Jharkhand State Electricity Regulatory Commission

Order on

True-up for FY 2021-22,

Annual Performance Review for FY 2022-23, and

Aggregate Revenue Requirement & Tariff for

FY 2023-24

for

Damodar Valley Corporation (DVC)

JANUARY 22, 2024

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List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
CEA	Central Electricity Authority
COD	Commercial Operation Date
CFBC	Circulating Fluidized Bed Combustion
CCL	Central Coalfield Limited
CIL	Coal India Limited
ECR	Energy Charge Rate
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GHR	Gross Station Heat Rate
GoI	Government of India
GoJ	Government of Jharkhand
IoWC	Interest on Working Capital
IPL	Inland Power Limited
JBVNL	Jharkhand Bijli Vitran Nigam Limited
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
JUVNL	Jharkhand Urja Vikas Nigam Limited
kCal	Kilocalorie
kg	Kilogram
kWh	Kilowatt-hour
MAT	Minimum Alternative Tax
ML	Millilitre
MOU	Memorandum of Understanding
MT	Metric Tonnes
MU	Million Units
MW	Megawatt
MYT	Multi-Year Tariff
NAPAF	Normative Annual Plant Availability Factor
O&M	Operations and Maintenance
PAF	Plant Availability Factor
PLF	Plant Load Factor
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
RoE	Return on Equity
Rs.	Rupees
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SLDC	State Load Dispatch Centre
SLM	Straight Line Method

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Before

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 01 of 2023

In the matter of:

Petition for
True-up for FY 2021-22,
Annual Performance Review for FY 2022-23, and
Aggregate Revenue Requirement & Tariff for FY 2023-24

In the matter:

Damodar Valley Corporation (DVC) ……………………………………………….**Petitioner**

PRESENT

Hon'ble Justice Amitav Kumar Gupta	Chairperson
Shri Mahendra Prasad	Member (Legal)
Shri Atul Kumar	Member (Technical)

Order dated January 22, 2024

Damodar Valley Corporation (hereinafter referred to as 'DVC' or the 'Petitioner') filed a Petition dated December 30, 2022 for the approval of True-up for FY 2021-22, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24 for the distribution of electricity in its licensed area in the State of Jharkhand.

Chapter 1: Introduction

Jharkhand State Electricity Regulatory Commission

1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as "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 maybe, 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 JSERC is discharging its functions as prescribed in Section 86 of the Act.

1.4 In accordance with provisions of the said 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 licenses 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) ofsub-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 advises the State Government 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 guided by the National Tariff Policy framed and published by Government of India under the provisions of Section3 of the Act. The objectives of the present 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.

The Petitioner - 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 license to supply electricity in the State of Jharkhand.

The Petitioner's Prayers

1.11 The Petitioner in these Petitions have made the following prayers: -

a) Admit the present petition, undertake the True-up of the Aggregated Revenue Requirement (ARR) for FY 2021-22, determine the Annual Performance Review (APR) for FY 2022-23 and Aggregate Revenue Requirement (ARR) and Retail Tariff for FY 2023-24 based on the submissions herein made by DVC;

b) Determine the tariff schedule for applicable category of consumers/licensees based on the submissions made in the present petition;

c) Admit and pass the regulatory assets created from FY 2012-13 to FY 2022-23 as proposed by DVC due to the revision of Tariff orders of DVC in line with the Order dtd. 30.09.2020 passed by this Hon'ble Commission and in line with the National tariff policy, 2016;

d) Settle other commercial terms and conditions as proposed in the instant petition;

e) Pass such other order(s) as this Hon'ble Commission may deem fit and proper keeping in view the facts and circumstances of the case.

Scope of the Present Order

1.12 The Petitioner filed the current Petition for True-up for FY 2021-22, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24. The Commission has considered the submissions made by the Petitioner and the Stakeholders on the Petition, and by this Order has therefore approved the True-up for FY 2021-22, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24.

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

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

1.14 Accordingly, the Commission had scrutinized the Petition in detail and hereby issues the Order on the True-up for FY 2021-22, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24.

Chapter 2: Procedural History

Background

2.1 The Commission issued Order on True-up for FY 2016-17, Annual Performance Review for FY 2017-18 & FY 2018-19 and determination of ARR & Tariff for FY 2019-20, dated May 28, 2019.

2.2 The Commission has also issued Order on True-up for FY 2017-18 vide its Order dated September 29, 2020.

2.3 The Commission has approved the True up for FY 2018-19, Annual Performance Review for FY 2019-20 and ARR & Tariff for FY 2020-21 on September 30, 2020 while disposing the Petition No. 01 of 2020 & 02 of 2020.

2.4 The Commission has approved the True-up for FY 2019-20 and Annual Performance Review for FY 2020-21 vide Order dated January 30, 2023.

2.5 Further, the Commission vide Order dated January 30, 2023 has approved the Petition for MYT for the Control Period from FY 2021-22 to FY 2025-26 and Tariff determination for FY 2021-22.

2.6 Petitioner filled a Petition, on September 21, 2022 for the approval of True-up for FY 2020-21 before the Commission, for which a separate Order is being issued.

2.7 The Petitioner in the current Petition, has filed for the approval of True-up for FY 2021-22, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24 before the Commission.

DVC Case History

2.8 Central Electricity Regulatory Commission (CERC) by Order dated October 03, 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 01, 2006 to March 31, 2009.

2.9 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.

2.10 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 sub-judice before the Hon'ble APTEL and there was a direction for not passing any final retail tariff Order, the Commission kept the Petition pending awaiting final order of the Hon'ble APTEL.

2.11 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)***

2.12 Hon'ble APTEL, by its Order dated May 10, 2010, further 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."

2.13 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)***

2.14 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.

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

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

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

2010-11 and FY 2011-12 to be adjusted once the final decision is made in this regard.

5.8 In view of above, the Commission is of the opinion that as the True up for period FY 2006-07 to FY 2008-09 is still subject to final judgement of the Hon'ble Supreme Court with respect to the appeal No. C.A. No. 4881/2010 filed by DVC against the Order of 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."

2.17 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 ARR for FY 2006- 07 to FY 2012-13. The Hon'ble APTEL, agreeing with the view of the Commission that the matter of True-up was sub-judice, upheld the Order of the Commission. Anjaney Ferro Alloys preferred an appeal before the Hon'ble Supreme Court of India (CA No. 7383/2016) against the Order dated March 23, 2016 passed by the Hon'ble APTEL.

2.18 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."

2.19 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.

2.20 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."

2.21 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)***.

2.22 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."

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

Information Gaps in the Petition

2.24 As part of tariff determination exercise, several deficiencies/information gaps were observed in the Petition submitted by the Petitioner which was communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 1 of 2023/412 dated February 27, 2023.

2.25 The Petitioner submitted its response to the aforesaid letter and furnished additional data/information letter no. Coml./Tariff/JSERC/831 dated April 6, 2023.

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

2.27 In order to provide adequate opportunity to all stakeholders and general public as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulation(s) framed by the Commission and further in order to ensure transparency in the process of tariff determination, the Commission decided to conduct public hearings on July 26, 2023 at Koderma and on July 28, 2023 at Giridih for inviting comments/suggestion/objection.

Inviting Public Comments/ Suggestions

2.28 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 Petition to the members of general public on request.

2.29 The aforesaid 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

Sl. No.	Newspaper	Version	Date of Publication
1.	Times of India - Ranchi	English	23.02.2023 & 24.02.2023
2.	Sanmarg - Ranchi	Hindi	23.02.2023 & 24.02.2023
3.	Morning India – Ranchi	English	23.02.2023 & 24.02.2023
4.	Dainik Jagran - Ranchi, Dhanbad & Jamshedpur	Hindi	23.02.2023 & 24.02.2023

2.30 Subsequently, the Commission also issued a notice on its website www.jserc.org and in various newspapers for conducting the public hearing on the Petition filed by the Petitioner. The newspapers wherein the notice for public hearing was issued by the Commission are detailed hereunder:

TABLE 2: LIST OF NEWSPAPERS AND DATES OF PUBLICATION OF PUBLIC NOTICE BY THE COMMISSION

Sl. No.	Newspaper	Date of Publication
1.	Prabhat Khabar	06.07.2023
2.	Dainik Bhaskar	06.07.2023
3.	Times of India	06.07.2023
4.	Moring India	06.07.2023
5.	Hindustan Dainik	18.07.2020
6.	Prabhat Khabar	18.07.2020
7.	Times of India	18.07.2020
8.	Moring India	18.07.2020

Submission of Comments/ Suggestions and Conduct of Public Hearing

2.31 The public hearings were held on July 26, 2023 at Koderma and on July 28, 2023 at Giridih.

2.32 Comments/Suggestions on the Petition were received. The Comments/Suggestions of the Public, Petitioner's responses and Commission's views thereon are detailed in Section A4 of this Order.

Chapter 3: Brief Facts of the Petition

True-up for FY 2021-22

3.1 The summary of Aggregate Revenue Requirement for FY 2021-22 as approved in the MYT Tariff Order dated January 30, 2023 vis-a-vis that claimed by the Petitioner is tabulated below:

TABLE 3: AGGREGATE REVENUE REQUIREMENT FOR FY 2021-22 AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	MYT	Petition
Own Generation Cost	7,371.59	8,191.88
Power Purchase cost	465.29	1,178.36
Add: Interest on Temp Financial Accommodation	20.88	276.08
Less: Non-Tariff Income (NTI)	26.84	48.47
Add: Tariff filling & publication exp. (CERC)	7.38	4.60
Add: Legal Charges & consultancy Fees	-	10.43
Add: Environmental Protection & other Cess	0.10	0.68
Less: Gain sharing from UI export	-	3.68
Gross-ARR	7,838.39	9,609.87
ARR-Jharkhand part (in the ratio of sales)	3,732.49	4,372.80
Add: Rebate on Sale of power	40.95	53.39
Add: Cost of RE power/REC (Jharkhand)	307.53	117.82
Add: Tariff filling & publication Exp. (Jharkhand)	1.09	0.45
Add: Interest on security deposit in Jharkhand	8.75	10.06
Interest on Working Capital (Jharkhand)	4.30	66.04
Total-ARR (Jharkhand)	**4,095.11**	**4,620.56**
Sale in Jharkhand (MU)	**7,664.85**	**8,198.88**
Avg Cost of Supply (Rs./kWh)	**5.34**	**5.64**

Particulars	MYT	Petition
ARR allocated in the state of Jharkhand	4,095.11	4,620.56
Revenue billed in Jharkhand (As per Audited Annual Accounts)	-	3,511.26
FPPPA Billed in FY 2021-22	-	14.34
Revenue Realized in Jharkhand	-	3,358.23

Annual Performance Review (APR) for FY 2022-23

3.2 The summary of Aggregate Revenue Requirement for FY 2022-23 as approved in the MYT Tariff Order dated January 30, 2023 vis-a-vis that claimed by the Petitioner is tabulated below:

TABLE 4: AGGREGATE REVENUE REQUIREMENT FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	MYT	Petition
Own Generation Cost	7,561.18	10,561.20
Power Purchase cost	264.96	934.44

Particulars	MYT	Petition
Add: Interest on Temp Financial Accommodation	22.00	56.57
Less: Non-Tariff Income (NTI)	28.29	60.61
Add: Tariff filling & publication exp. (CERC)	7.38	4.65
Add: Legal Charges & consultancy Fees	-	6.81
Add: Environmental Protection & other Cess	0.10	0.80
Less: Gain sharing from UI export	-	
Gross-ARR	7,827.33	11,503.85
ARR-Jharkhand part (in the ratio of sales)	3,764.03	5,287.38
Add: Rebate on Sale of power	41.71	121.22
Add: Cost of RE power/REC (Jharkhand)	350.26	553.56
Add: Tariff filling & publication Exp. (Jharkhand)	1.09	0.75
Add: Interest on security deposit in Jharkhand	9.38	11.79
Interest on Working Capital (Jharkhand)	4.38	86.48
Total-ARR (Jharkhand)	**4,170.86**	**6,061.19**
Sale in Jharkhand (MU)	**7,919.35**	**8,714.72**
Avg Cost of Supply (Rs./kWh)	**5.27**	**6.96**

Aggregate Revenue Requirement (ARR) for FY 2023-24

3.3 The summary of Aggregate Revenue Requirement for FY 2023-24 as approved in the MYT Tariff Order dated January 30, 2023 vis-a-vis that claimed by the Petitioner is tabulated below:

TABLE 5: AGGREGATE REVENUE REQUIREMENT FOR FY 2023-24 AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	MYT	Petition
Own Generation Cost	7,472.23	11,147.34
Power Purchase cost	273.20	963.77
Add: Interest on Temp Financial Accommodation	23.43	60.52
Less: Non-Tariff Income (NTI)	30.13	64.84
Add: Tariff filling & publication exp. (CERC)	7.38	4.69
Add: Legal Charges & consultancy Fees	-	6.94
Add: Environmental Protection & other Cess	0.10	0.84
Less: Gain sharing from UI export	-	
Gross-ARR	7,746.21	12,119.26
ARR-Jharkhand part (in the ratio of sales)	3,761.47	5,627.23
Add: Rebate on Sale of power	42.14	129.68
Add: Cost of RE power/REC (Jharkhand)	394.80	619.42
Add: Tariff filling & publication Exp. (Jharkhand)	1.09	0.78
Add: Interest on security deposit in Jharkhand	9.87	14.44
Interest on Working Capital (Jharkhand)	4.42	92.49
Total-ARR (Jharkhand)	**4,213.80**	**6,484.04**
Sale in Jharkhand (MU)	**8,182.31**	**9,267.52**
Avg Cost of Supply (Rs./kWh)	**5.15**	**7.00**

Chapter 4: Public Consultation Process

4.1 The Petition filed by the Petitioner evoked responses from several Stakeholders. Public hearings were held on July 26, 2023 at Koderma and on July 28, 2023 at Giridih to ensure 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 attendees is attached as **Annexure-I** to this Order.

4.2 The Comments/Suggestion of the members of the Public along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

True-up for FY 2021-22

Recovery of Contribution to P&G Fund and Sinking Fund with applying Availability Factor

Public Comments/Suggestions

4.3 The Objector strongly contests the prayer of DVC seeking recovery of contribution to P&G Fund and Sinking Fund without factoring the availability factors like that applicable for recovery of the AFC consisting of elements defined in CERC Tariff Regulations.

4.4 Such an approach is contrary to the CERC Regulations as well as past Orders issued by Hon'ble APTEL and Hon'ble JSERC/ WBERC. The grounds for objections on this account are summarized below:

- JSERC Order dated 04.09.2014 in the matter of "Multi Year Order for Determination of ARR from FY 2013-14 to FY 2015-16 and Retail Supply Tariff for DVC Command area of Jharkhand" with regard to Pension and Gratuity is observed as follows:

  "***<u>Commission's Analysis</u>***

  6.72 The Commission is of the view that the contribution to Pension and Gratuity and Sinking fund has already been considered by CERC in the Annual Fixed Charges of the DVC's generating stations and as per Section 21 of the CERC Regulations, the fixed costs of the generating stations shall be computed on annual basis based on *actual plant availability factor as well as the normative plant availability factor. Hence, the claim of the Petitioner finds no merit and accordingly the Commission has disallowed the cost claimed by the Petitioner under this head."*

- APTEL judgment dated 23.03.2016 in Appeal No. 255 of 2014 with regard to treatment of Pension and Gratuity costs. The relevant extract of the said judgment is reproduced below:

"(k) As regards the another issue of pension & gratuity and sinking fund contribution, the State Commission in its Impugned Order dated 04.09.2014 vide para 6.72 states as follows:

"6.72 The Commission is of the view that the contribution to Pension and Gratuity and Sinking fund has already been considered by CERC in the Annual Fixed Charges of the DVC's generating stations and as per Section 21 of the CERC Regulations, the fixed costs of the generating stations shall be computed on annual basis based on actual plant availability factor as well as the normative plant availability factor. Hence, the claim of the Petitioner finds no merit and accordingly the Commission has disallowed the cost claimed by the Petitioner under this head."

The State Commission has stated that the pension & gratuity and sinking fund has been appropriately considered by the Central Commission while determining tariff of generating stations of the Appellant and hence the State Commission has not undertaken any determination/ re-determination on the same and this cost has in fact been allowed as input cost as part of the power procurement cost from the Appellant's generating stations and as such no part of it is required to be re-determined by the State Commission. ***We are in agreement with the State Commission's findings as above****."*

4.5 As is evident from the above findings of the Hon'ble APTEL, the issue of adjustment of contribution to P&G and sinking fund based on the actual availability has already been settled by Hon'ble APTEL as well as by both Hon'ble JSERC & WBERC in a plethora of Orders. The Petitioner, despite being fully aware of this fact is trying to rake up the same issue every time before this Hon'ble Commission. The Petitioner has continued to do the same in the current petition, intentionally mentioning selective portions of various orders out of context, so as to mislead the Hon'ble Commission. The Objector humbly requests the Hon'ble Commission to reprimand the Petitioner for such conduct and issue strict directions for not raising the same issue repeatedly before the Hon'ble Commission.

Petitioner Response

4.6 It may please be noted that Hon'ble Supreme Court, in the order dtd. 23.07.2018 in Civil Appeal Nos. 971-973 of 2008, 4289 of 2008 and 4504 – 4508 of 2008, has upheld the judgment dtd. 23.11.2007 passed by the Hon'ble APTEL. Accordingly, the portions of DVC Act 1948 so far as they are not inconsistent with the Electricity Act 2003 will continue to hold ground for determination of tariff (ref. fourth proviso of Section 14 of the Electricity Act 2003). While issuing the judgment dtd. 23.11.2007, the Hon'ble APTEL on the issue of Contribution to the Pension & Gratuity Fund (P&G fund) and Sinking Fund held as under:

"D.3 As a general rule, once the Commission, after prudence check, has agreed with the need for funding the Pension and Gratuity Contribution funds, DVC should have been allowed to recover entire amount from the consumers through the tariff. Asking DVC to contribute out of its own 8 resources would tantamount to denying it the return on equity as assured in terms of Tariff Regulations. However, if we look at it from the point of view of the consumers, the consumers, particularly the industrial and commercial ones, have now no option to adjust their sale price to take into consideration the need for meeting the accumulated liability. It is, therefore, an accepted fact that due to postponing of the creation of such fund, the consumers were enjoying lesser tariff than the legitimate tariff otherwise applicable to them."

"E.15 As regards sinking funds which is established with the approval of Comptroller and Accountant General of India vide letter dated December 29, 1992 under the provision of Section 40 of the DVC Act is to be taken as an item of expenditure to be recovered through tariff, as brought out in para 82 earlier."

4.7 Accordingly, DVC is entitled to recover through tariff the entire contribution to the Pension and Gratuity (P&G) Fund and Sinking Fund, as approved by the

Hon'ble CERC. As such it may be concluded that recovery of expenditure towards contribution to the P&G fund and Sinking fund as already approved by the Hon'ble CERC may be recovered by DVC in full i.e. without further factoring the Plant Availability Factor or Transmission Availability Factor as the case may be since it may increase or decrease the recovery as compared to that approved amount.

4.8 Further DVC would like to draw kind attention to Regulation 15 and 42 of CERC "Terms and Conditions of Tariff" Regulations 2019 which is reproduced below;

"15. Capacity Charges: The Capacity charges shall be derived on the basis of annual fixed cost. The Annual Fixed Cost (AFC) of a generating station or a transmission system including communication system shall consist of the following components:

(a) Return on equity;

(b) Interest on loan capital;

(c) Depreciation;

(d) Interest on working capital; and

(e) Operation and maintenance expenses"

"42. Computation and Payment of Capacity Charge for Thermal Generating Stations:

…

(2) The capacity charge payable to a thermal generating station for a calendar month shall be calculated in accordance with the following formulae:

…

CCp1 = (0.20 x AFC) x (1/12) x (PAFMp1 / NAPAF) subject to ceiling of (0.20 x AFC) x (1/12)

CCp2 = {(0.20 x AFC) x (1/6) x (PAFMp2 / NAPAF) subject to ceiling of (0.20 x AFC) x (1/6)} – CCp1

…

CCop1 = (0.80 x AFC) x (1/12) x (PAFMop1 / NAPAF) subject to ceiling of (0.80 x AFC) x (1/12)

CCop2 = {(0.80 x AFC) x (1/6) x (PAFMop2 / NAPAF) subject to ceiling of (0.80 x AFC) x (1/6)} – CCop1

…"

4.9 From the above fact it is clear that defined elements of AFC does not include contribution to P&G Fund and Sinking Fund for the obvious reason that these elements are considered for DVC as a special case. Plant availability factor is applicable on the elements of AFC as defined under Regulation 10.15 and not on the other elements considered as a special case for DVC. Moreover, these elements are also not considered for computation of Working Capital and Interest on Working Capital. Hence, DVC has not factored in PAFY in respect of contribution to P&G Fund and Sinking Fund of CERC's approved tariff wherein such additional and special elements have been indicated separately.

4.10 Regarding the claim of the respondent that the issue has been settled by the Hon'ble APTEL vide order dated 23.03.2016, it is submitted that, DVC has challenged the said orders before Hon'ble Supreme Court. Hon'ble Supreme Court vide order dated 02.01.2017 in civil appeal no 8317 of 2016 has held as follows,

> *"The consideration by the Commission would naturally be made without being influenced by the order passed by the Appellate Tribunal for Electricity."*

4.11 Thereafter, the Commission vide orders dated 18.05.2018, 28.05.2019, 29.09.2020 and 30.09.2020 did not approve the claim of DVC regarding recovery of P&G and Sinking fund without linking with availability factor. DVC has filed appeals against the said orders of this Hon'ble Commission before the Hon'ble Tribunal. Such appeals are presently pending before the Tribunal. Therefore, the claim of the objector that the issue is settled by the Hon'ble Tribunal is incorrect.

4.12 In light of the above, the calculation shown by the objector is devoid of any merit therefore does not call for any reply and is liable to be rejected.

Views of the Commission

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

Annual Fixed Charges to be considered as per the latest available CERC Orders on DVC Gencos/ T&D

Public Comments/Suggestions

4.14 DVC in the instant Petition has claimed Fixed charges for own Gencos based as below:

- For MTPS U4 and T&D system – CERC Order on the True up of FY 2014-19 and FY 2019-24 has been considered.
- For rest of the plants - CERC Order on the True up of FY 2009-14 and FY 2014-19 has been considered.

4.15 It is humbly submitted that as on 15.06.2023, CERC has approved True up of FY 2014-19 and ARR for FY 2019-24 for all plants (incl. T&D system) of DVC except KTPS U#1-2, DSTPS U#1-2, CTPS U#7-8, BTPS U-A, BTPS U#1-3. The latest status depicting the status of CERC Orders in the matter of True up of FY 2014-19 and ARR for FY 2019-24 of DVC Gencos (incl. T&D system) is depicted below for the kind consideration of the Hon'ble Commission:

Status of CERC Orders for DVC Gencos and T&D system for the ARR of FY 2019-24

S. No.	True up (2014-19) & Provisional (2019-24) Tariff Petition for Station/T&D	Petition No.	Present Status
1	T&D - Existing Lines	482/TT/2020	Tariff Order issued on 10.6.2022 Corrigendum issued on 23.7.2022
2	DTPS unit-3 & 4	567/GT/2020	Tariff Order issued on 19.05.2023
3	T&D-New Lines	713/TT/2020	Tariff Order issued on 2.3.2022
4	T&D-ISTS	466/TT/2020	Tariff Order issued on 28.2.2022
5	Tilaya Hydel Power Station	572/GT/2020	Tariff Order issued on 16.3.2023
6	Panchet Hydel Power Station	566/GT/2020	Tariff Order issued on 28.2.2023
7	Maithon Hydel Power Station	578/GT/2020	Tariff Order issued on 16.2.2023
8	RTPS unit-1 & 2	575/GT/2020	Tariff Order issued on 29.4.2023
9	MTPS unit-7 & 8	568/GT/2020	Tariff Order issued on 27.4.2023
10	MTPS unit 4	205/GT/2020	Tariff Order issued on 30.11.2022 Corrigendum issued on 27.1.2023
11	MTPS unit-5 & 6	571/GT/2020	Tariff Order issued on 14.3.2022
12	MTPS unit-1-3	577/GT/2020	Tariff Order issued on 17.2.2023
13	KTPS unit-1 & 2	564/GT/2020	Order Reserved
14	DSTPS unit-1 & 2	573/GT/2020	Order Reserved
15	CTPS unit-7 & 8	570/GT/2020	Order Reserved
16	CTPS unit-1-3	565/GT/2020	Tariff Order issued on 27.4.2023
17	BTPS unit-A	574/GT/2020	Order Reserved
18	BTPS unit-1-3	569/GT/2020	Order Reserved

4.16 In view of the above, it is humbly submitted that the Hon'ble Commission may consider the latest available CERC Orders for consideration of AFC for the computation of Fixed Charges recoverable by DVC from own consumers. It is pertinent to point out that the Hon'ble Commission has also adopted the said approach in the Order dated 30.01.2023 in the matter of True-up of ARR for FY 2019-20. The relevant extracts depicting the Hon'ble Commission's approach is depicted below:

*"**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. ***The Commission has considered the ARR approved for T&D business as per the latest CERC Order dated March 02, 2022 and July 23, 2022 and cost of generating station i.e. MTPS U#4 as per CERC Order dated November 30, 2022 while approving the power purchase cost for FY 2019-20."***

4.17 In view of the aforesaid, it is respectfully submitted that the latest available CERC Orders may be referred to by this Hon'ble Commission so as to ensure that optimum recovery of cost takes place.

Petitioner Response

4.18 DVC submits that True-up petition for FY 2021-22, was submitted before the Hon'ble Commission on 31.12.2022. At that point of time, Hon'ble CERC issued tariff orders in respect of generating station MTPS U#4 and T&D system of DVC for the period 2019-24 only. Accordingly, DVC has considered the latest AFC in respect of MTPS U#4 and T&D System of DVC for FY 2019-24 and AFC for rest of the plants as per the Tariff Order of FY 2014-19. DVC has never opposed that the latest Tariff Order as issued by CERC is not to be considered in the ARR.

4.19 It is humbly submitted that as on 31.07.2023, CERC has approved True-up for FY 2014-19 and Tariff for FY 2019-24 for all plants (BTPS U#1-3, CTPS U#1-3, MTPS U#1-3, MTPS U#5-6, MTPS U#7-8, CTPS U#7-8, DSTPS U#1-2, KTPS U#1-2, RTPS U#1-2) except BTPS 'A'. An updated list indicating the status of the Tariff Order for the period 2019-24 is tabulated below, Tariff order of DVC Own Generating Stations issued by CERC for the period FY 2019-24 which also include truing up for the period 2014-19 (except BTPS-A)

Station	Date of CERC order
DTPS U#4	19.05.2023
MTPS U#1 to 3	17.02.2023
MTPS U#4	30.11.2022
MHS	16.02.2023
PHS	28.02.2023
THS	16.03.2023
T&D System	23.07.2022 02.03.2022
MTPS U#5 & 6	14.03.2023
CTPS U# 7 & 8	16.06.2023
MTPS U#7 & 8	27.04.2023
DSTPS U#1 & 2	03.07.2023
KTPS U#1 & 2	20.07.2023
RTPS U#1 & 2	29.04.2023
BTPS 'A'	30.05.2018

Note: Tariff order in respect of BTPS 'A' has not been issued by CERC till now.

4.20 It is also pertinent to mention here that, in the Tariff Order of FY 2019-24 period, in respect of the generating stations, as per notification of Ministry of Environment, Forest and Climate Change, Hon'ble CERC has allowed the Ash Evacuation Expenses as separate element to be recovered from the beneficiary separately. Accordingly, such expenses have been allowed in the AFC order as separate item and below the main table of the AFC. Therefore, such expenses are to be recovered from the beneficiary without linking the plant availability factor.

4.21 In this regard DVC submits before Hon'ble Commission to kindly consider the latest AFC issued by Hon'ble CERC in respect of generating station and T&D and consider the above calculation as an integral part of the petition.

Views of the Commission

4.22 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Energy Charges Rate of DVC Own Gencos

Public Comments/Suggestions

4.23 The ECR claimed by DVC for Own Gencos indicates a clear bias towards allocation of expensive power for own consumption. The table below depicting the plant wise ECR vis-a-vis % firm allocation for each of DVC own gencos:

DVC (own gencos) plant wise ECR vs % allocation to firm consumers

Station	FY 2021-22		FY 2020-21	
	ECR (P/Kwh) Actual	% firm allocation	ECR (P/Kwh) Actual	% firm allocation
DTPS U# 4	388.0	100%	378.5	100%
MTPS U#1 to 3	319.7	100%	299.0	100%
MTPS U# 4	318.5	100%	299.4	100%
MTPS U#5 & 6	304.4	73%	294.7	72%
MTPS U# 7&8	290.1	22%	275.1	16%
CTPS U# 7&8	**267.1**	**6%**	**256.8**	**0%**
DSTPS U 1 & 2	294.2	60%	289.6	71%
KTPS U# 1 & 2	**264.2**	**5%**	**249.3**	**2%**
BTPS 'A'	**227.3**	**59%**	**225.9**	**56%**
RTPS U # 1 & 2	306.3	44%	294.2	40%

4.24 From the above table, it could be inferred that the cheapest plant of DVC own genco has been least allocated for the firm consumers. KTPS, CTPS (U#7-8) being the newest plants running at optimum performance parameters (i.e. at least cost) however the same are providing the least power for DVC's own consumers. Based on the above assessment, the following questions are pertinent to be raised:

- On what premise is the DVC Owned Genco being allocated for own consumption – DVC should be directed to provide the details of how the allocation for firm consumers is fixed.
- Further, the allocation of power from own gencos is also not fixed (as evident from FY 2021-22 vs FY 2020-21 % allocation data); therefore, there is lack of transparency as to whether or not there is a case of profiteering. The Hon'ble Commission is humbly requested to kindly seek adequate details from the Petitioner in this regard.

4.25 In view of the lack of clarity on the above heads, the Objector humbly submits that the plant wise ECR claimed by DVC is inappropriate and in the interest of own consumers of DVC, the overall pooled ECR must be allowed to be recovered through Tariff. In such connection, the Objector has computed the overall ECR for DVC Own Gencos which comes out to be Rs. 2.91/ unit. The computation of the same is shown below:

Allowable ECR for DVC Own gencos for the FY 2021-22

Particulars	Value	Remarks
Cost of power (Rs. Crore)	11,169.9	Audited Accounts
Energy generated from own gencos (MU)	38,379.9	Tariff Formats
Rate (Rs. /unit)	**2.910**	

4.26 Based on the aforesaid discussions, the Objector has assessed the allowable Own Generation Cost (Fixed and Energy Charges) of DVC Stations and T&D System for the True up of FY 2021-22 as shown in the table below:

Detailed computations of the Allowable Fixed Charges for DVC Own Gencos for FY 2021-22

Station	Normative Availability (NAPAF)	Actual PAF-Y				Annual Fixed charge (incl. Sinking fund and P&G contribution) (AFC) (in Rs. Lakh)	Recoverable AFC (excl. Sinking Fund) (in Rs. Lakh)	Share of firm consumer (%)	Total Recoverable Fixed charge from Firm Consumers (in Rs. Lakh)
		HD-p	**HD-op**	**LD-p**	**LD-op**				
DTPS U# 4	74%	60.45%	60.68%	20.39%	20.04%	14275.61	5834.13	100.00%	5834.13
MTPS U#1 to 3	85%	80.70%	80.85%	87.20%	87.24%	42790.46	42264.50	100.00%	42264.50
MTPS U# 4	85%	103.00%	102.97%	94.12%	93.82%	14040.13	14040.13	100.00%	14040.13
MHS	80%	80.00%				2014.64	2014.64	100.00%	2014.64
PHS	80%	80.00%				1967.26	1967.26	100.00%	1967.26
THS	80%	80.00%				586.45	586.45	100.00%	586.45
T & D System	99.0%	99.67%				47630.72	47951.50	100.00%	47951.50
SUB-TOTAL						**123305.26**	**114658.60**		**114658.60**
MTPS U#5 & 6	85%	88.77%	88.83%	94.82%	94.66%	39026.09	39026.09	73.11%	28530.19
MTPS U# 7&8	85%	79.57%	79.18%	93.47%	93.34%	106839.45	105034.35	21.75%	22846.22
CTPS U # 7,8	85%	95.77%	95.76%	96.54%	96.42%	53060.03	53060.03	6.37%	3377.77
DSTPS U # 1& 2	85%	88.75%	88.52%	93.64%	93.38%	110416.69	110416.69	60.11%	66366.19
KTPS U # 1 & 2	85%	98.00%	98.29%	87.57%	86.87%	117573.67	117573.67	4.66%	5479.86
BTPS 'A'	85%	86.52%	86.44%	76.13%	75.94%	77188.94	71046.81	58.59%	41628.80
RTPS U # 1& 2	85%	81.20%	80.71%	72.98%	73.15%	140496.75	124026.74	43.53%	53994.35
SUB-TOTAL						**644601.62**	**620184.39**		**222223.38**
GRAND TOTAL						**767906.88**	**734842.99**		**336881.98**

Detailed computations of the Allowable Energy Charges for DVC Own Gencos for FY 2021-22

Station	FY 2021-22		
	ECR (P/Kwh)	Actual Energy (MU) for Firm Consumers	Energy charge (Rs. Lakh)
DTPS U# 4	**291.04**	177.83	5175.53
MTPS U#1 to 3	**291.04**	2902.36	84468.99
MTPS U# 4	**291.04**	1310.62	38143.56
HYDEL	-	486.94	4568.34
MTPS Solar PV	**291.04**	0.0235	0.7584
KTPS Solar PV	**291.04**	0.0259	1.0773
MTPS U#5 & 6	**291.04**	2271.70	66114.47
MTPS U# 7&8	**291.04**	1315.68	38290.77
CTPS U # 7,8	**291.04**	219.66	6393.00
DSTPS U # 1 & 2	**291.04**	3497.37	101785.72
KTPS U # 1 & 2	**291.04**	305.59	8893.61
BTPS 'A'	**291.04**	1654.40	48148.82
RTPS U # 1&2	**291.04**	2479.93	72174.68
Total (Thermal)		**16622.13**	**474159.32**

Petitioner Response

4.27 The allegation of the objector that there is a clear bias towards allocation of the expensive power for firm consumers is devoid of merit and hence denied. DVC hereby submits that allocation from old plants of DVC (i.e MTPS 1 to 4, DTPS U#4) is fully dedicated to firm consumers of DVC since COD of the plants. In this regard kind attention of this Hon'ble Commission is drawn to the objection previously raised in our earlier petition wherein it was demanded by the consumers that the low-cost power from the old stations should be allocated to the firm consumers first and the surplus power from the new station to be sold to licensees outside command area. Relevant portion of the objection as recorded in the Tariff order dated 04.09.2014 is reproduced below,

"4.7 The Objector submitted that as per the preamble of the DVC Act 1948, the utmost objective of DVC is to operate in the larger interest of the consumers in the command area i.e. Damodar Valley area. Earlier, the DVC used to cater to the supply of electricity in the command area only and surplus energy, if any, was sold to other licensees. However, recently, DVC has set up more generating stations and has tied up for supply of power to other state licensees such as MPPTCL, PSEB, HPGCL, BSES Rajdhani, BSES Yamuna etc. The sale of power to other licensees

outside command area has increased from 8.7% of the total energy input in FY 2006-07 to 44.3% of total energy input in FY 2013-14.

4.8 ***Further, the DVC Act, 1948 also states that low cost power from old stations should be allocated to consumers in command area and then surplus power from new stations should be sold to other licensees outside the command area.*** *The Objector submitted that the share of electricity supply to command area from old stations has been arbitrarily reduced by DVC from FY 2011-12 onwards and has been replaced with costly power from newer sources."*

4.28 Therefore, the old plants of DVC (i.e MTPS 1 to 4, DTPS U#4) is fully dedicated to firm consumers and DVC never signed any PPA from such generating stations for outside sale. Therefore, DVC has been continuing with same methodology to meet the consumer demand.

4.29 Based on the projection of surplus power from the new power plants DVC has signed PPA with the other licensees only after meeting the demand of firm consumers. DVC being vertically integrated there is no fixed allocation from its own generation for the firm sale to the consumers. However, DVC is committed to meet the consumer demand from own generation and purchase of power from other generators outside DVC & energy exchange. Details of such information is already submitted in the APR petition.

4.30 Regarding the allegation that the cheapest plant of DVC has been least allocated to firm consumer is wrong and denied and can be established from their objection only. Table - 4 of the objection reveals that BTPS 'A' has the lowest ECR which has been allocated around 60% to the firm consumers. Whereas the allocation from the other generating station having higher ECR, is far lower than BTPS 'A'. So, the analogy of the objector that the share of the higher cost generating stations have loaded to the firm consumers arbitrarily is refuted. The cost of the ECR of the own generating station has been claimed in the proportion of the generation utilised in the firm sale. Therefore, DVC humbly prays before this Hon'ble Commission to allow the cost of Energy Charge for the own generation of DVC as per its own settled methodology.

4.31 It is further submitted that the pooled energy charge, Rs 2.91/kWh as calculated by the objector (ref Table – 5 of the objection) is more than what have been claimed in the ARR for FY 2021-22 (Rs 2.90/kWh) as the average

ECR. Therefore, it is amply clear from their arithmetical calculation that DVC had not arbitrarily loaded the high cost generating stations on the firm consumers.

4.32 Accordingly, DVC prays before this Hon'ble Commission to kindly allow the actual Energy charge incurred for different power plants of DVC as per the earlier settled methodology.

Views of the Commission

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

Higher Allocation of T&D Charges to Firm Consumers

Public Comments/Suggestions

4.34 The sale portfolio of DVC can be divided into the following categories:

- Sale to firm consumers in the States of Jharkhand and West Bengal
- Export to PPA beneficiaries under schedule mode
- Sale of power to JBVNL, SAIL-BSL, JUSCO, TATA Steel, Indian Railways etc. at some points in consumer mode through its own transmission and distribution (T&D) network.

4.35 The recoverable Fixed Charges for T&D system of DVC is based on the CERC Orders and Transmission Availability based on which the recoverable Charges towards T&D system is computed as shown in the preceding section. However, it is respectfully submitted that since the T&D network of DVC is being utilised for (i) export of power to PPA beneficiaries under schedule mode outside and (ii) sale to JBVNL, SAIL-BSL, JUSCO, TATA Steel, Indian Railways etc. in consumer mode hence, the T&D system costs ought to be shared with such entities as well.

4.36 The break-up of the energy sales to firm consumers and outside command area consumers as per the data submitted in the Petition is tabulated below. Further, the proportionate share of AFC pertaining to T&D system for firm consumers (command area) is also computed and provided in the table below:

Allowable T&D Charges recoverable from firm consumers of DVC for the FY 2021-22

Particulars	Value
Outside Command Area of DVC (MUs)	21757.74
Within Command Area (MUs)	16622.13
Total Own Generation (MUs)	38379.88
Applicable (%) for Command Area	43.31%

Particulars	Value
T&D Charges as per AFC and TAF for Entire system	47,630.72
Allowable T&D AFCs for DVC Command Area (In ratio of Energy Utilization) (Cr.)	**20,628.63**

4.37 In view of the aforesaid, the summary of the proposed Disallowances in Own Generation Cost of DVC Stations and T&D System is provided in the table below:

Summary of Disallowances in Own Generation Cost for FY 2021-22

Particulars		FY 2021-22
Total Own Generation Cost as per Petitioner	A	8,191.88
Total Own Generation Cost as per Objector's Assessment	B	7,837.86
Disallowance in Own Generation Cost	**C=B-A**	**354.02**

Petitioner Response

4.38 The objection raised by the Consumer Association is misconstrued and liable to be rejected. The Objector has wrongly conceptualized regarding the power evacuation from Generating stations of DVC to different beneficiary of DVC.

4.39 It is humbly submitted that the sale to licensees in scheduled mode is undertaken by DVC in its capacity as generator and is guided by CERC regulation. Net scheduling is done at DVC periphery and thereafter the responsibility of evacuation of power through PGCIL network lies with the beneficiaries. The tariff of PGCIL network is being directly recovered from such licensees by PGCIL through POC mechanism. DVC's unified Transmission and Distribution network is utilized for consumer pooled power supply. However, there are some transmission assets of DVC which are being used to carry interstate powers, Tariff of such transmission assets is being determined by CERC and the same is recovered from the entire pool of AFC of CTU lines and currently being serviced through POC mechanism. Therefore, DVC did not include AFC of such lines in the ARR of its Distribution Activity.

4.40 Hon'ble CERC has determined the True-up for 2014-19 period and Tariff for 2019-24 period for the Transmission and Distribution Network of DVC in three separate orders as detailed below,

4.41 For, Non ISTS line Carrying ISTS Power – 28.02.2022

4.42 For New elements of unified T&D Network of DVC – 02.03.2022

4.43 For Exiting elements of Unified T&D Network of DVC – 10.06.2022 (Corrigendum Order dated 23.07.2022).

4.44 In the Tariff order dated 28.02.2022 for Non ISTS line carrying ISTS power, Hon'ble CERC under para 128 has held as under

> *128. We have considered the submissions of the Petitioner and our previous order dated 5.2.2020 in Petition No. 334/TT/2018 in respect of the transmission assets. With effect from 1.7.2011, sharing of transmission charges for inter-State transmission systems was governed by the provisions of the 2010 Sharing Regulations. With effect from 1.11.2020, (after the repeal of the 2010 Sharing Regulations), sharing of transmission charges is governed by the 2020 Sharing Regulations. Accordingly, the liabilities of the DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of respective Tariff Regulations and Sharing Regulations and shall be recovered from the concerned DICs through Bills under Regulation 15(2)(b) of the 2020 Sharing Regulations. Billing, collection and disbursement of the transmission charges for subsequent period shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations."*

4.45 Accordingly, in terms of the above directive, AFC of the above assets of T&D network of DVC is being recovered from the CTU and has not been included in the ARR of Distribution Activity.

4.46 Hon'ble CERC in the Tariff Order dated 02.03.2022 for the new element of the T&D network of DVC has held as under,

> *"137. The Commission vide order dated 5.2.2020 in Petition No. 335/TT/2018 had allowed the transmission charges to be recovered under Regulation 43 of the 2014 Tariff Regulations and the 2010 Sharing Regulations (i.e. PoC mechanism) only in case of 4 existing and new 400 kV inter-State transmission lines which were certified by ERPC as non-ISTS lines carrying ISTS power (i.e. deemed ISTS lines) with effect from 1.4.2017. Therefore, except for those 4 Transmission lines being treated as deemed ISTS lines, the Commission has consistently maintained that charges of all the other assets forming part of T&D System (old and new) of the Petitioner, shall be included as an input cost in the ARR and recovered from the distribution consumers on approval by WBERC and JSERC and shall not be included in the PoC pool.*

138. In line with order dated 5.2.2020 in Petition No. 335/TT/2018, the transmission charges allowed for the transmission assets for 2019-24 period shall be included as an input cost in ARR and recovered from the distribution consumers on approval by WBERC and JSERC. These charges shall not be included in common pool."

4.47 Similarly, Hon'ble CERC in the Tariff Order dated 10.06.2022 for the existing element of the T&D network of DVC has held as under,

"216. The Commission vide order dated 5.2.2020 in Petition No. 334/TT/2018 allowed the charges to be recovered under Regulation 43 of the 2014 Tariff Regulations and the 2010 Sharing Regulations (i.e. PoC mechanism) only in case of 4 number of existing and new 400 kV inter-State transmission lines which were certified by ERPC as non-ISTS lines carrying ISTS power (i.e. deemed ISTS lines) w.e.f. 1.4.2017. Therefore, except for those 4 numbers of 400 kV transmission lines being treated as deemed ISTS lines, the Commission has consistently maintained that charges of all the other transmission assets forming part of T&D System (old and new) of the Petitioner, shall be included as an input cost in the ARR and recovered from the distribution consumers on approval by WBSERC and JSERC and shall not be included in the PoC pool.

217. In line with order dated 9.8.2019 in Petition No. 150/TT/2018, the transmission charges allowed in respect of the transmission assets for 2019-24 period, in this order shall be included as an input cost in the ARR and recovered from the distribution consumers on approval by WBSERC and JSERC."

4.48 In line with the above directives of CERC, apart from the 4 (four) assets of Non-ISTS line carrying ISTS power, the other assets of DVC's Transmission and Distribution network are dedicated for the firm consumers.

Views of the Commission

4.49 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

UI Charges

Public Comments/Suggestions

4.50 It is respectfully submitted that UI charges are a commercial mechanism to maintain grid discipline. The UI charges penalises whosoever causes grid indiscipline, whether generator or distributor. Furthermore, Hon'ble CERC in its Statement of Reasons explaining the various provisions of UI regulations 2009 defines UI mechanism as follows:

> ***"UI pricing is expected to serve the twin objectives of specifying settlement rate for deviations from schedules in normal operating range and ensuring 'grid discipline' on the one hand while ensuring maximisation of generation at optimal cost for grid participants on the other. Further, UI pricing mechanism should discourage grid participants from using UI mechanism as trading instrument".***

4.51 Additionally, Hon'ble CERC in its SOR regarding Unscheduled Interchange charges and related matters Regulations, 2009 clearly states:

> ***"15.5. We are in agreement with the view that the UI charge and Additional UI charge shall truly act as financial dis-incentive only if UI cost for over-drawl beyond the prescribed limits in the frequency range of 49.2 to 49.5 Hz, and the payments towards any over-drawl below 49.2 Hz are not allowed as pass-through for the utilities as part of their annual revenue requirement.***
>
> *In order to sensitize the Utilities, consumers and other stakeholders for such persistent over-drawl, and to facilitate such dis-allowance by concerned State Electricity Regulatory Commissions, the Commission believes that the information about such over-drawl/under-generation should be readily available. RLDCs have accordingly been directed to prepare and publish on their respective website the records, of the UI Accounts, on monthly basis, specifying the quantum of over-drawl/under-generation and corresponding amount of UI paid/received for each beneficiary or buyer and generating station or seller for the time-blocks when grid frequency was below 49.2 Hz and between 49.5-49.2 Hz separately."*

4.52 Even, the Forum of Regulators, which is a representative body of central and state electricity regulatory commissions, in CERC press release dated 23.07.2009 has agreed that the additional unscheduled-interchange (UI) charges imposed on distribution utilities for excessive overdraw from the grid would not be allowed to be recovered from consumers with effect from 01.08.2009. The relevant extracts from the same is reproduced below:

"2. The Forum has considered the recommendation of the Parliamentary Standing Committee on Energy that the regulators should evolve such practice that when the Annual Return Rates are being filed, the damages which have been imposed as Unscheduled Interchange charges should be stated separately and very clearly and those payments which are in the nature of damages should not go to show purchase of power because that really is the inefficiency or incompetence of that particular distribution company or entity.

6. After this decision of the Forum of Regulators, the distribution utilities will now be required to forecast their demand more precisely and plan the power purchase in advance. Otherwise, they will have to bear the burden of additional UI charges from their own finances and will not be able to pass this on to the consumers. (CERC Statement in Press release)."

4.53 In the instant petitions, Petitioner has loaded UI energy in the power purchase cost amounting to a total of Rs. 130.39 Crores during FY 2021-22 which is actually the result of inefficiency or incompetence of DVC in managing its energy portfolio in an optimal manner.

4.54 In the view of the aforesaid matter, the Objector contests the inclusion of UI charges in the power purchase cost claimed by the Petitioner. The Hon'ble Commission is requested to disallow the amount pertaining to UI charges claimed by the Petitioner in Power Purchase Cost.

Proposed Disallowance in Power Purchase cost

Particulars	FY 2021-22
UI Charges claimed	130.39
UI Charges allowable	-
Disallowance in Power Purchase Cost as per Objector's Assessment	**130.39**

Petitioner Response

4.55 It is respectfully submitted that, the objective of the Unscheduled Interchange (UI) mechanism is to maintain grid discipline and stability through commercial mechanism. It is a well settled principle that the DC/Schedule of the next day is submitted to the respective RLDC on estimation basis in the evening of the previous day. Thereafter the actual over/under injection/drawal is taken care of by the UI mechanism through commercial terms as specified in the DSM regulation. The objector has alleged that due to inefficiency or incompetency on the part of DVC the UI cost was incurred. It is inferred from the said contention, that to be efficient in operation, the day ahead estimation of DC/Schedule need to be absolutely accurate for all 96 blocks and for 365 days which is not practically possible for any organization through software and AI application etc. on real time basis. Under the current scenario the UI is bound to happen to maintain the grid stability and therefore there is mechanism in place to take care of the deviation through commercial terms.

4.56 The objector has wrongly placed reliance on some old press release, and discussion paper. They have not shown any concrete Regulations or Act which mandates that the cost of UI arises due to inefficiency of the licensee, therefore should not be passed through in Tariff.

4.57 In fact under the present arrangement of power drawal by the Consumers in firm mode, they are free to reduce or increase their drawal irrespective of the grid frequency. But DVC being a grid connected entity is responsible for making payment in the form of UI/DSM charges for any over drawal from the grid or under injection into the grid. Whenever, there is difference between load and generation then only the net injection or drawal of UI comes into the picture and so also comes the commitment of UI payment. In fact, power so drawn through UI from the grid into the DVC system are being used by the consumers only. So, on one hand while Consumers are enjoying the uninterrupted power at the time of their overdrawal without sharing any responsibility to maintain the grid frequency at 50 cycles per second, on the other hand they are questioning the payment of UI charges by DVC.

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

4.59 Therefore, it is humbly prayed before this Hon'ble Commission to allow the cost of UI which has already been incurred to maintain the 24x7 power supply. It is also submitted that, this Hon'ble Commission has persistently over the years, allowed the cost of UI in its pervious True-up orders for DVC. Hon'ble WBERC has also allowed the cost of UI in its various past True-up orders.

Moreover, in accordance with the JSERC Distribution Tariff Regulation, 2020 for distribution activity, Power Purchase Cost which includes the UI purchase is uncontrollable in nature.

Views of the Commission

4.60 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

REC Charges

Public Comments/Suggestions

4.61 DVC has claimed Rs. 70.53 Crore towards REC charges for the FY 2021-22 in view of purchase of Solar and Non-solar REC amounting to Rs. 50.84 Crore and Rs. 19.69 Crore respectively.

4.62 It is humbly requested before the Hon'ble Commission not to allow any cost towards non fulfilment of RPO obligation. This is owing to the fact that RECs are associated with compliance but not with real exchange of power between the transacting parties. In such regard, the cost towards REC, as a means of RPO fulfilment, is a sunk cost.

4.63 Recognizing that the purchase of REC would result into additional burden onto the consumers without any real power being purchased, the Hon'ble Uttar Pradesh Electricity Regulatory Commission vide Regulation 7 of the Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 provides for the creation of RPO Regulatory fund the mandate of which is as follows:

*"**7. RPO Regulatory Fund***

> ***If the obligated entity does not fulfill its commitment towards minimum purchase from renewable energy sources during any year as provided in these regulations, the Commission may direct the obligated entity to deposit into a separate fund such amount as the Commission may determine on the basis of the shortfall in units of renewable purchase obligation, RPO Regulatory Charges and the forbearance price**. For this purpose, a fund shall be created and maintained by such obligated entity in accordance with the procedure as referred to in clause 8.2:*

Provided that RPO Regulatory Charges shall be equivalent to the applicable preferential tariff for solar or non-solar renewable energy sources or any other rate as may be stipulated by the Commission:

Provided further that the RPO Regulatory Fund so created shall be utilised, as may be directed by the Commission, for purchase of the certificates or for development of transmission and distribution infrastructure in the State related to generating stations based on renewable energy sources or in any other manner as may be stipulated by the Commission:

Provided further that the Commission may empower the State Agency to procure out of the amount available in the fund the required number of certificates from the Power Exchange:

Provided also that the obligated entity shall be in breach of these regulations if it fails to deposit the amount directed by the Commission within fifteen days from the date of communication of the direction:

Provided also that where any obligated entity fails to comply with the obligation to purchase the required percentage of power from renewable energy sources and/or the renewable energy certificates, it shall be liable for action as may be decided by the Commission."

4.64 The Petitioner submits that instead of incurring additional Power purchase cost on account of REC purchase for RPO fulfilment, these Regulations allow for the creation of RPO Regulatory fund which can be utilized for development of Capital works pertaining to Transmission and Distribution network. It is further submitted that since Utilities anyways incur Capital Expenditure for the development or upgradation of its network, the availability of such fund would make the utility draw less debt (or equity). This would relieve the burden of the consumers who would otherwise have been burdened by the additional Power purchase costs.

4.65 The Respondent submits that such provision is in the interest of the Utilities and consumers, thereby it is respectfully submitted before the Hon'ble Commission to make suitable amendments in the Tariff provisions to reduce the burden on the consumers of the state.

4.66 In view of the submissions made above, the Hon'ble Commission is requested to direct the Petitioner to deposit the amount equivalent to RPO shortfall in a separate RPO Fund which shall assist Utility in other development purposes and disallow the REC Cost amounting to Rs. 70.53 Crore.

Petitioner Response

4.67 The objector has cited a regulation of Hon'ble Uttar Pradesh Electricity Commission (Promotion of Green Energy through Renewable Purchase Obligation) and has stressed upon creation of a separate fund in place of purchase of REC. Ultimately, they have claimed that the cost of REC, which has already been incurred by DVC, to be dis-allowed as it is not consistent with the UPERC regulation. The claim of the objector is absolutely unjustified and misleading. Such proposed change in the regulation is to be prayed before the Commission separately by the objector which they have not done yet. Instead of adopting such way outs the objection herein appears to be arbitrary and misleading.

4.68 Needless to say, here that, as per Regulation A6 of the Jharkhand State Electricity Regulatory Commission (Renewable Energy Purchase Obligation and its compliance) Regulations, 2016, the Renewable Energy Certificate is a valid instrument for fulfilment of the Renewable Purchase Obligation. In accordance with such regulation of Hon'ble Commission, DVC has already acted upon and purchased the required REC to fulfil its RPO obligation. Therefore, DVC prays before this Hon'ble Commission to allow the cost of REC already purchased in the instant petition.

Views of the Commission

4.69 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Interest on Temporary Financial Accommodation

Public Comments/Suggestions

4.70 The Petitioner's claim towards Interest on temporary financial accommodation violates provisions contained in the erstwhile JSERC Distribution Tariff Regulations 2015 and JSERC Distribution Tariff Regulations 2020. It is well settled in law that the Appropriate Commission is bound to follow its own Regulations while framing Orders. There is no ARR item such as Interest on temporary financial accommodation in the JSERC Distribution Tariff

Regulations 2015 as well as JSERC Distribution Tariff Regulations 2020 and hence, such claim ought to be disallowed. Any reference to WBERC Regulations/ Order will not entitle DVC to claim such amount before the Hon'ble JSERC. Even in the JSERC Order dated 30.09.2020, the Hon'ble Commission has not allowed any item such as Interest on Temporary Accommodation for FY 2020-21.

4.71 The framework of the Tariff Regulations (Interest on Working Capital) along with Supply Code (Security Deposit) provide sufficient cushion and margin towards Working capital requirements.

4.72 The receivables position of DVC demonstrates that the Petitioner has allowed continuous power supply to JBVNL in spite of mounting receivable beyond the stipulated due dates of payment. This is contrasted with the fact that electricity supply of HT consumers is disconnected immediately upon payment of default. The approach of claiming Interest on Temporary Financial Accommodation is penalizing the timely paying customers at the cost of defaulter JBVNL. Such an approach promotes inefficiency and is against the interest of justice.

Proposed Disallowance in Interest on temporary Financial Accommodation

Particulars	FY 2021-22
Interest on temporary Financial Accommodation claimed by the Petitioner	276.08
Disallowance as per Objector's assessment	**276.08**

Petitioner Response

4.73 The grounds that have been raised now by the objector were already raised by them on earlier occasions. DVC has already submitted a detailed justification for requirement of Interest on temporary financial accommodation to be passed through in tariff in its True-up petition for FY 2016-17 submitted vide letter dated. 10.10.2018. In the said petition, DVC mentioned various judgement of Hon'ble APTEL which validates that interest on temporary financial accommodation is to be passed through in Tariff.

4.74 Hon'ble Commission, in its previous tariff orders dated 18.05.2018, 28.05.2019, 29.09.2020, 30.09.2020 and 30.01.2023 has already allowed the Interest on Temporary Financial Accommodation against the deduction of Delayed Payment Surcharge from the ARR. The relevant portion of the tariff order dated 30.09.2020 (True-up for FY 2018-19) is reproduce below

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

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

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

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

4.76 Regarding the contention of the Objector that the Hon'ble Commission has not allowed any item such as Interest on temporary financial Accommodation for FY 2020-21 in its order dtd. 30.09.2020 DVC submits that Hon'ble Commission has approved the ARR for distribution activity of DVC FY 2020-21 on provisional basis. Accordingly, Hon'ble Commission has not approved any cost towards Interest on temporary financial Accommodation for FY 2020-21. However, Hon'ble Commission has allowed Interest on Temporary Financial Accommodation for FY 2019-20 in its order dtd. 30.01.2023. Relevant portion of the order is reproduced below

"The Commission is of the view that the Petitioner to 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% per annum on the Principal Amount, whereas the interest rates for accommodating such shortfall is 12.55%. The Commission has approved the interest of 12.55% 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 2019-20	
	Petition	**Approved**
Delay Payment Surcharge (DPS)	*21.74*	*21.74*
Principal Amount Outstanding ***(DPS/18%)***	*120.76*	*120.76*
Interest on Temporary Financial Accommodation	*15.16*	*15.16*

Views of the Commission

4.77 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Rebate and discount allowed to consumers.

Public Comments/Suggestions

4.78 The Hon'ble Commission in its Tariff Order dated 30.09.2020 observed as follows:

"Commission's Analysis

5.56. 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."

4.79 It is respectfully submitted that each of the rebate prescribed in the terms and conditions of supply is either provided to the consumer as such rebate facilitates optimisation of cost for DVC or is in the form of disincentive to DVC for inaction. The same is explained below:

- Voltage Rebate – Such a rebate is to encourage consumers to move to higher voltage level as the losses on higher voltage is lower thereby leading to lower cost of service to DVC.
- Load Factor Rebate – Load Factor Rebate incentivises energy consumption by customers and it leads to better capacity utilisation of infrastructure to DVC and reduced losses. High load factor of consumers reduces the transmission losses and consequently power purchase cost. Higher load factor also reduces the transformer losses.

- Rebate for Online Payment and Due Date Payment – Timely and prompt payment reduces the working capital cost of DVC. Online payment optimises the O&M costs for DVC.
- Rebate for Prepaid Metering – Prepaid metering reduces the working capital cost of DVC and also optimises the O&M costs.
- Rebate for Delayed Billing – This rebate is provided to consumers to promote prompt and timely billing by DVC. This is in the nature of a disincentive.

4.80 It can be seen that the rebate either optimises the cost of DVC or are in the nature of a disincentive. If the rebate is added in the ARR, then there is no meaning of providing the same. It is also stated that the JSERC Distribution Tariff Regulations 2020 does not provide that rebates are to be considered as part of the ARR.

4.81 The Objector respectfully prays that the rebate cannot be allowed to be added as an ARR item and hence the claimed amounts may be disallowed.

Proposed Disallowance in Rebate on Sale of Power for DVC Jharkhand

Particulars	FY 2021-22
Disallowance in Rebate on Sale of Power for DVC Jharkhand as per Objector's Assessment	53.39

Petitioner Response

4.82 Regarding the contentions raised by the Objector, it is submitted that, unlike other businesses, the electricity business falls under the regulatory regime whose tariff is being determined on cost plus basis following stringent guidelines and prudence check. Therefore, there is no scope for any distribution licensee to charge any arbitrary tariff and from there to offer any rebate/incentive.

4.83 The different rebate scheme i.e. Voltage Rebate, Load Factor Rebate etc. is designed to encourage the consumers to maintain a good load profile, so that overall saving can be made on the cost of electricity. As the tariff of electricity is determined on cost plus basis, any savings on account of improvement of load profile of consumers is already passed through in the ARR. Therefore, it is wrong and denied that the rebate structure offered to consumers is in the form of disincentive to DVC. The Tariff and rebate structure ought to be designed in such a manner that, DVC can recover the ARR (the cost of the licensee) after providing all rebates in accordance with the tariff order.

4.84 Similar issue was raised by the objector on an earlier occasion as well against which DVC has already furnished its detailed justification. After prudence check this Hon'ble Commission, in its previous order dtd. 28.05.2019, 29.09.2020, 30.09.2020 and 30.01.2023 has already settled the issue and approved the Rebate on Sale of power to be passed in the ARR. Hon'ble WBERC has also adopted the same principle and allowed the Rebate on Sale of Power as a passed through element in Tariff. Thus, the contention of Objector is without any merit and ought to be rejected.

Views of the Commission

4.85 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Non-Tariff Income

Public Comments/Suggestions

4.86 Non-Tariff Income has been defined under the JSERC Tariff Regulations, as under:

> *"n) "Non-Tariff Income" means income relating to the Licensed business other than from tariff (Wheeling and Retail Supply), and excluding any income from Other Business, cross-subsidy surcharge and additional surcharge;*
>
> *6.50 All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to Licensed business from the Other Business of the Licensee shall constitute non-tariff income of the Licensee;*
>
> *6.51 The amount received by the Licensee on account of non-tariff income shall be deducted from the aggregate revenue requirement in calculating the net revenue requirement of such Licensee."*

4.87 The above definition of Non-Tariff Income provides for items to be included and excluded from Non-Tariff Income. Any other income earned by the Petitioner has to be treated as Non-Tariff Income in terms of the aforesaid Regulations and applied as a reduction from the ARR.

4.88 The following table has been prepared from the Audited Accounts of DVC (FY 2021-22) which present the head wise details under the Non-Tariff Income:

Allowable Non-Tariff Income for the FY 2021-22 as per Annual Accounts of FY 2021-22

Particulars	FY 2020-21
Revenue from Non-Core Activities	0.04
a) Interest	
from Employee loans & advances	0.12
from Noncurrent investment	1.15
on IT Refund	0.40
lnt. on Bonanza A/C	
Int. On Security Deposit- Other than Power Purchase	
Int. on adv. to contractors & Suppliers	-
Int. on Short term Deposit	0.17
Int. on CLTD	0.05
From Others	1.84
b) Dividend	
Dividend- Noncurrent investment	19.90
c) Other Non-operating income	
Delayed Payment Surcharge	562.32
Income from service charge	59.32
Profit on disposal of fixed assets	34.22
Provision – Written Back -Doubtful Debts	142.40
Provision – Income Tax - Written Back	13.75
Other misc. Income	121.00
Sub -Total Direct	**956.64**
Share of Revenue Income	
Inter Head Transfer	26.95
Common Service	-
Capitalized	(4.34)
Total Share	**22.61**
Total Direct & Share	**979.25**

4.89 It is also our objection that DVC has not provided any break-up of the NTI based on business segments in which it operates namely Generation, Transmission and Distribution/Retail supply.

4.90 Thus, in view of the above, the allowable NTI is to the tune of Rs. 979.25 Crores for the True up of FY 2021-22.

Petitioner Response

4.91 The objector is raising all repetitive issues. This issue has already been raised on several occasions by the objector. DVC has also, from time to time, submitted its reply against such objection. In its reply vide letter no. Coml./Tariff/JSERC/Addl. Info–19-20/1377 dtd. 23.05.2019 has provided justification as to why such income should not qualify as NTI against each element of other income booked in the Annual Accounts.

4.92 This Hon'ble Commission from time and again has cleared its stand that Delayed Payment Surcharge (DPS) on account of firm consumers is the only income that is to be qualified as Non-Tariff Income (NTI) for distribution activity of DVC in the state of Jharkhand and West Bengal.

4.93 Relevant portion of the orders issued by this Hon'ble Commission is as follows,

1. para 5.33, 5.34, 6.28 to 6.30 and 7.31 to 7.33 of retail tariff order of DVC dtd. 22.11.2012 (for the period FY 2006-07 to FY 2012-13)
2. para 6.69 of the retail tariff order dtd. 04.09.2014 (for the period FY 2013-14 to FY 2015-16).
3. para 5.50 to 5.55 & 6.45 to 6.46 of the order dtd. 19.04.2017 related to Annual Performance Review for FY 2014- 15 and truing up of ARR for the period FY 2006-07 to FY 2013-14.
4. para A42 to A43 of the order dtd. 18.05.2018 related to True- up for FY 2015-16 and ARR for FY 2016-17 to 2020-21.
5. para 4.36 of the order dated 28.05.2019 related to True-up for FY 2016-17 and APR for FY 2017-18, 2018-19 and ARR for FY 2019-20 6. order dated 30.09.2020 related to True-up for FY 2018-19, APR for FY 2019-20 and ARR for FY 2020-21.
6. para 5.44 to 5.45 of the order dtd. 30.01.2023 related to True-up for FY 2019-20.

4.94 Hon'ble WBERC it its various orders has approved the DPS on account of Firm Consumers as the only item to be qualified as NTI. No new ground has been raised by the objector in the instant objection. The objector has consistently misconstrued other income of DVC as per the audited books of Accounts as non-tariff income. Actually, part of other income which falls under the definition of non-tariff income should only qualify for this purpose. Entire fixed assets base of DVC lies with the Generation and Transmission network which falls under the jurisdiction of CERC. This Hon'ble Commission does not approve tariff for any fixed asset of this corporation, accordingly, it does not allow any profit margin for the distribution business. Therefore, all other income sub-heads, except delayed payment surcharge, are related to either generation or transmission business of DVC and need to be taken care of by the CERC. Only income in respect of Delay Payment Surcharge billed by DVC as a part of its distribution activity qualifies as non-tariff income. Objections made herein are not only misleading but also against the applicable Regulations of the State Commission as well as the Central Commission.

4.95 It may be pertinent here to mention the decision of the Hon'ble CERC on the issue of non-tariff income while framing the "Terms and Conditions of Tariff" Regulations 2019. Relevant portion of the said Regulation 62 and Statement of Reason in this regard are reproduced below for reference.

"Regulation 62. Sharing of Non-Tariff Income:

The non-tariff net income in case of generating station and transmission system from rentof land or buildings, sale of scrap and advertisements shall be shared between thebeneficiaries or the long term customers and the generating company or the transmissionlicensee, as the case may be, in the ratio 50:50."

Statement of Reasons

16.3 Sharing of Non-Tariff Income [Regulation 62]

"16.3.1 The draft 2019 Tariff Regulations provides for sharing of non-tariff income from generating station and transmission system to be shared between generating company ortransmission licensee and beneficiaries or long-term customers, as the case may be in the ratio 50:50.

16.3.2 Many stakeholders suggested to clarify that only non-tariff income net of expensesshall be shared. Further, many stakeholders' suggested difficulty in segregation of non- tariff income components to be shared like statutory investments, bank balances, etc. andalso stated benefit of many such type of income, especially rental and interest from contractors is already shared fully, as the impact is reflected in the reduced rates charged by such contractors. After carefully considering the submissions, it has been decided to revise the Regulation by restricting the non-tariff income only from rent of land or buildings, sale of scrap and advertisements."

4.96 It is clear from the above references that the Hon'ble CERC has not included the income from Delay Payment Surcharge from Generation or Transmission business under the head "Non-Tariff Income." It is therefore a matter of simple conclusion that the income from Delay Payment Surcharge related to generation and transmission activity of DVC is required to be excluded from the scope of Non-Tariff Income.

4.97 It is also submitted that, any other income which will qualify as NTI in terms of the above mentioned CERC regulation will be considered by CERC at the time of determination of Tariff of the Generating Stations and unified T&D

network of DVC for the 2019-24 period and it will be automatically passed through in the ARR of distribution activity. In view of the above, this Hon'ble Commission is humbly requested to consider Delayed Payment Surcharge on account of firm consumers as the only Non-Tariff Income and reject the objector's contentions as well as the disallowances proposed by the objector.

Views of the Commission

4.98 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Interest on Working Capital

Public Comments/Suggestions

4.99 It is respectfully submitted that as per Clause 10.30 and 10.31 of the Tariff Regulations, the working capital shall comprise of:

> *"**Interest on Working Capital***
>
> *10.30 Working capital for the Wheeling Business for the Control Period shall comprise:*
>
> *a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*
>
> *b) Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*
>
> *c) Amount, if any, held as security deposits.*
>
> *10.31 Working capital for the Retail Supply of Electricity for the Control Period shall comprise:*
>
> *a) Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus*
>
> *b) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus*
>
> *c) Amount held as security deposits under Clause (a) and Clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for Wheeling Business; minus*
>
> *d) One-month equivalent of cost of power purchased including the Inter-State and Intra-State Transmission Charges and Load Despatch Charges, based on the annual power procurement plan."*

4.100 However, the Hon'ble State Commission in the Tariff Order for FY 2012-13 dated 22.11.2012 has made the following observations with respect to the GFA and O&M cost of the Petitioner as below:

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

4.101 Further, the interest on working capital has been worked out by Hon'ble Commission in the past orders dated 18.05.2018, 28.05.2019 & 30.09.2020 also consistent with its approach in the Order dated 19.04.2017, wherein its observations are as below:

"6.55 ***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 'Distribution Tariff Regulations, 2010' is not possible.***

6.56 Hence, the Commission has adopted the same methodology as described in the Tariff Order for FY 2012-13 dated 22nd November, 2012."

4.102 The Hon'ble JSERC has considered the Working Capital entitlement of DVC as 1% of the revenue sales. The Hon'ble Commission is humbly requested to disallow the Petitioner's claim of Rs. 66.04 Crores during the FY 2021-22 and approve Rs. 3.92 Crore computed in line with the Hon'ble Commission's observations and consistent methodology for computing Interest on Working Capital and the same is provided in the table below:

Claimed Vs. Allowable Interest on Working Capital for the FY 2021-22

S. No.	Particulars	Petitioner's Claim	Objector's Assessment
A	Revenue from sales in Jharkhand	4620,56	3664.55
B	Cost of power purchase allocated for Jharkhand in the ratio sales	654.01	-
C	Two months receivable (A/6)	770.09	-
D	One month power purchase cost (B/12)	54.50	-
E	Security deposit held	148.64	-
F	Working Capital (C-D-E)	566.90	-
	Working Capital Requirement in Jharkhand Area (at 1% of Revenue from sale of power)	-	36.65
G	Interest rate (%)	11.65%	10.50%
H	**Interest on Working Capital for Jharkhand Area**	**66.04**	**3.85**

Petitioner Response

4.103 Regarding the claim of DVC for Interest on Working Capital in respect of its distribution activity, it is submitted respectfully that the tariff in respect of the entire assets related to generation and T&D network is determined by the Hon'ble CERC. In terms of para 111 of the judgment dtd. 23.11.2007 by the Hon'ble APTEL, the T&D System of DVC has been considered as unified deemed inter-state transmission system for the purpose of tariff determination. As such T&D network of DVC is not segregated into assets specifically assigned to its distribution activity and transmission activity within the two contiguous states namely Jharkhand and West Bengal. Hence jurisdiction of determination of tariff lies with the Central Commission. Relevant portion of the judgment of Hon'ble APTEL dtd. 23.11.2007 in Appeal No. 271, 272, 273 etc. of 2006 and 08 of 2007;

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

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

4.104 It is also a fact that while determining the tariff in respect of generating stations and T&D network of DVC, the Hon'ble CERC allows Interest on Working Capital based on the norms specified in the applicable Tariff Regulations for relevant periods under consideration. The Hon'ble CERC allows the tariff based on the assets but not based on its activities. In other words, it may be concluded that a pure transmission licensee (say Licensee A) having the assets similar to DVC would get a similar transmission tariff like DVC though the Licensee-A is not having any distribution activity. Therefore, going by the fact that since CERC allows IWC on account of Generation and Transmission activity, it will not be justified to say that DVC is not entitled to the IWC for distribution activity as per the applicable SERC Regulations. DVC, in its reply to this Hon'ble Commission's order dtd. 14.02.2020, pointed out that in order to manage its distribution activity, DVC is required to maintain the following:

a) Separate manpower consisting of executives, supervisors and other working personnel at different category to deal with various technical and non-technical issues, security requirement, safety requirement etc. related to consumer power supply;
b) Arrangement to carryout repair & maintenance work related to consumer power supply;
c) Arrangement for Data communication, meter reading, billing & collection related to consumer power supply including necessary infrastructure;
d) Information Technology (IT) based monitoring system and data acquisition arrangements, etc.

The above list is not exhaustive but only an indicative one.

4.105 For providing quality Service to the consumers, additional rolling fund is required for the aforesaid activities which are not serviced either through normative O&M or through normative Working Capital and Interest on Working Capital as approved in the generation and transmission tariff by the Hon'ble CERC. It is once again reiterated that such additional fund requirement, which is directly related to DVC's distribution activity, remains un-serviced in the IWC allowed by the Hon'ble CERC. The Hon'ble CERC, while fixing the norms in the Tariff Regulations for determination of Transmission

Tariff, envisages the activity of Transmission business only and not any distribution activity. As such the claim of DVC in respect of IWC in terms of applicable Regulations of the two State Commissions in its different petitions related to determination of distribution tariff are a pressing requirement of DVC and disallowing the same as proposed by the objector's Association on the ground of any computational difficulty, is misleading and devoid of any merit. This Hon'ble Commission, while passing the provisional tariff order of DVC dtd. 22.11.2012, held as under (at para 7.40 at page no. 69) on the issue of DVC's claim towards IWC;

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

4.106 In order to avoid such difficulty DVC claims the IWC without giving effect to the first two elements of IWC i.e. 6.30(a) and 6.30(b) in terms of the tariff Regulations 2015 notified by this Hon'ble Commission. DVC in this regard also humbly submits before the Commission that disallowing the legitimate claim of DVC towards IWC only because of any computational difficulty is an injustice to DVC.

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

Views of the Commission

4.108 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

APR for FY 2022-23 and ARR for FY 2023-24

Recovery of Contribution to P&G Fund and Sinking Fund with applying Availability Factor

Public Comments/Suggestions

4.109 The Objector strongly contests the prayer of DVC seeking recovery of contribution to P&G Fund and Sinking Fund without factoring the availability factors like that applicable for recovery of the AFC consisting of the elements defined in CERC Tariff Regulations.

4.110 Such an approach is contrary to the CERC Regulations as well as past Orders issued by Hon'ble APTEL and Hon'ble JSERC/ WBERC. The grounds for objections on this account are summarized below:

- JSERC Order dated 04.09.2014 in the matter of "Multi Year Order for Determination of ARR from FY 2013-14 to FY 2015-16 and Retail Supply Tariff for DVC Command area of Jharkhand" with regard to Pension and Gratuity observed as follows:

  *"**Commission's Analysis***

  6.72 The Commission is of the view that the contribution to Pension and Gratuity and Sinking fund has already been considered by CERC in the Annual Fixed Charges of the DVC's generating stations and as per Section 21 of the CERC Regulations, the fixed costs of the generating stations shall be computed on annual basis based on actual plant availability factor as well as the normative plant availability factor. Hence, the claim of the Petitioner finds no merit and accordingly the Commission has disallowed the cost claimed by the Petitioner under this head."

- APTEL judgment dated 23.03.2016 in Appeal No. 255 of 2014 with regard to treatment of Pension and Gratuity costs. The relevant extract of the said judgment is reproduced below:

  "(k) As regards the another issue of pension & gratuity and sinking fund contribution, the State Commission in its Impugned Order dated 04.09.2014 vide para 6.72 states as follows:

  "6.72 The Commission is of the view that the contribution to Pension and

Gratuity and Sinking fund has already been considered by CERC in the Annual Fixed Charges of the DVC's generating stations and as per Section 21 of the CERC Regulations, the fixed costs of the generating stations shall be computed on annual basis based on actual plant availability factor as well as the normative plant availability factor. Hence, the claim of the Petitioner finds no merit and accordingly the Commission has disallowed the cost claimed by the Petitioner under this head."

The State Commission has stated that the pension & gratuity and sinking fund has been appropriately considered by the Central Commission while determining tariff of generating stations of the Appellant and hence the State Commission has not undertaken any determination/ re-determination on the same and this cost has in fact been allowed as input cost as part of the power procurement cost from the Appellant's generating stations and as such no part of it is required to be re-determined by the State Commission. ***<u>We are in agreement with the State Commission's findings as above</u>****."*

4.111 As is evident from the above findings of the Hon'ble APTEL, the issue of adjustment of contribution to P&G and sinking fund based on the actual availability has already been settled by the Hon'ble APTEL as well as by both Hon'ble JSERC & WBERC in a plethora of Orders. The Petitioner, despite being fully aware of this fact, is trying to rake up the same issue every time before this Hon'ble Commission. The Petitioner has continued to do the same in the current petition, intentionally mentioning selective portions of various orders out of context, so as to mislead the Hon'ble Commission. The Objector humbly requests the Hon'ble Commission to reprimand the Petitioner for such conduct and issue strict directions for not raising the same issue repeatedly before the Hon'ble Commission.

Petitioner Response

4.112 It may please be noted that the Hon'ble Supreme Court in the order dtd. 23.07.2018 in Civil Appeal Nos. 971-973 of 2008, 4289 of 2008 and 4504 – 4508 of 2008 has upheld the judgment dtd. 23.11.2007 passed by the Hon'ble APTEL. Accordingly, the portions of DVC Act 1948 so far as they are not inconsistent with the Electricity Act 2003 will continue to hold ground for determination of tariff (ref. fourth proviso of Section 14 of the Electricity Act

2003). While issuing the judgment dtd. 23.11.2007, the Hon'ble APTEL on the issue of Contribution to the Pension & Gratuity Fund (P&G fund) and Sinking Fund, held as under:

"D.3 As a general rule, once the Commission, after prudence check, has agreed with the need for funding the Pension and Gratuity Contribution funds, DVC should have been allowed to recover entire amount from the consumers through the tariff. Asking DVC to contribute out of its own 8 resources would tantamount to denying it the return on equity as assured in terms of Tariff Regulations. However, if we look at it from the point of view of the consumers, the consumers, particularly the industrial and commercial ones, have now no option to adjust their sale price to take into consideration the need for meeting the accumulated liability. It is, therefore, an accepted fact that due to postponing of the creation of such fund, the consumers were enjoying lesser tariff than the legitimate tariff otherwise applicable to them."

"E.15 As regards sinking funds which is established with the approval of Comptroller and Accountant General of India vide letter dated December 29, 1992 under the provision of Section 40 of the DVC Act is to be taken as an item of expenditure to be recovered through tariff, as brought out in para 82 earlier."

4.113 Accordingly, DVC is entitled to recover through tariff the entire contribution to the Pension and Gratuity (P&G) Fund and Sinking Fund as approved by the Hon'ble CERC. As such, it may therefore be concluded that, recovery of expenditure towards contributions to the P&G fund and Sinking fund as already approved by the Hon'ble CERC may be recovered by DVC in full i.e. without further factoring in the Plant Availability Factor or Transmission Availability Factor as the case may be, since it may increase or decrease the recovery as compared to that approved amount.

4.114 Further DVC would like to draw kind attention to Regulation 15 and 42 of CERC "Terms and Conditions of Tariff" Regulations 2019 which is reproduced below;

"15. Capacity Charges: The Capacity charges shall be derived on the basis of annual fixed cost. The Annual Fixed Cost (AFC) of a generating station or a transmission system including communication system shall consist of

the following components:

(a) Return on equity;

(b) Interest on loan capital;

(c) Depreciation;

(d) Interest on working capital; and

(e) Operation and maintenance expenses"

"42. Computation and Payment of Capacity Charge for Thermal Generating Stations:

…

(2) The capacity charge payable to a thermal generating station for a calendar month shall be calculated in accordance with the following formulae:

…

CCp1 = (0.20 x AFC) x (1/12) x (PAFMp1 / NAPAF) subject to ceiling of (0.20 x AFC) x (1/12)

CCp2 = {(0.20 x AFC) x (1/6) x (PAFMp2 / NAPAF) subject to ceiling of (0.20 x AFC) x (1/6)} – CCp1

…

CCop1 = (0.80 x AFC) x (1/12) x (PAFMop1 / NAPAF) subject to ceiling of (0.80 x AFC) x (1/12)

CCop2 = {(0.80 x AFC) x (1/6) x (PAFMop2 / NAPAF) subject to ceiling of (0.80 x AFC) x (1/6)} – CCop1

…"

4.115 From the above statements, it is clear that defined elements of AFC does not include contribution to P&G Fund and Sinking Fund for the obvious reason that these elements are considered for DVC as a special case. Plant availability factor is applicable on the elements of AFC as defined under Regulation 10.15 and not on the other elements considered as a special case for DVC. Moreover, these elements are also not considered for computation of Working Capital and Interest on Working Capital. Hence, DVC has not factored in PAFY in respect to contribution to P&G Fund and Sinking Fund of CERC's approved tariff wherein such additional and special elements have been indicated separately.

4.116 Regarding the claim of the respondent that the issue has been settled by Hon'ble APTEL vide order dated 23.03.2016, it is submitted that, DVC has challenged the said orders before Hon'ble Supreme Court. Hon'ble Supreme

Court vide order dated 02.01.2017 in civil appeal no 8317 of 2016, has held as follows,

> *"The consideration by the Commission would naturally be made without being influenced by the order passed by the Appellate Tribunal for Electricity."*

4.117 Thereafter, this Hon'ble Commission in order dated 18.05.2018, 28.05.2019, 29.09.2020 and 30.09.2020 did not approve the claim of DVC regarding recovery of P&G and Sinking fund without linking with availability factor. DVC has filed appeals against the said orders of this Hon'ble Commission before the Hon'ble Tribunal. Such appeals are presently pending before the Tribunal. Therefore, the claim of the objector that the issue is settled by the Hon'ble Tribunal is incorrect.

4.118 In view of the above, the calculation shown by the objector is devoid of any merit therefore does not call for any reply and is liable to be rejected.

Views of the Commission

4.119 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Annual Fixed Charges to be considered as per the latest available CERC Orders on DVC Gencos/ T&D

Public Comments/Suggestions

4.120 DVC, in the instant Petition, has claimed Fixed charges for own Gencos based as below:

- For MTPS U4 and T&D system – CERC Order on the True up of FY 2014-19 and FY 2019-24 has been considered
- For rest of the plants - CERC Order on the True up of FY 2009-14 and FY 2014-19 has been considered

4.121 It is humbly submitted that as on 15.06.2023, CERC has approved True up of FY 2014-19 and ARR for FY 2019-24 for all plants (incl. T&D system) of DVC except KTPS U#1-2, DSTPS U#1-2, CTPS U#7-8, BTPS U-A, BTPS U#1-3. The latest status depicting the status of CERC Orders in the matter of True up of FY 2014-19 and ARR for FY 2019-24 of DVC Gencos (incl. T&D system) is depicted below for the kind consideration of the Hon'ble Commission:

Status of CERC Orders for DVC Gencos and T&D system for the ARR of FY 2019-24

S. No.	True up (2014-19) & Provisional (2019-24) Tariff Petition for Station/T&D	Petition No.	Present Status
1	T&D - Existing Lines	482/TT/2020	Tariff Order issued on 10.6.2022 Corrigendum issued on 23.7.2022
2	DTPS unit-3 & 4	567/GT/2020	Tariff Order issued on 19.05.2023
3	T&D-New Lines	713/TT/2020	Tariff Order issued on 2.3.2022
4	T&D-ISTS	466/TT/2020	Tariff Order issued on 28.2.2022
5	Tilaya Hydel Power Station	572/GT/2020	Tariff Order issued on 16.3.2023
6	Panchet Hydel Power Station	566/GT/2020	Tariff Order issued on 28.2.2023
7	Maithon Hydel Power Station	578/GT/2020	Tariff Order issued on 16.2.2023
8	RTPS unit-1 & 2	575/GT/2020	Tariff Order issued on 29.4.2023
9	MTPS unit-7 & 8	568/GT/2020	Tariff Order issued on 27.4.2023
10	MTPS unit 4	205/GT/2020	Tariff Order issued on 30.11.2022 Corrigendum issued on 27.1.2023
11	MTPS unit-5 & 6	571/GT/2020	Tariff Order issued on 14.3.2022
12	MTPS unit-1-3	577/GT/2020	Tariff Order issued on 17.2.2023
13	KTPS unit-1 & 2	564/GT/2020	Order Reserved
14	DSTPS unit-1 & 2	573/GT/2020	Order Reserved
15	CTPS unit-7 & 8	570/GT/2020	Order Reserved
16	CTPS unit-1-3	565/GT/2020	Tariff Order issued on 27.4.2023
17	BTPS unit-A	574/GT/2020	Order Reserved
18	BTPS unit-1-3	569/GT/2020	Order Reserved

4.122 At the very outset, the approach adopted by DVC for AFC consideration is contrary to the provisions of Clause 10(4) of the CERC (Terms and Conditions of Tariff) Regulations 2019. It is settled in law that DVC is bound to consider the input cost for its generating stations and T&D system as per CERC Orders. The CERC Regulations 2019 expressly provides that the generating companies are bound to bill the same fixed charges as applicable as on 31.3.2019 for the period starting from 1.4.2019 till approval of final capacity charges by the Hon'ble CERC. Further, in respect of energy charges, the proviso of Clause 10(4) provides that the energy charges w.e.f 1.4.2019 shall be as per the operational norms specified in the CERC Regulations 2019. Thus, it is evidently clear that there is neither any provision to consider escalation in case of fixed charges nor in case of energy charges. The relevant extracts of Clause 10(4) of the CERC Regulations 2019 are reproduced below:

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

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

4.123 In view of the above, for the plants whose Tariff Order (for FY 2019-24) is yet to be issued, AFC approved by the Hon'ble CERC for FY 2018-19 (in the ARR Order for FY 2014-19 period) is to be considered for the determination of Fixed charges for the FY 2022-23 and FY 2023-24.

Petitioner Response

4.124 DVC submits that True-up petition for FY 2021-22, was submitted before the Hon'ble Commission on 31.12.2022. At that point of time, Hon'ble CERC issued tariff orders in respect of generating station MTPS U#4 and T&D system of DVC for the period 2019-24 only. Accordingly, DVC has considered the latest AFC in respect of MTPS U#4 and T&D System of DVC for FY 2019-24 and AFC for rest of the plants as per the Tariff Order of FY 2014-19. DVC has never opposed that the latest Tariff Order as issued by CERC is not to be considered in the ARR.

4.125 It is humbly submitted that as on 31.07.2023, CERC has approved True-up for FY 2014-19 and Tariff for FY 2019-24 for all plants (BTPS U#1-3, CTPS U#1-3, MTPS U#1-3, MTPS U#5-6, MTPS U#7-8, CTPS U#7-8, DSTPS U#1-2, KTPS U#1-2, RTPS U#1-2) except BTPS 'A'. An updated list indicating the status of the Tariff Order for the period 2019-24 is tabulated below, Tariff order of DVC's Own Generating Stations issued by CERC for the period FY 2019-24, which also include truing up for the period 2014-19 (except BTPS-A)

Station	Date of CERC order
DTPS U#4	19.05.2023
MTPS U#1 to 3	17.02.2023
MTPS U#4	30.11.2022
MHS	16.02.2023
PHS	28.02.2023
THS	16.03.2023
T&D System	23.07.2022, 02.03.2022
MTPS U#5 & 6	14.03.2023
CTPS U# 7 & 8	16.06.2023
MTPS U#7 & 8	27.04.2023
DSTPS U#1 & 2	03.07.2023
KTPS U#1 & 2	20.07.2023
RTPS U#1 & 2	29.04.2023
BTPS 'A' *	30.05.2018

Note: Tariff order in respect of BTPS 'A" has not been issued by CERC till now.

4.126 It is also pertinent to mention here that, in the Tariff Order of 2019-24 period, in respect of the generating stations, as per notification of Ministry of Environment, Forest and Climate Change, Hon'ble CERC has allowed the Ash Evacuation Expenses as a separate element to be recovered from the beneficiary separately. Accordingly, such expenses have been allowed in the AFC order as separate item and below the main table of the AFC. Therefore, such expenses are to be recovered from the beneficiary without linking the plant availability factor.

4.127 In this regard DVC submits before the Hon'ble Commission to kindly consider the latest AFC issued by the Hon'ble CERC in respect of generating station and T&D and considers the above calculation as an integral part of the petition.

Views of the Commission

4.128 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Energy Charges

Public Comments/Suggestions

4.129 The landed price of coal for H1 of FY 2022-23 has been escalated by around 3.36% to arrive at the ECR for FY 2023-24 by the Petitioner. It is humbly submitted that the ECR claimed by the Petitioner is inappropriate as the same is computed on the inflated coal cost of FY 2022-23 (H1). Furthermore, it is well understood that the FY 2022-23 was an extraordinary year wherein the coal cost was significantly impacted due to disruption in domestic and international supply-demand scenario which culminated in the significant increase in landed cost of coal across the thermal power plants across the country. Moreover, the side effect of such a scenario was seen in the Short term rates where the volatility was significantly high.

4.130 Based on the consumer demand expected in the upcoming years based on the last year demand pattern, the Domestic Coal Production targets have been significantly increased by CIL (in accordance with the directions of Ministry of Coal) to compensate for the expected demand from Thermal power sector. Accordingly, the domestic coal supply scenario in FY 2023-24 (March -May) is far better as against FY 2022-23 (March-May). The above picture depicts that the coal cost (and ECR) for FY 2022-23 has indeed been an aberration and the same is not quite likely to repeat in the upcoming years.

4.131 In view of the aforesaid, the baseline values considered by the Petitioner for projecting the ECR for FY 2023-24 is inappropriate. The Objector therefore proposes that the actual ECR (Rs. 2.91/ unit) for FY 2021-22 may be escalated by the escalation rate (3.36%) considered by the Petitioner.

4.132 It is prayed that the Hon'ble WBERC may approve the Fixed Cost Component and Energy Cost Component of Power Purchase Cost from Own Generating Station and T&D Network of DVC for FY 2022-26 as per the Objector's assessment, subject to due prudence check.

4.133 It is reiterated that the approach of the Petitioner to consider an adhoc methodology for computing the Energy charges and Fixed charges is arbitrary, violative of the CERC/JSERC Tariff Regulations, void of any meaningful rationale and this merits rejection.

4.134 Based on the aforesaid discussions, the Objector has assessed the allowable Own Generation Cost (Fixed and Energy Charges) of DVC Stations and T&D System for the FY 2022-23 and FY 2023-24 as shown in the table below:

Detailed computations of the Allowable Fixed Charges for DVC Own Gencos for FY 2022-23

Station	Normative Availability (NAPAF)	Projected Yearly Availability (PAFY)				Annual Fixed Charge including Contribution & Interest on Sinking Fund (in Rs. Lakh)	Total Recoverable fixed charge according to CERC formula (in Rs. Lakh)	Share of firm consumer (%)	Total Recoverable Fixed charge from Firm Consumers (in Rs. Lakh)
		HD-p	HD-op	LD-p	LD-op				
DTPS U# 4	74.0	74.0	74.0	74.0	74.0	14769.54	14769.54	100%	14769.54
MTPS U#1 to 3	85.0	85.0	85.0	85.0	85.0	45181.94	45181.94	100%	45181.94
MTPS U# 4	85.0	85.0	85.0	85.0	85.0	14568.46	14568.46	100%	14568.46
MHS	80.0	80.0				2054.31	2054.31	100%	2054.31
PHS	80.0	80.0				1905.71	1905.71	100%	1905.71
THS	80.0	80.0				609.92	609.92	100%	609.92
T & D System	98.5	99.0				50822.45	51080.43	100%	51080.43
SUB-TOTAL						**129912.33**	**130170.31**		**130170.31**
MTPS U#5 & 6	85.0	85.0	85.0	85.0	85.0	39197.05	39197.05	60.75%	23810.76
MTPS U# 7&8	85.0	85.0	85.0	85.0	85.0	106863.06	106863.06	32.27%	34485.20
CTPS U # 7,8	85.0	85.0	85.0	85.0	85.0	53060.03	53060.03	38.35%	20350.71
DSTPS U # 1& 2	85.0	85.0	85.0	85.0	85.0	110416.69	110416.69	54.31%	59969.06
KTPS U # 1 & 2	85.0	85.0	85.0	85.0	85.0	117573.67	117573.67	4.44%	5219.68
BTPS 'A'	85.0	85.0	85.0	85.0	85.0	77188.94	77188.94	44.94%	34689.72
RTPS U # 1 & 2	85.0	85.0	85.0	85.0	85.0	137183.45	137183.45	38.73%	53129.85
SUB-TOTAL						**641482.89**	**641482.89**		**231654.98**
GRAND TOTAL						**771395.22**	**771653.20**		**361825.29**

Detailed computations of the Allowable Fixed Charges for DVC Own Gencos for FY 2023-24

Station	Normative Availability (NAPAF)	Projected Yearly Availability (PAFY)				Annual Fixed Charge including Contribution & Interest on Sinking Fund (in Rs. Lakh)	Total Recoverable fixed charge according to CERC formula (in Rs. Lakh)	Share of firm consumer	Total Recoverable Fixed charge from Firm Consumers (in Rs. Lakh)
		HD-p	**HD-op**	**LD-p**	**LD-op**				
MTPS U#1 to 3	85.0	85.0	85.0	85.0	85.0	46386.27	46386.27	100.00%	46386.27
MTPS U# 4	85.0	85.0	85.0	85.0	85.0	15088.28	15088.28	100.00%	15088.28
MHS	80.0	80.0				2139.18	2139.18	100.00%	2139.18
PHS	80.0	80.0				1985.26	1985.26	100.00%	1985.26
THS	80.0	80.0				634.53	634.53	100.00%	634.53
T & D System	98.5	99.0				50665.45	50922.64	100.00%	50922.64
SUB-TOTAL						**116898.97**	**117156.16**	-	**117156.16**
MTPS U#5 & 6	85.0	85.0	85.0	85.0	85.0	40081.70	40081.70	57.78%	23159.15
MTPS U# 7&8	85.0	85.0	85.0	85.0	85.0	105293.76	105293.76	35.63%	37516.41
CTPS U # 7,8	85.0	85.0	85.0	85.0	85.0	53060.03	53060.03	36.48%	19358.35
DSTPS U # 1& 2	85.0	85.0	85.0	85.0	85.0	110416.69	110416.69	51.84%	57236.47
KTPS U # 1 & 2	85.0	85.0	85.0	85.0	85.0	117573.67	117573.67	9.62%	11306.14
BTPS 'A'	85.0	85.0	85.0	85.0	85.0	77188.94	77188.94	51.84%	40012.27
RTPS U # 1& 2	85.0	85.0	85.0	85.0	85.0	133948.32	133948.32	43.14%	57781.01
SUB-TOTAL						**637563.11**	**637563.11**		**246369.81**
GRAND TOTAL						**754462.08**	**754719.27**		**363525.97**

Detailed computations of the Allowable Energy Charges for DVC Own Gencos for FY 2022-23 and FY 2023-24

Station	FY 2022-23			FY 2023-24		
	ECR (P/Kwh)	Projected Energy (MU) for Firm Consumers	Energy charge (Rs. Lakh)	ECR (P/Kwh)	Projected Energy (MU) for Firm Consumers	Energy charge (Rs. Lakh)
DTPS U# 4	396.65	110.89	4398.62	300.90	-	-
MTPS U#1 to 3	381.15	2915.86	111139.38	300.90	2987.16	89884.09
MTPS U# 4	381.15	1309.95	49929.22	300.90	1247.87	37548.56
HYDEL	-	431.60	4569.94	-	469.11	4758.97
MTPS Solar PV	323.00	0.0329	1.06	323.00	0.0394	1.27
KTPS Solar PV	416.00	0.0329	1.37	416.00	0.0394	1.64
MTPS U#5 & 6	390.55	1877.76	73336.43	300.90	1762.52	53034.38
MTPS U# 7&8	373.77	1986.48	74248.81	300.90	2271.35	68345.25
CTPS U # 7,8	394.86	1213.69	47923.26	300.90	1112.91	33487.64
DSTPS U # 1 & 2	426.25	3355.78	143038.72	300.90	3304.51	99433.11
KTPS U # 1 & 2	397.42	283.10	11251.13	300.90	613.03	18446.12
BTPS 'A'	281.17	1487.51	41824.42	300.90	1673.66	50360.77
RTPS U # 1&2	380.32	2123.49	80760.25	300.90	2571.32	77371.36
Total	**375.77**	**17096.19**	**642422.61**	**295.71**	**18013.53**	**532673.16**

Petitioner Response

4.135 DVC filed the instant petition based on the latest data available at the time of preparation of the instant petition which is a standard practice for filing the tariff petition. The objector, in the past, has also demanded the latest data to be used in the Tariff Petition in their earlier objection. Due to the scarcity/uncertainty in the supply of domestic coal, DVC resorted to the import of coal as per the direction of the Ministry of Power, Govt of India. During the first half of 2022-23 the price of imported coal was high and as a result the Energy Charge Rate of the Power Plant of DVC was in higher range. The same has been acknowledged by the objector as well. During the time of preparation of the instant petition there was no such indication that the situation will not repeat in FY 2023-24. Still now, while the objector is doing the analysis of previous period, they could not produce any evidence that the same condition will not repeat during FY 2023-24.

4.136 It is also respectfully submitted that, though the situation of coal supply has improved since the first half of the FY 2022-23 but till now it has not reached normalcy. The claim that the ECR for FY 2023-24 to be escalated by 3.36% from the ECR of 2021-22 bypassing the actual cost of ECR of FY 2022-23 is unjustified.

4.137 DVC humbly submits that since the submission of the instant petition a considerable time has elapsed, the actual ECR in respect of generating station of DVC upto June’ 2023 is tabulated below,

Sl. No.	Month Year	DTPS (4)	MTPS (1-4)	MTPS (5-6)	MTPS (7-8)	DSTPS (1-2)	KTPS (1-2)	CTPS (7-8)	RTPS (1-2)	BTPS-A
1	APR' 22	349	342.1	328.6	309.1	323.6	282.7	306.2	311.9	208.6
2	MAY' 22	332.8	346.6	314.9	287.7	421.0	391.5	361.0	329.3	224.4
3	JUN' 22	329	353.6	342.7	360.7	441.2	439.6	443.2	350.1	231.4
4	JUL' 22	325.1	378.1	450.2	436.9	434.2	434.2	424.1	432.6	322.7
5	AUG' 22	333.7	496.9	496.4	504.1	490.1	438.7	387.1	446.4	329.5
6	SEP' 22	0	398.0	434.5	402.6	434.4	447.7	404.1	456.1	339.9
7	OCT' 22	0	345.9	369.9	321.4	417.7	388.2	383.1	437.7	322.5
8	NOV' 22	0	317.9	331.0	296.9	346.0	305.7	327.9	392.5	291.9
9	DEC' 22	0	321.1	343.4	327.9	316.0	316.6	316.2	385.7	274.1
10	JAN' 23	0	372.9	374.2	341.4	321.8	304.4	330.9	377.0	253.9
11	FEB' 23	0	413.7	403.7	375.1	336.0	279.3	335.2	370.8	258.0
12	MAR' 23	0	368.2	366.4	338.8	340.0	278.5	331.4	379.8	289.9
13	APR’ 23	0	377.5	368.9	356.4	324.1	290.8	331.0	380.6	278.4
14	MAY’ 23	0	383.2	363.7	325.5	323.9	289.6	324.4	374.9	253.9
15	JUN’ 23	0	375.0	353.2	318.9	329.5	290.9	283.2	332.3	253.9

4.138 From the above table it is amply clear that the ECR in the first quarter of FY 2023-24 has reduced from the FY 2022-23 but is still quite higher than the ECR of FY 2021-22. Therefore, DVC humbly prays before this Hon'ble Commission to consider the actual ECR of the first quarter of FY 2023-24 as submitted herewith as the ECR for FY 2023-24 along with adequate escalation for the remaining quarters.

Views of the Commission

4.139 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Higher Allocation of T&D Charges to Firm Consumers

Public Comments/Suggestions

4.140 The sale portfolio of DVC can be divided into the following categories:

- Sale to firm consumers in the States of Jharkhand and West Bengal
- Export to PPA beneficiaries under schedule mode
- Sale of power to JBVNL, SAIL-BSL, JUSCO, TATA Steel, Indian Railways etc. at some point in consumer mode through its own transmission and distribution (T&D) network.

4.141 The recoverable Fixed Charges for T&D system of DVC is based on the CERC Orders and Transmission Availability based on which the recoverable Charges towards T&D system is computed as shown in the preceding section. However, it is respectfully submitted that since the T&D network of DVC is being utilised for (i) export of power to PPA beneficiaries under schedule mode outside and (ii) sale to JBVNL, SAIL-BSL, JUSCO, TATA Steel, Indian Railways etc. in consumer mode hence, the T&D systems costs ought to be shared with such entities as well.

4.142 The break-up of the energy sales to firm consumers and outside command area consumers as per the data submitted in the Petition is tabulated below. Further, the proportionate share of AFC pertaining to T&D system for firm consumers (command area) is also computed and provided in the table below:

Allowable T&D Charges recoverable from firm consumers of DVC

Particulars	FY 2022-23	FY 2023-24
Outside Command Area of DVC (MUs)	21,432.01	21,105.66
Within Command Area (MUs)	17,096.19	18,013.53
Total Own Generation (MUs)	38,528.19	39,119.20
Applicable (%) for Command Area	44.37%	46.05%
T&D Charges as per AFC and TAF for Entire system	510.80	509.23
Allowable T&D AFCs for DVC Command Area (In ratio of Energy Utilisation) (Cr.)	**226.66**	**234.49**

4.143 In view of the aforesaid, the summary of the proposed Disallowances in Own Generation Cost of DVC Stations and T&D System is provided in the table below:

Summary of Disallowances in Own Generation Cost

Particulars		FY 2022-23	FY 2023-24
Total Own Generation Cost as per Petitioner	A	10,561.20	11,147.34
Total Own Generation Cost as per Objector's Assessment	B	9,758.33	8,687.25
Disallowance in Own Generation Cost	**C=B-A**	**802.86**	**2,460.09**

Petitioner Response

4.144 The objection raised by the Consumer Association is misconstrued and liable to be rejected. The Objector has wrongly conceptualized regarding the power evacuation from Generating stations of DVC to different beneficiary of DVC.

4.145 It is humbly submitted that the sale to licensees in scheduled mode is undertaken by DVC in its capacity as generator and is guided by CERC regulation. Net scheduling is done at DVC periphery and thereafter the responsibility of evacuation of power through PGCIL network lies with the beneficiaries. The tariff of PGCIL network is being directly recovered from such licensees by PGCIL through POC mechanism. DVC's unified Transmission and Distribution network is utilized for consumer pooled power supply. However, there are some transmission assets of DVC which are being used to carry interstate powers, Tariff of such transmission assets is being determined by CERC and the same is recovered from the entire pool of AFC of CTU lines and currently being serviced through POC mechanism. Therefore, DVC did not include AFC of such lines in the ARR of its Distribution Activity.

4.146 Hon'ble CERC has determined the True-up for 2014-19 period and Tariff for 2019-24 period for the Transmission and Distribution Network of DVC in three separate orders as detailed below,

4.147 For, Non ISTS line Carrying ISTS Power – 28.02.2022

4.148 For New elements of unified T&D Network of DVC – 02.03.2022

4.149 For Exiting elements of Unified T&D Network of DVC – 10.06.2022 (Corrigendum Order dated 23.07.2022).

4.150 In the Tariff order dated 28.02.2022 for Non ISTS line carrying ISTS power, Hon'ble CERC under para 128 has held as under

128. We have considered the submissions of the Petitioner and our previous order dated 5.2.2020 in Petition No. 334/TT/2018 in respect of the *transmission assets. With effect from 1.7.2011, sharing of transmission charges for inter-State transmission systems was governed by the provisions of the 2010 Sharing Regulations. With effect from 1.11.2020, (after the repeal of the 2010 Sharing Regulations), sharing of transmission charges is governed by the 2020 Sharing Regulations. Accordingly, the liabilities of the DICs for arrears of transmission charges determined through this order shall be computed DIC-wise in accordance with the provisions of respective Tariff Regulations and Sharing Regulations and shall be recovered from the concerned DICs through Bills under Regulation 15(2)(b) of the 2020 Sharing Regulations. Billing, collection and disbursement of the transmission charges for subsequent period shall be recovered in terms of provisions of the 2020 Sharing Regulations as provided in Regulation 57 of the 2019 Tariff Regulations."*

4.151 Accordingly, in terms of the above directive, AFC of the above assets of T&D network of DVC is being recovered from the CTU and has not been included in the ARR of Distribution Activity.

4.152 Hon'ble CERC in the Tariff Order dated 02.03.2022 for the new element of the T&D network of DVC, has held as under,

"137. The Commission vide order dated 5.2.2020 in Petition No. 335/TT/2018 had allowed the transmission charges to be recovered under Regulation 43 of the 2014 Tariff Regulations and the 2010 Sharing Regulations (i.e. PoC mechanism) only in case of 4 existing and new 400 kV inter-State transmission lines which were certified by ERPC as non-ISTS lines carrying ISTS power (i.e. deemed ISTS lines) with effect from 1.4.2017. Therefore, except for those 4 Transmission lines being treated as deemed ISTS lines, the Commission has consistently maintained that charges of all the other assets forming part of T&D System (old and new) of the Petitioner, shall be included as an input cost in the ARR and recovered from the distribution consumers on approval by WBERC and JSERC and shall not be included in the PoC pool.

138. In line with order dated 5.2.2020 in Petition No. 335/TT/2018, the transmission charges allowed for the transmission assets for 2019-24 period shall be included as an input cost in ARR and recovered from the distribution consumers on approval by WBERC and JSERC. These charges shall not be included in common pool."

4.153 Similarly, Hon'ble CERC in the Tariff Order dated 10.06.2022 for the existing element of the T&D network of DVC, has held as under,

"216. The Commission vide order dated 5.2.2020 in Petition No. 334/TT/2018 allowed the charges to be recovered under Regulation 43 of the 2014 Tariff Regulations and the 2010 Sharing Regulations (i.e. PoC mechanism) only in case of 4 number of existing and new 400 kV inter-State transmission lines which were certified by ERPC as non-ISTS lines carrying ISTS power (i.e. deemed ISTS lines) w.e.f. 1.4.2017. Therefore, except for those 4 numbers of 400 kV transmission lines being treated as deemed ISTS lines, the Commission has consistently maintained that charges of all the other transmission assets forming part of T&D System (old and new) of the Petitioner, shall be included as an input cost in the ARR and recovered from the distribution consumers on approval by WBSERC and JSERC and shall not be included in the PoC pool.

217. In line with order dated 9.8.2019 in Petition No. 150/TT/2018, the transmission charges allowed in respect of the transmission assets for 2019-24 period, in this order shall be included as an input cost in the ARR and recovered from the distribution consumers on approval by WBSERC and JSERC."

4.154 In line with the above directives of CERC, apart from the 4 (four) assets of Non-ISTS line carrying ISTS power, the other assets of DVC's Transmission and Distribution network are dedicated for the firm consumers.

Views of the Commission

4.155 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Power procured from NTPC, NHPC

Public Comments/Suggestions

4.156 For the CSGS (NTPC, NHPC), the Petitioner has projected the rate based on the Tariff Petitions filed by the Gencos. For MPL, the rate of power purchase is projected based on the Tariff Orders issued by CERC for FY 2019-24 period.

4.157 The Objector humbly submits that the projection approach adopted by DVC is arbitrary without any logical rationale. As stated in the preceding sections, in the absence of CERC Orders for the FY 2019-24, the Clause 10(4) of the CERC (Terms and Conditions of Tariff) Regulations 2019 ("CERC Regulations 2019") would have implications. It is settled in law that the CSGS are bound to consider the input cost for the generating stations as per CERC Orders. The CERC Regulations 2019 expressly provides that the generating companies are bound to bill the same fixed charges as applicable on 31.3.2019 for the period starting from 1.4.2019 till approval of final capacity charges by the Hon'ble CERC. Further, in respect of energy charges, the proviso to Clause 10(4) provides that the energy charges w.e.f 1.4.2019 shall be as per the operational norms specified in the CERC Regulations 2019. Thus, it is evidently clear that there is neither any provision to consider escalation in case of fixed charges nor in case of energy charges. The relevant extracts of Clause 10(4) of the CERC Regulations 2019 are reproduced below:

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

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

4.158 In view of the above, the Petitioner's claim for FY 2023-24 is illegitimate and merits disallowance. The Objector humbly pleads that the Rate of power purchase for NTPC, NHPC, TSTPS be considered same as that of Rate claimed during FY 2022-23.

Petitioner Response

4.159 It is respectfully submitted that, in the MYT order dated 30.01.2023 for the period FY 2021-22 to FY 2025-26, Hon'ble Commission has allowed the escalation in the rate of power purchase. Relevant portion of the order is re produced below,

"5.37 The Commission has scrutinized the submission made by the Petitioner and approves the power purchase rates including T&D cost in line with Petitioner claim, subject to prudence check at the time of truing up.

Table 31: Energy Charge Rate for Power Purchase from Other Sources approved by the Commission (Paise/kWh)

Source Stations	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
NHPC					
Rangit	**333.11**	**340.61**	**348.73**	**355.66**	**362.81**
Teesta	**154.35**	**156.28**	**158.27**	**157.29**	**156.33**
NTPC					
TSTPS Stage 1	**341.01**	**349.29**	**357.93**	**366.90**	**376.25**
PTC					
Chukha	240.16	240.16	240.16	240.16	240.16
Kurichu	217.00	217.00	217.00	217.00	217.00
Tala	216.00	216.00	216.00	216.00	216.00
KBUNL	662.33	670.93	671.93	695.34	710.34
MPL	482.84	0.00	0.00	0.00	0.00
NTPC Solar Power	944.98	944.98	944.98	944.98	944.98
NVVNL Solar Power	1077.86	1079.58	1081.30	1083.03	1084.76
NVVNL Solar Power Transmission Charges	106.49	106.66	106.83	107.00	107.18
GTAM Solar Power	332.32	332.32	332.32	332.32	332.32
GTAM Non-Solar Power	377.99	377.99	377.99	377.99	377.99

4.160 Regarding the claim that as per Clause 10(4) of the CERC Regulation 2019, the fixed charge as applicable on 31.03.2019 will continue till further determination of AFC by CERC. It is respectfully submitted that the same clause may create a wide difference with actual. As per the clause 10(7) of the CERC Regulation 2019, the differential AFC can be claimed by respective utility just after the revision of the Tariff order by CERC and the supplier will eventually raise the bill as per clause 10 (7) of the CERC Regulation 2019. However, in case of DVC such cost will be considered in the True-Up after prudence check by the State Commission. Therefore, there will delay in recovery in case of DVC. Hence, DVC prays before this Hon'ble Commission to allow the escalation rate as per its approved methodology adopted in the MYT petition.

Views of the Commission

4.161 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Contingency Purchase

Public Comments/Suggestions

4.162 The Petitioner has projected significant procurement of power from Exchange (IEX) based on the anticipated demand of its own consumers (in WB and Jharkhand). The projected Rate of power purchase from Exchange and PTC is considered at Rs. 5.62/ unit and Rs. 5.90/ unit for the FY 2022-23 and FY 2023-24 respectively.

4.163 At the very outset, it is submitted that DVC's own generating stations contribute to most of its power requirements. It could not be discerned as to why the anticipated demand is not proposed to be met from own gencos instead reliance has been placed on more volatile sources of power like Exchange and Medium term power purchase. The Hon'ble Commission is requested to kindly direct the Petitioner to establish as to how its own gencos are not able to meet the anticipated demand and why procurement from Exchange or through Medium term is required. In fact, this observation has already been made by the Hon'ble Commission in the MYT Order (FY 2021-26) dated 30.01.2023, the relevant extracts of which are as follows:

> *"5.22 The Commission has examined the submission made by the Petitioner and has projected the Power purchase from Other Sources in line with the Petitioner projection except for Contingency purchase.* ***Since, the energy requirement is fulfilled from Own Generation and Power Purchase from Other Sources excluding Contingency purchase thus, the Commission has not projected any contingency purchase for the MYT Control period*** *and the same will be dealt at the time of truing up after prudence check."*

4.164 In line with the above, the Objector humbly proposes that the Petitioner should plan to fulfil its needs from its own gencos. Therefore, based on a reasonable estimate, the Rate of power purchased from IEX should be allowed equivalent to ECR of DVC Own gencos i.e. Rs. 3.01/ unit for FY 2023-24. The allowable rates for NTPC, NHPC and MPL for the FY 2022-23 and FY 2023-24 against the petitioner's claim is shown below:

Allowable ECR for CSGS plants for FY 2022-23 and FY 2023-24

Particulars	Claimed		Allowable	
	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24
Rangit	381.66	398.51	381.66	381.66
Teesta	159.99	162.74	159.99	159.99
TSTPS - 1	295.40	299.30	295.40	295.40
MPL	422.89	428.53	422.89	428.53
Contingency	562.38	590.50	562.38	300.90

Petitioner Response

4.165 It is respectfully submitted that, DVC has always made efforts to meet the demand of the firm consumers from its own generation and the long term allocated sources of power purchase. However, from the experience of the last few years it has been observed that during the rainy seasons the supply of coal in the power plant suddenly gets impacted, for which the generation from the thermal power plants gets reduced. As a consequence, the internal generation of DVC becomes unable to fulfill the firm demand. Therefore, DVC had to resort to the power purchase from exchanges for uninterrupted power supply. Envisaging such a condition, DVC has only projected 358 MU as per the previous trend which is only 2% of the total requirement. DVC has projected such contingency power purchase only during crisis period and not throughout the year. It is also pertinent to mention here that during the crisis period the generation of the entire country gets impacted as a result of which the market clearing price in the exchanges shoots up due to gap in supply and demand position. Hence DVC has claimed the rate of contingency power purchase as per the trend prevailing during the past years during such crisis condition.

Views of the Commission

4.166 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

REC Purchase

Public Comments/Suggestions

4.167 DVC has claimed Rs. 390.13 Crore and Rs. 418.85 Crore towards REC charges for the FY 2022-23 and FY 2023-24 respectively in view of purchase of Solar and Non-solar REC.

4.168 It is humbly requested before the Hon'ble Commission not to allow any cost towards non fulfilment of RPO obligation. This is owing to the fact that RECs are associated with compliance but not with real exchange of power between the transacting parties. In such regard, the cost towards REC as a means of RPO fulfilment, is a sunk cost.

4.169 Recognizing that the purchase of REC would result into additional burden onto the consumers without any real power being purchased, the Hon'ble Uttar Pradesh Electricity Regulatory Commission vide Regulation 7 of the Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 provides for the creation of RPO Regulatory fund, the mandate of which is as follows:

*"**7. RPO Regulatory Fund***

***If the obligated entity does not fulfill its commitment towards minimum purchase from renewable energy sources during any year as provided in these regulations, the Commission may direct the obligated entity to deposit into a separate fund such amount as the Commission may determine on the basis of the shortfall in units of renewable purchase obligation, RPO Regulatory Charges and the forbearance price**. For this purpose, a fund shall be created and maintained by such obligated entity in accordance with the procedure as referred to in clause 8.2:*

Provided that RPO Regulatory Charges shall be equivalent to the applicable preferential tariff for solar or non-solar renewable energy sources or any other rate as may be stipulated by the Commission:

Provided further that the RPO Regulatory Fund so created shall be utilised, as may be directed by the Commission, for purchase of the certificates or for development of transmission and distribution infrastructure in the State related to generating stations based on renewable energy sources or in any other manner as may be stipulated by the Commission:

Provided further that the Commission may empower the State Agency to procure out of the amount available in the fund the required number of certificates from the Power Exchange:

Provided also that the obligated entity shall be in breach of these regulations if it fails to deposit the amount directed by the Commission within fifteen days from the date of communication of the direction:

Provided also that where any obligated entity fails to comply with the obligation to purchase the required percentage of power from renewable energy sources and/or the renewable energy certificates, it shall be liable for action as may be decided by the Commission."

4.170 The Petitioner submits that instead of incurring additional Power purchase cost on account of REC purchase for RPO fulfilment, these Regulations allow for the creation of RPO Regulatory fund which can be utilized for development of Capital works pertaining to Transmission and Distribution network. It is further submitted that since Utilities anyways incur Capital Expenditure for the development or upgradation of its network, the availability of such fund would make the utility draw less debt (or equity). This would relieve the burden of the consumers who have otherwise been burdened by the additional Power purchase costs.

4.171 The Respondent submits that such provision is in the interest of the Utilities of consumers, thereby it is respectfully submitted before the Hon'ble Commission to make suitable amendments in the Tariff provisions to reduce the burden on the consumers of the state.

4.172 In view of the submissions made above, the Hon'ble Commission is requested to direct the Petitioner to deposit the amount equivalent to RPO shortfall in a separate RPO Fund which shall assist Utility in other development purposes and disallow the REC Cost amounting to Rs. 390.13 Crore and Rs. 418.85 Crore for the FY 2022-23 and FY 2023-24 respectively.

4.173 In the view of the aforesaid, the Hon'ble Commission is requested to disallow the Power purchase cost pertaining to arbitrary escalations proposed by the petitioner along with REC Cost. The overall disallowance is depicted in the table below:

Proposed Disallowance in Power Purchase cost and REC Cost for FY 2022-23 and FY 2023-24

Particulars	FY 2022-23	FY 2023-24
Power Purchase Cost (incl. Transmission Charges) claimed	934.44	963.77
Power Purchase Cost (incl. Transmission Charges) allowable	934.44	858.78
Disallowance proposed by Objector	**-**	**104.99**

Particulars	FY 2022-23	FY 2023-24
REC Cost claimed	390.13	418.85
REC Cost allowable	-	-
Disallowance proposed by Objector	**390.13**	**418.85**

Petitioner Response

4.174 The objector has cited a regulation of Hon'ble Uttar Pradesh Electricity Commission (Promotion of Green Energy through Renewable Purchase Obligation) and has stressed upon creation of a separate fund in place of purchase of REC. Ultimately, they have claimed that the cost of REC which has already been incurred by DVC should be dis-allowed as it is not consistent with the UPERC regulation. The claim of the objector is absolutely unjustified and misleading. Such proposed change in the regulation is to be prayed before the Commission separately by the objector which they have not done yet. Instead of adopting such way outs the objection herein appears to be arbitrary and misleading.

4.175 Needless to say here that, as per Regulation A6. of the Jharkhand State Electricity Regulatory Commission (Renewable Energy Purchase Obligation and its compliance) Regulations, 2016, the Renewable Energy Certificate is a valid instrument for fulfilment of the Renewable Purchase Obligation. In accordance with such regulation of the Hon'ble Commission, DVC has already acted upon and purchased the required REC to fulfil its RPO obligation. Therefore, DVC prays before this Hon'ble Commission to allow the cost of REC already purchased in the instant petition.

Views of the Commission

4.176 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Interest on Temporary Financial Accommodation

Public Comments/Suggestions

4.177 The Petitioner's claim towards Interest on Temporary Financial Accommodation is violative of the JSERC Distribution Tariff Regulations 2020. It is well settled in law that the Appropriate Commission is bound to follow its own Regulations while framing Orders. There is no ARR item such as Interest on Temporary Financial Accommodation in the JSERC Distribution Tariff Regulations 2020 and hence, such claim ought to be disallowed. Any reference to WBERC Regulations/ Order will not entitle DVC to claim such amount before the Hon'ble JSERC. Even in the last JSERC Order dated 30.09.2020, the Hon'ble Commission has not allowed any item such as Interest on temporary Accommodation for FY 2020-21.

4.178 The framework of the Tariff Regulations (Interest on Working Capital) along with Supply Code (Security Deposit) provides sufficient cushion and margin towards Working capital requirements.

4.179 The receivables position of DVC demonstrates that the Petitioner has allowed continuous power supply to JBVNL in spite of mounting receivable beyond the stipulated due dates of payment. This is contrasted with the fact that electricity supply of HT consumers is disconnected immediately upon payment default. The approach of claiming interest on temporary financial accommodation is penalizing the timely paying customers at the cost of defaulter JBVNL. Such an approach promotes inefficiency and is against the interest of justice.

Proposed Disallowance in Interest on Temporary Financial Accommodation for FY 2022-23 and FY 2023-24

Particulars	FY 22-23	FY 23-24
Petitioner's Claim	56.57	60.51
Objector's Assessment	-	-
Disallowance Proposed	**56.57**	**60.51**

Petitioner Response

4.180 Hon'ble Commission, in its previous tariff order dated 28.05.2019, 29.09.2020 and 30.09.2020 has already allowed the Interest on Temporary Financial Accommodation against the deduction of Delayed Payment Surcharge from the ARR. The relevant portion of the tariff order dated 29.09.2020 (True-up for FY 2017-18) is reproduced below,

"5.45 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. on the average Principal Payment Outstanding whereas the interest rates for accommodating such shortfall is 12.60%. 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 12.60% on the average principal amount outstanding on which DPS was charged for improving the liquidity of the Petitioner."

Table 15: Interest on Temporary Financial Accommodation submitted by the Petitioner and Approved by the Commission (Rs. Crore)

Particulars	FY 2017-18	
	Petition	Approved
DPS	466.76	466.76
Principal Payment Outstanding (DPS/ 18%)	2593.09	2593.09
Interest on Temporary Financial Accommodation	359.39	326.73

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

4.182 Regarding the contention raised by the objector that the interest on temporary financial accommodation is penalizing the timely paying consumers at the cost of defaulter JBVNL, it is submitted that the said contention is baseless and misleading. JBVNL no longer remains the firm consumers of DVC from Jan'2019 onwards. Therefore, no cost thereof on account of JBVNL has been loaded on the firm consumers. Interest on Temporary Financial accommodation has been claimed as per the methodology settled by this Hon'ble Commission i.e. the interest on the principle amount of the Delayed Payment Surcharge amount. As the amount of the delayed payment surcharge is only related to the firm consumers so the cost thereof claimed as interest on temporary financial accommodation is purely associated with the firm consumers only. Therefore, it is wrong and denied that timely paying consumers is penalized at the cost of JBVNL.

Views of the Commission

4.183 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Rebate and discount allowed to consumers.

Public Comments/Suggestions

4.184 The Hon'ble Commission in its Tariff Order dated 30.09.2020 observed as follows:

"Commission's Analysis

5.56. 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."

4.185 It is respectfully submitted that each of the rebate prescribed in the terms and condition of supply is either provided to the consumer as such rebate facilitates optimisation of cost for DVC or is in the form of disincentive to DVC for inaction. The same is explained below:

- Voltage Rebate – Such a rebate is to encourage consumers to move to higher voltage level as the losses on higher voltage is lower thereby leading to lower cost of service to DVC.
- Load Factor Rebate – Load Factor Rebate incentivises energy consumption by customers and it leads to better capacity utilisation of infrastructure to DVC and reduced losses. High load factor of consumers reduces the transmission losses and consequently power purchase cost. Higher load factor also reduces the transformer losses.
- Rebate for Online Payment and Due Date Payment – Timely and prompt payment reduces the working capital cost of DVC. Online payment optimises the O&M costs for DVC.
- Rebate for Prepaid Metering – Prepaid metering reduces the working capital cost of DVC and also optimises the O&M costs.
- Rebate for Delayed Billing – This rebate is provided to consumers to promote prompt and timely billing by DVC. This is in the nature of a disincentive.

4.186 It can be seen that the rebates either optimise the cost of DVC or are in the nature of a disincentive. If the rebate is added in the ARR, then there is no meaning of providing the same. It is also stated that the JSERC Distribution Tariff Regulations 2020 does not provide that rebates are to be considered as part of the ARR.

4.187 The Objector respectfully prays that the rebates cannot be allowed to be added as an ARR item and hence the claimed amounts for ARR period FY 2022-23 and FY 2023-24 may be disallowed.

Petitioner Response

4.188 Regarding the contentions raised by the Objector, it is submitted that, unlike other businesses, the electricity business falls under the regulatory regime whose tariff is being determined on cost plus basis following stringent guideline and prudence check. Therefore, there is no scope for any distribution licensee to charge any arbitrary tariff and from there to offer any rebate/incentive.

4.189 The different rebate scheme i.e. Voltage Rebate, Load Factor Rebate etc. is designed to encourage the consumers to maintain a good load profile, so that overall saving can be made on the cost of electricity. As the tariff of electricity is determined on cost plus basis, any savings on account of improvement of load profile of consumers is already passed through in the ARR. Therefore, it is wrong and denied that the rebate structure offered to consumers is in the form of disincentive to DVC. The Tariff and rebate structure ought to be designed in such a manner that, DVC can recover the ARR (the cost of the licensee) after providing all rebates in accordance with the tariff order.

4.190 This similar issue was raised by the objector in the earlier occasion as well against which DVC has already furnished its detailed justification. After prudence check this Hon'ble Commission, in its previous order dtd. 28.05.2019, 29.09.2020, 30.09.2020 and 30.01.2023, has already settled the issue and approved the Rebate on Sale of power to be passed through in the ARR. Hon'ble WBERC has also adopted the same principle and allowed the Rebate on Sale of Power as a passed through element in Tariff. Thus, the contention of Objector is without any merit and ought to be rejected.

Views of the Commission

4.191 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Non-Tariff Income

Public Comments/Suggestions

4.192 Non-Tariff Income has been defined under the JSERC Tariff Regulations, as under:

"n) "Non-Tariff Income" means income relating to the Licensed business other than from tariff (Wheeling and Retail Supply), and excluding any income from Other Business, cross-subsidy surcharge and additional surcharge;

6.50 All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous *receipts from the consumers and income to Licensed business from the Other Business of the Licensee shall constitute non-tariff income of the Licensee;*

6.51 The amount received by the Licensee on account of non-tariff income shall be deducted from the aggregate revenue requirement in calculating the net revenue requirement of such Licensee."

4.193 The above definition of Non-Tariff Income provides for items to be included and excluded from Non-Tariff Income. Any other income earned by the Petitioner has to be treated as Non-Tariff Income in terms of the aforesaid Regulations and applied as a reduction from the ARR.

4.194 The following table has been prepared from the Audited Accounts of DVC (FY 2021-22) which present the head wise details under the Non-Tariff Income:

Allowable Non-Tariff Income for the FY 2021-22 as per Annual Accounts of FY 2021-22

Particulars	FY 2020-21
Revenue from Non-Core Activities	0.04
a) Interest	
from Employee loans & advances	0.12
from Noncurrent investment	1.15
on IT Refund	0.40
lnt. on Bonanza A/C	
Int. On Security Deposit- Other than Power Purchase	
Int. on adv. to contractors & Suppliers	-
Int. on Short term Deposit	0.17
Int. on CLTD	0.05
From Others	1.84
b) Dividend	
Dividend- Noncurrent investment	19.90
c) Other Non-operating income	
Delayed Payment Surcharge	562.32
Income from service charge	59.32
Profit on disposal of fixed assets	34.22
Provision – Written Back -Doubtful Debts	142.40
Provision – Income Tax - Written Back	13.75
Other misc. Income	121.00
Sub -Total Direct	**956.64**
Share of Revenue Income	
Inter Head Transfer	26.95
Common Service	-
Capitalized	(4.34)
Total Share	**22.61**
Total Direct & Share	**979.25**

4.195 Despite the Audited Accounts revealing that the Petitioner is in receipt of Other income, DVC has been selectively showing only Delay Payment Surcharge as Non-tariff income while claiming tariff, remaining completely silent on other items of income which are earned from its other business activities. More emphatically, it is pointed out that while the entire cost from its generation, transmission and distribution business is being recovered from the consumers, when it comes to income, DVC has been pleading to consider only the Late Payment Surcharge as Non-tariff/ other income.

4.196 It is again pointed out that the Petitioner has not failed to provide any break-up of the NTI based on business segments in which it operates namely Generation, Transmission and Distribution/Retail supply.

4.197 The Objector prays that the NTI for FY 2022-23 and FY 2023-24 may be pegged at the same level as allowable for the True up of FY 2021-22 (i.e. based on the Audited Accounts) since the audited accounts for the relevant years are not available. Any difference based on actuals can be passed on at the true-up stage.

Petitioner Response

4.198 The objector is raising all repetitive issues. This issue has already been raised earlier on several occasions by the objector. DVC has also, from time to time submitted its reply against such objection. In its reply vide letter no. Coml./Tariff/JSERC/Addl. Info–19-20/1377 dtd. 23.05.2019 has provided justification as to why such other income should not qualify as NTI against each element of the other income booked in the Annual Accounts.

4.199 This Hon'ble Commission, time and again, has cleared its stand that Delayed Payment Surcharge (DPS) on account of firm consumers, is the only income to be qualified as Non-Tariff Income (NTI) for distribution activity of DVC in the state of Jharkhand and West Bengal.

4.200 Relevant portion of the orders issued by this Hon'ble Commission is as follows,

7. para 5.33, 5.34, 6.28 to 6.30 and 7.31 to 7.33 of retail tariff order of DVC dtd. 22.11.2012 (for the period FY 2006-07 to FY 2012-13)
8. para 6.69 of the retail tariff order dtd. 04.09.2014 (for the period FY 2013-14 to FY 2015-16).
9. para 5.50 to 5.55 & 6.45 to 6.46 of the order dtd. 19.04.2017 related to Annual Performance Review for FY 2014- 15 and truing up of ARR for the

period FY 2006-07 to FY 2013-14.

10. para A42 to A43 of the order dtd. 18.05.2018 related to True- up for FY 2015-16 and ARR for FY 2016-17 to 2020-21.
11. para 4.36 of the order dated 28.05.2019 related to True-up for FY 2016-17 and APR for FY 2017-18, 2018-19 and ARR for FY 2019-20 6. order dated 30.09.2020 related to True-up for FY 2018-19, APR for FY 2019-20 and ARR for FY 2020-21.
12. para 5.44 to 5.45 of the order dtd. 30.01.2023 related to True-up for FY 2019-20.

4.201 Hon'ble WBERC it its various orders, has approved the DPS on account of Firm Consumers as the only item to be qualified as NTI. No new ground has been raised by the objector in the instant objection. The objector has consistently misconstrued other income of DVC as per the audited books of Accounts as non-tariff income. Actually, the part of other income which falls under the definition of non-tariff income should only qualify for this purpose. Entire fixed assets base of DVC lies with the Generation and Transmission network which falls under the jurisdiction of CERC. This Hon'ble Commission does not approve tariff for any fixed assets of this corporation, accordingly, does not allow any profit margin for the distribution business. Therefore, all the other income sub-heads except delayed payment surcharge are related to either generation or transmission business of DVC and need to be taken care of by the CERC. Only the income in respect of Delay Payment Surcharge billed by DVC as a part of its distribution activity qualifies as non-tariff income. Objections made herein are not only misleading but also against the applicable Regulations of the State Commission as well as the Central Commission.

4.202 It may be pertinent here to mention the decision of the Hon'ble CERC on the issue of non-tariff income while framing the "Terms and Conditions of Tariff" Regulations 2019. Relevant portion of the said Regulation 62 and Statement of Reason in this regard are reproduced below for reference.

"Regulation 62. Sharing of Non-Tariff Income:

The non-tariff net income in case of generating station and transmission system from rentof land or buildings, sale of scrap and advertisements shall be shared between thebeneficiaries or the long term customers and the generating company or the transmissionlicensee, as the case may be, in the ratio 50:50."

Statement of Reasons

16.3 Sharing of Non-Tariff Income [Regulation 62]

"16.3.1 The draft 2019 Tariff Regulations provides for sharing of non-tariff income fromgenerating station and transmission system to be shared between generating company or transmission licensee and beneficiaries or long-term customers, as the case may be in the ratio 50:50.

16.3.2 Many stakeholders suggested to clarify that only non-tariff income net of expenses shall be shared. Further, many stakeholders' suggested difficulty in segregation of non- tariff income components to be shared like statutory investments, bank balances, etc. andalso stated benefit of many such type of income, especially rental and interest from contractors is already shared fully, as the impact is reflected in the reduced rates charged by such contractors. After carefully considering the submissions, it has been decided to revise the Regulation by restricting the non-tariff income only from rent of land or buildings, sale of scrap and advertisements."

4.203 It is clear from the above references that the Hon'ble CERC has not included the income from Delay Payment Surcharge from Generation or Transmission business under the head "Non-Tariff Income." It is therefore a matter of simple conclusion that the income from Delay Payment Surcharge related to generation and transmission activity of DVC is required to be excluded from the scope of Non-Tariff Income.

4.204 It is also submitted that, any other income which will qualify as NTI in terms of the above mentioned CERC regulation will be considered by CERC at the time of determination of Tariff of the Generating Stations and unified T&D network of DVC for the 2019-24 period and will be automatically passed through in the ARR of distribution activity. In view of the above, this Hon'ble Commission is humbly requested to consider Delayed Payment Surcharge on account of firm consumers as the only Non-Tariff Income and reject the objector's contentions as well as the disallowances proposed by the objector.

Views of the Commission

4.205 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Interest on Working Capital

Public Comments/Suggestions

4.206 It is respectfully submitted that as per Clause 10.30 and 10.31 of the Tariff Regulations, Working capital shall comprise of:

> *"**Interest on Working Capital***
>
> *10.30 Working capital for the Wheeling Business for the Control Period shall comprise:*
>
> *a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*
>
> *b) Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*
>
> *c) Amount, if any, held as security deposits.*
>
> *10.31 Working capital for the Retail Supply of Electricity for the Control Period shall comprise:*
>
> *a) Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus*
>
> *b) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus*
>
> *c) Amount held as security deposits under Clause (a) and Clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for Wheeling Business; minus*
>
> *d) One-month equivalent of cost of power purchased including the Inter-State and Intra-State Transmission Charges and Load Despatch Charges, based on the annual power procurement plan."*

4.207 However, the Hon'ble State Commission in the Tariff Order for FY 2012-13 dated 22.11.2012 has made the following observations with respect to the GFA and O&M cost of the Petitioner as below:

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

4.208 Further, the interest on working capital has been worked out by Hon'ble Commission in the past orders dated 18.05.2018, 28.05.2019 & 30.09.2020 also consistent with its approach in the Order dated 19.04.2017, wherein its observations are as below:

*"6.55 **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 'Distribution Tariff Regulations, 2010' is not possible.***

6.56 Hence, the Commission has adopted the same methodology as described in the Tariff Order for FY 2012-13 dated 22nd November, 2012."

4.209 The Hon'ble JSERC has considered the Working Capital entitlement of DVC as 1% of the revenue sales. The Hon'ble Commission is humbly requested to disallow the Petitioner's claim of Rs. 66.04 Crores during the FY 2021-22 and approve Rs. 3.92 Crore computed in line with the Hon'ble Commission's observations and consistent methodology for computing Interest on Working Capital and the same is provided in the table below:

Claimed Vs. Allowable Interest on Working Capital

S. No.	Particulars	FY 2022-23		FY 2023-24	
		Petitioner's Claim	Objector's Assessment	Petitioner's Claim	Objector's Assessment
A	Revenue from sales in Jharkhand	6061.19	4651.33	6484.04	4204.03
B	Cost of power purchase allocated for Jharkhand in the ratio sales	983.04		1066.92	
C	Two months receivable (A/6)	1010.20		1080.67	
D	One month power purchase cost (B/12)	81.92		88.91	
E	Security deposit held	156.13		165.95	
F	Working Capital (C-D-E)	772.15	46.51	825.81	42.04
H	Interest rate (1-yr SBI MCLR as on 30.09.20 + 350 bps) (%)	11.20	11.20	11.20	11.20
I	**Interest on Working Capital for Jharkhand Area**	**86.48**	**5.21**	**92.49**	**4.71**

Petitioner Response

4.210 Regarding the claim of DVC for Interest on Working Capital in respect of its distribution activity, it is submitted respectfully that the tariff in respect of the entire assets related to generation and T&D network is determined by the Hon'ble CERC. In terms of para 111 of the judgment dtd. 23.11.2007 by the Hon'ble APTEL, the T&D System of DVC has been considered as unified deemed inter-state transmission system for the purpose of tariff determination. As such T&D network of DVC is not segregated into assets specifically assigned to its distribution activity and transmission activity within the two contiguous states namely Jharkhand and West Bengal. Hence jurisdiction of determination of tariff lies with the Central Commission. Relevant portion of the judgment of Hon'ble APTEL dtd. 23.11.2007 in Appeal No. 271, 272, 273 etc. of 2006 and 08 of 2007;

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

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

4.211 It is also a fact that while determining the tariff in respect of generating stations and T&D network of DVC, the Hon'ble CERC allows Interest on Working Capital based on the norms specified in the applicable Tariff Regulations for relevant periods under consideration. The Hon'ble CERC allows the tariff based on the assets but not based on its activities. In other words, it may be concluded that a pure transmission licensee (say Licensee A) having the assets similar to DVC would get a similar transmission tariff like DVC though the Licensee-A is not having any distribution activity. Therefore, going by the fact that since CERC allows IWC on account of Generation and Transmission activity, it will not be justified to say that DVC is not entitled to the IWC for distribution activity as per the applicable SERC Regulations. DVC in its reply to this Hon'ble Commission's order dtd. 14.02.2020 pointed out that in order to manage its distribution activity, DVC is required to maintain the following:

a) Separate manpower consisting of executives, supervisors and other working personnel at different category to deal various technical and non-technical issues, security requirement, safety requirement etc. related to consumer power supply;
b) Arrangement to carryout repair & maintenance work related to consumer power supply;
c) Arrangement for Data communication, meter reading, billing & collection related to consumer power supply including necessary infrastructure;
d) Information Technology (IT) based monitoring system and data acquisition arrangements, etc.

The above list is not exhaustive but only an indicative one.

4.212 For providing quality Service to the consumers, additional rolling fund is required for the aforesaid activities which are not serviced either through normative O&M or through normative Working Capital and Interest on Working Capital as approved in the generation and transmission tariff by the Hon'ble CERC. It is once again reiterated that such additional fund requirement which is directly related to DVC's distribution activity remains un-serviced in the IWC allowed by the Hon'ble CERC. The Hon'ble CERC while fixing the norms in the Tariff Regulations for determination of Transmission Tariff envisages the activity of Transmission business only and not any distribution activity. As such the claim of DVC in respect of IWC in terms of applicable Regulations of the two State Commissions in its different petitions related to determination of distribution tariff are a pressing requirement of DVC and disallowing the same as proposed by the objector's Association on the ground of any computational difficulty is misleading and devoid of any merit. This Hon'ble Commission while passing the provisional tariff order of DVC dtd. 22.11.2012, held as under (at para 7.40 at page no. 69) on the issue of DVC's claim towards IWC;

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

4.213 In order to avoid such difficulty DVC claims the IWC without giving effect to the first two elements of IWC i.e. 6.30(a) and 6.30(b) in terms of the tariff Regulations 2015 notified by this Hon'ble Commission. DVC in this regard also humbly submits before the Commission that disallowing the legitimate claim of DVC towards IWC only because of any computational difficulty is an injustice to DVC.

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

Views of the Commission

4.215 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Revenue at Current Tariff and Gap/surplus

Public Comments/Suggestions

4.216 The Petitioner has proposed the revenue at Current Tariff for FY 2023-24 at an ABR of Rs. 4.55/unit (refer Form T2 of the Tariff forms) by considering the Tariff approved by the Hon'ble Commission for the FY 2020-21 vide Order dated 30.09.2020.

4.217 It is pertinent to state that the projections depicted by the Petitioner is incorrect on the grounds that the Hon'ble Commission vide Order dated 30.01.2023, has revised the Tariff and has effected Tariff hike to the tune of 6.71% (refer Para 6.5 of the Order).

4.218 Therefore, the ABR at Current Tariff projected by the Petitioner does not reflect the existing Tariff and is therefore incorrect.

4.219 The Hon'ble Commission vide Order dated 30.01.2023 has approved the Revenue at Existing Tariff at Rs. 4010.04 Cr. (for 7664.85 MUs for FY 2021-22). This depicts that the ABR (at existing Tariff) was approved at Rs. 5.23/ unit. Based on the proposed hike effected by the Hon'ble Commission, the ABR at approved tariff for FY 2021-22 (as per Order dated 30.01.2023) is Rs. 5.58/ unit which would be the prevailing ABR for FY 2023-24 as well (owing to Tariff Order for FY 2022-23 not being issued). The working of the same is shown below:

ABR at existing Tariff for FY 2023-24

Particulars	Value	Remarks
As approved by the Hon'ble Commission		
Revenue at existing Tariff for FY 2021-22 (Rs. Crore)	4010. 04	Order dated 30.01.2023
Sales (MU)	7664.85	Order dated 30.01.2023
ABR at existing Tariff (Rs. /unit)	5.23	
Tariff Hike effected (%)	6.71%	Order dated 30.01.2023
ABR at approved Tariff for FY 2021-22 (or ABR at existing Tariff for FY 2023-24) (Rs./ unit)	**5.58**	

4.220 In view of the aforesaid, it is humbly submitted that the ABR at existing Tariff for FY 2023-24 is around Rs. 5.58/ unit which is significantly higher than the allowable ACOS which is Rs. 4.54/ unit. Therefore, **there is no scope of Tariff hike and instead there is ample scope for Tariff reduction for the FY 2023-24**.

Petitioner Response

4.221 At the time of filing this instant petition, the order dated 30.01.2023 issued by Hon'ble Commission was not available. Therefore, the existing tariff was projected based on order then applicable i.e. order dated 30.09.2020.

4.222 Therefore, if the escalation of 6.71% is considered on Rs 4.55/kWh it comes around Rs 4.85/ kWh [4.55 x (1+ 6.71%)].

4.223 Regarding the claim that Hon'ble Commission has approved ABR of Rs. 5.23/kWh for FY 2021-23, it is respectfully submitted that no justification or back-up calculation was provided by the Hon'ble Commission in the order dated 30.01.2023. Accordingly, DVC filed a review petition against the order dated 30.01.2023 wherein DVC has raised the issue.

4.224 Therefore, the ABR at Rs 5.58/kWh as projected by the objector is completely wrong and has no base. The average cost of supply for FY 2023-24 is Rs 7.00 per kWh which is way higher than DVC current Average Billing Rate (4.85 Rs/kWh) therefore there is an urgent need of adequate tariff hike.

Views of the Commission

4.225 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Disproportionate Tariff Hike proposed

Public Comments/Suggestions

4.226 The DVC has proposed the following Tariff rates for FY 2023-24 for HT consumers:

Existing and Proposed Tariff for HT Consumers

Consumer Category	Existing component of Tariff (refer Order dated 30.01.2023)		Proposed component of Tariff	
	Energy Charges*	Fixed Charges	Energy Charges	Fixed Charges
HT Consumers	(Rs/kVAh)	(Rs/KVA/Month)	(Rs/kVAh)	(Rs/KVA/Month)
Industries (11 KV)				
Normal	3.95	400	6.27	450
Peak	4.74		7.53	
Off-Peak	3.36		5.33	
Industries (33 KV)				
Normal	3.95	400	6.27	450
Peak	4.74		7.53	
Off-Peak	3.36		5.33	
Industries (132 KV)				
Normal	3.95	400	6.27	450

Consumer Category	Existing component of Tariff (refer Order dated 30.01.2023)		Proposed component of Tariff	
	Energy Charges*	Fixed Charges	Energy Charges	Fixed Charges
HT Consumers	(Rs/kVAh)	(Rs/KVA/Month)	(Rs/kVAh)	(Rs/KVA/Month)
Peak	4.74		7.53	
Off-Peak	3.36		5.33	
Industries (220 KV)				
Normal	3.95	400	6.27	450
Peak	4.74		7.53	
Off-Peak	3.36		5.33	

Voltage rebate applicable additionally as per JSERC Order dated 30.01.2023

4.227 The DVC has proposed the following tariff rates for FY 2023-24 for Licensees:

Existing and Proposed Tariff for Licensees

Consumer Category	Existing component of Tariff (refer Order dated 30.01.2023)		Proposed component of Tariff	
	Energy Charges*	Fixed Charges	Energy Charges	Fixed Charges
	(Rs/kVAh)	(Rs/KVA/Month)	(Rs/kVAh)	(Rs/KVA/Month)
Licensees (33 KV)				
Normal	3.60	400	5.69	450
Peak	4.32		6.83	
Off-Peak	3.06		4.84	
Licensees (132 KV)				
Normal	3.60	400	5.69	450
Peak	4.32		6.83	
Off-Peak	3.06		4.84	
Traction (132 KV)				
Normal	3.60	400	5.69	450
Peak	4.32		6.83	
Off-Peak	3.06		4.84	

Voltage rebate applicable additionally as per JSERC Order dated 30.01.2023

Objections:

4.228 As submitted by the Objector in the preceding sections, the Tariff hike sought by the Petitioner is not admissible.

4.229 Furthermore, DVC in the instant Petition has proposed incessant Hike (59%) in the Energy Charge Rate (ECR) for FY 2023-24 vis-à-vis ECR prevailing as per MYT Order for FY 2021-26 dated 30.01.2023.

4.230 At the very outset, in line with the Objection statement as above, it is mentioned that the Petitioner has not made out a case of Tariff hike; the reasoning and rationale put up by DVC for ARR computation is inappropriate. The same is evident as against the ARR/ACOS claimed by DVC, the allowable ARR/ACoS as per Objector's assessment is significantly low as well as ABR at existing tariff is also significantly high than the allowable ACOS. The table below depicts the above argument:

Claimed Vs Allowable ACoS for FY 2023-24

Particulars	FY 2023-24		
		Petitioner's Claim	Objector's Assessment
Total ARR (In Rs. Crs)	A	6484.04	4204.03
Sales in Jharkhand (In MUs)	B	9267.52	9267.52
Avg. Cost of Supply (In Rs/kWh)	**C=A/B*10**	**7.00**	**4.54**
ABR at existing Tariff (In Rs/kWh)			**5.58**

4.231 At the outset, it is pointed out that DVC has proposed different Energy Charges Rate (ECR) for HT consumers and Licensees even at the same voltage level. The Objector strongly opposes this approach of DVC. When the average cost of service is the same for supplying power to consumers and licensees, then such disparity in the Tariff Rates is bound to have repercussions. Such provision violates the ethos of the Electricity Act, 2003 and hence merits rejection at the very threshold by the Hon'ble Commission.

4.232 It is humbly submitted that the 59% hike in Energy Charges Rate (ECR) proposed is abnormally high and is bound to affect the industrial aspirations of the state. Such hikes proposed for the FY 2023-24, if implemented, would lead to utter destabilization of Industrial establishments in the state and such disruptive Tariffs have the potential to change market dynamics and industrial competitiveness.

4.233 The hikes proposed for the FY 2023-24 also violates the Objectives of the National Tariff Policy which envisages to make available the Electricity to consumers at a reasonable and competitive rates. Objectives of NTP 2016 are shown below for the kind reference of this Hon'ble Commission:

"4.0 OBJECTIVES OF THE POLICY

The objectives of this 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 minimise perceptions of regulatory risks;

(d) Promote competition, efficiency in operations and improvement in quality of supply;

(e) Promote generation of electricity from Renewable sources;

(f) Promote Hydroelectric Power generation including Pumped Storage Projects (PSP) to provide adequate peaking reserves, reliable grid operation and integration of variable renewable energy sources;

(g) Evolve a dynamic and robust electricity infrastructure for better consumer services;

(h) Facilitate supply of adequate and uninterrupted power to all categories of consumers;

(i) Ensure creation of adequate capacity including reserves in generation, transmission and distribution in advance, for reliability of supply of electricity to consumers"

4.234 It is relevant to point out that Industrial units in West Bengal and Jharkhand are mostly power intensive in nature, thereby majority of the production cost is on account of the cost of electricity consumed. Thus, even a minimal hike in Electricity Tariff would directly reflect into the increased production cost and would eventually make the situation economically unviable for such industries. Such unsustainable Tariffs proposed by the Petitioner would hit hard on the consumers of the state and is likely to result into permanent closures/ migration of such industries.

4.235 While the industries in the region have survived for so long because of competitive tariffs, the Tariff hikes proposed by the Petitioner would not likely cause the migration of the Industrial consumers or at the worst, cause closure of Industrial units. It is mentioned that the Load profile of DVC is primarily driven by industrial consumers; any change in the consumption pattern would lead to reduction of sales and consequential loading of Fixed charges on reduced sales would drive the Fixed Charges to even worse levels. DVC would have to be wary of such situation which could ultimately affect its financial condition.

4.236 In the end, the closure of industries, would not only result in wide spread unemployment but also will be a loss of economy to the State and nation as a whole.

Petitioner Response

4.237 Going by the objector's citation as per the National Tariff Policy 2016, the objective of the Tariff Policy is to ensure financial viability of the sector i.e. electricity sector. Moreover, Section 61 of the Electricity Act, 2003 also mandated the recovery of the cost of electricity in a reasonable manner and Tariff should be cost reflective. Relevant portion of the Act is reproduced below,

"The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-

(a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;

(b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;

(c) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;

(d) safeguarding of consumers' interest and at the same time, recovery ***of the cost of electricity in a reasonable manner;***

(e) the principles rewarding efficiency in performance;

(f) multi year tariff principles;

1[(g) ***that the tariff progressively reflects the cost of supply of electricity and also, reduces cross-subsidies in the manner specified by the Appropriate Commission;]***

(h) the promotion of co-generation and generation of electricity from renewable sources of energy;

(i) the National Electricity Policy and tariff policy:"

4.238 The following table depicts the position of Average Cost of Supply (ACoS) and Average Billing Rate (ABR) of DVC in the state of Jharkhand in the last four years.

			2019-20	2020-21	2021-22	2022-23
			Approved	True-up petition		APR petition
Energy Sold	MU	A	6996.55	7249.57	8198.88	8714.72
ARR	Rs. Cr.	B	3872.59	4147.83	4620.56	6061.19
Revenue Billed	Rs. Cr.	C	2959.03	3099.26	3525.60	4014.25
Revenue Gap	Rs. Cr.	D = B - C	913.56	1048.57	1094.96	2046.94
ACoS	Rs./kWh	E = B/A	5.54	5.72	5.64	6.96
ABR	Rs./kWh	F = C/A	4.23	4.28	4.30	4.60
Gap between ACoS & ABR	Rs./kWh	G = E - F	1.31	1.44	1.34	2.36

4.239 The above table clearly depicts that, in the last four years the billing rate remains lower, more than Rs 1 per unit, than the cost of supply. Which has resulted in accumulation of the Regulatory assets of around Rs 1000 Cr per year, which is nearly 25% of the total ARR. Therefore, on several occasions, DVC keeps on pressing to deal with the issue amicably. No business can sustain with such a huge cash loss and will jeopardize the future expansion plan to meet the ever-growing demand of the valley consumers.

4.240 It is also to be noted that after the latest tariff hike by WBERC, the tariff of the power supply by DVC in the West Bengal region stands at around Rs 5.50/kWh. Whereas for the same source of power consumers in Jharkhand are paying around Rs 4.85/kWh which is around 15% lower. This difference in tariff has created grave resentment in the consumers of West Bengal as they are losing out in the competition in their respective sector which is predominately the Iron and Steel Industry.

4.241 Regarding the claim that the industries that are being served by DVC are energy intensive in nature and any increase in Tariff will lead to migration or permanent closure, it is respectfully submitted that even after increase in Tariff in the West Bengal region, Demand of DVC did not reduce due to migration or closure. DVC has been able to witness continuous growth in the Demand in the West Bengal region even after the Tariff hike and such growth rate is maintained by competing in such an environment where our immediate competitor's tariff is lower.

4.242 The objector herein is misleading the Commission that due to any Tariff hike of DVC, industry will go into closure or migration etc. However, it is clear from the above table that due to inappropriate tariff design DVC has been continuously loosing a portion of its approved ARR by around Rs. 1000 Crs.

4.243 DVC therefore humbly submits before this Hon'ble Commission that wide difference in the Average Cost of Supply (ACOS) and Average Billing Rate (ABR) has been causing around Rs. 1,000 Crs. of revenue gap and consequent cash loss of DVC each year. Hon'ble Commission may therefore be pleased to review the tariff design methodology as submitted by DVC in the review petition submitted vide letter dtd. 01.03.2023.

Views of the Commission

4.244 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner.

Chapter 5: True Up for FY 2021-22

5.1 The Petitioner has submitted the true-up Petition for FY 2021-22 based on the audited accounts, taking into consideration the provisions of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, and the methodology adopted by the Commission in the previous Orders.

5.2 The Commission has carried out true-up for FY 2021-22 taking into consideration: -

a) Audited Accounts for FY 2021-22 and additional details submitted by the Petitioner;

b) JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020; and;

c) Methodology adopted by the Commission in the earlier order.

Supply Points, Connected Load and Energy Sales

Petitioner's Submission

5.3 The Petitioner has submitted the actual category-wise number of consumers/connection points, connected load and energy sales in the Damodar Valley area falling within the State of Jharkhand for FY 2021-22.

Commission's Analysis

5.4 The Commission after scrutinizing the 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 2021-22, which is summarized as below:

TABLE 6: SUPPLY POINTS, CONNECTED LOAD AND SALES IN JHARKHAND SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION

Particulars	Petition			Approved		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
LT (MW)	5.00	7.45	38.62	5.00	7.45	38.62
11 kV	2.00	0.60	0.20	2.00	0.60	0.20
33 kV	142.00	895.06	4,906.92	142.00	895.06	4,906.92
132 kV (Industry)	11.00	317.50	1,245.38	11.00	317.50	1,245.38
132 kV (Traction)	5.00	90.63	267.16	5.00	90.63	267.16
220 kV	2.00	290.00	1,740.59	2.00	290.00	1,740.59
Total	**167.00**	**-**	**8,198.88**	**167.00**	**-**	**8,198.88**

Transmission & Distribution Losses and Energy Requirement

Petitioner's Submission

5.5 The Petitioner has submitted that the Commission approved T&D losses as 3.00% for the network of DVC for FY 2021-22 vide its Tariff Order dated January 30, 2023 whereas, the actual T&D loss works out to be 2.63%.

5.6 Further, in addition to the energy sold in the Jharkhand area, the Petitioner has also submitted the actual sales in the West Bengal area and the energy wheeled from its inter-state transmission system for the purposes of computation of the energy requirement for the entire Damodar Valley area.

5.7 Based on the total energy sales in the Damodar Valley area, the T&D losses and the energy wheeled from the system, the Petitioner has submitted the actual energy requirement for FY 2021-22.

Commission's Analysis

5.8 The Commission has observed that the Petitioner, in its calculation, has considered the net sale of energy through Unscheduled Interchange (UI) as UI Export. However, the Commission has considered both, the energy imported and exported through UI in its calculation, and as such has computed a T&D loss of 2.02%

5.9 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 2021-22 has been summarized in the following table.

TABLE 7: ENERGY REQUIREMENT SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION (MU)

Particulars	Petition	Approved
Energy sales within the state of Jharkhand	8,198.88	8,198.88
Energy sales within the state of West Bengal	9,819.37	9,819.37
Total energy sales in DVC Area	18,018.25	18,018.25
Energy wheeled	1,002.21	1,002.21
Overall Utilization	19,020.46	19,020.46
T&D loss (MU)	513.25	391.42
T&D loss (%)	2.63%	2.02%
Total Energy Requirement for DVC	**19,533.71**	**19,411.88**
Ratio of sales in Jharkhand	45.50%	45.50%
Ratio of sales in West Bengal	54.50%	54.50%

Energy Availability from Own Generating Stations for Distribution Function

Petitioner's Submission

5.10 The Petitioner has submitted that it generates power from its own stations to meet part of the power requirements for its consumers in Jharkhand and West Bengal. The generating stations include both thermal and hydel stations.

5.11 The Petitioner has also submitted the actual generation available from own generating stations for FY 2021-22.

Commission's Analysis

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

TABLE 8: ENERGY AVAILABILITY FROM OWN GENERATING STATIONS SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION (MU)

Particulars	Petition	Approved
BTPS 'B' U# 3	-	-
DTPS U# 4	177.83	177.83
MTPS U# 1to3	2,902.36	2,902.36
MTPS U# 4	1,310.62	1,310.62
HYDEL	486.94	486.94
MTPS Solar PV	0.02	0.02
KTPS Solar PV	0.03	0.03
Sub Total	**4,877.81**	**4,877.81**
MTPS U# 5&6	3,107.43	3,107.43
MTPS U# 7&8	6,048.75	6,048.75
CTPS U# 7&8	3,450.62	3,450.62
DSTPS U# 1&2	5,818.75	5,818.75
KTPS U# 1&2	6,556.51	6,556.51
BTPS 'A'	2,823.52	2,823.52
RTPS U # 1&2	5,696.48	5,696.48
Sub Total	**33,502.07**	**33,502.07**
Total Own Generation	**38,379.88**	**38,379.88**

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

Petitioner's Submission

5.13 The Petitioner has 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.

5.14 Further, during the period FY 2021-22, the Petitioner has also purchased and sold power through the Unscheduled Interchange (UI) mechanism.

Commission's Analysis

5.15 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 its own generation.

5.16 The following table summarizes the station-wise net power purchase as submitted by the Petitioner and as approved by the Commission for FY 2021-22.

TABLE 9: STATION-WISE NET POWER PURCHASE SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION (MU)

Particulars	Petition	Approved
NHPC		
Rangit	31.73	31.73
Teesta- V	217.33	217.33
NTPC		
TSTPS I	12.23	12.23
KBUNL MTPS II	80.85	80.85
PTC		
Chukha	182.47	182.47
Kurichu	23.18	23.18
Tala	148.44	148.44
MPL	994.15	994.15
Contingency Purchase (IEX-PXIL)	274.50	274.50
UI Import	-	121.83
Solar		
Talcher	13.33	13.33
Unnachar	13.33	13.33
Rajasthan	25.64	25.64
GTAM Purchase (Solar)	17.12	17.12
GTAM Purchase (Non-Solar)	12.48	12.48
Total	**2,046.78**	**2,168.61**

Energy Balance

5.17 Based on the energy requirement and energy availability from its own generation, T&D losses and power purchase from CSGS and other sources, the energy balance for FY 2021-22, as submitted by the Petitioner, and as per Commission's analysis, is summarized in the following table:

TABLE 10: ENERGY BALANCE SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION (MU)

Particulars	Petition	Approved
A. Energy Requirement		
Energy sales within the state of Jharkhand	8,198.88	8,198.88
Energy sales within the state of West Bengal	9,819.37	9,819.37
Total energy sales in DVC Area	18,018.25	18,018.25
Energy wheeled	1,002.21	1,002.21
Overall Utilization	19,020.46	19,020.46
T&D loss (MU)	513.25	391.42
T&D loss (%)	2.63%	2.02%
Total Energy Requirement for DVC	19,533.71	19,411.88
B. Energy Availability		
Own Generation-Firm sources		
Thermal	37,892.88	37,892.88
Hydel	486.94	486.94
Solar	0.05	0.05
Sub Total	38,379.88	38,379.88
Net Power Purchase	2,046.78	2,046.78
UI Export	14.47	136.30
Energy received for Wheeling	879.27	879.27
Less: Energy sold to other licensees & exchange	21,757.74	21,757.74
Total Energy Available for DVC	**19,533.71**	**19,411.88**

Cost of Own Generation

Petitioner's Submission

5.18 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 its own stations has been taken as approved by the CERC in its relevant Orders.

5.19 Further, the effect of variation in Fuel Price Adjustment (FPA) in energy charges has also been claimed in the own cost of generation in accordance with the formula prescribed by the CERC.

Commission's Analysis

TABLE 11: CERC ORDERS CONSIDERED FOR APPROVAL OF FIXED CHARGES OF OWN GENERATING STATIONS

Particulars	Date of CERC Order
DTPS U#4	19.05.2023
MTPS U#1to3	17.02.2023
MTPS U#4	30.11.2022
MHS	16.02.2023
PHS	28.02.2023
THS	16.03.2023
T&D System	02.03.2022 & 23.07.2022
MTPS U#5&6	14.03.2023
MTPS U#7&8	27.04.2023
CTPS U#7&8	16.06.2023
DSTPS U#1&2	03.07.2023
KTPS U#1&2	20.07.2023
BTPS 'A' U#1	26.10.2023
RTPS U#1&2	29.04.2023

5.20 The Commission, after scrutinizing the information made available by the Petitioner and after perusal of the above CERC Orders, has adopted fixed charges for its own power generation from thermal and hydel stations for DVC for FY 2021-22 as approved by CERC in its relevant Tariff Orders. The Commission has verified the Energy Charge Rate (ECR) computation and approves the Energy Charge Rate (ECR) as submitted by the Petitioner.

5.21 The Commission in this Order has approved the input cost as per the MYT Orders issued by Hon'ble CERC for the Control Period FY 2019-24. The same shall be revised upon issuance of True-up Orders for the Petitioner by Hon'ble CERC.

5.22 The AFC of own power generating stations as adopted by the Commission from the aforementioned CERC Orders for the period FY 2021-22 has been summarized in the previous table. The Commission has adopted the methodology used in its previous Orders for calculation of Fixed Charges for own generating stations.

5.23 This Commission has noted that the CERC in its True-up orders has maintained its approach in allowing contribution to sinking fund as part of AFC and disallowing the expenses claimed by DVC pertaining to Pension & Gratuity (P&G), over and above, the normative O&M expenses allowable to the generating station. Furthermore, the Hon'ble Tribunal vide judgment dated 23.3.2016 in Appeal No. 255/2014 has upheld similar treatment by this

Commission in APR order dated 04.09.2014. Hence, the claim of DVC to recover contribution to Sinking Fund as allowed by CERC in AFC in full without factoring the availability of the Generating stations cannot be admitted herein.

5.24 The Fixed Charges approved by the Commission for FY 2021-22 for own generating stations is summarised at **Annexure – II**.

5.25 The Commission has approved the Energy Charge Rate for own generating stations for FY 2021-22 as submitted by the Petitioner after scrutinizing the Audited statement in respect of station-wise actual energy charge rates for the different generating stations of DVC for FY 2021-22 submitted as Annexure – 20 to the Petition. The Energy Charges approved by the Commission for FY 2021-22 for own generating stations is summarised below:

TABLE 12: ENERGY CHARGE RATE SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION (RS./KWH)

Particulars	Petition	Approved
BTPS 'B'	-	-
DTPS U # 4	3.88	3.88
MTPS U#1 to 3	3.20	3.20
MTPS U#4	3.19	3.19
MTPS Solar PV	3.23	3.23
KTPS Solar PV	4.16	4.16
MTPS U#5 & 6	3.04	3.04
MTPS U# 7 & 8	2.90	2.90
CTPS U # 7 & 8	2.67	2.67
DSTPS U # 1 & 2	2.94	2.94
KTPS U # 1 & 2	2.64	2.64
BTPS 'A'	2.27	2.27
RTPS U # 1 & 2	3.06	3.06

TABLE 13: ENERGY CHARGES SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION (RS. CR.)

Particulars	Petition	Approved
BTPS 'B'	-	-
DTPS U # 4	69.00	69.00
MTPS U#1 to 3	927.97	927.97
MTPS U#4	417.47	417.47
MHS	17.45	20.15
PHS	12.88	19.67
THS	4.93	5.86
MTPS Solar PV	0.01	0.01
KTPS Solar PV	0.01	0.01
MTPS U#5 & 6	691.60	691.60
MTPS U# 7 & 8	381.67	381.67
CTPS U # 7 & 8	58.68	58.68
DSTPS U # 1 & 2	1,028.91	1,028.91

Particulars	Petition	Approved
KTPS U # 1 & 2	80.72	80.72
BTPS 'A'	375.99	375.99
RTPS U # 1 & 2	759.58	759.58
Total Energy Charges	**4,826.87**	**4,837.29**

TABLE 14: TOTAL CHARGES SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION (RS. CR.)

Particulars	Petition		Approved	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
BTPS 'B'	-	-	-	-
DTPS U # 4	45.98	69.00	34.29	69.00
MTPS U#1 to 3	357.61	927.97	410.95	927.97
MTPS U#4	140.40	417.47	140.40	417.47
MHS	17.45	17.45	20.15	20.15
PHS	12.88	12.88	19.67	19.67
THS	4.93	4.93	5.86	5.86
T&D System	515.24	-	515.24	-
MTPS Solar PV	-	0.01	-	0.01
KTPS Solar PV	-	0.01	-	0.01
MTPS U#5 & 6	346.36	691.60	276.46	691.60
MTPS U# 7 & 8	218.04	381.67	223.57	381.67
CTPS U # 7 & 8	33.78	58.68	36.11	58.68
Incentive for CTPS U # 7 & 8	0.38	-	0.38	-
DSTPS U # 1 & 2	663.66	1,028.91	654.78	1,028.91
KTPS U # 1 & 2	54.80	80.72	54.21	80.72
Incentive for KTPS U # 1 & 2	0.30	-	0.30	-
BTPS 'A'	416.29	375.99	401.45	375.99
RTPS U # 1 & 2	536.92	759.58	539.94	759.58
Cost of Own Generation	**3,365.01**	**4,826.87**	**3,333.77**	**4,837.29**

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

Petitioner's Submission

5.26 The Petitioner submitted the actual power purchase cost from CSGS and other sources (including RE sources) during FY 2021-22 has been considered based on the actual power purchase bills received from the generators. The Petitioner has further submitted that they have fulfilled a portion of its solar obligation through actual power from different solar plants and through the purchase of REC. Similarly, regarding Non-solar RPO, the Petitioner has fulfilled a portion through applicable Hydro generation and purchase of Non-solar REC. The Petitioner added that the shortfall of RPO has been carried forward in FY 2021-22.

Commission's Analysis

5.27 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 Source) and from own generating stations as proposed by the Petitioner.

5.28 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 2021-22. Accordingly, the Commission also finds it prudent to segregate the cost of RPO for FY 2021-22 as per the RPO requirements stipulated by the respective Commissions, and actual RPO compliance by the Petitioner.

5.29 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 in Jharkhand.

TABLE 15: EXPENSES TOWARDS RPO SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION (RS. CR.)

Particulars	UoM	Petition	Approved
Quantum of total Solar RPO	MU	1227.35	1227.35
Quantum of Solar RPO in Jharkhand	MU	829.02	829.02
Quantum of total Solar Power Purchase	MU	70.27	69.42
Quantum of Solar Power Purchase for Jharkhand	MU	47.46	46.89
Quantum of total Non-solar RPO	MU	1714.19	1714.19
Quantum of Non-solar RPO in Jharkhand	MU	829.02	829.02
Quantum of total Non-solar Power Purchase	MU	12.48	12.48
Quantum of Non-solar Power Purchase for Jharkhand	MU	6.03	6.03
Cost of Solar Power	Rs. Cr.	56.41	56.41
Cost towards purchase from GTAM (Solar)	Rs. Cr.	8.70	8.70
Cost towards purchase from GTAM (Non-solar)	Rs. Cr.	6.85	6.85
Cost of Solar RPO for Jharkhand through Power Purchase	Rs. Cr.	43.98	43.98
Cost of Non-solar RPO for Jharkhand through Power Purchase	Rs. Cr.	3.31	3.31
Purchase of Solar (REC)	Rs. Cr.	50.84	50.84
Purchase of Non-Solar (REC)	Rs. Cr.	19.69	19.69
Total Expenses towards RPO	**Rs. Cr.**	**117.82**	**117.82**

5.30 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 at **Annexure – II**.

Tariff Filing and Publication Expenses (CERC)

Petitioner's Submission

5.31 The Petitioner has claimed Rs. 4.60 Crore towards Tariff filing fees (CERC) for FY 2021-22.

Commission's Analysis

5.32 The Commission examined the submission made by the Petitioner towards Tariff filing fees (CERC) in Annexure-19 of Letter No. Comm./ Tariff/ JSERC/ 1714 dated 30.12.2022, submitted along with the Petition. The Commission accordingly approves the Tariff Filing and Publication Expenses (CERC) as claimed by the Petitioner.

Environmental Protection and Other Cess

Petitioner's Submission

5.33 The Petitioner has claimed Rs. 0.68 Crore towards Environmental Protection and Other Cess for FY 2021-22.

Commission's Analysis

5.34 The Commission examined the submission made by the Petitioner towards Environmental Protection and Other Cess and approves the same in line with *'Note 29 Operation & Maintenance and General Administration Charges'* of the Audited Annual Accounts submitted by the petitioner.

Interest on Temporary Financial Accommodation

Petitioner's Submission

5.35 The Petitioner has claimed Rs 276.08 Crore towards Interest on Temporary Financial Accommodation for FY 2021-22.

Commission's Analysis

5.36 The Commission is of the view that the Petitioner is to 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% per annum on the Principal Amount, whereas the interest rates for accommodating such shortfall is 10.50%.

5.37 Clause 10.55 and 10.56 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 states as follows,

"10.55 Where the Licensee is engaged in any Other Business under Section 51 of the Act for optimum utilisation of its assets and/or manpower of its Regulated Business, the income from such business will be calculated considering the following conditions:

1. The Licensee shall not in any manner utilize the assets and facilities of the Licensed Business or otherwise directly or indirectly allow the *activities to be undertaken in a manner that it results in the Licensed Business subsidising the Other Business in any manner;*

2. *The Licensee shall not in any manner, directly or indirectly encumber the assets and facilities of the Licensed Business for the other Business or for any activities other than the Licensed Business;*
3. *The Licensee shall duly pay for all costs accounted for in the Licensed Business, which have been incurred for Other Business and in the event of such cost being incurred commonly for both the Licensed Business and Other Business, apportion such cost and ensure due payment of apportioned costs to the Licensed Business from the Other Business;*
4. *The revenue derived from the Other Business shall be commensurate with prevailing market conditions for such similar business activities;*
5. *In addition to the sharing of costs under sub-clause 3 above, the Licensee shall account for and ensure due payment to the Licensed Business a certain proportion of revenues from the other Business. As a general principle, the Licensee shall retain 50% of the revenues arising on account of Other Business and pass on the remaining 50% of the revenues to the Consumers.*

10.56 The revenue from Other Business shall be deducted from the ARR in calculating the revenue requirement of the Licensee:

Provided that the Licensee shall follow a reasonable basis for allocation of all joint and common costs between the Distribution Business and the Other Business and shall submit the Allocation Statement as approved by the Board of Directors to the Commission along with his application for determination of tariff:

Provided further that where the sum total of the direct and indirect costs of such Other Business exceeds the revenues from such Other Business, no amount shall be allowed to be added to the ARR of the Licensee on account of such Other Business."

5.38 From the submissions made by the Petitioner in the instant petition, it is observed that the Cost of Funding of Delayed Payment Surcharges from Non-firm Consumers of DVC has not been made available to the Commission. In absence of the requisite data, the Commission is compelled to approve the

Interest on Temporary Financial Accommodation for entire DPS, as available in the Audited Books of Accounts.

5.39 The Commission has approved the interest of 10.50% 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. CR.)

Particulars	Petition	Approved
Delay Payment Surcharge (DPS)	48.47	562.32
Principal Amount Outstanding **(DPS/18%)**	269.29	3,124.00
Interest on Temporary Financial Accommodation	**276.08**	**328.02**

Non-Tariff Income

Petitioner's Submission

5.40 The Petitioner has claimed Rs. 48.47 Crore towards Non-Tariff Income for FY 2021-22.

Commission's Analysis

5.41 The Commission has observed that the value claimed by the Petitioner as Non-Tariff Income is restricted to the Delayed Payment Surcharge (DPS) by firm consumers of DVC distribution licensee.

5.42 The Commission in its order on True-up from FY 2006-07 to FY 2013-14 and APR for FY 2014-15 dated 19.04.2017, has observed as shown below-

"5.51 The Commission observed that the Petitioner has claimed non-tariff income only to the extent of the Delayed Payment Surcharge (DPS). Further, the NTI, as reflected in the audited annual accounts, was in excess of the non-tariff income as claimed by the Petitioner. The Commission also notes that DVC, being a vertically integrated organisation, also carries out the business of generation and transmission of electricity besides distribution. ***Accordingly, the Commission directed the Petitioner to submit information on non-tariff income, as per audited accounts, segregated into generation, transmission and distribution business****.*

...

5.53 The Commission has taken note of the fact that entire capital expenditure of the Petitioner is attributable to the generation and transmission business as the Petitioner does not claim any capital expenditure for the *distribution business.* ***Accordingly, the non-tariff income, other than the Delayed Payment Surcharge, may be attributable to the generation and transmission business****.*

5.54 However, the Commission also notes that ***non-tariff income attributable to the generation and transmission business ultimately impacts the end-use consumer as the costs (net of any revenue) for generation and transmission business become the input costs for distribution business which drive the retail tariffs applicable for the end-consumer****. Hence, the Commission directs the Petitioner to submit, within one month of notification of this Order, whether such non-tariff income has been accounted for in costs for the generation and transmission business of the Petitioner. Based on the justification provided by the Petitioner, the Commission may take an appropriate view on the same and pass suitable Orders to the effect.*

5.55 Accordingly, ***at the moment****, the Commission approves the non-tariff income pertaining to delayed payment surcharge as Rs. 7.65 Cr., Rs. 12.22 Cr., Rs. 24 26 Cr., Rs. 1.89 Cr., & Rs. 7.63 Cr. Respectively for the aforementioned years based on actuals.*

…

6.46 As detailed in Paras 5.51 to 5.54 of this Order, the Commission, ***at present****, approves the non-tariff income pertaining to delayed payment surcharge as Rs.28.54 Cr., Rs.231.60 Cr., Rs. 20.79 Cr. & Rs.71.57 Cr. respectively for the aforementioned years, as per audited annual accounts of the respective years." (FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15)."*

5.43 DVC in reply to the direction given by the Commission in Order dated 19.04.2017, vide Letter No. Comml/Tariff/JSERC/516 dated 17.05.2017 has reiterated the fact that it is a vertically integrated organization. The same is quoted below for immediate reference,

"…DVC is a vertically integrated organization and has got generation, transmission and distribution activity in the entire Damodar Valley Area spread over in the state of Jharkhand and West Bengal. Therefore, DVC maintains its accounts which is integrated and covers all the aforesaid activities and also some other activities as mandated in DVC Act 1948. The accounting procedure followed by DVC is also approved and audited by

Comptroller & Auditor General of India.

It is, however, confirmed that other than Delay Payment Surcharge (DPS), there is no other Non-Tariff Income (NTI) under the distribution business of DVC and year-wise amount of DPS, as NTI has already been furnished to the Hon'ble Commission...”

So far as electricity business of DVC is concerned it is to submit that the capital expenditure is made in respect of its generation and deemed unified inter-state transmission network only. As such DVC does not incur any capital expenditure for its distribution activity. Accordingly, non- tariff income for the distribution activity of DVC is only the delay payment surcharge. In the previous tariff orders of DVC dtd.22.12.2012 & 04.09.2014 this Hon'ble Commission accepted the submission of DVC in this regard and considered only the delay payment surcharge (DPS) as non-tariff income after prudence check. In the instant tariff order dtd. 19.04.2017 also this Hon'ble Commission considered delay payment surcharge as non-tariff income as per the audited book of accounts of DVC.

DVC submits that since it is a vertically integrated organization, unified accounting for generation, transmission and distribution activity is maintained. DVC further submits that tariff regulation of the Hon'ble Central Commission for determination of generation and transmission tariff is based on some specific elements of fixed charges and energy charge. The said regulation does not have any provision to account for the non-tariff income. The only provision for late payment surcharge is available as per the tariff regulation of the Central Commission according to which late payment surcharge is levied as and when applicable. The entire DPS as non-tariff income considered by this Hon'ble Commission in the distribution tariff of DVC is inclusive of that late payment surcharge for its generation activity as well.

DVC therefore submits before this Hon'ble Commission to kindly consider the delay payment surcharge (DPS) as non-tariff income so far as the distribution activity of DVC is concerned.”

5.44 It is evident that at this stage, no adjustment of Non-Tariff Income attributable to the DVC’s Generation and Transmission has been undertaken in the input cost for the FY 2019-24 as well as the period prior to it. Such Non-Tariff Income ultimately impacts the end consumers (i.e., Retail consumers of Jharkhand) as the cost for the Generation and Transmission business becomes the input cost which drives up the retail ARR/ Tariff. Since, section 61 of EA, 2003, *inter alia, only* mandates reasonable recovery of cost, it is necessary that the entire Non-Tariff income as per the audited accounts shall be adjusted in the retail supply tariff of Jharkhand.

5.45 As such, the Commission is of the view that throughout the years, the Non-Tariff Income of the Petitioner has been left un-accounted in the retail supply tariff of Jharkhand. Thus, consumer interest in terms of Section 61, needs to be safeguarded by providing for the legitimate deductions in the ARR as per the regulatory framework in place. Accordingly, in this Order, the entire Non-Tariff Income as per the Audited Accounts is being approved.

TABLE 17: NON TARIFF INCOME APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 2020-21
Revenue from Operations	21,799.31
Revenue from Non-Core Activities	-
Interest from Employees Loan and Advances	0.12
Interest from Non-Current Investment	1.15
Interest from Current Investment	-
Interest on IT Refund	0.40
Interest on Security Deposit Other than Purchase of Power	-
Interest on Security Deposit - Purchase of Power	-
Interest on Advance to Contractors & Suppliers	-
Interest on Short Term Deposit	0.17
Interest on CLTD	0.05
Interest from Others	1.84
Dividend on Non-current Investment	19.90
Government Grants PM KUSUM Grant	-
Other non-operating Income	-
Delay Payment Surcharge	562.32
Income from Service Charges	59.32
Income from Service Charges Profit on Disposal of Fixed Asset	34.22
Profit on Disposal of Fixed Assets	-
Interest Income from PF Investment	-
Tariff Adjustment Fixed Charges	-
Provision - Written Back - Doubtful Debts	142.40
Provision - Income Tax - Written Back	13.75
Provision written back - Stock-Current Asset	-
Other Misc. Income	121.00
Share of Rev. Income	-
Inter head transfer	26.95
Hd 6	-
Hd 5	-
Common Service	-
CSO	-
Capitalized	(4.34)
Hd 1	-
Hd 4	-
Total Income	**22,634.95**
Total Non-tariff Income	**979.25**

5.46 Furthermore, the treatment of the unassessed Non-Tariff Income from FY 2012-13 to FY 2021-22 is provided for in assessing the Cumulative Gap/(surplus) upto FY 2023-24 in para 7.4 to para 7.8 of the instant Order.

Legal Charges & Consultancy Fees

Petitioner's Submission

5.47 The Petitioner has submitted that they have incurred Legal expenses in relation to various court cases pertaining to its Distribution activity within its operational area. Since, such expenditures are not covered in the normative O&M charges as allowed by CERC for generation and transmission activities of DVC, accordingly the Petitioner has claimed Rs. 10.43 Crore towards Legal Charges and Consultancy Fees.

Commission's Analysis

5.48 The Commission has examined the submission made by the Petitioner and observes that the Petitioner has not submitted any documents in support of its claim that such expenses are not included in the normative O&M expenses approved by CERC. Therefore, the Commission as per precedence, has not approved any Legal and Consultancy charges claimed by the Petitioner.

Sharing of Gains from UI Export

Petitioner's Submission

5.49 The Petitioner has claimed Rs. 3.68 Crore towards Sharing of Gains from UI Export for FY 2021-22 as shown below.

TABLE 18: SHARING OF GAINS FROM UI EXPORT SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	Petition				
	Quantum (MU)	Energy Charges	Rate (Rs./Kwh)	Weighted Avg ECR of DVC	Net Gain (Rs. Cr.)
UI Import (purchase mode)	121.83	130.39	10.70		
UI Export (Sale mode)	136.30	43.26	3.17	2.90	3.68
Net UI (export)	14.47	87.13	60.21		

Commission's Analysis

5.50 The Commission has examined the submission made by the Petitioner and observes that the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 do not provide for any sharing of gains from UI Export. As such, the net costs incurred towards UI import and income from UI export have been adjusted while approving the net Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources (including RE sources and excluding purchase from own generating stations) as shown at **Annexure – II**.

Allocation of Costs for DVC as a whole to Jharkhand Area

Petitioner's Submission

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

Commission's Analysis

5.52 The Commission has allocated the expenses of DVC as a whole to Jharkhand area by following the methodology approved in the Order on True-up for FY 2020-21. The following table summarizes the input cost allocated to Jharkhand area for the period FY 2021-22 as submitted by the Petitioner and as approved by the Commission.

TABLE 19: COST ALLOCATION FOR JHARKHAND SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION (RS. CR.)

Particulars	Petition	Approved
Cost of Own Generation	8,191.88	8,171.06
Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses)	1,178.36	1,135.10
Tariff filling fees & publication expenses to CERC	4.60	4.60
Less: Non-Tariff Income (NTI)	48.47	979.25
Interest on Temporary Financial Accommodation	276.08	328.02
Legal Charge & Consultancy Fee	10.43	-
Environmental Protection and Other Cess	0.68	0.68
Less: Gain sharing from UI Export	3.68	-
Total ARR of DVC (Distribution)	**9,609.87**	**8,660.20**
Ratio of sales in Jharkhand	45.50%	45.50%
ARR Apportioned to Jharkhand	**4,372.80**	**3,940.67**

Rebate on Sale of Power

Petitioner's Submission

5.53 The Petitioner, in its Petition has claimed Rs 53.39 Crore towards Rebate on Sale of Power for FY 2021-22.

Commission's Analysis

5.54 On scrutinization of the details submitted by the Petitioner, the Commission in this Order, has allowed the net revenue billed to the Consumers of Jharkhand, including Rebates/surcharges, while approving the Gap/(Surplus), which were submitted by the petitioner in the Billing details, vide Letter No. Comm./ Tariff/ JSERC/ 831 dated 06.04.2023. In view of the above, the Commission has disallowed the Rebate on Sale of Power so claimed separately by the petitioner, as allowance of the same would result in double accounting of the same costs.

Interest on Working Capital (IoWC)

Petitioner's Submission

5.55 The Petitioner has submitted that the Interest on Working Capital has been determined in accordance with the applicable provisions of the Tariff Regulations, 2020. Accordingly, the Petitioner has claimed the Interest on Working Capital required for DVC for Jharkhand Area to be Rs. 66.04 Crore for FY 2021-22.

Commission's Analysis

5.56 The Commission observed that 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 JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 is not possible. Hence, the Commission has approved Interest on Working Capital as adopted by the Commission for calculation of Interest on Working capital in its earlier Orders.

TABLE 20: INTEREST ON WORKING CAPITAL SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION (RS. CR.)

Particulars	Annotation	Petition	Approved
Revenue from sales in Jharkhand	A	4,620.56	4,073.27
Cost of power purchase allocated for Jharkhand in the ratio of sales	B	654.01	-
Two months receivable	C	770.09	-
One month power purchase cost	D	54.50	-
Security deposit held	E	148.69	-
Working Capital Requirement in Jharkhand Area (at 1% of Revenue from sale of power)	F		40.73
Working Capital (C-D-E)	G	**566.90**	**40.73**
Interest rate (%) (SBI Base Rate as on 01.04.2021 + 350 basis points)	H	11.65%	10.50%
Interest on Working Capital	**I**	**66.04**	**4.28**

Interest on Consumer Security Deposit

Petitioner's Submission

5.57 The Petitioner submitted an amount of Rs. 10.06 Crore towards Interest on Consumer Security Deposit.

Commission's Analysis

5.58 Clause 10.33 of the Tariff Regulations, 2020, allows the Petitioner to recover the interest on security deposits through the ARR.

5.59 The petitioner has submitted a statement of reconciliation along with relevant accounts/ ledgers related to Interest on consumer security deposit in respect of consumers of Jharkhand for FY 2021-22 as Annexure - 16 to Letter No. Comm./ Tariff/ JSERC/ 831 dated 06.04.2023.

5.60 The Commission has approved the Interest on Consumer Security Deposit as submitted by the Petitioner based on scrutiny of the Audited Accounts for FY 2021-22.

Tariff Filing and Publication Expenses (JSERC)

Petitioner's Submission

5.61 The Petitioner has submitted an amount of Rs. 0.45 Crore towards Tariff Filing and Publication Expenses in JSERC.

Commission's Analysis

5.62 The Commission has approved the Tariff Filing and Publication Expenses in JSERC as submitted by the Petitioner in Annexure-19 of Letter No. Comm./ Tariff/ JSERC/ 1714 dated 30.12.2022, submitted along with the Petition. The Commission accordingly approves the Tariff Filing and Publication Expenses (CERC) as claimed by the Petitioner.

Summary of Aggregate Revenue Requirement (ARR)

5.63 Based on the above, the Commission has approved ARR for FY 2021-22 against the ARR claimed by the Petitioner which is summarised as below:

TABLE 21: ARR SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION (RS. CRORE)

Particulars	Petition		Approved	
	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
Cost of Own Generation	4,826.87	3,365.01	4,837.29	3,333.77
Power Purchase Cost (Including Transmission Charges & Excluding RE/REC Expense)	783.73	394.63	740.47	394.63
Tariff filling fees & publication expenses to CERC	-	4.60	-	4.60
Less: Non-Tariff Income (NTI)	48.47	-	979.25	-
Interest on Temporary Financial Accommodation	276.08	-	328.02	-
Legal Charge & Consultancy Fee	-	10.43	-	-
Environmental Protection and Other Cess	-	0.68	-	0.68
Less: Gain sharing from UI export	3.68	-	-	-
Total	**5,834.53**	**3,775.34**	**4,926.53**	**3,733.67**
Ratio of sales in Jharkhand part to total firm sale in entire DVC	45.50%	45.50%	45.50%	45.50%
ARR before IWC, Interest on SD & Tariff Filling Fees in the licensed area of Jharkhand	**2,654.90**	**1,717.90**	**2,241.73**	**1,698.94**
Rebate on Sale of Power	53.39	-	-	-
Expenses to meet RPO in the state of Jharkhand	117.82	-	117.82	-
Interest on Working Capital	-	66.04	-	4.28
Interest on security deposit	-	10.06	-	10.06
Tariff Filing Fees & Publication Expenses in JSERC	-	0.45	-	0.45
Net ARR for Jharkhand	**2,826.10**	**1,794.45**	**2,359.55**	**1,713.73**
TOTAL ARR	**4,620.56**		**4,073.27**	
Sale in Jharkhand (MU)	8,198.88		8,198.88	
Average Cost of Supply (Rs./kWh)	**5.64**		**4.97**	

Revenue from Sale of Power in Jharkhand Area

Petitioner's Submission

5.64 The Petitioner has submitted the revenue billed from sale of power in Jharkhand as Rs. 3,525.60 Cr. which is inclusive of FPPPA Charges billed, i.e. Rs. 14.34 Cr. for FY 2021-22.

Commission's Analysis

5.65 The Commission in this Order, has allowed the net revenue billed to the Consumers of Jharkhand, including Rebates/surcharges, while approving the

Gap/(Surplus), which were submitted by the petitioner in the Billing details, vide Letter No. Comm./ Tariff/ JSERC/ 831 dated 06.04.2023.

Revenue & (Surplus)/Gap for FY 2021-22

5.66 The Commission, after scrutinitizing the details submitted by the Petitioner, and based on the ARR approved earlier in this Order, approves the Revenue Gap/(Surplus) as summarised below.

TABLE 22: REVENUE (SURPLUS)/GAP AS APROVED BY THE COMMISION (RS. CR.)

Particulars	Petition	Approved
Aggregate Revenue Requirement Approved	4,620.56	4,073.27
Revenue Billed	3,511.26	3,614.24
Gap/(Surplus)	**1,109.30**	**459.04**

5.67 The Commission has approved the gap as Rs. 459.04 Crore for FY 2021-22.

Chapter 6: Annual Performance Review (APR) for FY 2022-23 & Aggregate Revenue Requirement (ARR) for FY 2023-24

6.1 The Petitioner has submitted the Petitions for Annual Performance Review (APR) of FY 2022-23 and Aggregate Revenue Requirement (ARR) of FY 2023-24 taking into consideration the provisions of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, and the methodology adopted by the Commission in the previous Orders.

6.2 The Commission has carried out Annual Performance Review (APR) of FY 2022-23 and Aggregate Revenue Requirement (ARR) of FY 2023-24 taking into consideration: -

a) JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020; and;
b) Methodology adopted by the Commission in earlier orders.

Supply Points, Connected Load and Energy Sales

Petitioner's Submission

6.3 The Petitioner has submitted the actual category-wise number of consumer connection points, connected load and energy sales in the Damodar Valley area falling within the State of Jharkhand for FY 2022-23 & FY 2023-24.

Commission's Analysis

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

TABLE 23: SUPPLY POINTS, CONNECTED LOAD AND SALES IN JHARKHAND SUBMITTED BY THE PETITIONER FOR FY 2022-23 & FY 2023-24

Particulars	FY 2022-23			FY 2023-24		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
LT (MW)	5.00	7.35	41.05	5.00	7.81	43.63
Industries-11 KV	30.00	6.02	3.05	70.00	7.53	4.50

Particulars	FY 2022-23			FY 2023-24		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
Industries - 33 KV	149.00	853.39	4,866.79	154.00	907.40	5,174.81
Industries - 132 KV	11.00	141.89	630.16	12.00	150.87	670.04
Traction - 132 KV	6.00	85.45	283.87	7.00	90.85	301.84
Industries - 220 KV	2.00	308.57	1,849.50	2.00	328.10	1,966.55
Licensees - 33 KV	5.00	84.68	347.15	6.00	90.04	369.12
Licensees - 132 KV	4.00	180.44	693.14	4.00	191.86	737.01
Total	**212.00**	**-**	**8,714.72**	**260.00**	**-**	**9,267.52**

TABLE 24: SUPPLY POINTS, CONNECTED LOAD AND SALES IN JHARKHAND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24

Particulars	FY 2022-23			FY 2023-24		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
LT (MW)	5.00	7.35	41.05	5.00	7.81	43.63
Industries- 11 KV	30.00	6.02	3.05	70.00	7.53	4.50
Industries - 33 KV	149.00	853.39	4,866.79	154.00	907.40	5,174.81
Industries - 132 KV	11.00	141.89	630.16	12.00	150.87	670.04
Traction - 132 KV	6.00	85.45	283.87	7.00	90.85	301.84
Industries - 220 KV	2.00	308.57	1,849.50	2.00	328.10	1,966.55
Licensees - 33 KV	5.00	84.68	347.15	6.00	90.04	369.12
Licensees - 132 KV	4.00	180.44	693.14	4.00	191.86	737.01
Total	**212.00**	**-**	**8,714.72**	**260.00**	**-**	**9,267.52**

Transmission & Distribution Losses and Energy Requirement

Petitioner's Submission

6.5 The Petitioner has submitted that the Commission approved T&D losses as 3.00% for the network of DVC for FY 2022-23 & FY 2023-24 vide its Tariff Order dated January 30, 2023 whereas, the estimated T&D loss works out to be 2.97% for FY 2022-23 & 2.94% for FY 2023-24.

6.6 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 purpose 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 estimated energy requirement for FY 2022-23 & FY 2023-24.

Commission's Analysis

6.8 The Commission, after assessment, has disallowed Contingency Purchase (IEX-PXIL), Grid Loss, STU loss for Rajasthan Solar Power. Further, it is observed that the Petitioner has projected a lower availability of quantum of energy from RTPS U#1&2 in FY 2022-23 compared to FY 2021-22. As such, for the purpose of projection, the Commission has allowed an availability of 5,696.48 MU from the plant against the Petitioners claim of 5,482.94 MU by equating the same as the trued up values for FY 2021-22. Accordingly, the Commission has computed a T&D loss of 2.61% for FY 2022-23 & 1.51% for FY 2023-24. The actuals may be considered while passing the true-up Order for the period under consideration upon submission of relevant data and documentary evidence.

6.9 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 2022-23 & FY 2023-24 has been summarized in the following table.

TABLE 25: ENERGY REQUIREMENT SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24 (MU)

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
Energy sales within the state of Jharkhand	8,714.72	8,714.72	9,263.02	9,267.52
Energy sales within the state of West Bengal	10,246.05	10,246.05	10,691.77	10,691.77
Total energy sales in DVC Area	18,960.77	18,960.77	19,954.78	19,959.28
Energy wheeled	817.83	817.83	827.18	827.18
Overall Utilization	19,778.60	19,778.60	20,781.96	20,786.46
T&D loss (MU)	604.72	530.48	628.61	319.39
T&D loss (%)	2.97%	2.61%	2.94%	1.51%
Total Energy Requirement for DVC	**20,383.32**	**20,309.08**	**21,410.57**	**21,105.85**
Ratio of sales in Jharkhand	45.96%	45.96%	46.43%	46.43%
Ratio of sales in West Bengal	54.04%	54.04%	53.57%	53.57%

Energy Availability from Own Generating Stations for Distribution Function

Petitioner's Submission

6.10 The Petitioner has submitted that it generates power from its own stations to meet part of the power requirements for its consumers in the Jharkhand and West Bengal. The generating stations include both thermal and hydel stations.

6.11 The Petitioner has also submitted the estimated generation available from its own generating stations for FY 2022-23 & FY 2023-24.

Commission's Analysis

6.12 The Commission has considered the submission made by the Petitioner on energy availability from its own generating stations. Based on the estimated availability and the power purchase submitted, the Commission approves the energy availability from its own generation. The energy availability from own generation as per the submission of the Petitioner and as approved by the Commission is summarised below:

TABLE 26: ENERGY AVAILABILITY FROM OWN GENERATING STATIONS SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24 (MU)

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
BTPS 'B' U# 3	-	-	-	-
DTPS U# 4	110.89	110.89	-	-
MTPS U# 1to3	2,915.86	2,915.86	2,987.16	2,987.16
MTPS U# 4	1,309.95	1,309.95	1,247.87	1,247.87
HYDEL	431.60	431.60	469.11	469.11
MTPS Solar PV	0.03	0.03	0.04	0.04
KTPS Solar PV	0.03	0.03	0.04	0.04
Sub Total	**4,768.38**	**4,768.38**	**4,704.22**	**4,704.22**
MTPS U# 5&6	3,091.14	3,091.14	3,050.40	3,050.40
MTPS U# 7&8	6,155.71	6,155.71	6,374.79	6,374.79
CTPS U# 7&8	3,164.44	3,164.44	3,050.42	3,050.42
DSTPS U# 1&2	6,178.76	6,178.76	6,374.84	6,374.84
KTPS U# 1&2	6,376.93	6,376.93	6,374.95	6,374.95
BTPS 'A'	3,309.90	3,309.90	3,228.72	3,228.72
RTPS U # 1&2	5,482.94	5,696.48	5,960.85	5,960.85
Sub Total	**33,759.82**	**33,973.35**	**34,414.97**	**34,414.97**
Total Own Generation	**38,528.19**	**38,741.73**	**39,119.20**	**39,119.20**

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

Petitioner's Submission

6.13 The Petitioner has 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 command area.

6.14 Further, for FY 2022-23 & FY 2023-24, the Petitioner has projected to purchase and sell power through the Unscheduled Interchange (UI) mechanism.

Commission's Analysis

6.15 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. Contingency Purchase and Grid Loss has been provisionally disallowed for the purpose of projection, subject to true-up for the period under consideration.

TABLE 27: STATION-WISE NET POWER PURCHASE SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24 (MU)

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
NHPC				
Rangit	31.29	31.29	30.98	30.98
Teesta- V	232.09	232.09	232.53	232.53
NTPC				
TSTPS I	13.56	13.56	13.72	13.72
KBUNL MTPS II	-	-	-	-
PTC				
Chukha	187.72	187.72	187.90	187.90
Kurichu	38.40	38.40	39.37	39.37
Tala	152.95	152.95	149.89	149.89
MPL	1,054.00	1,054.00	1,066.32	1,066.32
Contingency Purchase (IEX-PXIL)	358.36	-	376.27	-
Grid Loss	70.65	-	71.63	-
Solar				
Talcher	13.46	13.46	13.60	13.60
Unnachar	13.46	13.46	13.60	13.60
Rajasthan	27.02	27.02	27.56	27.56
STU loss for Rajasthan Solar Power @3.22%	0.87	-	0.89	-
GDAM Purchase (Solar)	178.64	178.64	214.36	214.36
Solar Energy purchase from Rooftop Solar PV System	3.45	3.45	3.45	3.45
Non-solar				
Hydro Generation	13.69	-	14.37	-
GDAM Purchase (Non-Solar)	178.64	178.64	214.36	214.36
Total	**2,425.20**	**2,124.67**	**2,525.76**	**2,207.64**

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 as submitted by the Petitioner and as per Commission's analysis is summarized in the following table:

TABLE 28: ENERGY BALANCE SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24 (MU)

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
A. Energy Requirement				
Energy sales within the state of Jharkhand	8,714.72	8,714.72	9,263.02	9,267.52
Energy sales within the state of West Bengal	10,246.05	10,246.05	10,691.77	10,691.77
Total energy sales in DVC Area	18,960.77	18,960.77	19,954.78	19,959.28
Energy wheeled	817.83	817.83	827.18	827.18
Overall Utilization	19,778.60	19,778.60	20,781.96	20,786.46
T&D loss (MU)	604.72	530.48	628.61	319.39
T&D loss (%)	2.97%	2.61%	2.94%	1.51%
Total Energy Requirement for DVC	**20,383.32**	**20,309.08**	**21,410.57**	**21,105.85**
B. Energy Availability				
Own Generation-Firm sources				
Thermal	38,096.59	38,310.06	38,650.08	38,650.01
Hydel	431.60	431.60	469.11	469.11
Solar	0.07	0.07	0.08	0.08
Sub Total	38,528.26	38,741.73	39,119.28	39,119.20
Net Power Purchase	2,412.38	2,124.67	2,512.28	2,207.64
Energy received for Wheeling	874.68	874.68	884.68	884.68
Less: Energy sold to other licensees & exchange	21,432.01	21,432.01	21,105.66	21,105.66
Total Energy Available for DVC	**20,383.32**	**20,309.08**	**21,410.57**	**21,105.85**

Cost of Own Generation

Petitioner's Submission

6.17 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.

6.18 Further, the effect of variation in Fuel Price Adjustment (FPA) in energy charges has also been claimed in the own cost of generation in accordance with the formula prescribed by the CERC.

Commission's Analysis

TABLE 29: CERC ORDERS CONSIDERED FOR APPROVAL OF FIXED CHARGES OF OWN GENERATING STATIONS

Particulars	Date of CERC Order
DTPS U#4	19.05.2023
MTPS U#1to3	17.02.2023
MTPS U#4	30.11.2022
MHS	16.02.2023
PHS	28.02.2023
THS	16.03.2023
T&D System	02.03.2022 & 23.07.2022
MTPS U#5&6	14.03.2023
MTPS U#7&8	27.04.2023
CTPS U#7&8	16.06.2023
DSTPS U#1&2	03.07.2023
KTPS U#1&2	20.07.2023
BTPS 'A' U#1	26.10.2023
RTPS U#1&2	29.04.2023

6.19 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 as approved by CERC in its relevant Tariff Orders. The Commission has verified the Energy Charge Rate (ECR) computation and approves the Energy Charge Rate (ECR) as submitted by the Petitioner.

6.20 The Commission in this Order has approved the input cost as per the MYT Orders issued by Hon'ble CERC for the Control Period FY 2019-24. The same shall be revised upon issuance of True-up Orders for the Petitioner by Hon'ble CERC.

6.21 The AFC of own power generating stations as adopted by the Commission from the aforementioned CERC Orders for the period has been summarized in the previous table. The Commission has adopted the methodology used in its previous Orders for calculation of Fixed Charges for own generating stations.

6.22 This Commission has noted that the CERC in its True-up orders has maintained its approach in allowing contribution to sinking fund as part of AFC and disallowing the expenses claimed by DVC pertaining to Pension & Gratuity (P&G), over and above, the normative O&M expenses allowable to the generating station. Hence, the claim of DVC to recover contribution to Sinking Fund as allowed by CERC in AFC in full without factoring the availability of the Generating stations is not admitted in the instant order. The Hon'ble Tribunal vide judgment dated 23.3.2016 in Appeal No. 255/2014 has upheld similar treatment by this Commission in APR order dated 04.09.2014.

6.23 The Fixed Charges approved by the Commission for own generating stations is summarised at **Annexure – II**.

6.24 The Commission has approved the Energy Charge Rate for own generating stations for FY 2022-23 and FY 2023-24, as submitted by the Petitioner since as per submissions, the Energy Charge Rate (ECR) of different thermal power stations for the FY 2022-23 has been considered based on the average of actual ECR of first Six Months of FY 2022-23 (Apr'22 to Sep'22) as the escalation rate of domestic coal as published by CERC on October, 22 is Zero. Thereafter, for FY 2023-24, average of the half yearly escalation rate of domestic coal as published by CERC for the period April-17 to April-22 has been applied on the Landed cost of Primary Fuel (LPPF) i.e., price of coal of FY 2022-23 to arrive at the projected ECR for FY 2023-24. Relevant documents half yearly escalation rate of domestic coal as published by CERC and computation sheet for escalation rate of coal in this respect of own generating stations of DVC were attached along with the Petition as Annexure-25. The Energy Charges approved by the Commission for own generating stations is summarised below:

TABLE 30: ENERGY CHARGE RATE SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24 (RS./KWH)

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
BTPS 'B'	-	-	-	-
DTPS U # 4	3.97	3.97	-	-
MTPS U#1 to 3	3.81	3.81	3.94	3.94
MTPS U#4	3.81	3.81	3.94	3.94
MTPS Solar PV	3.23	3.23	3.23	3.23
KTPS Solar PV	4.16	4.16	4.16	4.16
MTPS U#5 & 6	3.91	3.91	4.04	4.04
MTPS U# 7 & 8	3.74	3.74	3.86	3.86
CTPS U # 7 & 8	3.95	3.95	4.08	4.08
DSTPS U # 1 & 2	4.26	4.26	4.41	4.41
KTPS U # 1 & 2	3.97	3.97	4.11	4.11
BTPS 'A'	2.81	2.81	2.91	2.91
RTPS U # 1 & 2	3.80	3.80	3.93	3.93

TABLE 31: ENERGY CHARGES SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24 (RS. CR.)

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
BTPS 'B'	-	-	-	-

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
DTPS U # 4	43.99	43.99	-	-
MTPS U#1 to 3	1,111.39	1,111.39	1,176.74	1,176.74
MTPS U#4	499.29	499.29	491.57	491.57
MHS	23.89	20.54	24.90	21.39
PHS	22.47	19.06	23.44	19.85
THS	6.36	6.10	6.61	6.35
MTPS Solar PV	0.01	0.01	0.01	0.01
KTPS Solar PV	0.01	0.01	0.02	0.02
MTPS U#5 & 6	733.36	733.36	711.42	711.42
MTPS U# 7 & 8	742.49	742.49	877.41	877.41
CTPS U # 7 & 8	479.23	479.23	454.21	454.21
DSTPS U # 1 & 2	1,430.39	1,430.39	1,455.89	1,455.89
KTPS U # 1 & 2	112.51	112.51	251.82	251.82
BTPS 'A'	418.24	418.24	486.36	486.36
RTPS U # 1 & 2	807.60	807.60	1,010.73	1,010.73
Total Energy Charges	**6,431.25**	**6,424.23**	**6,971.11**	**6,963.76**

TABLE 32: TOTAL CHARGES SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CR.)

Particulars	FY 2022-23			
	Petition		Approved	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
BTPS 'B'	-	-	-	-
DTPS U # 4	192.01	43.99	86.81	43.99
MTPS U#1 to 3	541.50	1,111.39	439.45	1,111.39
MTPS U#4	145.68	499.29	145.68	499.29
MHS	23.89	23.89	20.54	20.54
PHS	22.47	22.47	19.06	19.06
THS	6.36	6.36	6.10	6.10
T&D System	502.51		502.51	
MTPS Solar PV		0.01		0.01
KTPS Solar PV		0.01		0.01
MTPS U#5 & 6	293.43	733.36	230.44	733.36
MTPS U# 7 & 8	390.45	742.49	337.11	742.49
CTPS U # 7 & 8	262.65	479.23	222.32	479.23
DSTPS U # 1 & 2	657.43	1,430.39	581.39	1,430.39
KTPS U # 1 & 2	56.04	112.51	51.06	112.51
BTPS 'A'	426.82	418.24	330.34	418.24
RTPS U # 1 & 2	608.72	807.60	531.30	807.60
Cost of Own Generation	**4,129.95**	**6,431.25**	**3,504.11**	**6,424.23**

TABLE 33: TOTAL CHARGES SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2023-24 (RS. CR.)

Particulars	FY 2023-24			
	Petition		Approved	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
BTPS 'B'	-	-	-	-
DTPS U # 4	-	-	-	-
MTPS U#1 to 3	590.72	1,176.74	450.95	1,176.74
MTPS U#4	150.88	491.57	150.88	491.57

Particulars	FY 2023-24			
	Petition		Approved	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
MHS	24.90	24.90	21.39	21.39
PHS	23.44	23.44	19.85	19.85
THS	6.61	6.61	6.35	6.35
T&D System	509.23	-	509.23	
MTPS Solar PV	-	0.01		0.01
KTPS Solar PV	-	0.02		0.02
MTPS U#5 & 6	287.61	711.42	223.98	711.42
MTPS U# 7 & 8	438.87	877.41	366.21	877.41
CTPS U # 7 & 8	255.77	454.21	200.41	454.21
DSTPS U # 1 & 2	620.25	1,455.89	547.87	1,455.89
KTPS U # 1 & 2	120.35	251.82	109.05	251.82
BTPS 'A'	484.09	486.36	375.44	486.36
RTPS U # 1 & 2	663.51	1,010.73	577.81	1,010.73
Cost of Own Generation	**4,176.23**	**6,971.11**	**3,559.42**	**6,963.76**

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

Petitioner's Submission

6.25 The Petitioner has submitted that the balance energy demand is met through power purchase from other sources, viz., NTPC, NHPC, PTC, MPL etc. In case of contingency situation i.e. shortage of own generation or CSGS/MPL etc., DVC meets the real time demand by purchasing power from Power Exchange. The Petitioner has further submitted that they have fulfilled a portion of its solar obligation through actual power from different solar plants and through the purchase of REC. Similarly, regarding Non-solar RPO, the Petitioner has fulfilled a portion through applicable Hydro generation and purchase of Non-solar REC. The Petitioner added that the shortfall of RPO has been carried forward in FY 2022-23.

Commission's Analysis

6.26 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 Source) and from own generating stations at **Annexure – II**.

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

6.28 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 in Jharkhand.

TABLE 34: EXPENSES TOWARDS RECS SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24 (RS. CR.)

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
Quantum of total Solar RPO	-	2588.51	-	2798.71
Quantum of Solar RPO in Jharkhand	-	1835.17	-	1999.69
Quantum of total Solar Power Purchase	-	236.03	-	272.57
Quantum of Solar Power Purchase for Jharkhand	**-**	**167.34**	**-**	**194.75**
Quantum of total Non-solar RPO	-	3585.98	-	3833.56
Quantum of Non-solar RPO in Jharkhand	-	1786.90	-	1950.74
Quantum of total Non-solar Power Purchase	-	178.64	-	214.36
Quantum of Non-solar Power Purchase for Jharkhand	**-**	**89.01**	**-**	**109.08**
Cost of Solar Power	-	54.45	-	55.31
Cost towards purchase from GTAM (Solar)	-	102.11	-	128.66
Cost towards purchase from GTAM (Non-solar)	-	102.11	-	128.66
Cost of Solar RPO for Jharkhand through Power Purchase	**-**	**111.00**	**-**	**131.45**
Cost of Non-solar RPO for Jharkhand through Power Purchase	**-**	**50.88**	**-**	**65.47**
Purchase of Solar (REC)	**272.33**	**188.80**	**272.33**	**204.32**
Purchase of Non-Solar (REC)	**393.00**	**192.20**	**393.00**	**208.48**
Total Expenses towards RPO	**665.33**	**542.88**	**665.33**	**609.71**

6.29 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 as **Annexure – II**.

Tariff Filing and Publication Expenses (CERC)

Petitioner's Submission

6.30 The Petitioner has claimed Rs. 4.65 Cr. and Rs. 4.69 Cr. towards Tariff filing fees (CERC) for FY 2022-23 and FY 2023-24 respectively.

Commission's Analysis

6.31 The Commission examined the submission made by the Petitioner towards Tariff filing fees (CERC). However, this head of expense has been disallowed provisionally, and subject to prudent check, while truing-up, may be approved based on actual expenditure incurred.

Environmental Protection and Other Cess

Petitioner's Submission

6.32 The Petitioner has claimed Rs. 0.80 Cr. and Rs. 0.84 Cr. towards Environmental Protection and Other Cess for FY 2022-23 and FY 2023-24 respectively.

Commission's Analysis

6.33 The Commission examined the submission made by the Petitioner towards Environmental Protection and Other Cess. However, this head of expense has been disallowed provisionally, and subject to prudent check, while truing-up, may be approved based on actual expenditure incurred.

Interest on Temporary Financial Accommodation

Petitioner's Submission

6.34 The Petitioner has claimed Rs 56.57 Cr. and Rs 60.52 Cr. towards Interest on Temporary Financial Accommodation for FY 2022-23 and FY 2023-24 respectively.

Commission's Analysis

6.35 The Commission is of the view that the Petitioner is to 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% per annum on the Principal Amount, whereas the interest rates for accommodating such shortfall is 10.50% for FY 2022-23 and 12.00% for FY 2023-24. The Commission, in this order, has projected the DPS amount for FY 2022-23 and FY 2023-24 by allowing a nominal factor of growth on the trued-up values of FY 2021-22. The actuals may be considered while passing the true-up Order for the period under consideration upon submission of relevant data and documentary evidence. The Commission has approved the interest of 10.50% for FY 2022-23 and 12.00% for FY 2023-24 on the principal amount outstanding on which DPS was charged for improving the liquidity of the Petitioner.

TABLE 35: INTEREST ON TEMPORARY FINANCIAL ACCOMMODATION SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24 (RS. CR.)

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
Delay Payment Surcharge (DPS)	60.61	573.80	64.84	585.51

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
Principal Amount Outstanding **(DPS/18%)**	336.73	3,187.76	360.22	3,252.81
Interest on Temporary Financial Accommodation	**56.57**	**334.71**	**60.52**	**390.34**

Non-Tariff Income

Petitioner's Submission

6.36 The Petitioner has claimed Rs. 60.61 Cr. and Rs. 64.84 Cr. towards Non-Tariff Income for FY 2022-23 and FY 2023-24 respectively.

Commission's Analysis

6.37 The Commission has observed that the value claimed by the Petitioner as Non-Tariff Income is Delayed Payment Surcharge (DPS) by firm consumers of DVC distribution licensee. The Commission, in this order, has projected the Non-Tariff Income for FY 2022-23 and FY 2023-24 by allowing a nominal factor of growth on the trued-up values of FY 2021-22, as approved earlier in this Order, subject to true-up for the period under consideration.

Legal Charges & Consultancy Fees

Petitioner's Submission

6.38 The Petitioner has submitted that they have estimated to incure legal expenses in relation to various court cases pertaining to its Distribution activity within its operational area. Since, such expenditures are not covered in the normative O&M charges as allowed by CERC for generation and transmission activities of DVC, the Petitioner has claimed Rs. 6.81 Cr. and Rs. 6.94 Cr. towards Legal Charges and Consultancy Fees for FY 2022-23 and FY 2023-24 respectively.

Commission's Analysis

6.39 The Commission has examined the submission made by the Petitioner. This head of expense has been disallowed provisionally, and subject to prudent check while truing-up may be approved based on actual expenditure incurred.

Allocation of Costs for DVC as a whole to Jharkhand Area

Petitioner's Submission

6.40 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

6.41 The Commission has allocated the expenses of DVC as a whole to Jharkhand area by following the methodology approved in the Order on True-up for FY 2021-22. The following table summarizes the input cost allocated to Jharkhand area for the period FY 2022-23 and FY 2023-24, as submitted by the Petitioner, and as approved by the Commission.

TABLE 36: COST ALLOCATION FOR JHARKHAND SUBMITTED BY THE PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24 (RS. CR.)

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
Cost of Own Generation	10,561.20	9,928.34	11,147.34	10,523.19
Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses)	934.44	732.91	963.77	752.16
Tariff filling fees & publication expenses to CERC	4.65	-	4.69	-
Less: Non-Tariff Income (NTI)	60.61	999.23	64.84	1,019.63
Interest on Temporary Financial Accommodation	56.57	334.71	60.52	390.34
Legal Charge & Consultancy Fee	6.81	-	6.94	-
Environmental Protection and Other Cess	0.80	-	0.84	-
Total ARR of DVC (Distribution)	**11,503.85**	**9,996.73**	**12,119.26**	**10,646.06**
Ratio of sales in Jharkhand	45.96%	45.96%	46.43%	46.43%
ARR Apportioned to Jharkhand	**5,287.38**	**4,594.68**	**5,627.23**	**4,943.19**

Rebate on Sale of Power

Petitioner's Submission

6.42 The Petitioner, in its Petition, has claimed Rs 121.22 Cr. and Rs 129.68 Cr. towards Rebate on Sale of Power for FY 2022-23 and FY 2023-24 respectively.

Commission's Analysis

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

Interest on Working Capital (IoWC)

Petitioner's Submission

6.44 The Petitioner has submitted that the Interest on Working Capital has been determined in accordance with the applicable provisions of the Tariff Regulations, 2020. Accordingly, the Petitioner has claimed the Interest on Working Capital required for DVC for Jharkhand Area to be Rs. 86.48 Cr. for FY 2022-23 and Rs. 92.49 Crore for FY 2023-24.

Commission's Analysis

6.45 The Commission has observed that 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 JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 is not possible. Hence, the Commission has approved Interest on Working Capital as adopted by the Commission for calculation of Interest on Working capital in its earlier Orders.

TABLE 37: INTEREST ON WORKING CAPITAL SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 & FY 2023-24 (RS. CR.)

Particulars	Annotation	FY 2022-23		FY 2023-24	
		Petition	Approved	Petition	Approved
Revenue from sales in Jharkhand	A	6,061.19	5,154.76	6,484.04	5,574.03
Cost of power purchase allocated for Jharkhand in the ratio of sales	B	983.04	-	1,066.92	-
Two months receivable	C	1,010.20	-	1,080.67	-
One month power purchase cost	D	81.92	-	88.91	-
Security deposit held	E	156.13	-	165.95	-
Working Capital Requirement in Jharkhand Area (at 1% of Revenue from sale of power)	F	-	51.55	-	55.74
Working Capital (C-D-E)	G	772.15	51.55	825.81	55.74
Interest rate (%) (SBI Base Rate + 350 basis points)	H	11.20%	10.50%	11.20%	12.00%
Interest on Working Capital	**I**	**86.48**	**5.41**	**92.49**	**6.69**

Interest on Consumer Security Deposit

Petitioner's Submission

6.46 The Petitioner has submitted an amount of Rs. 11.79 Cr. and Rs. 14.44 Cr. towards Interest on Consumer Security Deposit for FY 2022-23 and FY 2023-24 respectively.

Commission's Analysis

6.47 Clause 10.33 of the Tariff Regulations, 2020, allows the Petitioner to recover the interest on security deposits through the ARR. The Commission has provisionally approved the Interest on Consumer Security Deposit as claimed by the Petitioner, subject to prudence check while truing up.

Tariff Filing and Publication Expenses (JSERC)

Petitioner's Submission

6.48 The Petitioner has submitted an amount of Rs. 0.75 Cr. for FY 2022-23 and Rs. 0.78 Cr. for FY 2023-24 towards Tariff Filing and Publication Expenses in JSERC.

Commission's Analysis

6.49 The Commission examined the submission made by the Petitioner towards Tariff filing fees (JSERC). However, this head of expense has been disallowed provisionally, and subject to prudent check while truing-up may be approved, based on actual expenditure incurred.

Summary of Aggregate Revenue Requirement (ARR)

6.50 Based on the above, the Commission has approved ARR for FY 2022-23 and FY 2023-24 against the ARR claimed by the Petitioner which is summarised as below:

TABLE 38: ARR SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CR.)

Particulars	Petition		Approved	
	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
Cost of Own Generation	6,431.25	4,129.95	6,424.23	3,504.11
Power Purchase Cost (Including Transmission Charges & Excluding RE/REC Expense)	934.44	-	732.91	-
Tariff filling fees & publication expenses to CERC	-	4.65	-	-
Less: Non-Tariff Income (NTI)	60.61	-	999.23	-
Interest on Temporary Financial Accommodation	56.57	-	334.71	-
Legal Charge & Consultancy Fee	-	6.81	-	-
Environmental Protection and Other Cess	-	0.80	-	-
Total	**7,361.65**	**4,142.21**	**6,492.62**	**3,504.11**
Ratio of sales in Jharkhand part to total firm sale in entire DVC	45.96%	45.96%	45.96%	45.96%
ARR before IWC, Interest on SD & Tariff Filing Fees in the licensed area of Jharkhand	3,383.55	1,903.83	2,984.13	1,610.55
Rebate on Sale of Power	121.22	-	-	-

Particulars	Petition		Approved	
	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
Cost of Solar & Non Solar Power and REC Purchased to meet solar & non solar RPO in the state of Jharkhand	553.56	-	542.88	-
Interest on Working Capital	-	86.48	-	5.41
Interest on security deposit	-	11.79	-	11.79
Tariff Filing Fees & Publication Expenses in JSERC	-	0.75	-	-
Net ARR for Jharkhand	**4,058.33**	**2,002.86**	**3,527.01**	**1,627.75**
TOTAL ARR	**6,061.19**		**5,154.76**	
Sale in Jharkhand (MU)	8,714.72		8,714.72	
Average Cost of Supply (Rs./kWh)	**6.96**		**5.92**	

TABLE 39: ARR SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2023-24 (RS. CR.)

Particulars	Petition		Approved	
	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
Cost of Own Generation	6,971.11	4,176.23	6,963.76	3,559.42
Power Purchase Cost (Including Transmission Charges & Excluding RE/REC Expense)	963.77	-	752.16	-
Tariff filling fees & publication expenses to CERC	-	4.69	-	-
Less: Non-Tariff Income (NTI)	64.84	-	1,019.63	-
Interest on Temporary Financial Accommodation	60.52	-	390.34	-
Legal Charge & Consultancy Fee	-	6.94	-	-
Environmental Protection and Other Cess	-	0.84	-	-
Total	**7,930.56**	**4,188.70**	**7,086.64**	**3,559.42**
Ratio of sales in Jharkhand part to total firm sale in entire DVC	46.43%	46.43%	46.43%	46.43%
ARR before IWC, Interest on SD & Tariff Filling Fees in the licensed area of Jharkhand	**3,682.33**	**1,944.90**	**3,290.48**	**1,652.72**
Rebate on Sale of Power	129.68	-	-	-
Cost of Solar & Non Solar Power and REC Purchased to meet solar & non solar RPO in the state of Jharkhand	619.42	-	609.71	-
Interest on Working Capital	-	92.49	-	6.69
Interest on security deposit	-	14.44	-	14.44
Tariff Filing Fees & Publication Expenses in JSERC	-	0.78	-	-
Net ARR for Jharkhand	**4,431.43**	**2,052.61**	**3,900.19**	**1,673.84**
TOTAL ARR	**6,484.04**		**5,574.03**	
Sale in Jharkhand (MU)	9,267.52		9,267.52	
Average Cost of Supply (Rs./kWh)	**7.00**		**6.01**	

Chapter 7: Gap/(Surplus) and its Treatment

Revenue at Existing Tariff

Commission's Analysis

7.1 The Commission has computed the Revenue from Sale of Power in Jharkhand area at the prevailing applicable Tariff and approves the revenue for Sale of Energy in Jharkhand as shown below.

TABLE 40: REVENUE AT EXISTING TARIFF FOR FY 2022-23 APROVED BY THE COMMISION (RS. CR.)

Particulars	Supply Points	Connected Load (MVA)	Consumption (MU)	Energy Charge	Fixed Charges	Demand Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Total Revenue (Rs. Cr.)
LT (MW)	5.00	7.35	41.05	Rs. 4.20 /kWh	Rs. 150.00 /kW/Month	1.32	17.24	18.56
Industries- 11 KV	30.00	6.02	3.05	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	2.89	1.42	4.30
Industries - 33 KV	149.00	853.39	4,866.79	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	409.63	2,261.63	2,671.25
Industries - 132 KV	11.00	141.89	630.16	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	68.11	292.84	360.94
Traction - 132 KV	6.00	85.45	283.87	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	41.01	120.23	161.24
Industries - 220 KV	2.00	308.57	1,849.50	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	148.12	859.47	1,007.59
Licensees - 33 KV	5.00	84.68	347.15	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	40.65	147.03	187.68
Licensees - 132 KV	4.00	180.44	693.14	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	86.61	293.57	380.18
Total	**212.00**	**-**	**8,714.72**			**798.33**	**3,993.42**	**4,791.75**

TABLE 41: REVENUE AT EXISTING TARIFF FOR FY 2023-24 APROVED BY THE COMMISION (RS. CR.)

Particulars	Supply Points	Connected Load (MVA)	Consumption (MU)	Energy Charge	Fixed Charges	Demand Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Total Revenue (Rs. Cr.)
LT (MW)	5.00	7.81	43.63	Rs. 4.20 /kWh	Rs. 150.00 /kW/Month	1.41	18.33	19.73
Industries- 11 KV	70.00	7.53	4.50	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	3.61	2.09	5.70
Industries - 33 KV	154.00	907.40	5,174.81	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	435.55	2,404.76	2,840.31
Industries - 132 KV	12.00	150.87	670.04	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	72.42	311.37	383.79
Traction - 132 KV	7.00	90.85	301.84	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	43.61	127.84	171.45
Industries - 220 KV	2.00	328.10	1,966.55	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	157.49	913.87	1,071.36
Licensees - 33 KV	6.00	90.04	369.12	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	43.22	156.34	199.56
Licensees - 132 KV	4.00	191.86	737.01	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	92.09	312.15	404.24
Total	**260.00**	**-**	**9,267.52**			**849.40**	**4,246.74**	**5,096.14**

Gap/(Surplus) at Existing Tariff

Commission's Analysis

7.2 The Commission has approved the Gap/(Surplus) for FY 2022-23 and FY 2023-24 based on the components approved in this Order. The following table summarises the Gap/(Surplus) for FY 2022-23 and FY 2023-24 at existing tariff.

TABLE 42: REVENUE (SURPLUS)/GAP AS APROVED BY THE COMMISION (RS. CR.)

Particulars	Approved	
	FY 2022-23	FY 2023-24
Aggregate Revenue Requirement	5,154.76	5,574.03
Revenue at Existing Tariff	4,791.75	5,096.14
Gap/(Surplus) at Existing Tariff	**363.01**	**477.89**

Cumulative on Gap/(Surplus) upto FY 2023-24

Commission's Analysis

7.3 The Commission is of the view that in assessing the Cumulative Gap/(Surplus) upto FY 2023-24 also provides for the impact of the unassessed Non-tariff Income from FY 2012-13 to FY 2019-20, in line with the observation recorded in Para 5.41 to Para 5.45 in respect of admittance of Non-Tariff Income as per the audited books of accounts.

7.4 The Commission has viewed that the Non-Tariff Income as approved previously by the Commission from FY 2012-13 to FY 2019-20 has not been allowed as per the audited books of accounts. In order to reflect the impact of the unassessed Non-tariff Income from FY 2012-13 to FY 2019-20 on the Cumulative Gap/(Surplus) upto FY 2023-24, and in order to maintain parity with methodology adopted in the Order for True-up of FY 2020-21, and True-up of FY 2021-22 as approved earlier in this Order, the Commission has assessed the admissible Revenue Gap/(Surplus) from FY 2012-13 to FY 2020-21. The Commission has observed that the net Gap/(surplus) upto FY 2015-16 has been nullified in the Order dated 18.05.2018 by reducing the tariffs by approximately 13% besides making changes in the tariff structure. Hence, in the instant Order, for the period FY 2012-13 to FY 2015-16, the Commission has only considered the impact of the unassessed admissible Non-Tariff Income as the Gap/(surplus) for the respective financial years.

7.5 For the period FY 2016-17 to FY 2019-20, since, there was no nullification of gap/surplus, the Commission has taken the impact of the unassessed admissible Non-Tariff Income on the approved Gap/(surplus) for the financial years.

TABLE 43: IMPACT OF ADMISSIBLE NON-TARIFF INCOME ON GAP/ (SURPLUS) FROM FY 2012-13 TO FY 2019-20 (RS. CR.)

Particulars	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Non-Tariff Income (Allowed)	231.60	20.79	71.57	28.27
Non-Tariff Income (Audited)	347.47	343.25	192.97	167.29
Non-Tariff Income (Admissible)	115.87	322.46	121.40	139.02
Sales ratio in Jharkhand (%)	56.93%	57.13%	58.43%	58.58%
Non-Tariff Income (Admissible in Jharkhand)	65.96	184.21	70.93	81.44
Gap/ (Surplus) for the year (Admissible)	**(65.96)**	**(184.21)**	**(70.93)**	**(81.44)**

Particulars	Annotation	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Non-Tariff Income (Allowed)	A	198.25	466.76	288.68	21.74
Non-Tariff Income (Audited)	B	938.93	1,123.25	432.09	504.29
Non-Tariff Income (Admissible)	C = B – A	740.68	656.49	143.41	482.55
Sales ratio in Jharkhand (%)	D	57.17%	57.71%	55.31%	44.82%
Non-Tariff Income (Admissible in Jharkhand)	E = C x D	423.45	378.86	79.32	216.28
ARR for the year (Allowed)	F	4,705.79	4,751.80	4,705.85	3,901.53
ARR for the year (Admissible)	G = F – E	4,282.34	4,372.94	4,626.53	3,685.25
Revenue Billed	H	5,017.09	5,285.19	4,202.83	2,959.03
Gap/ (Surplus) for the year (Admissible)	**I = G – H**	**(734.75)**	**(912.25)**	**423.70**	**726.22**

7.6 Consequently, the impact of the unaccounted Non-tariff Income based on the audited accounts has been considered upto FY 2023-24 with Carrying Cost on the Gap/(Surplus). For the calculation of Carrying Cost on the Gap/(Surplus), the Commission has considered the Rate of Interest equivalent to the rate of working capital approved by the Commission for the respective years, which is short-term Prime Lending Rate of State Bank of India as on 1st April for the respective year from FY 2012-13 to FY 2015-16. Further, the Base Rate of State Bank of India plus 350 basis points as on 1st April for the respective year has been considered from FY 2016-17 to FY 2020-21, and MCLR of State Bank of India plus 350 basis points as on 1st April for the respective year has been considered from FY 2021-22 to FY 2023-24.

TABLE 44: CUMULATIVE GAP/(SURPLUS) UPTO FY 2023-24 (RS. CR.)

Particulars	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Revenue Realized	1,265.95	1,439.88	1,899.45	2,036.52	1,956.25	2,035.44
Expected Revenue from Sale of Power at approved Tariff	1,170.61	1,042.35	1,146.08	1,494.59	1,702.07	2,063.77
Opening Gap/(Surplus)	-	(100.22)	(534.38)	(1,399.36)	(2,145.90)	(2,667.15)
Gap/(Surplus) during the year	(95.34)	(397.53)	(753.37)	(541.93)	(254.18)	28.33
Closing Gap/(Surplus)	(95.34)	(497.75)	(1,287.75)	(1,941.29)	(2,400.08)	(2,638.82)
Average Gap/(Surplus)	(47.67)	(298.99)	(911.06)	(1,670.32)	(2,272.99)	(2,652.99)
Interest Rate (%)	10.25%	12.25%	12.25%	12.25%	11.75%	13.00%
Carrying Cost	(4.89)	(36.63)	(111.61)	(204.61)	(267.08)	(344.89)
Closing Gap/(Surplus) with Carrying Cost	**(100.22)**	**(534.38)**	**(1,399.36)**	**(2,145.90)**	**(2,667.15)**	**(2,983.71)**

Particulars	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
Revenue Realized	-	-	-	-	-	-
Expected Revenue from Sale of Power at approved Tariff	-	-	-	-	-	-
Opening Gap/(Surplus)	(2,983.71)	(3,494.63)	(4,197.13)	(4,892.37)	(5,701.44)	(7,213.00)
Gap/(Surplus) during the year	(65.96)	(184.21)	(70.93)	(81.44)	(734.75)	(912.25)
Closing Gap/(Surplus)	(3,049.67)	(3,678.84)	(4,268.06)	(4,973.81)	(6,436.19)	(8,125.25)
Average Gap/(Surplus)	(3,016.69)	(3,586.74)	(4,232.60)	(4,933.09)	(6,068.81)	(7,669.12)
Interest Rate (%)	14.75%	14.45%	14.75%	14.75%	12.80%	12.60%
Carrying Cost	(444.96)	(518.28)	(624.31)	(727.63)	(776.81)	(966.31)
Closing Gap/(Surplus) with Carrying Cost	**(3,494.63)**	**(4,197.13)**	**(4,892.37)**	**(5,701.44)**	**(7,213.00)**	**(9,091.55)**

Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Revenue Realized	-	-	-	-	-	-
Expected Revenue from Sale of Power at approved Tariff	-	-	-	-	-	-
Opening Gap/(Surplus)	(9,091.55)	(9,751.18)	(10,203.16)	(10,808.54)	(11,460.29)	(12,281.56)
Gap/(Surplus) during the year	423.70	726.22	551.19	459.04	363.01	477.89
Closing Gap/(Surplus)	(8,667.85)	(9,024.96)	(9,651.97)	(10,349.50)	(11,097.29)	(11,803.67)
Average Gap/(Surplus)	(8,879.70)	(9,388.07)	(9,927.57)	(10,579.02)	(11,278.79)	(12,042.61)
Interest Rate (%)	12.20%	12.55%	11.65%	10.50%	10.50%	12.00%
Carrying Cost	(1,083.32)	(1,178.20)	(1,156.56)	(1,110.80)	(1,184.27)	(1,445.11)
Closing Gap/(Surplus) with Carrying Cost	**(9,751.18)**	**(10,203.16)**	**(10,808.54)**	**(11,460.29)**	**(12,281.56)**	**(13,248.78)**

7.7 The Commission is of the view that the Petitioner has a Net Surplus of Rs. 13,248.78 Cr. as of FY 2023-24, and as such no tariff hike is required in this instant Order.

Chapter 8: Tariff for FY 2023-24

Petitioner's Submission

8.1 The Tariff for FY 2023-24 as prayed for by the Petitioner is tabulated below:

TABLE 45: RETAIL TARIFF FOR FY 2023-24 AS SUBMITTED BY THE PETITIONER

Category	UoM	Fixed Charges	
		Existing	Petition
LT Domestic	Rs./Con./Mon	75.00	80.00
LT IAS	Rs./HP/Mon	30.00	-
LT Commercial	Rs./kW/Mon	150.00	160.00
LTIS	Rs./kVA/Mon	150.00	-
Streetlight	Rs./Con./Mon	100.00	-
HT Domestic	Rs./kVA/Mon	100.00	-
HT Services	Rs./kVA/Mon	400.00	450.00
HT Institutional Services	Rs./kVA/Mon	400.00	450.00

Category	UoM	Energy Charges	
		Existing	Petition
LT Domestic	Rs./kWh	4.25	4.30
LT IAS	Rs./kWh	3.00	-
LT Commercial	Rs./kWh	4.20	4.41
LTIS	Rs./kVAh	4.20	-
Streetlight	Rs./kWh	4.40	-
HT Domestic	Rs./kVAh	3.80	-
HT Services	Rs./kVAh	3.95	6.38
HT Institutional Services	Rs./kVAh	3.60	5.78

Commission's Analysis

8.2 The Tariff for FY 2023-24 as approved by the Commission is tabulated below:

TABLE 46: RETAIL TARIFF FOR FY 2023-24 AS APPROVED BY THE COMMISSION

Category	UoM	Fixed Charges		
		Existing	Petition	Approved
LT Domestic	Rs./Con./Month	75.00	80.00	75.00
LT IAS	Rs./HP/Month	30.00	-	30.00
LT Commercial	Rs./kW/Month	150.00	160.00	150.00
LTIS	Rs./kVA/Month	150.00	-	150.00
Streetlight	Rs./Con./Month	100.00	-	100.00
HT Domestic	Rs./kVA/Month	100.00	-	100.00
HT Services	Rs./kVA/Month	400.00	450.00	400.00
HT Institutional Services	Rs./kVA/Month	400.00	450.00	400.00

Category	UoM	Energy Charges		
		Existing	Petition	Approved
LT Domestic	Rs./kWh	4.25	4.30	4.25
LT IAS	Rs./kWh	3.00	-	3.00
LT Commercial	Rs./kWh	4.20	4.41	4.20
LTIS	Rs./kVAh	4.20	-	4.20
Streetlight	Rs./kWh	4.40	-	4.40
HT Domestic	Rs./kVAh	3.80	-	3.80
HT Services	Rs./kVAh	3.95	6.38	3.95
HT Institutional Services	Rs./kVAh	3.60	5.78	3.60

Chapter 9: Tariff Schedule

Applicable from First day of the Month succeeding the Date of Order

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 include motor pumps for lifting water for domestic purposes and other household electrical appliances that are 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 is 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:

For Rural: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.

For Urban: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
DS-LT	Rs./Conn./month	75.00	4.25

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Domestic Service-HT

Applicability:

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. including motor pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

Category of Services:

Domestic Service-HT: This Schedule shall apply for domestic connection in Housing Colonies/ Housing Complex/Houses of multi storied buildings purely for residential use for single point metered supply, with power supply at 33kV or 11kV voltage level. DS-HT consumers, who supply power to individual households, the average per unit charges billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Service Character:

For HT: AC, 50 Cycles, at 6.6kV, 11kV or 33kV.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
DS-HT	Rs./kVA/month	100.00	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 **Chapter A 10** of this Tariff Order.

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Commercial Service (CS)

Applicability:

This schedule shall apply to all consumers, using electrical energy for light, fan and power loads for non-domestic purposes like shops, hospitals (govt. or private), nursing homes, clinics, dispensaries, restaurants, hotels, clubs, guest houses, marriage houses, public halls, show rooms, workshops, central air-conditioning units, offices (govt. or private), commercial establishments, cinemas, X-ray plants, schools and colleges (govt. or private), boarding/ lodging houses, libraries (govt. or private), research institutes (govt. or private), railway stations, fuel - oil stations, service stations (including vehicle service stations), All India Radio / T.V. installations, printing presses, commercial trusts / societies, Museums, poultry farms, banks, theatres, common facilities in multi-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 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.

Category of Services:

Commercial Service - Rural: Areas not covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

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

Service Character:

Rural: AC, 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Urban: AC, 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
CS	Rs./kW/month	150.00	4.20

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 **Chapter A 10** of this Tariff Order. In case the Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with *'Clause VI: Installation of Shunt Capacitors'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Irrigation & Agriculture Service (IAS)

Applicability:

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

Service Character:

AC, 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
IAS	Rs./HP/month	30.00	3.00

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Low Tension Industrial Service (LTIS)

Applicability:

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

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
LTIS	Rs./kVA/month	150.00	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 **Chapter A 10** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with *'Clause VI: Installation of Shunt Capacitors'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

High Tension Service (HTS)

Applicability:

High Tension Service (HTS): This schedule shall apply to all consumers drawing power at voltage level at 6.6 kV and above except Domestic-HT consumers and HT- Institutional Consumers.

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HTS	Rs./kVA/month	300.00	3.95

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with *'Clause I: Penalty for exceeding Billing/Contract Demand'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Load Factor Rebate: In accordance with *'Clause V: Load Factor Rebate'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Voltage Rebate: In accordance with *'Clause IV: Voltage Rebate'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

TOD Tariff: In accordance with *'Clause VII: ToD Tariff'* as provided in Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Streetlight Service (SS)

Applicability:

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

Service Character:

Streetlight Service (SS): AC, 50 Cycles, Single phase at 230 Volts or Three phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
Streetlight Service	Rs./kW/month	100.00	4.40

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

High Tension Institutional Service (HTIS)

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

Applicability:

Railway Traction Services (RTS) and Military Engineering Services (MES): This tariff schedule shall apply for use of railway traction and Military Engineering Services (MES) for a mixed load in defense 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 25kV/132 kV.

Military Engineering Services (MES): AC, 50 cycles, three phase at 6.6 kV and above

Other Distribution Licensees: AC, 50 cycles, three phase at 6.6 kV and above.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HT Institutional Service	Rs./kVA/month	400.00	3.60

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with *'Clause I: Penalty for exceeding Billing/Contract Demand'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Load Factor Rebate: In accordance with *'Clause V: Load Factor Rebate'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Voltage Rebate: In accordance with *'Clause IV: Voltage Rebate'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

TOD Tariff: In accordance with *'Clause VII: ToD Tariff'* as provided in Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

RPO Compliance: RPO Compliance for Sale to Other Licensees, RTS and MES shall be made by the first Licensee which sells the power viz., in case TSL has procured power from DVC, then the onus to comply with RPO will be with DVC only.

Temporary Connections

Applicability:

The Temporary tariff shall be applicable as per the following conditions:

a) Temporary tariff shall be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.

b) Temporary connections may be given with normal meters with security deposit as per JSERC (Electricity Supply Code) Regulations, 2015.

c) Temporary connections may also be given with prepaid meters with minimum prepaid balance equivalent to 45 days of sale of power, which shall be based on the assessment formula as per JSERC (Electricity Supply Code) Regulations, 2015 and amendment thereof.

Tariff:

Category	Fixed Charges	Energy Charges
	Rate	(Rs.)
All Units	1.5 times of the applicable Fixed Charges	1.5 times of the applicable Energy Charges

Tariff to be paid by the Licensee for Gross/Net Metering of rooftop Solar PV projects

The Commission had notified the JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) Regulations, 2015, on November 10, 2015, and further notified its 1st amendment as JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) (1st Amendment) Regulations, 2019. The Tariff for sale of surplus power by Gross/Net metering of Rooftop Solar PV for FY 2020-21 for such eligible consumers of the Petitioner shall be as under:

Gross Metering: Rs. 4.16/kWh
Net Metering: Rs. 3.80/kWh

The tariff approved as above shall remain effective till the issue of subsequent Tariff Order/Individual Order as the case may be.

Schedule of Miscellaneous Charges

Sl. No.	Purpose	Scale of Charges	Manner in which payment will be realized
1.	**Application Fee**		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
2.	**Revision of Estimate on Consumer Request based on Revision in Original Application**		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
3.	**Testing of consumers Installation [1]**		
	LT Supply	Rs. 100	Payable with Energy Bill
	HT Supply	Rs. 500	
4.	**Meter test when accuracy disputed by consumer [2]**		
	Single phase/Three Phase	Rs. 100	Payable with Energy Bill
	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	
8.	**Replacement of meter card, if lost or damaged by Consumer**	Rs. 100	Payable with Energy Bill
9.	**Security Deposit**	As per the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time	
10.	**Replacement of Brunt Meter**	Cost of Meter	Payable with Energy Bill
11.	**Transformer Rent [3]**		
	Upto 200 kVA	Rs. 5,500/Month	Payable with Energy Bill
	Above 200 kVA	Rs. 7,500/Month	

[1] First test & Inspection free of charge, but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection.

[2] If the meter is found defective within the meaning of the Indian Electricity Rules 1956, no charge shall be levied. If it is proved to be correct within the permissible limits laid down in the Rules, the amount will be charged in the next energy bill.

[3] Applicable for 6 month duration from the date of taking the transformer on rent, thereafter monthly escalation of 10% would be applicable.

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

Chapter 10: Terms & Conditions of Supply

Clause I: Penalty for exceeding Billing/Contract Demand

In case the Recorded/Actual Demand exceeds 110% of the Contract Demand, the consumer shall pay penal charges. The penal charges would be charged as follows:

If the Recorded Demand exceeds 110% of Contract Demand, then the Demand Charge up to Contract Demand will be charged as per the normal Tariff rate. The remaining Recorded Demand over and above the Contract Demand will be charged at 1.5 times the normal Tariff rate.

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

Clause II: Jharkhand Electricity Duty

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

Clause III: Delayed Payment Surcharge

The Delayed Payment Surcharge shall be applicable as specified in Clauses 10.75 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time. In case, the Licensee defaults in generating and delivering bills on monthly basis, Delayed Payment Surcharge will not be charged for the period of default by Licensee. The consumer should not be deprived of any subsidy/benefit, which could have been otherwise accrued to the consumers, i.e., energy units/amount (in case of unmetered) billed has to be apportioned on average monthly basis for the entire billing duration.

Clause IV: Voltage Rebate

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

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

* Note:

1) It is clarified that, if a consumer who is eligible to get supply at 11kV as per classification as mentioned in Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and then the consumer opts for connection at 33kV then consumer shall be eligible for voltage rebate of 3%. Similarly, if a consumer who is eligible to get supply at 33kV as per Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and opts for connection at 132kV then consumer shall be eligible for voltage rebate of 5%. Further, no voltage rebate shall be applicable above voltage level of 132 kV. It is further clarified that the existing consumers at 11kV and 33kV opts for higher voltage, rebate shall be applicable for such consumers.
2) The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.

Clause V: Load Factor Rebate

The Load factor rebate shall be allowed to all the consumers whose load factor exceeds 65%. For any 'X' % increase in the load factor over and above 65%, the rebate shall be allowed at the rate of 'X' % on the total energy charges corresponding to total energy consumption of the consumer subject to a maximum ceiling rebate of 15%.

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

Clause VI: Installation of Shunt Capacitors

Connections with inductive load/motors as specified in Clauses 8.2.34 and 8.2.35 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time, shall be installed with Shunt Capacitors to meet the Power Factor requirements.

For existing consumer, the Petitioner should first serve one month's notice to all such consumers who do not have or have defective shunt capacitors. In case the consumers do not get the capacitor installed/replaced within the notice period, the consumer shall be levied a surcharge at 5% on the total billed amount charge (metered or flat), till they have installed the required capacitors.

Clause VII: ToD Tariff

TOD tariff shall be applicable as an option to HTS and HT Institutional Consumers as follows: -

- **Off Peak Hours: 10:00 PM to 06:00 AM:** 85% of normal rate of energy charge
- **Normal Hours: 10:00 AM to 06:00 PM:** 100% of normal rate of energy charge
- **Peak Hours: 06:00 AM to 10:00 AM and 06:00 PM to 10:00 PM:** 120% of normal rate of energy charge

Clause VIII: Prompt Payment Rebate and Rebate for Online Payment

The due date for making payment of energy bills or other charges shall be as specified in Clauses 10.1.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

Prompt Payment Rebate shall be allowed for payment of bills by the Consumers in accordance with Clauses 10.76 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time.

Further, 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 subject to a maximum ceiling rebate of Rs. 250 against the 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. SAIL-BSL would include the same in the consumer's bill and recover the Fixed Charges only in proportion to the hours of supply as per the meter. The cut off hours for complete recovery from Fixed/Demand Charges shall be 21 hours per day for LT consumers and 23 hours per day for HT Consumers.

Provided that the planned outages/Rostering in the network are uploaded on its website seven days in advance with a copy to the Commission and an intimation to the respective consumers it shall be excluded while computing scheduled supply hours.

Provided that any reduction in recovery of Fixed/Demand Charges on account of lower than the stipulated hours of supply shall not be claimed as a part of the ARR. Any reduction in the Fixed/Demand Charges shall be considered as a compensation to be paid to the Consumer by the Licensee.

The Petitioner shall submit a report on implementation of the above, within 30 days of issuance of this Order and implement the same from the subsequent billing cycle.

Point of Supply

The Power supply shall normally be provided at a single point for the entire premises. In certain categories like coal mines power may be supplied at more than one point on the request of consumer subject to technical feasibility. But in such cases metering and billing shall be done separately for each point.

Dishonoured Cheques

In terms of Regulation 10.10.5 of the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time, in the event of dishonoured cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs. 300 or 0.5% of the billed amount, whichever is higher. In addition to the same, the Delay Payment Surcharge shall be levied extra as per the applicable terms and conditions of Delay Payment Surcharge.

Stopped/Defective Meters

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued as per Clause 10.3.1 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of Sanctioned/Contract Load on following Load Factor applicable to respective categories:

Consumer Category	Load Factor
Domestic	0.15
Non-Domestic	0.20
LTIS	0.20
DS-HT	0.15
HT Consumers-Below 132 kV	0.30
HT Consumers- 132 kV & Above	0.50

Sale of Energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/entity. In case of DS-HT consumers, who supply power to individual households, the average per unit charge billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Release of New Connections

No new connections shall be provided without appropriate meter.

Conversion Factors

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

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, 2020 and as amended by the Commission from time to time.

Single Part Tariff applicable for public EV charging stations

The Commission approves the Single Part Tariff equal to the Average Cost of Supply (ACoS) as approved by this Commission which shall be applicable for public EV charging stations operating in the supply area of Damodar Valley Corporation in the State of Jharkhand till further orders.

Chapter 11: Status of Earlier Directives

11.1 The Commission has time and again issued various directives in order to improve the functioning of the Petitioner. The compliance submitted by the Petitioner to the Commission earlier directions is tabulated below:

Directives	Status	Views of the Commission
Separation of Balance Sheet of Distribution Business The Commission directs the Petitioner to separate the Balance Sheet of Distribution Business from other power business and direct the Petitioner to submit the same along with next tariff petition.	No submission has been made by the Petitioner in such regard.	The Petitioner has been unable to comply with the direction of the Commission, and is being re-directed to comply with the same.
Compliance to RPO The Commission directs the Petitioner to ensure that all the short fall in RPO targets should be meet or the road map should be submitted before the Commission along with next tariff petition.	The Petitioner has planned procurement of renewable power from GDAM/GTAM. Further, the purchase of REC's have also been planned.	The Commission has taken a note on the compliance of the Petitioner.
Details of Rebate provided to Consumers The Commission directs the Petitioner to maintain the Rebate provided under each head as detailed in the Tariff Schedule in Section A 11 of this Order in its Audited Accounts. Any rebate provided over and above the values specified in Section A 11 shall be attributable to the Petitioner and shall not be recovered in the ARR.	No submission has been made by the Petitioner in such regard.	The Petitioner has been unable to comply with the direction of the Commission, and is being re-directed to comply with the same.
Publicising Tariff Approved by the Commission 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.	-	-

Chapter 12: Directives

Timeliness and Data Adequacy in the Next Tariff Petition

12.1 The Commission directs the licensee to file the next tariff petition, after removing deficiencies highlighted in this Tariff Order. The Petitioner should ensure that the data submitted to the Commission is accurate and justified with adequate certification. The Commission also directs the licensee to ensure submission of the next tariff petition within the time frame as stipulated in Section A 24 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

Re-formatting of the Next Tariff Petition

12.2 The Commission directs the Petitioner to file the next tariff Petition, in the format of the Tariff Order issued by the Commission, wherein each Head-wise claims of the Petitioner are clearly mentioned under distinct sub-headings followed by a table showing the same with respect to the last approved value for the consequent financial year, i.e., for ARR Petition of FY 2024-25, the claim must be shown along with the approved MYT value of FY 2024-25, for APR Petition of FY 2023-24, the claim must be shown along with the approved ARR value of FY 2023-24, and consequently for True-up Petition of FY 2022-23, the claim must be shown along with the approved APR value of FY 2022-23.

12.3 Further, the Petitioner is also directed to provide Auditor's Certificate for all claims made in the forthcoming True-up Petitions for which distinct heads of expenses are not available in the Audited Annual Accounts. These Certificates shall be attached as Annexures to the Main Petition and the Petitioner shall refer to these Annexures, wherever required, in order to substantiate its Head-wise claims.

Submission of fortnightly reports regarding details of amount refunded/ collected as per the APTEL Order dated 10.05.2010

12.4 The Commission vide Order dated October 31, 2023 directed the Petitioner to revise the monthly electricity bills of its licenses & HT Consumers for electricity consumption during April FY 06 to Mar FY 12 including other charges (viz. Load Factor Rebate, Voltage Rebate, etc.) and refund the net excess amount billed and collected or recover the net deficit amount along with simple interest rate of 6.00% per annum in line with Section 62 (6) of the Electricity Act, 2003, as per the APTEL Order dated 10.05.2010 which has been upheld by the Hon'ble Supreme Court vide its Order dated 03.12.2018.

12.5 The Petitioner in this regard is directed to submit fortnightly reports along with excel file showing the details for final adjustment regarding the details of the amount refunded/ collected in line with Section 62 (6) of the Electricity Act, 2003, as per the APTEL Order dated 10.05.2010 which has been upheld by the Hon'ble Supreme Court vide its Order dated 03.12.2018.

Billing Efficiency and Collection Efficiency

12.6 The Commission directs the Petitioner to submit the following month-wise details in the next tariff petition.

Particulars	Unit	Value
Revenue Billed	Rs. Cr.	
Revenue Collected	Rs. Cr.	
Collection Efficiency	%	
Energy Input to the System	MU	
Energy Sales	MU	
Billing Efficiency	%	

Interest on Security Deposit of Consumers

12.7 The Commission observes that there is lack of clarity on the interest of security deposited that has been given to the consumers. The Petitioner should clearly demonstrate how much interest on security deposit was required to be given and how much interest has been actually disbursed. The Commission directs the Petitioner to pass the accumulated interest on security deposit to its Consumers. The status of compliance is to be reported in the quarterly reports.

Fixed Asset Register

12.8 The Commission directs the Petitioner to create a Fixed Asset Registers (FAR) containing the following information:

a) Asset name
b) Unique asset identification number
c) Asset cost
d) Asset location
e) Responsible department
f) Asset class
g) Date of Commissioning/ Decommissioning
h) Useful life
i) Salvage value

j) Accumulated impairment charges

k) Current carrying

l) Accumulated depreciation

m) Others

12.9 The Petitioner is directed to submit the same along in excel with all the details of the assets opening, addition, deduction & closing values, as well as depreciation & cumulative depreciations, with the bifurcation of the assets owned by the Petitioner, assets created out of Grants and assets created out of consumer contribution.

Quality of power/ Reliability Indices and Standard of Performance (SOP)

12.10 The Commission directs the Petitioner to continue submitting monthly report on Reliability Indices in MS Excel format along with compliance to SOPs in true spirit, in course of achieving 24x7 quality & reliable power. The Commission directs the Petitioner to continue implementing Standards of Performance as per the JSERC (Standards of Performance) Regulations, 2015 and report to the Commission as per Regulation.

12.11 The Commission directs the Petitioner to submit the quarterly report on calculation of SAIDI, CAIFI and SAIFI with the details of feeders utilized for calculation of the same to the Commission and regularly update the same in its website.

Energy Audit

12.12 The Commission directs the Petitioner to conduct Energy Audit of its system and submit the same along with the next tariff petition. The Petitioner must submit these audit reports annually in its tariff petitions post implementation of LT services.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on January 22, 2024.

Date: 22.01.2024

Place: Ranchi

Sd/-	Sd/-	Sd/-
Atul Kumar	**Mahendra Prasad**	**Justice Amitav Kumar Gupta**
MEMBER (Technical)	**MEMBER (Legal)**	**CHAIRPERSON**

ANNEXURE - I

List of participating members in the Public Hearing

Sl. No	Name	Address/Organization
Place: Koderma, Date: July 26, 2023		
1.	Mr. Anup Sharma	Damodar Valley Corporation
2.	Mr. Vashwar Banerjee	Damodar Valley Corporation
3.	Mr. Debshankar Ghosh	Damodar Valley Corporation
4.	Mr. Satish Kumar	Damodar Valley Corporation
5.	Mr. Subrata Ghosal	Damodar Valley Corporation
6.	Mr. Vikash Kr. Singh	Damodar Valley Corporation
7.	Mr. Amar Shankar	Damodar Valley Corporation
8.	Mr. Piyush Bhojgarhia	Shivam Iron & Steel Co. Ltd.
9.	Mr. Priyanshu Singh	Ram Kirpal Singh
10.	Mr. Ashish Agarwal	Tulshyan Metals Pvt. Ltd.
11.	Mr. Vijay Bajaj	Jai Durga Iron Pvt. Ltd.
12.	Mr. Jimny Singh	Telaiya
13.	Mr. Kavi Yagnik	Sai Electrocasting Pvt. Ltd.
Place: Giridih, Date: July 28, 2023		
14.	Mr. Anup Sharma	Damodar Valley Corporation
15.	Mr. Vashwar Banerjee	Damodar Valley Corporation
16.	Mr. Satish Kumar	Damodar Valley Corporation
17.	Mr. Chandan Kumar	Damodar Valley Corporation
18.	Mr. Vikash Singh	Damodar Valley Corporation
19.	Mr. Debshankar Ghosh	Damodar Valley Corporation
20.	Mr. Subrata Ghosal	Damodar Valley Corporation
21.	Mr. Asim Nandy	Damodar Valley Corporation
22.	Mr. Amit Agarwal	Anjanay Ferro Alloys Ltd.
23.	Mr. Vikas Kharkia	Anjanay Ferro Alloys Ltd.
24.	Mr. Adarch Kharkia	Anjanay Ferro Alloys Ltd.
25.	Mr. Bibakananda Mujherjee	Giridih
26.	Mr. Radhakrishna Tripathy	JBVNL
27.	Mr. Bijoy Kr. Ghosh	JBVNL
28.	Ms. Gargi Srivastava	Advocate, Association of DVC HT Consumers
29.	Ms. Mitali Chauhan	Advocate, Association of DVC HT Consumers
30.	Mr. Pramod Agarwal	Association of DVC HT Consumers
31.	Mr. Brahmdeo Mishra	Sri Langtababa Steels Pvt. Ltd.
32.	Mr. A. N. Choudhary	TSUISL
33.	Mr. Arun Kumar	Giridih
34.	Mr. P. K. Garg	Radha Gopal Ispat Barhi
35.	Mr. Ram Kr. Garodia	Shresth Steel Energy LLP
36.	Mr. Rakesh Kr. Singh	Shree Bholey Alloys Pvt. Ltd.
37.	Mr. G. S. Mongia	Santpuria Alloys Pvt. Ltd.
38.	Mr. Harinder Mongia	Mongia Power Pvt. Ltd.
39.	Mr. Pratyush Kumar	JBVNL
40.	Mr. Rakesh Kumar	Damodar Valley Corporation
44.	Mr. Amarjeet Singh Saluja	Mahtodih, Tundi Road, Giridih
45.	Mr. Pradosh Kumar	Giridih
46.	Mr. B. K. Tiwary	Pawanpura Alloys
47.	Mr. Abhishek Agarwal	Mangalam Ispat
48.	Mr. Ankur Agarwal	K. S. Ispat

ANNEXURE - II

TABLE 47: FIXED CHARGES APPROVED BY THE COMMISSION FOR FY 2021-22 (RS. CR.)

Particulars	Normative Availability (NAPAF)	Actual Yearly Plant Availability Factor (PAFY)				Annual Fixed Charge (AFC) (Rs. Cr.)	Recoverable fixed charges as per CERC formula (Rs. Cr.)	Share of firm consumer	Recoverable Fixed charge from Firm Consumers (Rs. Cr.)
		High Demand Peak	High Demand Off-peak	Low Demand Peak	Low Demand Off-peak				
BTPS 'B'	-	-	-	-	-	-	-	-	-
DTPS U # 4	74.00%	60.45%	60.68%	20.39%	20.04%	83.91	34.29	100.00%	34.29
MTPS U#1 to 3	85.00%	80.70%	80.85%	87.20%	87.24%	416.06	410.95	100.00%	410.95
MTPS U#4	85.00%	103.00%	102.97%	94.12%	93.82%	140.40	140.40	100.00%	140.40
MHS	80.00%	80.00%				20.15	20.15	100.00%	20.15
PHS	80.00%	80.00%				19.67	19.67	100.00%	19.67
THS	80.00%	80.00%				5.86	5.86	100.00%	5.86
T&D System	98.50%	99.67%				509.21	515.24	100.00%	515.24
Sub Total	-	-	-	-	-	**1,195.26**	**1,146.56**		**1,146.56**
MTPS U#5 & 6	85.00%	88.77%	88.83%	94.82%	94.66%	378.17	378.17	73.11%	276.46
MTPS U# 7 & 8	85.00%	79.57%	79.18%	93.47%	93.34%	1,045.51	1,027.84	21.75%	223.57
CTPS U # 7 & 8	85.00%	95.77%	95.76%	96.54%	96.42%	567.23	567.23	6.37%	36.11
DSTPS U # 1 & 2	85.00%	88.75%	88.52%	93.64%	93.38%	1,089.40	1,089.40	60.11%	654.78
KTPS U # 1 & 2	85.00%	98.00%	98.29%	87.57%	86.87%	1,163.04	1,163.04	4.66%	54.21
BTPS 'A'	85.00%	86.52%	86.44%	76.13%	75.94%	744.37	685.14	58.59%	401.45
RTPS U # 1 & 2	85.00%	81.20%	80.71%	72.98%	73.15%	1,404.97	1,240.27	43.53%	539.94
Sub Total	-	-	-	-	-	6,392.69	6,151.09		2,186.53
GRAND TOTAL	-	-	-	-	-	7,587.95	7,297.66		3,333.09

TABLE 48: SOURCE-WISE POWER PURCHASE COST SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2021-22 (RS. CR.)

Particulars	Petition					Approved				
	Quantum (MU)	Fixed Charges	Energy Charges	Other Charges	Total Cost	Quantum (MU)	Fixed Charges	Energy Charges	Other Charges	Total Cost
NHPC										
Rangit	31.73	6.78	6.25	0.44	13.48	31.73	6.78	6.25	0.44	13.48
Teesta	217.33	28.78	26.14	4.37	59.29	217.33	28.78	26.14	4.37	59.29
NTPC										
FSTPS I&II	-	-	0.02	(0.00)	0.02	-	-	0.02	(0.00)	0.02
FSTPS III	-	-	0.70	0.98	1.68	-	-	0.70	0.98	1.68
KhTPS-I	-	-	0.00	(0.00)	0.00	-	-	0.00	(0.00)	0.00
KhTPS-II	-	-	(0.02)	(0.00)	(0.03)	-	-	(0.02)	(0.00)	(0.03)
TSTPS I	12.23	1.33	2.28	0.05	3.65	12.23	1.33	2.28	0.05	3.65
KBUNL	80.85	18.68	22.26	(0.01)	40.93	80.85	18.68	22.26	(0.01)	40.93
Solar										
NTPCL-Solar	26.66	-	24.94	-	24.94	26.66	-	24.94	-	24.94
NTPC- VVNL (Solar)	25.64	-	27.53	-	27.53	25.64	-	27.53	-	27.53
NVVNL	-	-	3.94	-	3.94	-	-	3.94	-	3.94
PTC										
Chukha	182.47	-	45.30	-	45.30	182.47	-	45.30	-	45.30
Kurichu	23.18	-	5.20	-	5.20	23.18	-	5.20	-	5.20
Tala	148.44	-	33.14	-	33.14	148.44	-	33.14	-	33.14
MPL	994.15	158.47	264.64	24.66	447.78	994.15	158.47	264.64	24.66	447.78
IEX/PXIL	274.50	-	247.43	-	247.43	274.50	-	247.43	-	247.43
GTAM (Solar)	17.12	-	8.70	-	8.70	17.12	-	8.70	-	8.70
GTAM (Non-solar)	12.48	-	6.85	-	6.85	12.48	-	6.85	-	6.85
UI Import	121.83	-	130.39	-	130.39	121.83	-	130.39	-	130.39
UI Export	136.30		43.26		43.26	136.30		43.26		43.26
Total	**2,168.61**	**214.04**	**855.69**	**30.48**	**1,100.21**	**2,168.61**	**214.04**	**812.43**	**30.48**	**1,056.95**

TABLE 49: FIXED CHARGES APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CR.)

Particulars	Normative Availability (NAPAF)	Actual Yearly Plant Availability Factor (PAFY)				Annual Fixed Charge (AFC) (Rs. Cr.)	Recoverable fixed charges as per CERC formula (Rs. Cr.)	Share of firm consumer	Recoverable Fixed charge from Firm Consumers (Rs. Cr.)
		High Demand Peak	High Demand Off-peak	Low Demand Peak	Low Demand Off-peak				
BTPS 'B'	-	-	-	-	-	-	-	-	-
DTPS U # 4	74.00%	74.00%	74.00%	74.00%	74.00%	86.81	86.81	100.00%	86.81
MTPS U#1 to 3	85.00%	85.00%	85.00%	85.00%	85.00%	439.45	439.45	100.00%	439.45
MTPS U#4	85.00%	85.00%	85.00%	85.00%	85.00%	145.68	145.68	100.00%	145.68
MHS	80.00%	80.00%				20.54	20.54	100.00%	20.54
PHS	80.00%	80.00%				19.06	19.06	100.00%	19.06
THS	80.00%	80.00%				6.10	6.10	100.00%	6.10
T&D System	98.50%	99.00%				499.97	502.51	100.00%	502.51
Sub Total	-	-	-	-	-	**1,217.62**	**1,220.16**		**1,220.16**
MTPS U#5 & 6	85.00%	85.00%	85.00%	85.00%	85.00%	379.35	379.35	60.75%	230.44
MTPS U# 7 & 8	85.00%	85.00%	85.00%	85.00%	85.00%	1,044.64	1,044.64	32.27%	337.11
CTPS U # 7 & 8	85.00%	85.00%	85.00%	85.00%	85.00%	579.65	579.65	38.35%	222.32
DSTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,070.47	1,070.47	54.31%	581.39
KTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,150.04	1,150.04	4.44%	51.06
BTPS 'A'	85.00%	85.00%	85.00%	85.00%	85.00%	735.04	735.04	44.94%	330.34
RTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,371.83	1,371.83	38.73%	531.30
Sub Total	-	-	-	-	-	**6,331.03**	**6,331.03**		**2,283.95**
GRAND TOTAL	-	-	-	-	-	**7,548.65**	**7,551.19**		**3,504.11**

TABLE 50: SOURCE-WISE POWER PURCHASE COST SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CR.)

Particulars	Petition			Approved		
	Quantum (MU)	Avg. Rate (Rs./kWh)	Total Cost (Rs. Cr.)	Quantum (MU)	Avg. Rate (Rs./kWh)	Total Cost (Rs. Cr.)
NHPC						
Rangit	31.29	3.82	11.94	31.29	3.82	11.94
Teesta	232.09	1.60	37.13	232.09	1.60	37.13
NTPC	-	-	-	-	-	-
FSTPS I&II	-	-	-	-	-	-
FSTPS III	-	-	-	-	-	-
KhTPS-I	-	-	-	-	-	-
KhTPS-II	-	-	-	-	-	-
TSTPS I	13.56	2.95	4.00	13.56	2.95	4.00
KBUNL	-	-	-	-	-	-
Solar	-	-	-	-	-	-
NTPCL-Solar	26.92	9.36	25.19	26.92	9.36	25.19
NTPC- VVNL (Solar)	27.02	10.41	28.12	27.02	10.41	28.12
NVVNL	-	1.49	4.03	-	1.49	-
PTC						
Chukha	187.72	2.40	45.08	187.72	2.40	45.08
Kurichu	38.40	2.17	8.34	38.40	2.17	8.34
Tala	152.95	2.16	33.04	152.95	2.16	33.04
MPL	1,054.00	4.23	445.72	1,054.00	4.23	445.72
Contingency (IEX/PXIL)	358.36	5.62	201.53	-	-	-
GTAM/GDAM (Solar)	178.64	5.72	102.11	178.64	5.72	102.11
GTAM/GDAM (Non-solar)	178.64	5.72	102.11	178.64	5.72	102.11
UI Import	-	-	-	-	-	-
UI Export	-	-	-	-	-	-
Rooftop Solar PV System (Jyoti Kiran)	3.45	3.31	1.14	3.45	3.31	1.14
Solar (REC)	-	-	272.33	-	-	188.80
Non-Solar (REC)	-	-	393.00	-	-	192.20
Total	**2,483.03**		**1,714.84**	**2,124.67**		**1,224.95**

TABLE 51: FIXED CHARGES APPROVED BY THE COMMISSION FOR FY 2023-24 (RS. CR.)

Particulars	Normative Availability (NAPAF)	Actual Yearly Plant Availability Factor (PAFY)				Annual Fixed Charge (AFC) (Rs. Cr.)	Recoverable fixed charges as per CERC formula (Rs. Cr.)	Share of firm consumer	Recoverable Fixed charge from Firm Consumers (Rs. Cr.)
		High Demand Peak	High Demand Off-peak	Low Demand Peak	Low Demand Off-peak				
BTPS 'B'	-	-	-	-	-	-	-	-	-
DTPS U # 4	-	-	-	-	-	89.78	-		-
MTPS U#1 to 3	85.00%	85.00%	85.00%	85.00%	85.00%	450.95	450.95	100.00%	450.95
MTPS U#4	85.00%	85.00%	85.00%	85.00%	85.00%	150.88	150.88	100.00%	150.88
MHS	80.00%	80.00%				21.39	21.39	100.00%	21.39
PHS	80.00%	80.00%				19.85	19.85	100.00%	19.85
THS	80.00%	80.00%				6.35	6.35	100.00%	6.35
T&D System	98.50%	99.00%				506.65	509.23	100.00%	509.23
Sub Total	-	-	-	-	-	**1,245.87**	**1,158.65**		**1,158.65**
MTPS U#5 & 6	85.00%	85.00%	85.00%	85.00%	85.00%	387.64	387.64	57.78%	223.98
MTPS U# 7 & 8	85.00%	85.00%	85.00%	85.00%	85.00%	1,027.80	1,027.80	35.63%	366.21
CTPS U # 7 & 8	85.00%	85.00%	85.00%	85.00%	85.00%	549.32	549.32	36.48%	200.41
DSTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,056.92	1,056.92	51.84%	547.87
KTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,134.04	1,134.04	9.62%	109.05
BTPS 'A'	85.00%	85.00%	85.00%	85.00%	85.00%	724.27	724.27	51.84%	375.44
RTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,339.48	1,339.48	43.14%	577.81
Sub Total	-	-	-	-	-	**6,219.47**	**6,219.47**		**2,400.77**
GRAND TOTAL	-	-	-	-	-	**7,465.33**	**7,378.12**		**3,559.42**

TABLE 52: SOURCE-WISE POWER PURCHASE COST SUBMITTED BY PETITIONER AND APPROVED BY THE COMMISSION FOR FY 2023-24 (RS. CR.)

Particulars	Petition			Approved		
	Quantum (MU)	Avg. Rate (Rs./kWh)	Total Cost (Rs. Cr.)	Quantum (MU)	Avg. Rate (Rs./kWh)	Total Cost (Rs. Cr.)
NHPC					-	-
Rangit	30.98	3.99	12.34	30.98	3.99	12.34
Teesta	232.53	1.63	37.84	232.53	1.63	37.84
NTPC	-	-	-	-	-	-
FSTPS I&II	-	-	-	-	-	-
FSTPS III	-	-	-	-	-	-
KhTPS-I	-	-	-	-	-	-
KhTPS-II	-	-	-	-	-	-
TSTPS I	13.72	2.99	4.11	13.72	2.99	4.11
KBUNL	-	-	-	-	-	-
Solar						
NTPCL-Solar	27.19	9.36	25.44	27.19	9.36	25.44
NTPC- VVNL (Solar)	27.56	10.42	28.73	27.56	10.42	28.73
NVVNL	-	1.49	4.12	-	1.49	-
PTC						
Chukha	187.90	2.40	45.13	187.90	2.40	45.13
Kurichu	39.37	2.17	8.55	39.37	2.17	8.55
Tala	149.89	2.16	32.39	149.89	2.16	32.39
MPL	1,066.32	4.29	456.95	1,066.32	4.29	456.95
Contingency (IEX/PXIL)	358.36	5.90	211.61	-	-	-
GTAM/GDAM (Solar)	214.36	6.00	128.66	214.36	6.00	128.66
GTAM/GDAM (Non-solar)	214.36	6.00	128.66	214.36	6.00	128.66
UI Import	-	-	-	-	-	-
UI Export	-	-	-	-	-	-
Rooftop Solar PV System (Jyoti Kiran)	3.45	3.31	1.14	3.45	3.31	1.14
Solar (REC)	-	-	288.18	-	-	204.32
Non-Solar (REC)	-	-	411.20	-	-	208.48
Total	**2,565.99**		**1,825.05**	**2,207.64**		**1,322.74**