

# **Jharkhand State Electricity Regulatory Commission**



Order on  
True-up for FY 2022-23  
for  
Inland Power Limited (IPL)  
July 23, 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	Million 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.: 04 of 2023 & 13 of 2023**

**In the matter of:**

**Petition for**  
**Annual Performance Review of FY 2022-23 & True-up for FY 2022-23**

**In the matter:**

Inland Power Limited (IPL).....**Petitioner**

**PRESENT**

Shri Mahendra Prasad

Member (Law)

Shri Atul Kumar

Member (Technical)

**Order dated July 23, 2024**

Inland Power Limited (hereinafter referred to as 'IPL' or the 'Petitioner') filed Petitions dated July 24, 2023 for Annual Performance Review of FY 2022-23, and December 20, 2023 for True-up of FY 2022-23 for its business of generation of electricity in the State of Jharkhand.

Since, the petitions for True-up and Annual Performance Review for the same financial year are under active consideration, the Commission in this Order does not find any merit in carrying out Annual Performance Review of FY 2022-23 as considerable time has lapsed. Thus, the Commission approves the petition for True-up of FY 2022-23 based on the audited accounts.



# 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) of sub-section (1) of Section 79;
  - i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
  - j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
  - k) discharge such other functions as may be assigned to it under this Act.
- 1.5 The Commission 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) reorganization and restructuring of electricity industry in the State;
  - d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.
- 1.6 The State Commission ensures transparency while exercising its powers and discharging its functions.
- 1.7 In discharge of its functions, the State Commission is guided by the National Tariff Policy framed and published by Government of India under the provisions of Section 3 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 – Inland Power Limited (IPL)***

- 1.8 Inland Power Limited is a company incorporated under the provisions of the Indian Companies Act, 1956. IPL was originally incorporated on June 22, 1993 as a Private Limited Company and was subsequently converted to a Public Limited Company on April 3, 2008.
- 1.9 The Petitioner had signed a Memorandum of Understanding (MoU) with Government of Jharkhand to develop a 126 MW (2x63 MW) thermal power plant based on CFBC technology in two stages in Gola, District Ramgarh, Jharkhand on October, 2011. The Petitioner commissioned its 1st Unit (1x63MW) on May 21, 2014.
- 1.10 As per the provisions of the MoU, the Government of Jharkhand (GoJ) or Distribution Licensees authorized by it, will have the first right of claim on a purchase up to 25% of the power delivered to the system by the proposed power plant. Further, the MoU stipulates that out of the 25% under the first right of refusal to the State, the rate of 12% share will be on variable cost. Pursuant to the MoU signed between GoJ and IPL, IPL signed a Power Purchase Agreement (PPA) with Jharkhand State Electricity Board (now Jharkhand Bijli Vitran Nigam Limited or JBVNL) on February 23, 2012 for supplying 35 MW of 63 MW from 1st Unit of the project on long term basis. Subsequently, IPL signed a supplementary PPA with JSEB (now JBVNL) on April 22, 2013 for purchase and sale of the entire quantity of 63 MW power from the 1st Unit of 63 MW inclusive of quantity mentioned in earlier Principal PPA.

### ***The Petitioner's Prayers***

- 1.11 The Petitioner in these Petitions have made the following prayers: -
  - a) Admit the petition for True-up of FY 2022-23
  - b) Approve the numbers for the True-up of FY 2022-23 as discussed in this



Petition

- c) This Hon`ble Commission vide its order dated 28-02-2023 and order dated 04-11-2022 has also approved 100% recovery of fixed charges for FY 2014-15, FY 2016-17, FY 2017-18, FY 2018-19 and FY 2019-20. The petitioner humbly requests the Hon`ble JSERC to also consider full 100% basis for the fixed cost recovery in the computations of True Up for FY 2022-23.
- d) Condone any inadvertent omissions/ errors/ rounding off differences/ shortcomings and permit IPL to add/ change/ modify this filing and make further submission as may be at a future date; and
- e) Pass further and such other orders, as the Hon`ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case.



## Chapter 2: Procedural History

### Background

- 2.1 The Commission had approved the provisional tariff for FY 2014-15 to FY 2015-16 in its MYT Order for FY 2014-15 to FY 2015-16 dated May 27, 2014 based on submission of the anticipated date of Commercial Operation Date (COD) of the plant as May 2014.
- 2.2 Subsequently, the Commission on May 16, 2017 issued a Tariff Order on approval of Capital cost of Unit-1 (1x63MW), True-up of the ARR for the year FY 2014-15, Annual Performance Review for the year FY 2015-16 and Multi Year Tariff for the 2nd Control period from FY 2016-17 to FY 2020-21.
- 2.3 The Commission had issued the True-up Order for FY 2015-16 for Unit-1 (1x63MW) on March 19, 2018 based on audited accounts submitted by the Petitioner.
- 2.4 The Petitioner had filed the review Petition on True-up Order for FY 2015-16 which was disposed off by the Commission on May 13, 2019.
- 2.5 Later, on October 01, 2019, the Commission had issued the True-up Order for FY 2016-17 and FY 2017-18 based on the audited accounts of the respective financial year and methodology adopted in earlier Orders.
- 2.6 Subsequently, the Commission also approved the Annual Performance Review for FY 2018-19 vide its Order dated December 26, 2019.
- 2.7 The Commission had issued the True-up Order for FY 2018-19 on September 22, 2020 based on audited accounts submitted by the Petitioner.
- 2.8 Later on November 04, 2022, the Commission had issued the Order on True-up for FY 2019-20 & APR for FY 2020-21 based on audited accounts submitted by the Petitioner.
- 2.9 Subsequently, the Commission vide Order dated May 22, 2023 had issued the Order for True-up of FY 2020-21.
- 2.10 The Commission vide order dated November 16, 2023 had issued the order for Business Plan and Multi Year Tariff for Control Period FY 2021-22 to FY 2025-26.
- 2.11 Subsequently the Commission vide order dated February 26, 2024 had issued order for True-up of FY 2021-22



2.12 The Petitioner in the current Petition, has sought for True-up for FY 2022-23.

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

### **Information Gaps in the Petition**

2.13 As part of tariff determination exercise, several deficiencies/information gaps were observed in the Petitions submitted by the Petitioner. The information gaps were pointed out and communicated to the Petitioner vide letter no. JSERC/Case (Tariff) No.13 of 2023/270 dated December 27<sup>th</sup>, 2023.

2.14 The Petitioner has submitted its response to the aforesaid letter and furnished additional data/information vide letter dated February 19, 2024.

2.15 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.

2.16 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 hearing on June 11, 2024 in the Meeting Hall of Raso Hotel at Ranchi for inviting comments/suggestion/objection.

### **Inviting Public Comments/ Suggestions**

2.17 The Commission has directed the Petitioner to make available copies of the Petition to the members of general public on request, and also issued a public notice inviting comments/ suggestions on the above said Petition.

2.18 The aforesaid public notice was 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**

<b>Sl. No.</b>	<b>Newspaper</b>	<b>Version</b>	<b>Date of Publication</b>
1.	Sanmarg	Hindi	05.03.2024 & 06.03.2024
2.	Ranchi Express	Hindi	05.03.2024 & 06.03.2024
3.	Hindustan Times	English	05.03.2024 & 06.03.2024
4.	Morning India	English	05.03.2024& 06.03.2024



2.19 Subsequently, the Commission also issued a notice on its website [www.jserc.org](http://www.jserc.org) and in various newspapers for conducting a 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**

<b>Sl. No.</b>	<b>Newspaper</b>	<b>Version</b>	<b>Date of Publication</b>
1.	Prabhat Khabar	Hindi	05.06.2024 & 10.06.2024
2.	Hindustan Dainik	Hindi	05.06.2024 & 10.06.2024
3.	Times of India	English	05.06.2024 & 10.06.2024
4.	The Hindustan Times	English	05.06.2024 & 10.06.2024

### ***Submission of Comments/ Suggestions and Conduct of Public Hearing***

2.20 The public hearing was held on June 11, 2024 in the Meeting Hall of the Raso Hotel at Ranchi.

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



## Chapter 3: Brief Facts of the Petition

### True-up for FY 2022-23

#### a) Operational Parameters of Plant

3.1 The summary of operational parameters by the Commission in its MYT order dated November 11, 2023 vis-à-vis actuals as submitted by the Petitioner is provided in the table below:

Table 3: Operational Parameters as submitted by the Petitioner for FY 2022-23

Particulars	Unit	MYT	Petition
Gross Station Heat Rate	kcal/kWh	2902	2,928.42
Annual Plant Availability Factor	%	82.50	82.56
Auxiliary Energy Consumption	%	10.50	11.79
Secondary fuel oil consumption	ml/kWh	1.00	1.00

#### b) Annual Revenue Requirement (ARR)

3.2 The Annual Revenue Requirement as approved by the Commission in its MYT order dated November 11, 2023 vis-à-vis actuals as submitted by the Petitioner is provided in the table below:

Table 4: Annual Revenue Requirement as submitted by the Petitioner for FY 2022-23 (Rs.Cr)

Particulars	MYT	Petition
Depreciation	17.49	17.36
Interest on Loan	11.94	5.42
Return on Equity	16.85	14.94
Interest on Working Capital	4.87	6.07
O&M Expenses	26.42	25.20
Water Charge	1.81	1.40
Annual Fixed Cost	79.38	70.39
Annual Fixed Cost after PAF Adjustment	79.38	70.39
ARR Publication & fee Expenses	-	0.05
Tax Paid	-	5.83
Total Fixed Cost	79.38	76.27
Energy Cost	109.44	159.31
Energy Charge Rate (Rs./kWh)	2.69	4.27
<b>Annual Revenue Requirement</b>	<b>188.82</b>	<b>235.58</b>



## Chapter 4: Public Consultation Process

- 4.1 The Petition filed by the Petitioner evoked responses from several Stakeholders. The Public Hearing at the Meeting hall of Raso Hotel was held on June 11, 2024 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 Public along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

### Debt and Equity Ratio

#### Public Comments/Suggestions

- 4.3 Debt and Equity Ratio: The Explanation of the same is not provided in the petition.

#### Petitioner's Response

- 4.4 IPL humbly submits before this Hon'ble Commission that IPL has claimed opening balance of equity and long term loan in line with Regulation 7.1 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 as provided below:

##### **"A 7 Truing-up**

*7.1 The Generating Company shall submit the Petition for truing up for each year of the Control Period on the basis of annual Audited Accounts as per the timelines stipulated in Section A 39."* **<Emphasis added>**

Hence, the opening balance of equity and long term loan for FY 2022-23 has been considered in line with the aforementioned regulatory provisions and annual accounts for FY 2022-23. JBNVL's observation is misconstrued in this regard and this Hon'ble Commission is humbly requested to allow Return on Equity and Interest on Loan as claimed by IPL.

### Interest on Working Capital

#### Public Comments/Suggestions

- 4.5 It's around 50% from the approved rate. The increase in the working capital should not be approved by the Hon'ble commission. There must be proper explanation by IPL.



### **Petitioner's Response**

4.6 IPL humbly submits before this Hon'ble Commission that IPL has claimed Interest on Working Capital for FY 2022-23 in line with Regulation 15.23 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 as provided below:

*“15.23 The Commission shall determine the Working Capital requirement on normative basis for coal-based generating stations, which shall comprise the following components:*

*.....*

*15.26 The rate of Interest on Working Capital shall be on normative basis and shall be equal to Bank Rate plus 350 basis points as on September 30 of the financial year in which the MYT Petition is filed or as on April 01, of the year during the Control Period from FY 2021-22 to FY 2025-26 in which the generating station or a Unit thereof, is declared under commercial operation, whichever is later”*

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

In line with the aforementioned regulatory provisions, IPL humbly submits before this Hon'ble Commission that IPL has claimed Interest on Working Capital for FY 2022-23 on normative basis. JBVNL's observation by simply comparing figures approved in MYT (which is based on assumptions and estimations) with the True-up figures is devoid of any merit as truing up process is realignment of the parameters estimated in MYT with the actual figures achieved. Hence, this Hon'ble Commission is humbly requested to ignore JBVNL's observation in this regard and allow Interest on Working Capital as claimed by IPL.

### **Auxiliary Consumption**

#### **Public Comments/Suggestions**

4.7 After due research and case studies, the Hon'ble commission has rightly fixed the auxiliary consumption as 10.50% even this level is way higher when comparison to similar industries. The explanations and examples cited by IPL is not in sync with the technology used by IPL for the CFBC technology. IPL having significant operational experience and the parameters for the auxiliary consumptions might have actual numbers. This can be studied in details and the auxiliary consumption can be based of the actual values from the





operations.

However, IPL always claims higher rate for auxiliary consumption. This inefficiency should not be passed to the consumers.

### ***Petitioner's Response***

4.8 IPL humbly submits before this Hon'ble Commission that it has submitted the actual Auxiliary Consumption achieved of 11.79% is due to higher consumption which is prevalent in CFBC technology plants. IPL has repeatedly prayed before this Hon'ble Commission in this regard that similar other plants operating across the country under the jurisdiction of various Regulatory Commissions where the Auxiliary consumption is around or above 11.15%. The same is not being repeated here for the sake of brevity.

IPL humbly submits that considering the historical achieved Auxiliary Consumption, IPL currently proposes Auxiliary Consumption of 11.5% based on past performance.

- IPL submits that during the commissioning period of the power plant, as per the prevailing CERC Regulations, for lignite fired stations using CFBC technology, the auxiliary energy consumption norms was 1.5% more than the auxiliary energy consumption norms of coal-based generating stations. Hence the CERC norms for auxiliary consumption of lignite based CFBC plants, up to 200 MW with induced draft cooling tower was 10.5%.
- IPL submits that as per the 'Recommendations on Operation Norms for Thermal Power Stations for Tariff Period beginning 1st April 2009', of CEA higher auxiliary consumption the generating station of IPL should also be allowed in regard to the CFBC technology.
- IPL also submits that CFBC boilers involve higher auxiliary consumption due to higher pressure drops & consequently higher fan power as compared to the pulverized fuel fired units.

In view of the above, IPL humbly prays before this Hon'ble Commission that JBVNL's observation in this regard is devoid of any merit and may kindly be ignored. IPL humbly requests this this Hon'ble Commission to allow actual Auxiliary Consumption for FY 2022-23.

### ***Station Heat Rate***

#### ***Public Comments/Suggestions***

4.9 The increase in SHR value would amount higher quantity of fuel to be used for

required generation of electricity units and thus amounts to significant inefficiency of the IPL. The inefficiency of the IPL on the controlling parameter should not be passed on to the consumers.

### **Petitioner's Response**

4.10 IPL humbly submits that based on past performance of the power plant and also considering difficult operating conditions and uncontrollable change in fuel mix, IPL currently proposes SHR of 2928 kCal/kWh.

- The Hon'ble Commission in its amendment to Tariff Regulations, 2020 has considered a Gross Station Heat Rate of 2902 kCal/kWh for Inland Power Limited. However, though SHR is a controllable parameter as per regulation 6.15 of the JSERC Tariff Regulations 2020, actual values of SHR as achieved by the Petitioner have been considered for FY 2022-23.
- The petitioner also submits that as specified in JSERC regulations 2010, the norms of operation for SHR of new generating stations for Coal-based and lignite-fired Thermal Generating Stations = 1.065 X Design Heat Rate (kCal/kWh) where, the Design Heat Rate of a unit means; the unit heat rate guaranteed by the supplier at conditions of 100% MCR, zero percent make up, design coal and design cooling water temperature/back pressure.
- The TG cycle heat rate for the proposed boiler was 2166 Kcal/kwh. With a boiler efficiency of 79.5% and with a margin of 6.5% as per regulation, the Petitioner had requested the Honourable Commission to approve a Gross Station heat rate of 2902 Kcal/kwh.
- The Commission vide letter no JSERC/legal/07 of 2013/222 dated August 26, 2013 directed the Petitioner to submit report/ study conducted by independent technical expert to verify the boiler efficiency of 79.5%. The Petitioner vide letter dated November 12, 2013 submitted the required information. Thus, the Commission after scrutinizing the additional information submitted approved the gross station heat rate in accordance with the formula specified in Regulation 8.6 (b) (i) of the Generation Tariff Regulations 2010, the projected base heat rate and boiler efficiency as per the independent technical evaluation report, for the Control Period at 2,902 Kcal / kWh.
- The petitioner submits that the historical SHR of the power plant has varied due to the change in fuel mix, use of fuel with high ash etc which are due to uncontrollable factors.

IPL humbly requests this Hon'ble Commission to allow Station Heat Rate of 2902 kCal/kWh for Inland Power Limited for FY 2022-23.



## **Increase in cost of Coal**

### **Public Comments/Suggestions**

- 4.11 It is clearly evident that there is 46.44% increase in coal price and 90.66% increase in the price of rejects. This shows complete failure of IPL in controlling the price of primary fuel for the plant. This was result of lack of long term FSA with the suppliers. This issue has been highlighted to IPL every time. This inefficiency should not be passed on to the consumers. This matter has been consistently discussed with the IPL management and it is stressed upon that IPL should go for long term MoU with CCL for its coal washery rejects which hovers around Rs.1000 per tonnes. However, IPL has failed to do so and it has also failed to have long term MoU with Tata Steel for its rejects resulting the price of the rejects hovering around Rs 2800 per tonnes. The higher price of rejects inadvertent raises the prices of primary fuel.
- 4.12 Transit loss claim is also quite high for the approved figure of the Hon'ble Commission. This claim should be out rightly rejected by the Hon'ble Commission. Similarly, weighted average price of primary fuel increased to 69.75% which cannot be allowed to pass on to the consumers. On absolute terms there is an increase of Rs.50 Cr in variable charges due to increase in primary fuel cost.

### **Petitioner's Response**

- 4.13 IPL humbly submits that since it doesn't have any fuel linkage, it is procuring fuel from various sources like:
- E -Auction CIL coal
  - Shakti Scheme
  - Coal from the forward auctions
  - Washery Rejects of CCL
  - Rejects from Tata Steel
- 4.14 It is to be noted that based on the availability of coal input the blending ratio of Coal rejects has changed significantly from the approved figures. Further IPL submits that out of the above 5 sources it has identified, E-Auctions by CIL have been sporadic and the price of coal has been very high compared to the special forward auctions. IPL further submits the auction conditions mandate 10% EMD and 100% advance payment of the coal procured in the e-



auctions of CCL against “cash and carry” model offered by other coal sources. As IPL has been facing delayed payments by JBVNL, it has to arrange fund on its own sources which makes the advance payment criteria difficult to fulfill.

4.15 IPL humbly submits that in FY 2022-23 it has taken part in the following E-Auctions to ensure optimum supply for Coal:

<b>Special Forward E-Auction</b>									
<b>Date of Auction</b>	<b>of Sale No</b>	<b>order</b>	<b>Date</b>	<b>Grade</b>	<b>Area</b>	<b>QTY (MT)</b>	<b>Base Price</b>	<b>Month</b>	<b>Total Price</b>
12-08-2021	3345012761		29/03/2022	G8	CCL URIMARI	2,189.81	1,343.00	APRIL	2,316.34
12-08-2021	3345012609		16/03/2022	G9	CCL RELIGARA	CCL RELIGARA	1,343.00	APRIL	2,316.34
12-08-2021	3345012015		03-01-2022	G11	CCL GIDDI	6,069.83	1,190.00	APRIL	2,063.00
12-08-2021	3345012761		29/03/2022	G8	CCL URIMARIL	1,810.18	1,343.00	MAY	2,316.34
15/02/2022	3345016089		26/04/2022	G9	CCL RELIGARA	2,383.71	1,663.00	MAY	2,714.43
15/02/2022	3345016088		26/04/2022	G8	CCL BIRSA	2,237.05	2,016.00	MAY	3,153.58
15/02/2022	3345016089		26/04/2022	G9	CCL BIRSA	2,237.05	2,016.00	MAY	3,153.58
15/02/2022	3345016089		26/04/2022	G9	CCL RELIGARA	1,615.00	1,663.00	JUNE	2,714.43
15/02/2022	3345016088		26/04/2022	G8	CCL BIRSA	1,762.95	2,016.00	JUNE	3,153.58
<b>Spot E Auction</b>									
<b>Date of Auction</b>	<b>of Sale No</b>	<b>order</b>	<b>Date</b>	<b>Grade</b>	<b>Area</b>	<b>QTY (MT)</b>	<b>Base Price</b>	<b>Month</b>	<b>Total Price</b>
24/08/2022	3345020538		26.08.2022	G 05	CCL RAJRAPPA WASHERY	2,018.21	5,072.00	SEPT	6,892.37
24/08/2022	3345020779		26.08.2022	G 05	CCL RAJRAPPA WASHERY	1,813.00	5,122.00	SEPT	6,954.57
24/08/2022	3345020538		26.08.2022	G 05	CCL RAJRAPPA WASHERY	481.77	5,072.00	OCT	6,892.37
24/08/2022	3345020779		26.08.2022	G 05	CCL RAJRAPPA WASHERY	1,686.90	5,122.00	OCT	6,954.57
30.09.2022	3345023299		07.10.2022	G-11	CCL MAGADH	1,999.79	6,062.00	NOV	8,215.32
12-03-2022	3345024960		12-06-2022	G-10	CCL RAJRAPPA WASHERY	929.64	3,160.00	DEC	4,513.76
05.12.2022	3345025482		09.12.2022	G-10	CCL MAGADH	727.36	4,610.00	DEC	6,408.97
03.12.2022	3345024929		06.12.2022	G-11	CCL AMRAPALI	5,519.35	4,102.00	DEC	5,777.00



12-03-2022	3345024960	12-06-2022	G-10	CCL RAJRAPPA WASHERY	570.26	3,160.00	JAN	4,513.76
05.12.2022	3345025482	09.12.2022	G-10	CCL MAGADH	1,272.63	4,610.00	JAN	6,408.97
03.12.2022	3345024929	06.12.2022	G-11	CCL AMRAPALI	3,480.64	4,102.00	JAN	5,777.00
18/01/2023	3345027149	20.01.2023	G-11	CCL AMRAPALI	595.34	3,352.00	FEB	4,843.97
18/01/2023	3345027149	20.01.2023	G-11	CCL AMRAPALI	2,404.63	3,352.00	MAR	4,843.97

4.16 IPL humbly submits that it has made earnest efforts to achieve the coal mix approved by the Hon'ble Commission. IPL further submits the auction conditions mandate 10% EMD and 100% advance payment of the coal procured in the e-auctions of CCL against "cash and carry" model offered by other coal sources. As IPL has been facing delayed payments by JBVNL, it has to arrange fund on its own sources which makes the advance payment criteria difficult to fulfil. Considering the sporadic auctions by CCL and the higher cost associated with its sourcing, IPL has been sourcing coal in a manner that optimizes the total coal cost and concomitant energy charges.

### **Increase in Secondary Fuel Cost**

#### **Public Comments/Suggestions**

4.17 This increase of 18% in the secondary oil should be rejected and not passed to the consumer.

#### **Petitioner's Response**

4.18 IPL submits that the price of secondary fuel oil of Rs.80471/kL is based on the price of fuel in FY 2020-21 (MYT Order of JSERC dated 16 Nov 2023). The prices of secondary fuel are based on the prices notified by the Oil Marketing Companies. IPL is further submitting the sample bills for secondary fuel cost for FY 2022-23 as part of Annexure 1 of the Petition.

### **Higher Energy Charge Rate**

#### **Public Comments/Suggestions**

4.19 The higher energy charges should be rejected. The higher energy charges is due to higher rate of coal and rejects being procured by IPL.As there is no restriction and limitations IPL ends up with buying coal and rejects at higher rate and then passes the same to JBVNL that eventually passed through the



consumer of Jharkhand through increase in tariff. Hence this higher energy charge should be rejected by the Hon'ble Commission.

### ***Petitioner's Response***

4.20 IPL humbly submits that it has made earnest efforts to achieve the coal mix approved by the Hon'ble Commission. It has also participated in e-auctions for Coal. IPL further submits the auction conditions mandate 10% EMD and 100% advance payment of the coal procured in the e-auctions of CCL against "cash and carry" model offered by other coal sources. As IPL has been facing delayed payments by JBVNL, it has to arrange fund on its own sources which makes the advance payment criteria difficult to fulfil. Further, IPL has generated the power as per the restriction imposed by the SLDC and the coal was used as per the availability of grades. This situation is beyond the control of the IPL management.

## ***Payment of Charges***

### ***Public Comments/Suggestions***

4.21 JBVNL has already paid the full amount as approved by the JSERC to IPL. Then why the claim figure is less than the approved figure.

### ***Petitioner's Response***

4.22 IPL humbly submits before this Hon'ble Commission that IPL has claimed total charges of Rs. 84.31 Cr including other expenses of Rs. 5.88 Crores as against the approved amount of Rs. 79.38 Crores based on actuals for FY 2022-23. IPL humbly requests this Hon'ble Commission to allow Fixed charges as claimed by IPL for FY 2022-23.

## ***Fuel Charges and FPPA***

### ***Public Comments/Suggestions***

4.23 Fuel charges along with FPPA claimed and paid by the JBVNL is around rupees 154.879 Cr, however the claimed amount of IPL is around 5 Cr higher. This should be properly investigated by the Hon'ble Commission.

### ***Petitioner's Response***

4.24 IPL humbly submits before this Hon'ble Commission IPL has prepared and submitted its True-up Petition for FY 2022-23 based on its audited financial



report for the year 2022-23 with the applicable regulatory provisions. In case, JBVNL has any further clarification required, IPL humbly requests the Hon'ble Commission to direct JBVNL to submit relevant details in this regard along with appropriate documentation so that the same may be settled. Further, IPL humbly requests this Hon'ble Commission to evaluate IPL's submission for True-up of FY 2022-23 and pass Order as may be deemed necessary.

## **Additional Cost**

### **Public Comments/Suggestions**

4.25 The additional cost should not be allowed as the inefficiency of IPL should not be passed on to the consumers. These figures need to be cross verified and checked thoroughly.

### **Petitioner's Response**

4.26 IPL humbly submits before this Hon'ble Commission that IPL has already submitted its audited annual accounts for FY 2022-23 based on which the True-up petition for FY 2022-23 has been filed before this Hon'ble Commission. IPL shall further submit or clarify anything as required by this Hon'ble Commission. JBVNL's observation on simple head to head matching of actual figures with MYT figures which are predominantly based on estimations or projections is devoid of any merit. IPL humbly requests this Hon'ble Commission to kindly ignore JBVNL's observation and allow IPL's claim for FY 2022-23.

## **O&M cost of Fly Ash Brick Plant**

### **Public Comments/Suggestions**

4.27 It should be scrutinized properly as cost component and O&M of fly ash bricks may have been counted twice with the original operation of the plant. The claim of IPL needs to be thoroughly investigated as we believe that the revenue from sale of fly ash bricks should be significantly higher. There might be some under reporting of revenue in this case. The Hon'ble Commission is requested to investigate the claims thoroughly. And the O&M expense should not be considered different from the actual power plant O&M as claimed by IPL. The petitioner is requested to give a detailed explanation of other expenses

### **Petitioner's Response**

4.28 IPL humbly submits that previously the expenses for the Fly Ash bricks were





not bifurcated for Power plant & Fly Ash division, now we have separated and submitting the auditor's certificate for unit wise expenses. IPL requests the Hon'ble Commission to refer Annexure -2 as submitted in the Petition.

## **Error in Petition Submitted**

### **Public Comments/Suggestions**

4.29 The petition is erroneous as it considers both 2015 and 2020 regulation intermittently. The cumulative gap figure need to be properly investigated as tax component is claimed in actuals as against the relevant clause in 2020 generation tariff regulation by JSERC that inflated the figure of ARR.

### **Petitioner's Response**

4.30 IPL would like to clarify before this Hon'ble Commission that the reference of regulatory provisions of Tariff Regulation 2015 under Para 7.7 has been an inadvertent typographical error and the same may be referred as regulation 7.3 and 7.4 of Tariff Regulations 2020, on as applicable basis. IPL humbly requests this Hon'ble Commission to allow the adjustment of revenue deficit as claimed by IPL for FY 2022-23.

## **Treatment of Income Tax Paid**

### **Public Comments/Suggestions**

4.31 The petitioner has erred in taking 2015 regulations while treating the tax paid at actuals. While 2020 generation regulation clause 15.11 and 15.22 describes the treatment for tax as referred below:

*15.11 Tax on income if any on the Generating business of the Generating company shall be limited to tax on the allowed return on equity.*

*15.12 The income tax actually payable or paid limited to the tax on allowed return on equity shall be included in the ARR while truing up. The actual assessment of income tax should take into account of benefit of tax holidays and credit for carry forward losses applicable as per provisions of Income Tax Act 1961, and its amendment thereof shall be passed on to the beneficiaries.*

This has not followed and there is no break up. So, this should not be allowed.

### **Petitioner's Response**

4.32 IPL would like to clarify before this Hon'ble Commission that the reference of regulatory provisions of Tariff Regulation 2015 under Para 6.2.1 has been an





inadvertent typographical error and the same has been claimed in line with applicable regulatory provisions of Tariff Regulations, 2020. IPL humbly requests this Hon'ble Commission to allow actual tax paid of Rs. 5.83 Cr. as claimed by IPL for FY 2022-23.

**Commissions View**

4.33 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner, and deliberated and discussed it in the Chapters of this Order.



## Chapter 5: True Up for FY 2022-23

- 5.1 The Petitioner has submitted the True-up Petition for FY 2022-23 based on the audited accounts, taking into consideration the provisions of JSERC (Terms and Conditions for Determination of Generation 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 2022-23 taking into consideration: -
- Audited (Statutory) Accounts for FY 2022-23 and additional details submitted by the Petitioner;
  - JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020; read with its amendments thereof and;
  - Methodology adopted by the Commission in the earlier order.

### Operational Performance Parameters

#### Plant Availability Factor (PAF)

##### Petitioner's Submission

- 5.3 The Petitioner had submitted the actual plant availability of the unit as 82.56% for the financial year against the approved value of 82.50% in MYT Order dated November 11, 2023 and requested the Commission to approve the same. The Petitioner has submitted the State Load Despatch Centre certificate vide 'Annexure No. 4 – Letter No. 127/SLDC, Ranchi dated 05.05.2023 to its Petition, certifying the actual plant availability factor.

##### Commission's Analysis

- 5.4 Clause 6.11 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 stipulates that performance parameters are deemed to be controllable in nature. As such, the Commission, approves the Normative Annual Plant Availability Factor (NAPAF) as per Regulation A 16 of the JSERC (Terms & Conditions for Determination of Generation Tariff) (First Amendment) Regulations, 2023. Additionally, the Commission approves the Actual Plant Availability based on the SLDC certificate provided in 'Annexure No. 4' of the Petition as shown in the table below.

Table 5: Plant Availability as approved by the Commission for FY 2022-23

Particulars	MYT	Petition	Approved
Normative Plant Availability Factor(%)	82.50%	-	82.50%
Actual Plant Availability Factor(%)	-	82.56%	82.56%



## Auxiliary Consumption

### Petitioner's Submission

- 5.5 The Petitioner has submitted the actual auxiliary consumption as 11.79% against the approved value of 10.50% in the MYT order dated November 11, 2023.
- 5.6 The Petitioner has also mentioned that the plant runs on CFBC based technology and therefore consumes more auxiliary power than other thermal power plants.

### Commission's Analysis

- 5.7 Clause 6.11 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 stipulates that performance parameters are deemed to be controllable in nature. As such, the Commission approves the Normative Auxiliary Consumption as per Regulation A 16 of the JSERC (Terms & Conditions for Determination of Generation Tariff) (First Amendment) Regulations, 2023. Additionally, the Commission approves the Actual auxiliary consumption as 11.79% based on the Auditor's Certificate provided in 'Annexure No. 5' to the Petition.
- 5.8 Further, the Normative Auxiliary Consumption has been used to calculate the energy charges for the financial year.

Table 6: Auxiliary Consumption(%) as approved by the Commission for FY 2022-23

Particulars	MYT	Petition	Approved
Normative Auxiliary Consumption	10.50%	-	10.50%
Actual Auxiliary Consumption	-	11.79%	11.79%

## Plant Load Factor and Generation

### Petitioner's Submission

- 5.9 The Petitioner has submitted the actual Plant Load Factor (PLF) as 76.63% against the target of 82.50% approved by the Commission in the MYT Order dated November 11, 2023.
- 5.10 The Petitioner has further submitted the gross generation of the unit as 422.74 MU which is lower than the approved value of 455.30 MU in the MYT Order dated November 11, 2023.

### Commission's Analysis

- 5.11 The Commission has observed that the Petitioner has wrongly calculated the Plant Load Factor (PLF) based on 'Actual' Auxiliary Consumption, while Clause



No. 3.1 (47) of the JSERC (Terms & Conditions for Determination of Generation Tariff) Regulations, 2020 prescribes the Plant Load Factor to be computed based on the 'Normative' Auxiliary Consumption. Therefore, the Commission has recalculated the PLF as per the Regulations which works out to be 75.52%. Further, the Commission approves the Gross Generation as submitted by the Petitioner based on the Auditor's Certificate provided in 'Annexure No. 5' to the Petition.

5.12 Likewise, the Plant Load Factor and Gross Generation as approved by the Commission in the MYT Order, as submitted by the Petitioner, and as approved now by the Commission are summarized in the table below.

Table 7: PLF(%) And Generation(MU) as approved by the Commission for FY 2022-23

Particulars	Units	MYT	Petition	Approved
Normative Plant Load Factor	%	82.50%	-	82.50%
Actual Plant Load Factor	%	-	76.63%	75.52%
Gross Generation	MU	455.30	422.91	422.91

## Gross Station Heat Rate (GHR)

### Petitioner's Submission

5.13 The Petitioner has claimed the actual Gross Station Heat Rate (GHR) vis-à-vis that being approved in MYT order dated 11<sup>th</sup> November 2023 as given in the table below:

Table 8 : GSHR(kCal/kWh) as submitted by the Petitioner for FY 2022-23

Particulars	Unit	MYT	Petition
Gross Station Heat Rate	kCal/kWh	2902	2928

### Commission's Analysis

5.14 Clause 6.11 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2023 stipulates that performance parameters are deemed to be controllable in nature. As such, the Commission, approves the Gross Station Heat Rate in accordance with Regulation A 16 of the JSERC (Terms & Conditions for Determination of Generation Tariff) (First Amendment) Regulations, 2023.

Table 9: GSHR(kCal/kWh) as approved by the Commission for FY 2022-23

Particulars	Units	Myt	Petition	Approved
Gross Station Heat Rate	kcal/kWh	2902.00	2,928.00	2,902.00



## Specific Fuel Oil Consumption

### Petitioner Submission

5.15 The Petitioner had submitted the specific fuel oil consumption as 1.00 ml/kWh in line to JSERC (Terms and Conditions for Determination of Generation Tariff) (First Amendment) Regulations, 2023.

### Commission's Analysis

5.16 The Commission observes that the submission made by the Petitioner is in accordance with the Commission's MYT Order dated November 11, 2023 and JSERC (Terms and Conditions for Determination of Generation Tariff) (First Amendment) Regulations, 2023. Hence, the Commission approves the secondary fuel oil consumption as submitted by the Petitioner.

Table 10: Specific Fuel Oil Consumption(ml/kWh) as approved by the Commission for FY 2022-23

Particulars	Units	MYT	Petition	Approved
Specific Fuel Oil Consumption	ml/kWh	1.00	1.00	1.00

## Fuel Cost Parameters

### Coal Mix and Gross Calorific Value (GCV) of Primary Fuel

#### Petitioner's Submission

5.17 The Petitioner has submitted that the coal is procured from various sources as mentioned below.

- E-Auction of Coal India Ltd./ Central Coalfield Ltd.;
- Coal from Forward Auctions;
- FSA with Central Coalfield Ltd. under SHAKTI Scheme;
- Rejects from Tata Steel.

#### Commission's Analysis

5.18 The Commission has observed a significant deviation in the blending ratio, Gross Calorific Value (GCV) of primary fuel-mix and its price as compared to the approved values in MYT Order dated November 11, 2023.

5.19 The Commission has also observed that the Petitioner has not considered stacking loss of coal (i.e.85kCal/kg) while computing GCV of primary fuel in the petition.

5.20 The Commission has referred to clause 7.1 of the JSERC (Terms and Conditions for Determination of Generation Tariff) (First Amendment)

Regulations, 2023 gazetted on 31<sup>st</sup> October 2023 wherein specific provision of stacking loss has been incorporated for GCV of primary fuel on as received basis less 85kCal/kg on account of variation during storage. Accordingly, the Commission in line with the regulation had allowed stacking loss for the Petitioner in True up order for FY 2021-22 dated 26<sup>th</sup> February 2024.

- 5.21 In spite of the above aforesaid provisions, the petitioner did not consider the stacking and handling loss of 85kCal/kg while computing the GCV of primary fuel. In this regard the Commission is of the opinion that there is no stacking loss on the part of the Petitioner or the petitioner has considered it in its final GCV submitted. Accordingly, the Commission has not factored the stacking loss separately in the GCV of primary fuel in ECR computation for FY 2022-23.
- 5.22 The Commission has considered the submission made by the Petitioner, including Auditor's Certificate submitted vide 'Annexure No. 6' to the Petition. The Commission has scrutinized monthly source-wise coal consumption, duly certified by the auditor, as submitted by the Petitioner, and has recalculated the Weighted average GCV of Primary Fuel and approves the coal mix and Gross Calorific Value as shown below.

Table 11: Coal Mix and GCV as approved by the Commission for FY 2022-23

Particulars	Units	MYT Order	Petition	Approved
Coal	%	35.00%	38.13%	38.13%
Coal Rejects	%	65.00%	61.87%	61.87%
GCV of Coal	kCal/kg	3,680.24	3,817.54	3,817.54
GCV of Coal Reject	kCal/kg	1,872.24	1,886.60	1,886.60
Weighted average GCV of Primary Fuel	kCal/kg	2,505.04	2,622.82	2,622.82

## Transit Loss

### Petitioner's Submission

- 5.23 The Petitioner has considered the transit loss on normative basis *i.e.*, 0.80% inline to MYT Order dated November 11, 2023 and as per JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

### Commission's Analysis

- 5.24 The Commission has scrutinized the detail along with the auditor's certificate certifying the transit loss as submitted by the Petitioner and approves the transit loss at a normative value of 0.80% as per Clause 17.11 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

Table 12: Transit Loss(%) as approved by the Commission for FY 2022-23

Particulars	Units	MYT Order	Petition	Approved
Transit Loss	%	0.80%	0.85%	0.80%

## Landed Cost of Primary Fuel

### Petitioner's Submission

5.25 The Petitioner has submitted the Auditor's Certificate submitted vide 'Annexure No. 6' to the Petition for landed cost of primary fuel consumed from different sources. The landed price of primary fuel includes base price of coal, royalty, taxes and duties, transport cost, Clean Energy Cess etc.

### Commission's Analysis

5.26 The Commission has outlined Clause 17.11 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, for the approval of landed cost of primary fuel as reproduced below,

*"17.11 The landed cost of fuel for the month shall include price of fuel corresponding to the grade and quality of fuel inclusive of royalty, taxes and duties as applicable, transportation cost by rail / road or any other means, and, for the purpose of computation of energy charge, and in case of coal/lignite shall be arrived at after considering normative transit and handling losses as percentage of the quantity of coal or lignite dispatched by the coal or lignite supply company during the month as given below:*

*Pithead generating stations: 0.2%*

*Non-pithead generating stations: 0.8%*

*Provided that in case of pit head stations if coal or lignite is procured from sources other than the pit head mines which is transported to the station through rail, transit loss of 0.8% shall be applicable:*

*Provided further that in case of imported coal, the transit and handling losses shall be 0.2%."*

5.27 The Petitioner in the Petition, has provided month wise fuel procurement and rate of primary fuel procured, duly certified by the auditor vide 'Annexure No. 6' to the Petition. Further, the Commission, in its Order dated December 26, 2019 directed the Petitioner to bring to the notice of the Commission any change in fuel mix, which leads to price variation on quarterly basis and to submit a consolidated report during the next Petition filed by the Petitioner. In compliance to the above, the Petitioner has submitted the quarterly report before the Commission.



- 5.28 The Petitioner has submitted that it acquired its primary fuel i.e., Coal from the CIL e-auctions and Shakti Scheme. The Coal prices and GCV of coal provided in the e-auctions and SHAKTI scheme are as per the CIL Notification. Thus, the Petitioner has no control over the coal offered in the e-auction and SHAKTI Scheme. Furthermore, the Petitioner has submitted that the Rate of Coal offered in CCL e-auctions for power producers has been continuously increasing since the last 2 years. Further, the e-auctions are conducted sporadically leading the IPL to depend on other sources of coal to ensure a reliable and consistent supply for smooth functioning of the power plant.
- 5.29 Considering, the Petitioner's submission and after a due prudent check of the Auditor's Certificate submitted vide 'Annexure No. 6' to the Petition, the Commission approves the landed cost of primary fuel as given in the table below.

Table 13: Weighted Average Landed Price of Coal(Rs/MT) as approved by The Commission for FY 2022-23

Particulars	MYT Order	Petition	Approved
Price of Coal	2,726.77	3944.24	3944.20
Price of Coal Reject	1,498.75	2857.64	2857.64
Rate of Primary Fuel before Transit loss	1,928.56	3271.92	3271.92
Transit Loss	0.80%	0.86%	0.80%
<b>Landed Price of Primary Fuel</b>	<b>1,944.11</b>	<b>3,300.17</b>	<b>3,298.31</b>

### Calorific value and Landed price of Secondary Fuel

#### Petitioner's Submission

- 5.30 The Petitioner had submitted the landed price of secondary fuel as Rs. 94,871/kL, based on the secondary fuel consumed in the financial year, duly certified by the auditor vide 'Annexure No. 7' to the Petition. The Petitioner had considered the calorific value as 10,000 kCal/L as approved in the MYT Order dated November 11, 2023.

#### Commission's Analysis

- 5.31 On scrutinizing & analyzing the data, material and documents on record and upon a prudent check, the Commission approves the weighted average landed price of secondary fuel as shown below.

Table 14: Calorific value & Landed Price of Secondary Fuel as approved by the Commission for FY 2022-23

Particulars	Units	MYT Order	Petition	Approved
Calorific Value of Secondary Fuel	kCal/L	10,000.00	10,000.00	10,000.00
Landed Price of Secondary Fuel	Rs./kL	80,471.31	94,871.37	94,871.37



## Energy Charge Rate (ECR)

### Petitioner's Submission

5.32 The Petitioner had submitted the Energy Charge Rate (ECR) as Rs. 4.27/kWh against the MYT approved value of Rs. 2.69/kWh for FY 2022-23.

### Commission's Analysis

5.33 As per JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 the energy (variable) charge shall cover primary fuel and secondary fuel costs and limestone consumption cost (where applicable), shall be payable by the beneficiary for the total energy scheduled to be supplied to such beneficiary during the calendar month on an ex-power plant basis, at the specified energy charge rate of the month (with fuel price adjustment and limestone adjustment).

5.34 Accordingly, the Commission has computed the Energy Charge Rate (ECR) to be charged by the Petitioner as per the formula specified in JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020. The table below details the ECR and Fuel Cost for True-up for the financial year as submitted by the Petitioner and as approved by the Commission.

Table 15: ECR(Rs./kWh) & total energy cost(Rs.Cr) as approved by the Commission for FY 2022-23

Particulars	UoM	MYT Order	Petition	Approved
Net Generation	MU	407.49	373.04	373.04
Auxiliary Consumption	%	10.50	11.79	10.50
Gross Station Heat Rate	kcal/kWh	2902.00	2,928.42	2,902.00
Specific Oil Consumption	ml/kWh	1.00	1.00	1.00
Calorific Value of Oil	kcal/mL	10.00	10.00	10.00
GCV of Primary Fuel	kCal/kg	2,505.04	2,622.82	2,622.82
Landed Price of Primary Fuel	Rs./Ton	1,944.11	3,300.17	3,298.31
Landed Price of Secondary Fuel	Rs./kL	80,471.31	94,871.37	94,871.37
<b>Energy Charge Rate (ECR)</b>	<b>Rs./kWh</b>	<b>2.69</b>	<b>4.27</b>	<b>4.17</b>
<b>Total Energy Cost</b>	<b>Rs. Cr.</b>	<b>109.44</b>	<b>159.31</b>	<b>155.54</b>

## Determination of Fixed Cost

### Additional Capitalization

#### Petitioner's Submission

5.35 The Petitioner had submitted that it has purchased vehicles for Rs.0.18Cr. & de-capitalized assets of Rs.0.01 Cr against plant and machinery in the financial year FY 2022-23.

Table 16: Assets Capitalized &amp; Decapitalized as submitted by the Petitioner for FY 2022-23(Rs.Cr)

Particulars	Capitalized	Decapitalized
Plant & Machinery	-	0.01
Vehicle	0.18	-
<b>Total</b>	<b>0.18</b>	<b>0.01</b>

### Commission's Analysis

5.36 For the purpose of truing up, the Commission has considered the Audited Figures for approval of additional capitalization and decapitalization prayed for by the Petitioner.

5.37 The additional capitalization as approved by the Commission in the MYT Order, as submitted by the Petitioner and as approved by the Commission has been summarized in the table below.

Table 17: Additional Capitalization as approved by the Commission for FY 2022-23(Rs. Cr.)

Particulars	MYT Order	Petition	Approved
Capitalization	-	0.18	0.18

## Depreciation

### Petitioner's Submission

5.38 The Petitioner submitted that depreciation has been calculated as per the depreciation rates provided in Appendix-I of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

5.39 The Petitioner has calculated the depreciation taking into account the closing asset for FY 2021-22 and additional capitalization for FY 2022-23 The depreciation submitted by the Petitioner is given in the table below.

Table 18: Depreciation as submitted by the Petitioner for FY 2022-23(Rs. Cr.)

Particulars	MYT Order	Petition
Depreciation	17.49	17.35

### Commission's Analysis

5.40 The Commission has calculated the depreciation for the unit by considering the approved capital cost, capitalization and the depreciation rates as specified in Appendix-I of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020. The following table shows the depreciation approved by the Commission.

Table 19: Depreciation as approved by the Commission for FY 2022-23 (Rs.Cr.)

Particulars	Capitalized	Decapitalized	Net Capitalization	Rate of Depreciation	Depreciation for the Year
Plant & Machinery	-	0.01	0.00	4.22%	0.00



Particulars	Capitalized	Decapitalized	Net Capitalization	Rate of Depreciation	Depreciation for the Year
Vehicle	0.18	-	0.18	12.77%	0.02
<b>Total</b>	<b>0.20</b>	<b>0.01</b>	<b>0.20</b>		<b>0.02</b>

Particulars	MYT Order	Petition	Approved
Cumulative Depreciation	-	17.34	17.34
Depreciation for the Year	-	0.01	0.02
<b>Total Depreciation</b>	<b>17.49</b>	<b>17.35</b>	<b>17.36</b>

## Operation and Maintenance Expenses

### Petitioner's Submission

5.41 The Petitioner has submitted that as per clauses 15.35, 15.41 and 15.42 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, O&M expense would be applicable for generating companies and comprises of the following:

- Salaries, wages, pension contribution and other employee costs
- Administrative and General costs
- Repair and maintenance costs

5.42 The Petitioner has further claimed water charge as Rs. 1.40 Cr. based on actuals in line with Clause 15.46 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

5.43 In view of the reasons stated above, the Petitioner has prayed to the Commission to allow the increase in the O&M expenses as shown below.

Table 20: O&M Expenses as submitted by the Petitioner for FY 2022-23 (Rs.Cr.)

Particulars	MYT Order	Petition
O&M expenses	26.42	25.20

### Commission's Analysis

5.44 The Commission has observed that the Petitioner had claimed the O&M Expenses on actual basis instead of normative basis as per JSERC (Terms & Condition of Determination of Tariff) Regulations 2020. Further, the Petitioner submitted that the claim in the O&M cost is in line with its audited accounts.

5.45 On Scrutinizing & analyzing the material, data, information on record the Commission has observed that the actual O&M expenditure is lower than the expenditure approved in the MYT Order dated November 16, 2023. Since O&M is a controllable factor, the Commission finds it appropriate to qualify for 'Gain & Loss sharing Framework, and orders for sharing of aggregate gains between the Licensee and the customers in the ratio of 50:50 respectively, as per Clause

6.15 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) 2020. Accordingly, the Commission approves operation and maintenance including (Gain)/Loss as shown below:

Table 21: O&M expenses as approved by the Commission for FY 2022-23(Rs.Cr)

Particulars	MYT Order	Petition	Approved
O&M expenses	26.42	25.20	26.42
<b>Sharing of (Gain)/Loss</b>			<b>(0.61)</b>

## Interest on Loan

### Petitioner's Submission

5.46 The Petitioner, for computing interest on loan, has considered the actual loan portfolio and repayment equal to the actual repayment by the Petitioner for estimating the interest and financing charges on loan for the financial year. The Petitioner has submitted the Interest certificate issued by the Banks in support of interest rate and interest paid by the Petitioner in the financial year.

Table 22: Interest on Loan as submitted by the Petitioner for FY 2022-23 (Rs.Cr.)

Particulars	MYT Order	Petition
Opening Debt Balance	117.67	63.77
Net Additions	0.00	0.00
Repayment	17.49	24.26
Closing Debt Balance	100.18	39.51
Average	108.93	51.64
Rate of Interest (%)	10.96%	10.49%
<b>Interest on Loan</b>	<b>11.94</b>	<b>5.42</b>

### Commission's Analysis

5.47 The Commission has considered the opening balance of normative debt for FY 2022-23 as closing balance for FY 2021-22 as per the True-up Order dated February 26, 2024.

5.48 The Commission has observed that the Petitioner has considered the actual repayment against the norms which states that the repayment shall be equal to the depreciation allowed for that respective financial year. Accordingly, the Commission approves the repayment equal to the approved depreciation in accordance with clause 15.15 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 to arrive at the closing balance of normative debt component.

5.49 The Commission has computed the weighted average rate of interest based on the actual loan portfolio as submitted by the Petitioner. The Commission however, has considered the addition to loan based on a normative debt: equity ratio of 70:30 on the approved additional capitalization.

5.50 In accordance with the methodology stated above, the Commission has computed the interest on loan as shown in the table below.

Table 23: Interest on Loan as approved by the Commission for FY 2022-23(Rs.Cr.)

Particulars	MYT Order	Petition	Approved
Opening Debt Balance	117.67	63.77	114.92
Net Additions	-	0.00	0.13
Repayment	17.49	24.26	17.37
Closing Debt Balance	100.18	39.51	97.68
Average	108.93	51.64	106.30
Rate of Interest (%)	10.96%	10.49%	10.26%
<b>Interest on Loan</b>	<b>11.94</b>	<b>5.42</b>	<b>10.91</b>

## Interest on Working Capital

### Petitioner's Submission

5.51 The Petitioner has claimed the Interest on Working Capital based on Regulation 15.23 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and requested the Commission to approve the same for the financial year.

Table 24: Interest on Working Capital as submitted by the Petitioner for FY 2022-23 (Rs.Cr.)

Particulars	MYT Order	Petition
Coal Cost for 50 Days	14.49	21.27
Cost of Secondary Fuel Oil for 2 Months	0.61	0.67
O&M Expenses for 1 month	2.35	2.22
Maintenance Spares (20% of O&M)	5.65	5.32
Receivables for 45 Days	23.28	28.33
Total Working Capital	46.38	57.81
Rate of Interest	10.50%	10.50%
<b>Interest on Working Capital</b>	<b>4.87</b>	<b>6.07</b>

### Commission's Analysis

5.52 The Commission has referred to clause 15.23 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 for consideration of the components for determination of Working capital requirement.

5.53 The Commission has considered interest on Working Capital as 10.50% as per the 1<sup>st</sup> proviso of Clause 15.26 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020. The Interest on Working Capital as approved by the Commission for FY 2022-23 is shown in the table below:

Table 25: IoWC as approved by the Commission for FY 2022-23 (Rs. Cr.)

Particulars	MYT Order	Petition	Approved
Coal Cost for 50 Days	14.49	21.27	22.68
Cost of Secondary Fuel Oil for 2 Months	0.61	0.67	0.72

Particulars	MYT Order	Petition	Approved
O&M Expenses for 1 month	2.35	2.22	2.27
Maintenance Spares (20% of O&M)	5.65	5.32	5.44
Receivables for 45 Days	23.28	28.33	28.48
Total Working Capital	46.38	57.81	59.60
Rate of Interest	10.50%	10.50%	10.50%
<b>Interest on Working Capital</b>	<b>4.87</b>	<b>6.07</b>	<b>6.26</b>

## Return on Equity

### Petitioner's Submission

5.54 The Petitioner has claimed the Return on Equity at 14.00% in accordance with the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 on opening equity base of Rs.99.58 Cr. The Petitioner has claimed the income tax separately.

Table 26: ROE as submitted by the Petitioner for FY 2022-23(Rs Cr.)

Particulars	MYT Order	Petition
Opening Equity	92.73	99.58
Addition during the Year	0.00	0.05
Closing Equity	92.73	99.63
Average Equity	92.73	99.61
Rate of ROE	15.00%	15.00%
Applicable MAT Rate	17.47%	-
Net Rate of ROE	18.18%	-
<b>Return on Equity</b>	<b>16.85</b>	<b>14.94</b>

### Commission's Analysis

- 5.55 The Commission has observed that the closing equity base of Rs. 91.49 Cr. for FY 2021-22 as approved in its True-up Order dated February 26, 2024 is not matching with the opening base of FY 2022-23, as submitted by the Petitioner.
- 5.56 The Petitioner has submitted that they have considered the equity base of Rs. 99.58 Cr. and deducted the common cost of Unit-II of Rs. 2.32 Cr. as recognized by the Commission in its Order dated October 01, 2019.
- 5.57 The Commission has observed that the methodology adopted by the Petitioner is not in consonance to the Regulations. The adjustment of the common cost of Unit-II has already been carried out during True-up for FY 2016-17 and therefore it should not be repeated. The Commission has considered the opening equity for FY 2022-23 equal to closing equity approved by the Commission for FY 2021-22.
- 5.58 In accordance with Clause 15.9 to Clause 15.10 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 read along with its amendment, the Commission has approved the rate of return on

equity at 15.00% as shown below.

Table 27: ROE as approved by the Commission for FY 2022-23(Rs. Cr.)

Particulars	MYT Order	Petition	Approved
Opening Equity	92.73	99.58	91.49
Addition during the Year	0.00	0.05	0.05
Closing Equity	92.73	99.63	91.54
Average Equity	92.73	99.61	91.51
Rate of ROE	15.00%	15.00%	15.00%
Applicable MAT Rate	17.47%	-	-
Net Rate of ROE	18.18%	-	-
<b>Return on Equity</b>	<b>16.85</b>	<b>14.94</b>	<b>13.73</b>

## Income Tax and ARR Publication & Fee Expenses

### Petitioner's Submission

5.59 The Petitioner has claimed the Income Tax as Rs. 5.83 Cr. and ARR Publication & Fee as Rs. 0.05 Cr. based on actuals and requested the Commission for approval.

### Commission's Analysis

5.60 The Commission has scrutinized the ITR acknowledgement and the original receipt towards ARR Publication and Fee Expenses as submitted by the Petitioner vide 'Annexure No. 8' to its Petition and post prudent check approves the same as per the table below:

Table 28: Income Tax, ARR Publication & Fee Expenses as approved by the Commission for FY 2022-23(Rs. Cr.)

Particulars	MYT Order	Petition	Approved
Income Tax	-	5.83	5.83
ARR Publication & Fee Expenses	-	0.05	0.05

## Water Charge

### Petitioner's Submission

5.61 The Petitioner has submitted the month wise water consumption and rate of water charge to derive the total water charge for the financial year. The Petitioner has further submitted the water bills to substantiate the water consumption and water drawl rate along with Auditor's certificate submitted vide 'Annexure No. 10' to the Petition.

### Commission's Analysis

5.62 The Commission has referred to clause 15.46 of JSERC (Terms and Conditions for Determination of Generation Tariff) (First Amendment) Regulations, 2023 for approval of water charge as reproduced below:

*"The Water Charges, Security Deposit, and Capital Spare for thermal generating*



stations shall be allowed separately after prudent check”.

- 5.63 On scrutinizing and analyzing the information and actual figure and material details submitted by the petitioner and on prudent check the Commission approves the water charge as Rs 1.40 Cr for FY 2022-23.

## Total Fixed Charges

### Petitioner's Submission

- 5.64 The summary of Fixed Charge including Income Tax, ARR Publication & Fee Expenses as submitted by the Petitioner for the financial year is shown below.

Table 29: Total Fixed charges as submitted by the Petitioner for FY 2022-23(Rs.Cr)

Particulars	MYT Order	Petition
O&M Expenses	26.42	25.20
Depreciation	17.49	17.35
Interest on Loan	11.94	5.42
Return on Equity	16.85	14.94
Interest on Working Capital	4.87	6.07
Water Charges	1.81	1.40
<b>Annual Fixed Charges</b>	<b>79.38</b>	<b>70.39</b>
<b>Annual Fixed Charges inc. PAF Adjustment</b>	<b>79.38</b>	<b>70.39</b>
Income Tax	-	5.83
ARR Publication & Fee Expenses	-	0.05
<b>Total Fixed Charges</b>	<b>79.38</b>	<b>76.27</b>

### Commission's Analysis

- 5.65 The summary of Fixed Charge including Income Tax, ARR Publication & Fee Expenses and water charges as approved by the Commission for the financial year is shown in the table below.

Table 30: Total Fixed Charges as approved by the Commission for FY 2022-23 (Rs. Cr.)

Particulars	MYT Order	Petition	Approved
O&M Expenses	26.42	25.20	26.42
Depreciation	17.49	17.35	17.36
Interest on Loan	11.94	5.42	10.91
Return on Equity	16.85	14.94	13.73
Interest on Working Capital	4.87	6.07	6.26
Water Charges	1.81	1.40	1.40
<b>Annual Fixed Charges</b>	<b>79.38</b>	<b>70.39</b>	<b>75.48</b>
<b>Annual Fixed Charges inc. PAF Adjustment</b>	<b>79.38</b>	<b>70.39</b>	<b>75.48</b>
Income Tax	-	5.83	5.83
ARR Publication & Fee Expenses	-	0.05	0.05
<b>Total Fixed Charges</b>	<b>79.38</b>	<b>76.27</b>	<b>81.36</b>

## Summary of ARR Components

### Petitioner's Submission

- 5.66 The summary of ARR Components as submitted by the Petitioner for the financial year is shown below



Table 31: Summary of ARR Components as submitted by the Petitioner for FY2022-23 (Rs. Cr.)

Particulars	MYT Order	Petition
<b>Total Fixed Charges</b>	<b>79.38</b>	<b>76.27</b>
Energy Charge Rate (ECR)(Rs/kWh)	2.69	4.27
<b>Total Energy Cost</b>	<b>109.44</b>	<b>159.31</b>
<b>Annual Revenue Requirement</b>	<b>188.82</b>	<b>235.58</b>

### Commission's Analysis

5.67 The summary of ARR Components as approved by the Commission for the financial year is shown in the table below:

Table 32: Summary of ARR as approved by the Commission for FY 2022-23 (Rs. Cr.)

Particulars	MYT Order	Petition	Approved
<b>Total Fixed Charges</b>	<b>79.38</b>	<b>76.27</b>	<b>81.36</b>
Energy Charge Rate (ECR)	2.69	4.27	4.17
<b>Total Energy Cost</b>	<b>109.44</b>	<b>159.31</b>	<b>155.54</b>
<b>Annual Revenue Requirement</b>	<b>188.82</b>	<b>235.58</b>	<b>236.90</b>

## Revenue & Gap/(Surplus) for the Year

### Petitioner's Submission

5.68 The Petitioner has submitted that it has earned Rs.237.80 Cr. as revenue from sale of power to its beneficiary JBVNL and has incurred a net revenue of Rs. 0.0027 Cr. from the sale of Fly Ash Bricks.

Table 33: Revenue &amp; (Surplus)/Gap as submitted by the Petitioner for FY 2022-23 (Rs. Cr.)

Particulars	Petition
<b>Annual Revenue Requirement</b>	<b>235.58</b>
Revenue from sales	237.80
Revenue from sale of Fly ash brick	0.0027
<b>Gap/(Surplus)</b>	<b>(3.54)</b>

### Commission's Analysis

5.69 The Commission has observed that 'Note 18. Revenue from Operations' of the Audited accounts shows Revenue from Sale of Energy as Rs. 237.79 Cr.

5.70 The Petitioner in its petition has submitted a revenue of Rs.7.88 Cr from sale of fly ash bricks however have additionally considered an expense related to cost of components of fly ash brick to an amount of Rs.3.31 Cr and an O&M expense pertaining to fly ash brick plant to the tune of Rs.4.57 Cr.

5.71 The Commission has reviewed the audited accounts as submitted by the Petitioner along with the summary sheet for fly ash expense which has been CA certified and audited by M/s A.J Jaipuria & Co.

5.72 Upon reviewing the submission of the Petitioner for fly ash expense the

Commission has certain observations wherein it is noticed that the Petitioner has claimed O&M expense for the brick plant twice without giving any detailed justification. Moreover, the Petitioner has also claimed certain expenses as highlighted in the table below for which no proper justification is provided.

Table 34 Summary of Fly Ash expense and net profit as submitted by the Petitioner for FY 2022-23(Rs)

Summary of Fly Ash for the year 2022-23		
SNo	Particulars	Amount
1	Sales (A)	7,88,44,455.91
	<b>Less</b>	
	<b>Expenses</b>	
2	Consumption Of Raw Material	3,49,87,255.45
3	Salary	35,93,603.00
4	Bonus	1,54,882.00
5	Leave Cash Encashment	52,297.00
6	Contribution To Provident And Other Funds	2,39,430.00
7	Operation & Maintenance	61,19,800.28
8	Interest On Tds	317.00
9	Bank Charges	7,848.32
10	Advertisement Expenses	1,80,474.58
11	Rent	1,38,601.00
12	Repairs Of Plant & Machinery	5,98,486.06
13	Professional & Consultancy Charges	59,000.00
14	Repairs & Maintenance-Others	1,14,119.00
15	Vehicle Running & Maintenance Exp.	55,73,367.15
16	Insurance Expenses	54,280.08
17	C.S.R Expenses	2,47,136.00
18	Hire Charge	13,88,213.00
19	Security Expenses	8,40,000.00
20	Telephone & Communication Expenses	27,051.83
21	Office Expenses	52,999.50
22	Travelling Exp. To Others	2,24,470.00
23	Interest Expenses	36.00
24	Printing And Stationery Exp	39,854.44
25	Postage & Courier Exp	30,813.94
26	General Expenses	1,34,559.79
27	Conveyance Exp.	1,80,267.50
28	Loading And Unloading Charges	2,67,500.00
29	Legal Exp.	29,500.00
30	Operation & Maintenance (Ur)	5,71,696.76
31	Packing & Forwarding	10,07,918.72
32	Business Development Expenses	6,11,808.00
33	Sundry Balances W/Off	3,16,956.03
34	Freight & Forwarding Exp (Outward) ( R)	1,18,77,640.00
35	Forex Fluctuation Loss / Gain	(12,61,217.00)
36	Lease Rent	1,03,56,958.24
37	<b>Total Expenst•s (B)</b>	<b>7,88,17,923.67</b>
38	Net Profit (A-B}	26,532.24

5.73 The Commission has also observed that certain expenses related to A&G such as office expense, freight, advertisement expense, legal expenses, vehicle

running etc. have also been claimed separately apart from the twice claimed O&M expenses (S.No 7 & S.No 30) shown in the table above.

- 5.74 In view of the above the Commission finds that the expense claimed by the Petitioner for fly ash brick plant is quite high along with the fact that no proper justification has been provided by the Petitioner related to the expense. In light with the ambiguity in the expense claimed by the Petitioner for fly ash plant the Commission does not approve the entire expense related to fly ash plant as submitted by the Petitioner.
- 5.75 In this regard as per the methodology adopted by the Commission in its earlier order and upon scrutinizing the details submitted by the Petitioner and in accordance with JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations,2020 read along with its amendments the Commission has considered the cost related to components of fly ash brick plant(Rs.3.31Cr) and ash handling expenses (Rs.0.67Cr) as expenses to be adjusted from the revenue generated from the brick plant. The Commission is of the view that the O&M is a controllable factor and the petitioner should make every possible measures to incur the expenses in a judicious and efficient manner.
- 5.76 The Commission has appropriately allowed '*Incentive and Penalty Framework*' of the same in this Order. In view of the above, the Commission has partially disallowed the "*expenses of the Fly ash brick plant*" as claimed separately by the petitioner.
- 5.77 The Commission, on prudence check, approves the revenue for the FY 2022-23 as given in the table below:

Table 35: Revenue & (Surplus)/Gap as approved by the Commission for FY 2022-23(Rs.Cr.)

Particulars	Annotation	Petition	Approved	Source
Annual Revenue Requirement	A	235.58	236.90	-
Revenue from Sale of Fly Ash Bricks	B	-	7.88	'Note 18. Revenue from Operations'
Components for Fly Ash Bricks	C	-	3.31	'Note 20. Cost of Materials Consumed'
Ash Handling Expenses	D	-	0.67	'Note 24. Other Expenses'
Net Revenue from Sale of Fly ash brick	E=B-C-D	0.0027	3.90	-
Sharing of Gains (O&M Expenses)	F	-	0.61	-
Other Non-tariff Income*	G	-	1.31	'Note 19. Other Income'



Particulars	Annotation	Petition	Approved	Source
Net ARR	I=A-E-F-G		231.07	
Revenue from Sale of Power	J	237.80	237.80	'Note 18. Revenue from Operations'
Gap/(Surplus)	K=J-I	(3.54)	(6.73)	-

\* Other Non-Tariff Income includes 'Interest on Fixed Deposit', 'Sale of Scrap' as per 'Note 19' of the Audited Accounts

## Gap/(Surplus) including Carrying Cost

### Commission's Analysis

5.78 The Commission has approved the Gap/ (Surplus) based on the ARR and Revenue for the Petitioner as approved earlier in this Order. The Gap/ (Surplus) for the financial year including carrying cost is mentioned in the table below:

Table 36: Carrying Cost as approved by the Commission(Rs.Cr.)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Opening Gap/(Surplus)	-	(7.08)	(7.83)
Addition during the Year	(6.73)	-	-
Closing Gap/(Surplus)	(6.73)	(7.08)	(7.83)
Average Gap/(Surplus)	(3.36)	(7.08)	(7.83)
Interest Rate	10.50%	10.50%	12.00%
Carrying Cost for the Year	(0.35)	(0.74)	(0.94)
<b>Closing Gap/(Surplus) with Carrying Cost</b>	<b>(7.08)</b>	<b>(7.83)</b>	<b>(8.77)</b>

5.79 The Commission has carried out the True-up for FY 2022-23 and directs the Petitioner to refund the above surplus to its Beneficiary as per Clause 7.4 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

5.80 The above Gap/(Surplus) is computed based on the information submitted before the Commission. In case of any other adjustment between Petitioner and the Beneficiaries, the same needs to be taken into account while making final adjustment which shall be carried out mutually.



## Chapter 6: Directives

### *Ratio of Fuel Mix*

- 6.1 The Commission directs the Petitioner to keep consistency in its ratio of fuel mix, as its inconsistency creates variation in GCV and the Quantity of Primary Fuel procured, which in-turn causes variation in the ECR of the plant.

### *Timeliness and Data Adequacy in the Next Tariff Petition*

- 6.2 The Commission directs the Petitioner 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 the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, read with its amendments thereof.

### *Timeliness in submission of replies to Letters issued by the Commission*

- 6.3 It would be evident that after several letters, the Petitioner filed the replies but beyond the stipulated timeframe. The lackadaisical conduct of the petitioner has been taken note of seriously by the Commission. It is directed that if the replies to the letters are not received within the time fixed by the Commission then penalty may be imposed to the extent of deduction of 2-5% of the amount from the ARR in future tariff petitions.

This order is signed and issued by the Jharkhand State Electricity Regulatory Commission on **July 23, 2024**.

**Date: 23.07.2024**

**Place: Ranchi**

**Sd/-**

**(Atul Kumar)**

**Member (Technical)**

**Sd/-**

**(Mahendra Prasad)**

**Member (Law)**



# ANNEXURE - I

## List of participating members in the Public Hearing

Sl. No	Name	Address/Organization
1	Mr. Ujjwala K. Gunia	Jharkhand Bijli Vitran Nigam Ltd.
2	Mr. Sanjay Kumar Singh	GM(Admin), IPL
3	Mr. Dhiresk Kumar	Ranchi
4	Mr. Gaurav	Harmu
5	Mr. Sujoy Kumar Das	Inland Power Ltd. (Consultant, Deloitte)
6	Mr. Anindya Sengupta	Inland Power Ltd.
7	Mr. Rajesh	IPL, Ranchi
8	Mrs. Anita Prasad	Jharkhand Bijli Vitran Nigam Ltd.
9	Mr. R.K. Tripathy	JBVNL (Consultant, PwC)
10	Mr. Amit Kr. Chaudhary	101 A, Ratnawali Appt, Lalpur, Ranchi
11	Dr. Binnu Kumar	Doranda, Ranchi
12	Mr. Anand Bardia	Inland Power Ltd.
13	Mr. Birendra Kisku	Jharkhand Bijli Vitran Nigam Ltd.
14	Ms. Shivani Kumari	Namkum, Inland Power Ltd.
15	Mr. Ravishankar Kumar	Jharkhand Bijli Vitran Nigam Ltd.
16	Mr. Soundarya Prakash	Doranda, Ranchi
17	Mr. Giriraj Kumar Jhawar	Inland Power Limited
18	Shailendra Nath Sinha	IPL
19	Rajeev Ranjan	JUSNL
20	Gaurav Kumar	JUSNL
21	Sandhya	Bootimore, Ranchi
22	Gaurav Lohani	JUSNL
23	Akhilesh Mishra	JUSNL
24	Shipra Sinni	JBVNL(Consultant, PWC)
25	Shashi Bhushan Kumar	JBVNL