore not considered the implementation of the same at this point of time, however, the same shall be considered once the above study is carried out.	<p>6:00 hrs. Such TOD scheme is already in application for the relevant category of consumers of DVC in the state of West Bengal.</p> <ul style="list-style-type: none"> ▪ The meters installed for consumer billing (both check and main meters) are capable for operation as per the time zones being programmed. However, DVC will require 6 (six) weeks' time for programming the meters based on the time zones approved by the Commission. ▪ Introduction of TOD scheme with the proposed time zones the consumers as well as DVC are benefitted due to better load management. However, further study after implementation of TOD scheme may be done, as may be directed by the Commission, to fine tune the time zones and time differential tariff if required. 	with maximum peak demand and minimum peak demand for each month of FY 2019-20 and April 2020 to September 2020 along with its technical preparedness for implementation of ToD Tariffs while submitting the Business Plan and MYT Petition for FY 2021-22 to FY 2025-26.
Compliance to RPO		
The Commission takes note of the submissions made. The Commission directs the Petitioner to comply to RPO targets by purchasing the pending RECs in FY 2018-19 and FY 2019-20.	The Petitioner submitted that DVC has entered into long term agreement with NVVNL for 20 MW and with NTPC for 20 MW solar power purchase from their different solar plants to meet its solar RPO. Any shortfall in solar RPO, if assessed, is met up through purchase of solar REC time-to-time during the respective financial years. Short fall in compliance of solar RPO during 2017-18 happened due to the fact that trading of solar RPO remained suspended during June-2017 onwards due to pendency of Civil Appeal No. 6334 of 2017 and 6083 of 2017 before the Hon'ble Supreme Court. However, such short falls have been carried forward to the next financial year i.e., 2018-19. DVC has fulfilled	The Commission takes note of the submissions made. The Commission directs the Petitioner to comply to RPO targets by purchasing the pending RECs in FY 2020-21 and the Commission directs the Petitioner to comply with all RPO compliance including Sales to other Licensees till FY 2020-21.



Directives	Status	Views of the Commission
	<p>the balanced solar RPO target for FY 2017-18 by purchasing additional certificates in FY 2018-19.</p> <p>Regarding non-solar RPO, DVC has regularly been publishing advertisements in National dailies for Expression of Interest (EOI) for purchase of non-solar power. But till date no positive response could be obtained. Accordingly, non-solar RPO is met through purchase of REC and generation from mini hydro plant at Tilaya. Balance RPO of FY 2018-19 will be met during FY 2019-20.</p>	
Quality of power/ Reliability Indices and Standard of Performance (SOP)		
The Commission notes that the Petitioner has not complied with the spirit of the directive as the submission is not made quarterly and all data as per the JSERC (Distribution Licensees' Standards of Performance) Regulations, 2015 is not submitted. The Commission has taken a serious note of it and directs the Petitioner to submit quarterly reports as per the formats in the said Regulations, failing which appropriate action may be taken.	The Petitioner submitted that DVC has been submitting the quarterly report on Standard of Performance based on the format as per the Jharkhand State Electricity Regulatory Commission (Distribution Licensees' Standards of Performance) Regulations, 2015. Last such report has been submitted by the Chief Engineer (Transmission) DVC vide letter dtd. November 01, 2019.	The Commission notes the submission made by the Petitioner and directs DVC to submit the quarterly submission with all data requirement as per the JSERC (Distribution Licensees' Standards of Performance) Regulations, 2015.
Strengthening/ Increasing effectiveness of consumer grievance redressal mechanism		
The Commission directs the Petitioner to submit quarterly reports on pending CGRF complaints. Moreover, consumer awareness programmes should be taken up by the Petitioner.	The Petitioner submitted that the Consumer Grievance Redressal Forum (CGRF) is functional in DVC. All necessary infrastructure for smooth functioning of CGRF have been made available by DVC to ensure timely discharge of any consumer grievance. Quarterly report is also submitted	The Commission notes compliance of the Petitioner. The Commission directs the Petitioner to take up consumer awareness programmes as directed earlier by the



Directives	Status	Views of the Commission
	before the Commission regularly. Last such report was submitted by the Secretary, CGRF vide letter dtd. September 04, 2019. At present no case is pending before CGRF.	Commission.
Bank Guarantee for security deposit above Rs 10 Lakh		
The Commission notes compliance of the Petitioner and directs the Petitioner to continue with conversion of security deposit exceeding Rs. 10 Lakh into BG.	The Petitioner submitted that it is presently following the directive of the Commission in this regard. Out of 130 nos. of supply points of different consumers and licensees in Jharkhand state BG/LC/Cash SD have been submitted by 98 no. of consumers either the full quantum or instalments. DVC has been constantly pursuing rest of the consumers (viz. BCCL, CCL, Dhanbad Water Works etc.) and licensees including PSUs for submission of BG as security deposit at the earliest. DVC submits that for every new connection DVC has made it mandatory for the intending consumers to submit BG/LC/Cash as security deposit, as the case may be, before commencement of power supply.	The Commission notes compliance of the Petitioner and directs the Petitioner to continue with conversion of security deposit exceeding Rs. 10 Lakh into BG.
Optimisation of Power Purchase Cost		
The Commission is of the view that the Petitioner should increase its consumer base to utilise its surplus power and reduce the loading of its fixed charges to the consumers.	The Petitioner submitted that it purchases thermal power from Central Sector Generating Stations like NHPC (Rangit and Teesta Projects), KBUNL located in Eastern Region and from Chukha, Kurichhu & Tala HEP in Bhutan through PTC as per the capacity allocation of MoP, GoI. DVC also purchases power from Maithon Power Ltd. (a joint venture company between DVC & TATA Power) as per long term bilateral agreement. Total contracted quantum works out to be around 10% of the consumer demand. Tariff for aforesaid sources (except Bhutan Power) is same as that approved by the Central Commission.	The Commission notes the submission made by the Petitioner. The Commission is of the view that the Petitioner should increase its consumer base to utilise its surplus power and reduce the loading of its fixed charges to the consumers.



Directives	Status	Views of the Commission
	<p>Accordingly, it is obligatory on DVC to pay fixed charges as well as proportionate POC transmission charges for the power relinquished till the capacity is reallocated to other(s).</p> <p>DVC has already relinquished around 150 MW of power out of the original contracted quantum of 300 MW of MPL. DVC is making good this shortfall by utilizing its own available generation capacity. Based on industrial growth in Eastern region DVC is expecting that in near future total firm demand will increase. At present some intending consumers have applied for new connection from DVC. DVC expects growth in consumer demand in near future. Pending applications from the prospective consumers are in the process of finalization.</p> <p>In case of sudden shortage of own generation due to unforeseen reasons DVC purchases power from energy exchanges to meet the consumer load demand.</p>	
Consolidated tariff petition for FY 2019-20		
The Commission notes that the Petitioner did not submit the Petition for APR and True-up for FY 2017-18. The Commission directs the Petitioner to submit the Petition for True-up for FY 2017-18 within 1 month of issue of this Order.	The Petitioner has submitted the Petition for True-up for FY 2017-18.	The Commission notes the submission made by the Petitioner.
Quarterly Forecast for short term power purchase		
The Commission directs the Petitioner to submit the rolling quarterly forecast of the quantum of short	The Petitioner submitted that as a distribution licensee DVC sales power to its consumers in the state of Jharkhand and West Bengal in retail	The Commission notes the submission made by the Petitioner. The Commission disagrees



Directives	Status	Views of the Commission
term power to be purchased as per Regulation 5.20 of the Distribution Tariff Regulations, 2015.	mode. Out of the total sale to the consumers DVC sources around 90% of the sale volume from its own generation. Rest of the power is purchased from NHPC, Bhutan Power through PTC, Maithon Power Ltd. etc. based on subsisting long term PPAs. Only in case of an exigency due to sudden shortfall in own generation due to unforeseen reasons, DVC has to purchase power from Energy Exchange on very short term basis or avails URS power subject to its availability to maintain the balance between load and generation. As such normally there arises no requirement of any planned power procurement in short term mode.	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.
Roadmap for the treatment of Surplus till FY 2014-15		
The Commission directs the Petitioner to propose a roadmap for the adjustment of the surplus till FY 2014-15 clearly stating the period of treatment and the manner in which it proposes to treat the said amount within 2 months of the issue of this Order.	The Petitioner submitted that a proposal/roadmap for adjustment of Revenue surplus for FY 2006-07 to FY 2014-15 has already been submitted before this Commission vide letter dtd. July 31, 2019.	The Commission has observed that the Petitioner has proposed passing on the Surplus approved from FY 2006-07 to FY 2011-12 on one-to-one basis to its consumers based on the Tariff that the Commission may approve. However, the Petitioner has not submitted any Petition on the same along with the consumer wise and category wise Billing Details for the respective years. In addition, the Commission has observed that the Petitioner has not submitted the proportion of Sales or Revenue attributable to



Directives	Status	Views of the Commission
		JBVNL that has to be withheld as it is no longer a consumer of DVC. Hence, the Commission directs the Petitioner to submit the detailed proposal as a separate Petition along with the requisite details such as the Billing Details for FY 2006-07 to FY 2011-12 for Determination of Category-wise Tariff and the quantum of Sales and Revenue attributable to JBVNL that may be withheld as JBVNL is no longer the consumer of DVC, within 1.5 months of issue of this Order.
Details of Voltage-wise Cost of Supply and Voltage-wise Losses		
The Commission directs the Petitioner to submit the details of voltage-wise cost of supply and voltage-wise losses along with the next Tariff Petition in order to determine cost-reflective Tariff.	The Petitioner submitted that necessary metering arrangement for data acquisition in respect of voltage wise power transaction and loss assessment is under progress.	The Commission strictly directs the Petitioner to submit the details of voltage-wise cost of supply and voltage-wise losses along with the Business Plant and MYT Petition.



A 15 NEW DIRECTIVES

Submission of impact analysis and requisite data along with proposal for introduction of ToD Tariff

- 15.1 The Commission has observed that the Petitioner has not submitted the latest Load Curves for Peak, Off-Peak and Normal time slots proposed. The Commission is of the view that the complete proposal is outdated as major changes have happened in the Sales Mix of the Petitioner.
- 15.2 In order to assess the necessity of such mechanism for the Petitioner, the Commission directs the Petitioner to submit the load curves for days with maximum peak demand and minimum peak demand for each month of FY 2019-20 and April 2020 to September 2020 along with its technical preparedness for implementation of ToD Tariffs while submitting the Business Plan and MYT Petition for FY 2021-22 to FY 2025-26.

Compliance to RPO

- 15.3 The Commission directs the Petitioner to comply to RPO targets by purchasing the pending RECs in FY 2019-20 and FY 2020-21.
- 15.4 The Commission directs the Petitioner to comply with all RPO compliance including Sales to other Licensees till FY 2020-21.

Details of Rebate provided to Consumers

- 15.5 The Commission directs the Petitioner to maintain the Rebate provided under each head as detailed in the Tariff Schedule in **Section A 13** of this Order in its Audited Accounts. Any rebate provided over and above the values specified in **Section A 13** shall be attributable to the Petitioner and shall not be recovered in the ARR.

Publicising Tariff Approved by the Commission

- 15.6 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.



Reduction in Fixed Charges

15.7 The Commission directs the Petitioner to submit a report on implementation of the above, within 30 days of issue of this Order and implement the same from the subsequent billing cycle following the issuance of this Order.

In addition to above, the Petitioner is further directed to comply with the directives issued by the Commission in earlier Orders.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on September 30, 2020.

It is made clear that the Order regarding revision of tariff shall come into effect from October 01, 2020 and shall remain in force till the next order of the Commission to this regard.

Date: 30.09.2020

Place: Ranchi

Sd/-

(Pravas Kumar Singh)

MEMBER (Legal)

Sd/-

(Rabindra Narayan Singh)

MEMBER (Engg.)



ANNEXURES

Annexure-1: List of participating members of public in the public hearing

Sr. No.	Name	Address/Organization
Date & Time: August 17 & 18, 2020, 2:30 PM		
1.	Anjan Kumar Dey	DVC
2.	Manik Chandra Rakshit	DVC
3.	Subrata Ghosal	DVC
4.	Amit Kumar Sil	DVC
5.	Subrata Ganguly	DVC
6.	Arunava Mitra	DVC
7.	Arun Patra	DVC
8.	Debi Prasad Puitandi	DVC
9.	Sauvik Dhara	DVC
10.	Srikanta Pandit	DVC
11.	Debshankar Ghosh	DVC
12.	Satish Kumar	DVC
13.	Suman Kumar Bose	DVC
14.	Subodh Dutta	DVC
15.	Abhijeet Charkraborty	DVC
16.	Subir Bhadra	DVC
17.	Ashok Kumar Jha	DVC
18.	Rajesh Kumar	DVC
19.	Sudhir Das	DVC
20.	Amit Sharma	DVC
21.	RS Sharma	DVC
22.	Anuj Kumar	DVC
23.	Prava Kumar Das	DVC
24.	Arnab Mitra	DVC
25.	Sandip Pal	DVC
26.	Rajib Goswami	DVC
27.	Debshish Dey	DVC
28.	Anirban Banopadhyay	DVC
29.	Sandep Neogi	DVC
30.	Hari Budhia	Association of DVC HT Consumers of Jharkhand
31.	Pramod Agarwal	Association of DVC HT Consumers of Jharkhand
32.	Bhushan Rastogi	Association of DVC HT Consumers of Jharkhand
33.	Shreemant Dhuri	Association of DVC HT Consumers of Jharkhand
34.	Sandip Saraogi	Association of DVC HT Consumers of Jharkhand
35.	Amarjeet Singh Saluja	Association of DVC HT Consumers of Jharkhand
36.	Abhishedk Kanodia	Association of DVC HT Consumers of Jharkhand
37.	Amit Agarwal	Association of DVC HT Consumers of Jharkhand



Sr. No.	Name	Address/Organization
38.	Jeetendra Agarwal	Bistupur, Jamshedpur
39.	Pulak Chatterjee	Dhanbad
40.	A N Choudhary	TSUISL
41.	V P Singh	TSL
42.	Rakesh	Shree Bholey Alloys
43.	Rishi Nandan	JBVNL
44.	Binod Agarwal	Shivam Iron & Steel Co. Ltd.
45.	Ravi Prakash Tiwari	Dy. Director (HR), DVC
46.	Anita Das	JBVNL