

Jharkhand State Electricity Regulatory Commission



Order on
True-up for FY 2022-23,
Annual Performance Review for FY 2023-24, and
Aggregate Revenue Requirement & Tariff for FY
2024-25
for
Tata Steel Limited (TSL)

Ranchi,
June 26, 2024



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List of Abbreviations

| Abbreviation | Description |
|-----------------|---|
| A&G | Administrative and General |
| ACS/ACoS | Average Cost of Supply |
| APR | Annual Performance Review |
| APTEL | Appellate Tribunal for Electricity |
| ARR | Aggregate Revenue Requirement |
| BG | Bank Guarantee |
| CC | Consumer Contribution |
| CGRF | Consumer Grievance Redressal Forum |
| CSD | Consumer Security Deposit |
| CWIP | Capital Works in Progress |
| DVC | Damodar Valley Corporation |
| FPA | Fuel Purchase Adjustment |
| FY | Financial Year |
| GFA | Gross Fixed Assets |
| GoJ | Government of Jharkhand |
| HP | Horse Power |
| HT | High Tension |
| IAS | Irrigation and Agriculture Services |
| IEX | Indian Energy Exchange |
| IFC | Interest & Finance Charge |
| IoWC | Interest on Working Capital |
| kW | kilo Watt |
| kWh | kilo Watt hour |
| kVA | kilo Volt Ampere |
| kVAh | kilo Volt-Ampere hour |
| MD | Maximum Demand |
| MES | Military and Engineering Services |
| MOD | Merit Order Despatch |
| MU | Million Units |
| NTI | Non-Tariff Income |
| O&M | Operation and Maintenance |
| PPA | Power Purchase Agreement |
| R&M | Repair and Maintenance |
| REC | Renewable Energy Certificates |
| RoE | Return on Equity |
| RPO | Renewable Purchase Obligation |
| RTS | Railway Traction Services |
| SBI | State Bank of India |
| SERC | State Electricity Regulatory Commission |
| SOP | Standard of Performance |
| SS | Street Light |



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BEFORE

**Jharkhand State Electricity Regulatory Commission,
Ranchi**

Case (Tariff) No.: 08 of 2023

In the matter of:

**Petition for
True-up for FY 2022-23,
Annual Performance Review for FY 2023-24, and Annual
Revenue Requirement & Tariff for FY 2024-25**

In the matter:

Tata Steel Limited (TSL), Northern Town, Bistupur,
Jamshedpur..... **Petitioner**

PRESENT

Hon'ble Mahendra Prasad
Hon'ble Atul Kumar

Member (Law)
Member (Technical)

Order dated June 26, 2024

Tata Steel Limited (hereinafter referred to as 'TSL' or the 'Petitioner') has filed the Petition dated November 30, 2023 for approval of True up of FY 2022-23, Annual Performance Review for FY 2023-24, and Annual Revenue Requirement & Tariff for FY 2024-25.



Chapter 1: INTRODUCTION

Jharkhand State Electricity Regulatory Commission

- 1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as the “JSERC” or “the Commission”) was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commissions 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 Commissions Act, 1998 to be the following, namely:
- (a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in Section 29;
 - (b) to determine the tariff payable for the use of the transmission facilities in the manner provided in Section 29;
 - (c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
 - (d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.
- 1.3 After the Electricity Act, 2003 (hereinafter referred to as the “Act”) came into force, the earlier Electricity Regulatory Commissions Act, 1998 got repealed and the functions of SERC’s are now defined under Section 86 of the Act.
- 1.4 In accordance with Section 86 (1) of the Act, the JSERC discharges the following functions:



-
-
- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:
Provided that where open access has been permitted to a category of consumers under Section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
- (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- (c) facilitate intra-State transmission and wheeling of electricity;
- (d) issue 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 has to also advise the State Government as per sub section 2 of Section 86 of the Act, on all or any of the following matters, namely:

- (a) promotion of competition, efficiency and economy in activities of the electricity industry;
- (b) promotion of investment in electricity industry;
- (c) reorganization and restructuring of electricity industry in the State;
- (d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

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

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

- (a) ensure availability of electricity to consumers at reasonable and competitive rates;
- (b) ensure financial viability of the sector and attract investments;
- (c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;



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

The Petitioner-Tata Steel Limited

1.8 Tata Steel Limited (TSL), formerly known as Tata Iron and Steel Company Limited (TISCO), is a company incorporated under the provisions of the Companies Act, 1956. It has been distributing electricity in Jamshedpur under the licence granted u/s 14 of the Act.

1.9 The Petitioner has been distributing electricity in Jamshedpur township since 1923 through a sanction/licence granted u/s 28(1) of the erstwhile Indian Electricity Act, 1910. Post enactment of the EA, 2003, the Petitioner filed an application for a Distribution Licence for Jamshedpur township on December 24, 2003 u/s 15 of the Act. In the absence of the notified Regulations and in view of the first proviso of Section 14 and Section 172(b) of the Act, JSERC vide Order dated March 24, 2004 permitted TSL to continue operating under the provisions of the repealed Act till the time Regulations regarding the same were notified by the Commission.

1.10 After notification of the JSERC (Terms and Conditions for Distribution Tariff) Regulations, 2004, action for issue of licence for Jamshedpur town was initiated and subsequently the licence was issued to TSL on January 12, 2006 effective from March 24, 2004.

1.11 The area of the Petitioner is bounded as under: -

North: River Subarnarekha;

South: Tracks of South Eastern Railways;

East: Eastern boundaries of Mouza Jojobera and Nildhand;

West: River Kharkai.

The Petitioner's Prayers

1.12 The Petitioner in instant Petition has made the following prayers before the Commission:



- a) Admit the Petition and examine the proposal submitted by the petitioner in the enclosed petition for a favourable dispensation.
- b) Pass suitable orders with respect to its claim based on regulations and audited accounts for the True-up of ARR of Rs. 1,765.82 Cr. for FY 2022-23, APR of Rs. 1,803.58 Cr. and ARR of Rs. 1,921.23 Cr. for FY 2024-25.
- c) Pass suitable orders with respect to the cumulative revenue Gap of Rs. 461.47 Cr at the end of FY 2024-25 at existing tariff as presented in this petition.
- d) Pass suitable orders with respect to proposed tariff for FY 2024-25.
- e) Approve the procurement of additional Renewable Energy to meet upto 100% Green Energy requirement of consumers,
- f) To approve issue of Green Energy Certificate to consumers opting for Green Energy by Tata Steel Limited.
- g) Approve the “Green Energy Tariff” as proposed above or as deem fit by the Hon’ble Commission.
- h) Allow treatment of this RE power under RPO of Tata Steel Limited (TSL) in case the consumers do not wish to use the green attributes for meeting its RPO obligations.
- i) Pass suitable order to kindly approve the revised capital expenditure cost as submitted.
- j) Condone the delay if any in filing this petition.
- k) Condone any inadvertent omissions/errors/shortcomings and permit TSL to add/change/modify/alter this filing and make further submissions as may be required at a future date.
- l) Pass such further, as the Hon’ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.



Chapter 2: PROCEDURAL HISTORY

Background

- 2.1 The Commission had passed True up for FY 2011-12, FY 2012-13, and ARR & Tariff for FY 2013-14 dated June 04, 2014. Further, The Petitioner had filed Review Petition against the same Order for relief on July 01, 2014. Accordingly, the Commission had passed Order on the Review Petition dated March 31, 2015.
- 2.2 The Commission had passed True-up for FY 2013-14, Annual Performance Review for FY 2014-15 and Revised Annual Revenue Requirement and Tariff for FY 2015-16 dated May 31, 2015.
- 2.3 The Commission had passed True up for FY 2014-15 and Annual Performance Review for FY 2015-16, Business Plan & MYT Control Period from FY 2016-17 to FY 2020-21 dated February 28, 2017.
- 2.4 The Commission had passed True-Up for FY 2015-16, Annual Performance Review for FY 2016-17, Annual Revenue Requirement and Tariff Determination for FY 2017-18 dated May 18, 2018. Further, the Petitioner was filed review petition against the same Order for relief. Accordingly, the Commission had passed Order on the Review Petition dated September 11, 2018.
- 2.5 The Commission had passed Order on the True up for FY 2016-17 and FY 2017-18 order dated May 26, 2020.
- 2.6 The Commission had passed the True up for FY 2018-19, Annual Performance Review for FY 2019-20, Annual Revenue Requirement and Tariff Determination for FY 2020-21 dated September 29, 2020.
- 2.7 The Commission had passed the True-up for FY 2019-20 and Annual Performance Review for FY 2020-21 dated November 24, 2022.
- 2.8 The Commission had carried out the Business Plan and MYT for the Control Period from FY 2021-22 to FY 2025-26 and Tariff Determination for FY 2021-22 dated November 24, 2022.



- 2.9 The Commission had passed Order on True-up for FY 2020-21, FY 2021-22, Annual Performance Review for FY 2022-23 and ARR & Tariff for FY 2023-24 dated September 29, 2023.
- 2.10 In the instant Petition, the Petitioner has sought Truing up for FY 2022-23, Annual Performance Review for FY 2023-24 and ARR & Tariff for FY 2024-25.

Information Gaps in the Petition

- 2.11 In exercise of Tariff determination process, several deficiencies/information gaps were found in the Petition submitted by the Petitioner and the same was communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 08 of 2023/294 dated December 27, 2023.
- 2.12 In response the Petitioner has furnished additional data/information to the Commission vide letter nos.: PSD/JSR/417/2024 dated January 10, 2024.
- 2.13 In response the petitioner has further submitted additional/data/information to the Commission vide letter no: PSD/JSR/147/2024 dated May 14, 2024.
- 2.14 The Petitioner again vide email dated May 17, 2024 has submitted revised petition based on renewable Purchase obligation (2nd Amendment) Regulation 2024.
- 2.15 The Commission has scrutinized the petition and the additional data/information furnished by the Petitioner with respect to its discrepancies identified and has considered the same while passing this Order.

Inviting Public Comments/Suggestions

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



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

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

| Newspaper | Language | Date of Publication |
|--------------------|----------|---------------------|
| Dainik Bhaskar | Hindi | 02.02.2024 |
| Hindustan Times | English | 02.02.2024 |
| Prabhat Khabhar | Hindi | 03.02.2024 |
| The Times of India | English | 03.02.2024 |

2.18 The Commission has published a Public Notice on its website www.jserc.org and various newspapers giving time till February 21, 2024 to various Stakeholders to submit their comments/suggestions and also organized a Public Hearing on March 20, 2024 where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above Petition. The newspapers wherein the Notice was published by the Commission are mentioned below:

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

| Newspaper | Language | Date of Publication |
|---------------------|----------|---------------------|
| Prabhat Khabhar | Hindi | 06.03.2024 |
| Dainik Bhaskar | Hindi | 06.03.2024 |
| The Times Of India | English | 06.03.2024 |
| The Hindustan Times | English | 06.03.2024 |
| Dainik Jagarn | Hindi | 18.03.2024 |
| Hindustan Dainik | Hindi | 18.03.2024 |
| The Times of India | English | 18.03.2024 |
| The Hindustan Times | English | 18.03.2024 |

Submission of Comments/Suggestions and Conduct of Public Hearing

2.19 Objections/Comments/Suggestions on the Petition were received. The Objections/ 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

3.1 The following chapter summarizes the Petition of Truing-up for FY 2022-23, Annual Performance Review for FY 2023-24, and Aggregate Revenue Requirement & Tariff for FY 2024-25 as filed by the Petitioner for the Commission’s approval.

True-up for FY 2022-23:

Energy Sales

3.2 The table below summarizes the actual energy sales for FY 2022-23 as submitted by the Petitioner against the energy sales approved by the APR Order dated September 29, 2023.

Table 3: Energy Sales (in MUs) as submitted by the Petitioner for FY 2022-23.

| Consumer Category | APR | Petition |
|--------------------------|-----------------|-----------------|
| Domestic | 169.93 | 189.16 |
| Domestic – DSHT | 88.65 | 86.17 |
| Commercial | 98.19 | 79.19 |
| LTIS | 0.23 | 0.29 |
| Total HT IS | 2,068.53 | 2,109.47 |
| Utilities/Street Light | 6.50 | 6.59 |
| Temporary Supply | 1.21 | 1.72 |
| Sale to Tata Steel USIL | 400.00 | 402.37 |
| MESRTODL | 1.11 | 0.75 |
| Sale in IEX-Power Market | 0.00 | 150.48 |
| Total Sales | 2,834.35 | 3,026.19 |

Energy Balance

3.3 The Energy Balance as submitted by the Petitioner vis-à-vis as that approved by the Commission vide Order dated September 29, 2023 is hereunder:

Table 4: Energy Balance as submitted by the Petitioner for FY 2022-23.

| Particulars | APR | Petition |
|---|------------|-----------------|
| Energy Requirement | | |
| Sales to Other Licensee | 400.00 | 402.37 |
| Dist. Losses on Sales to Other Licensee (%) | 0.00% | 0.00% |
| Distribution on Sales to Other Licensee | 0.00 | 0.00 |



| Particulars | APR | Petition |
|--|-----------------|-----------------|
| Energy Req. for Sales to Other Licensee | 400.00 | 402.37 |
| Sales to Steel Works | 39.17 | 123.34 |
| Dist. Losses on Sales to Steel Works (%) | 0.00 | 0.00% |
| Dist. Losses on Sales to Steel Works | 0.00 | 0.00 |
| Energy Req. for Sales to Steel Works | 39.17 | 123.34 |
| Sale in IEX | 0.00 | 150.48 |
| Sales to LT consumers | 276.06 | 276.95 |
| Sales to Other HT consumers | 2,119.12 | 2,073.05 |
| Total Sales to Other Consumers | 2,395.18 | 2,350.00 |
| Dist. Losses on Sales to Other Consumers (%) | 4.04% | 3.01% |
| Dist. Losses on Sales to Other Consumers | 96.84 | 72.86 |
| Energy Req. for Sales to Other Consumers | 2,298.34 | 2,422.86 |
| Overall Sales | 2,834.35 | 2,875.72 |
| Overall Distribution Losses % | 3.30% | 2.47% |
| Overall Distribution Losses | 96.84 | 72.86 |
| Total Energy Requirement (excluding sales in IEX) | 2,931.19 | 2,948.58 |
| Energy Available | | |
| TPCL (Unit II and Unit III) | 1,621.94 | 1,635.34 |
| Damodar Valley Corporation 132kV | 288.49 | 282.88 |
| Damodar Valley Corporation 400kV | 978.62 | 1,138.71 |
| TSW – Captive | 10.00 | 6.00 |
| G-TAM | 15.78 | 26.66 |
| Open access/ other sources | 16.36 | 9.48 |
| Total Pooled Energy Availability | 2,931.19 | 3,099.06 |
| Less: Power Sold to IEX | | 150.48 |
| Net Pooled Energy Availability for distribution (excl. sale to IEX) | 2,931.19 | 2,948.58 |

Summary of Annual Revenue Requirement for FY 2022-23

3.4 The ARR for FY 2022-23 as submitted by the Petitioner vis-a-vis as approved by the Commission in Order dated September 29, 2023 is tabulated below:

Table 5: Summary of ARR (Rs Crore) as submitted by the Petitioner for FY 2022-23.

| Particulars | APR | Petition |
|-------------------------|----------|----------|
| Net Power Purchase Cost | 1,601.60 | 1,616.39 |
| Power Purchase Cost | 1,601.60 | 1,725.42 |



True-up for FY 2022-23, APR for FY 2023-24, and ARR & Tariff for FY 2024-25

| Particulars | APR | Petition |
|--|-----------------|-----------------|
| <i>Less: Sale of Surplus power</i> | - | 109.02 |
| O&M Expenses after sharing of Gain/loss | 93.88 | 84.57 |
| Interest on Loan | 2.06 | 1.81 |
| Interest on Working Capital | 14.04 | 14.47 |
| Financing Cost of DPS FY 2020-21 | - | 1.04 |
| Interest on Security Deposit | 2.71 | 2.74 |
| Depreciation | 17.30 | 16.93 |
| Return on Equity | 30.63 | 30.38 |
| Gross Aggregate Revenue Requirement | 1,762.22 | 1,768.32 |
| Less: Non-Tariff Income | 7.10 | 2.50 |
| Aggregate Revenue Requirement | 1,755.12 | 1,765.82 |

3.5 Based on the ARR and Revenue as per the Audited Accounts, the Petitioner has computed the Revenue Gap/(Surplus) for FY 2022-23 which is summarized below:

Table 6: Revenue Gap/(Surplus) in Rs Crore as submitted by the Petitioner for FY 2022-23.

| Particulars | APR | Petition |
|-----------------------------------|-----------------|-----------------|
| Annual Revenue Requirement | 1,755.12 | 1,765.82 |
| Revenue from Sale of Power | 1,733.06 | 1,801.27 |
| Net Revenue Gap/(Surplus) | 22.05 | (35.45) |

Annual Performance Review for FY 2023-24:

Energy Sales

3.6 The table below summarizes the energy sales estimated by the Petitioner for FY 2023-24 vis-à-vis that as approved by the Commission vide ARR Order dated September 29, 2023.

Table 7: Energy Sales (in MUs) as submitted by the Petitioner for FY 2023-24.

| Consumer category | ARR | Petition |
|-------------------------------|----------|----------|
| Domestic | 187.65 | 194.71 |
| Domestic Service - DSHT | 92.16 | 85.23 |
| Commercial Services | 99.73 | 90.44 |
| LTIS | 0.23 | 0.24 |
| HT Industrial Services (HTIS) | 1,973.75 | 2,126.91 |
| Streetlight | 6.58 | 6.58 |
| Temporary Supply | 1.01 | 1.01 |
| Sale to Tata Steel USIL | 410.00 | 462.76 |
| MESRTODL | 1.11 | 1.11 |
| Sale thru IEX - Power market | 0.00 | 200.81 |



| Consumer category | ARR | Petition |
|--------------------|-----------------|-----------------|
| Total Sales | 2,772.22 | 3,169.80 |

Energy Balance

3.7 The Energy Balance as submitted by the Petitioner vis-a-vis that as approved by the Commission in Order dated September 29, 2023 is tabulated below.

Table 8: Energy Balance (in MUs) as submitted by the Petitioner for FY 2023-24.

| Particulars | ARR | Petition |
|--|-----------------|-----------------|
| Energy Requirement | | |
| Sales to Other Licensee | 410.00 | 462.76 |
| Dist. Losses on Sales to Other Licensee (%) | 0.00 | 0.00 |
| Distribution on Sales to Other Licensee | 0.00 | 0.00 |
| Energy Req. for Sales to Other Licensee | 410.00 | 462.76 |
| Sales to Steel Works | 39.17 | 117.79 |
| Dist. Losses on Sales to Steel Works (%) | 0.00 | 0.00 |
| Dist. Losses on Sales to Steel Works | 0.00 | 0.00 |
| Energy Req. for Sales to Steel Works | 39.17 | 117.79 |
| Sale in IEX | 0.00 | 200.81 |
| Sales to LT consumers | 295.20 | 292.98 |
| Sales to Other HT consumers | 2,027.85 | 2,095.45 |
| Total Sales to Other Consumers | 2,323.04 | 2,388.43 |
| Dist. Losses on Sales to Other Consumers (%) | 4.50% | 4.48% |
| Dist. Losses on Sales to Other Consumers | 104.58 | 112.15 |
| Energy Req. for Sales to Other Consumers | 2,218.47 | 2,500.59 |
| Overall Sales | 2,772.22 | 2,968.99 |
| Overall Distribution Losses % | 3.64% | 3.64% |
| Overall Distribution Losses | 104.58 | 112.15 |
| Total Energy Requirement (excluding sales in IEX) | 2,876.79 | 3081.14 |
| Energy Available | | |
| TPCL (Unit II and Unit III) | 1,532.70 | 1,727.98 |
| Damodar Valley Corporation 132kV | 276.17 | 298.88 |
| Damodar Valley Corporation 400kV | 1,017.15 | 1,133.41 |
| TSW – Captive | 20.00 | 5.00 |
| G-TAM | 15.10 | 109.25 |
| Open access/ other sources | 15.67 | 7.43 |



| Particulars | ARR | Petition |
|--|-----------------|-----------------|
| Total Pooled Energy Availability | 2,876.79 | 3,281.95 |
| Less: Power Sold to IEX | | 200.81 |
| Net Pooled Energy Availability (Excluding sales in IEX) | 2,887.65 | 3,081.14 |

Annual Revenue Requirement for FY 2023-24

3.8 The ARR for FY 2023-24 as submitted by the Petitioner vis-a-vis that approved in the Order dated September 29, 2023 is tabulated below:

Table 9: ARR (in Rs Crore) as submitted by the Petitioner for FY 2023-24.

| Particulars | ARR | Petition |
|--|-----------------|-----------------|
| Net Power Purchase Cost | 1,560.76 | 1,642.60 |
| <i>Power Purchase Cost</i> | 1,560.76 | 1,767.83 |
| <i>Less: Sale of Surplus power</i> | - | 125.23 |
| O&M Expenses after sharing of Gain/loss | 98.12 | 100.030 |
| Interest on Loan | 2.24 | 0.77 |
| Interest on Working Capital | 16.39 | 15.44 |
| Financing Cost of DPS FY 2020-21 | | 0.00 |
| Interest on Security Deposit | 4.10 | 4.14 |
| Depreciation | 18.23 | 17.14 |
| Return on Equity | 32.27 | 30.74 |
| Gross Aggregate Revenue Requirement | 1,732.11 | 1,810.86 |
| Less: Non-Tariff Income | 7.28 | 7.28 |
| Aggregate Revenue Requirement | 1,724.83 | 1,803.58 |

3.9 Based on the ARR and revenue as per the existing Tariff, the Petitioner has computed the Revenue Gap/(Surplus) for FY 2023-24, as summarized below:

Table 10: Revenue Gap/(Surplus) in (Rs Crore) as submitted by the Petitioner for FY 2023-24.

| Particulars | ARR | Petition |
|--------------------------------------|-----------------|-----------------|
| Aggregate Revenue Requirement | 1,724.83 | 1,803.58 |
| Revenue from Sales | 1,865.95 | 1,956.94 |
| Revenue Gap/(Surplus) | (141.13) | (153.36) |



Aggregate Revenue Requirement for FY 2024-25:

Energy Sales

3.10 The following table summarises the energy sales estimated by the Petitioner for FY 2024-25 vis-à-vis that approved by the Commission in the MYT Order dated November 24, 2022:

Table 11: Energy Sales (in MUs) as submitted by the Petitioner for FY 2024-25.

| Consumer category | MYT | Petition |
|-------------------------------|-----------------|-----------------|
| Domestic | 213.92 | 200.40 |
| Domestic Service - DSHT | 89.21 | 86.94 |
| Commercial Services | 101.05 | 91.01 |
| LTIS | 0.23 | 0.24 |
| HT Industrial Services (HTIS) | 2,036.42 | 2,339.31 |
| Streetlight | 7.58 | 6.77 |
| Temporary Supply | 1.58 | 1.01 |
| Sale to JUSCO | 400.00 | 470.00 |
| MESRTODL | 0.00 | 1.11 |
| Sale thru IEX - Power market | 0.00 | 166.38 |
| Total Sales | 2,849.99 | 3,363.16 |

Energy Balance

3.11 The Energy Balance as submitted by the Petitioner vis-a-vis that approved by the Commission in Order dated November 24, 2022 is tabulated below:

Table 12: Energy Balance (in MUs) as submitted by the Petitioner for FY 2024-25.

| Particulars | MYT | Petition |
|--|---------------|-----------------|
| Energy Requirement | | |
| Sales to Other Licensee | 400.00 | 470.00 |
| Dist. Losses on Sales to Other Licensee (%) | 0.00 | 0.00 |
| Distribution on Sales to Other Licensee | 0.00 | 0.00 |
| Energy Req. for Sales to Other Licensee | 400.00 | 470.00 |
| Sales to Steel Works | 176.32 | 300.33 |
| Dist. Losses on Sales to Steel Works (%) | 0.00 | 0.00 |
| Dist. Losses on Sales to Steel Works | 0.00 | 0.00 |
| Energy Req. for Sales to Steel Works | 176.32 | 300.33 |
| Sale in IEX | 0.00 | 166.38 |



| Particulars | MYT | Petition |
|---|-----------------|-----------------|
| Sales to LT consumers | 324.36 | 299.42 |
| Sales to Other HT consumers | 1,949.32 | 2,127.02 |
| Total Sales to Other Consumers | 2,273.67 | 2,426.45 |
| Dist. Losses on Sales to Other Consumers (%) | 4.72% | 4.95% |
| Dist. Losses on Sales to Other Consumers | 112.58 | 126.28 |
| Energy Req. for Sales to Other Consumers | 2,386.25 | 2,552.72 |
| Overall Sales | 2,849.99 | 3,196.78 |
| Overall Distribution Losses % | 3.80% | 3.80% |
| Overall Distribution Losses | 112.58 | 126.28 |
| Total Energy Requirement (excluding sales in IEX) | 2,962.57 | 3323.05 |
| Energy Available | | |
| TPCL (Unit II and Unit III) | 1,608.34 | 1,793.89 |
| Damodar Valley Corporation 132kV | 342.75 | 296.67 |
| Damodar Valley Corporation 400kV | 1,038.56 | 1,185.63 |
| TSW – Captive | 27.08 | 5.33 |
| G-TAM | | 200.00 |
| Open access/ other sources | | 7.91 |
| Total Pooled Energy Availability | 3,016.73 | 3,489.43 |
| Less: Power Sold to IEX | 0.00 | 166.38 |
| Net Pooled Energy Availability (excluding sale in IEX) | 3,016.73 | 3,323.05 |

Aggregate Revenue Requirement

3.12 The ARR for FY 2024-25 as submitted by the Petitioner vis-a-vis that approved in the Order dated November 24, 2022 is tabulated below:

Table 13: ARR (in Rs Crore) as submitted by the Petitioner for FY 2024-25

| Particulars | MYT | Petition |
|--|-----------------|-----------------|
| Net Power Purchase Cost | 1,446.98 | 1,747.08 |
| Power Purchase Cost | 1,446.98 | 1,837.67 |
| Less: Sale of Surplus power | - | 90.59 |
| O&M Expenses after sharing of Gain/loss | 104.32 | 104.87 |
| Interest on Loan | 2.09 | 0.59 |
| Interest on Working Capital | 12.98 | 15.99 |
| Financing Cost of DPS FY 2020-21 | | 0.00 |
| Interest on Security Deposit | 2.49 | 4.79 |
| Depreciation | 24.99 | 23.10 |
| Return on Equity | 35.34 | 32.27 |
| Gross Aggregate Revenue Requirement | 1,629.19 | 1,928.69 |
| Less: Non-Tariff Income | 7.46 | 7.46 |



| Particulars | MYT | Petition |
|--------------------------------------|-----------------|-----------------|
| Aggregate Revenue Requirement | 1,621.73 | 1,921.23 |

3.13 Based on the ARR and revenue as per existing Tariff, the Petitioner has computed the Revenue Gap/(Surplus) for FY 2024-25 as summarized below:

Table 14: Revenue Gap/(Surplus) in (Rs Crore) as submitted by the Petitioner for FY 2024-25.

| Particulars | MYT | Petition |
|-----------------------------------|-----------------|-----------------|
| Annual Revenue Requirement | 1,621.73 | 1,921.23 |
| Revenue from Sales | | 2,114.83 |
| Revenue Gap/(Surplus) | | (193.60) |



Proposed Tariff for FY 2024-25

3.14 The purposed tariff for FY 2024-25 as submitted by the Petitioner is tabulated below:

Table 15: Purposed Tariff as submitted by the Petitioner for FY 2024-25.

| Consumer Category | Existing Tariff | | | | Proposed Tariff | | | |
|---|---|------|--|------|---|------|--|------|
| | Fixed Charges | | Energy Charges | | Fixed Charges | | Energy Charges | |
| | Units | Rate | Units | Rate | Units | Rate | Units | Rate |
| DOMESTIC SERVICE | | | | | | | | |
| <i>DS-LT (0-100 Units)</i> | Rs./Conn/Month | 30 | Rs/kWh | 3.00 | Rs./Conn/Month | 33 | Rs/kWh | 3.30 |
| <i>DS-LT (Above 100 Units)</i> | Rs./Conn/Month | 65 | Rs/kWh | 5.15 | Rs./Conn/Month | 72 | Rs/kWh | 5.65 |
| <i>DS-HT</i> | Rs./kVA/Month | 85 | Rs/kVAh | 5.10 | Rs./kVA/Month | 94 | Rs/kVAh | 5.60 |
| <i>IRRIGATION & AGRICULTURE SERVICE (IAS)</i> | Rs./HP/Month | 20 | Rs/kWh | 5.00 | Rs./HP/Month | 22 | Rs/kWh | 5.50 |
| <i>COMMERCIAL SERVICES (CS)</i> | Rs./kW/Month | 120 | Rs/kWh | 5.75 | Rs./kW/Month | 132 | Rs/kWh | 6.35 |
| INDUSTRIAL SERVICES | | | | | | | | |
| <i>Low Tension Industrial Service</i> | Rs./kVA/Month | 150 | Rs/kVAh | 5.50 | Rs./kVA/Month | 165 | Rs/kVAh | 6.10 |
| <i>High Tension Industrial Service</i> | Rs./kVA/Month | 385 | Rs/kVAh | 6.30 | Rs./kVA/Month | 424 | Rs/kVAh | 6.95 |
| INSTITUTIONAL SERVICE | | | | | | | | |
| <i>Street Light</i> | Rs./kW/Month | 120 | Rs/kWh | 6.20 | Rs./kW/Month | 132 | Rs/kWh | 6.85 |
| <i>Railway Traction Services, Military Engineering Services and Other Distribution Licensees* (Excluding JUSCO)</i> | Rs./kVA/Month | 380 | Rs/kVAh | 6.25 | Rs./kVA/Month | 418 | Rs/kVAh | 6.90 |
| <i>Temporary Connection</i> | 1.5 times of the applicable fixed charges | | 1.5 times of the applicable energy charges | | 1.5 times of the applicable fixed charges | | 1.5 times of the applicable energy charges | |



Chapter 4: PUBLIC CONSULTATION PROCESS

- 4.1 On the Petitioner's plea several Stakeholders have responded. A Public Hearing was held by the Commission in March 20, 2024 for giving additional opportunity to all the stakeholders to submit their comments/suggestions on the said petition for ensuring maximum public participation and transparency. Accordingly, stakeholders voiced their comments and suggestions and the list of the attendees is attached as **Chapter-16** of this Order.
- 4.2 The comments and suggestions of the public along with the response of the Petitioner and the views of the Commission are summarized in this Chapter. The issues raised by the stakeholders, which do not have meaning to True-up, APR, and ARR & Tariff have not been discussed in this Chapter.

Objector: Bal Krishna Das Agarwal

- 4.3 All retail consumers of TSL receive 220 V AC power in their residences from the same source. In some cases, high-tension (HT) power is stepped down by TSL to 220 volts before being distributed to retail residential consumers and used for street lighting.

In other case, it is supplied as HT power for domestic consumption in housing colonies, in this case the Consumers have to pay for not only electric power consumed but also for capital cost of step down transformer, power distribution system, maintenance and replacement cost of this system and power distribution losses. It also means that TSL has to bear lesser cost for domestic HT Supply.

- 4.4 It was also submitted that both type of consumers, stated above, pay equal cost, per unit of power consumed the rate for domestic HT Power has to be less than normal retail power sold by TSL.

In reality it is exactly opposite, the Domestic HT power consumers are paying more money as compared to retail consumers.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

4.5 The Objector further submitted that the actual power rate for year 2022-23, for retail and Domestic HT consumer was as under:

| Month | Energy Rate Per Unit | |
|----------------|-------------------------------------|--|
| | Retail Consumer C H Are, Jamshedpur | Domestic HT Consumer, Ashiana Gardens Sonari, Jamshedpur |
| April | 4.98 | 5.32 |
| May | 4.895 | 5.19 |
| June | 4.87 | 5.12 |
| July | 4.758 | 5.19 |
| August | 4.906 | 5.42 |
| September | 4.937 | 5.43 |
| October | 4.917 | 5.52 |
| November | 4.881 | 5.50 |
| December | 4.785 | 5.98 |
| January | 5.294 | 6.25 |
| February | 4.901 | 6.29 |
| March | 5.105 | 5.59 |
| Average | 4.936 | 5.564 |

4.6 Also, employees of Tata Steel who live in housing colonies, where Domestic HT power is Supplied, are charged for electricity, at the same rate as applicable to retail consumers and not as per Domestic HT rate.

4.7 As per my understanding and in light of facts stated above, Domestic HT rate should be about 10 Paise less than retail consumer i.e. 4.836 whereas, the average rate is Re 5.564. This clearly proves that there is no equity between power rates of various types of consumers.

4.8 Both JSERC and TSL should decide such a rate for domestic power consumption and street light so that there is equity between both types of consumers, i.e. Retail and Domestic HT. In view of these no upward revision should take place in case of Domestic HT consumers, rather it should be reduced below the existing rate.



Petitioner Submission

For Tariff Category issue

- 4.9 The petitioner submitted that the Domestic Service - HT (DS-HT) is a Tariff category for Bulk supply to a housing colony. Ashiana Garden received supply of power at High tension under DS-HT category.
- 4.10 Houses/Flats in such housing colonies where employees of M/s Tata Steel stay are billed as retail domestic, because individual connection is provided to the each of houses/flats by TSL Distribution Business, and all common area and approach are also billed separately.
- 4.11 TSL employee housing is billed at applicable notified Retail tariff ilke any other consumer

For Tariff Category issue

- 4.12 The Petitioner has submitted that the Hon'ble commission is guided by the State Regulations and the Electricity Act 2003. Extract of section 62 (3) - Determination of Tariff of the Act is given below for reference, which explains the basic preamble of category wise tariff fixation criteria.

Quote- "(3) The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required." **--Unquote.**

- 4.13 As DSHT is provided at high voltage, and retail supply is provided at low voltage, their tariff may different.

View of the Commission

- 4.14 The Commission has taken note of the submissions of the stakeholder and the response of the Petitioner.



Chapter 5: TRUE-UP FOR FY 2021-22

- 5.1 The Commission had passed the MYT Order for the 3rd Control Period, i.e., from FY 2021-22 to FY 2025-26 and determined Distribution Tariff for FY 2021-22 vide Order dated November 24, 2022.
- 5.2 On September 29, 2023, the Commission had passed the Order on Truing-up for FY 2020-21, FY 2021-22 Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24.
- 5.3 In the instant petition the Petitioner has now sought approval of Truing up for FY 2022-23 based on the Audited Accounts, Annual Performance Review for FY 2023-24, and Aggregate Revenue Requirement & Tariff for FY 2024-25 taking into consideration the provisions of the Tariff Regulations, 2020 and the methodology adopted by the Commission in the earlier Orders.
- 5.4 The Commission scrutinizing the instant petition on the basis of provision of JSERC Distribution of Tariff Regulation 2020, and on consideration of:
- (a) Audited accounts for FY 2022-23;
 - (b) Material on record submitted by the Petitioner;
 - (c) Methodology adopted by the Commission in its previous order.
- 5.5 The component-wise details filed by the Petitioner's and the Commission's analysis and discussion is made in the upcoming paragraph.

Consumers, Connected Load and Energy Sales

Petitioner's Submission

- 5.6 The Petitioner has submitted the actual details of number of consumers, connected load and Energy sales for FY 2022-23.



Commission’s Analysis

5.7 On scrutinizing the material, information, actual figure and details submitted by the Petitioner and on prudent Check, the Commission approves the actual number of consumers, connected load, and sales for FY 2022-23 which is summarized in the table below:

Table 16: Number of Consumers, Connected Load and Energy Sales as submitted by the Petitioner and approved by the Commission.

| Particulars | Petition | | | Approved | | |
|--------------------|------------------|----------------------|------------------|------------------|----------------------|------------------|
| | No. of Consumers | Connected Load (kVA) | Consumption (MU) | No. of Consumers | Connected Load (kVA) | Consumption (MU) |
| Domestic | 37,804 | 2,38,114 | 189.16 | 37,804 | 2,38,114 | 189.16 |
| Domestic - DSHT | 137 | 57,551 | 86.17 | 137 | 57,551 | 86.17 |
| Commercial | 10,498 | 78,472 | 79.19 | 10,498 | 78,472 | 79.19 |
| LTIS | 1 | 106 | 0.29 | 1 | 106 | 0.29 |
| Total HTIS | 166 | 4,26,464 | 2,109.47 | 166 | 4,26,464 | 2,109.47 |
| Street Light | 394 | 1,859 | 6.59 | 394 | 1,859 | 6.59 |
| Temporary Supply | 90 | 813 | 1.72 | 90 | 813 | 1.72 |
| Sale to TSUISL | 1 | 70,000 | 402.37 | 1 | 70,000 | 402.37 |
| MESRTODL | 1 | 300 | 0.75 | 1 | 300 | 0.75 |
| Sale in IEX | 0 | 0 | 150.48 | 0 | 0 | 150.48 |
| Total Sales | 49,092 | 8,73,679 | 3,026.19 | 49,092 | 8,73,679 | 3,026.19 |

Energy Balance

Petitioner’s Submission

5.8 The Petitioner has submitted that, to meet the energy requirement it has procured power from different source.

5.9 The Petitioner has further submitted that in order to reduce the overall power purchase cost, petitioner sold daily surplus balance power (150.48 MUs) in exchange, whenever requirement of its consumers was low and realisation from exchange was higher than the incremental cost of generation.

5.10 Furthermore, the petitioner has highlighted that it has been able to sustain the T&D losses at lowest possible levels, which is among one of the best in the industry. The energy balance is tabulated below for FY



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2022-23.

Table 17: Energy Balance (in MUs) as submitted by the Petitioner.

| Particulars | APR | Petition |
|--|-----------------|-----------------|
| Energy Requirement | | |
| Sales to Other Licensee | 400.00 | 402.37 |
| Dist. Losses on Sales to Other Licensee (%) | 0.00% | 0.00% |
| Distribution on Sales to Other Licensee | 0.00 | 0.00 |
| Energy Req. for Sales to Other Licensee | 400.00 | 402.37 |
| Sales to Steel Works | 39.17 | 123.34 |
| Dist. Losses on Sales to Steel Works (%) | 0.00 | 0.00% |
| Dist. Losses on Sales to Steel Works | 0.00 | 0.00 |
| Energy Req. for Sales to Steel Works | 39.17 | 123.34 |
| Sale in IEX | 0.00 | 150.48 |
| Sales to LT consumers | 276.06 | 276.95 |
| Sales to Other HT consumers | 2,119.12 | 2,073.05 |
| Total Sales to Other Consumers | 2,395.18 | 2,350.00 |
| Dist. Losses on Sales to Other Consumers (%) | 4.04% | 3.01% |
| Dist. Losses on Sales to Other Consumers | 96.84 | 72.86 |
| Energy Req. for Sales to Other Consumers | 2,298.34 | 2,422.86 |
| Overall Sales | 2,834.35 | 2,875.72 |
| Overall Distribution Losses % | 3.30% | 2.47% |
| Overall Distribution Losses | 96.84 | 72.86 |
| Total Energy Requirement (excluding sales in IEX) | 2,931.19 | 2,948.58 |
| Energy Available | | |
| TPCL (Unit II and Unit III) | 1,621.94 | 1,635.34 |
| Damodar Valley Corporation 132kV | 288.49 | 282.88 |
| Damodar Valley Corporation 400kV | 978.62 | 1,138.71 |
| TSW – Captive | 10.00 | 6.00 |
| G-TAM | 15.78 | 26.66 |
| Open access/ other sources | 16.36 | 9.48 |
| Total Pooled Energy Availability | 2,931.19 | 3,099.06 |
| Less: Power Sold to IEX | | 150.48 |
| Net Pooled Energy Availability for distribution (excl. sale to IEX) | 2,931.19 | 2,948.58 |

Commission's Analysis

5.11 The Commission has scrutinized the details submitted by the Petitioner



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and on prudent check approves the Energy Sales for FY 2022-23. Likewise, on scrutinizing the bills raised by Damodar Valley Corporation (DVC), Tata Power Company Limited (TPCL), and other sources, the Commission approves the power purchase quantum from each source.

5.12 It has observed that the actual overall Distribution Loss of 2.47% for FY 2022-23 as claimed by the Petitioner is well within the level of 3.30% as approved in the Tariff Order dated September 29, 2023. Accordingly, the Commission approves the actual overall Distribution Loss as 2.47% for FY 2022-23.

5.13 The details of the Energy Sales, Distribution Losses and power purchase quantum as submitted by the Petitioner and as approved by the Commission for FY 2022-23 is summarized herein below:

Table 18: Energy Requirement (MUs) as approved by the Commission for FY 2022-23.

| Particulars | APR | Petition | Approved |
|---|-----------------|-----------------|-----------------|
| Energy Requirement | | | |
| Sales to Other Licensee | 400.00 | 402.37 | 402.37 |
| Dist. Losses on Sales to Other Licensee (%) | 0.00% | 0.00% | 0.00% |
| Distribution on Sales to Other Licensee | 0.00 | 0.00 | 0.00 |
| Energy Req. for Sales to Other Licensee | 400.00 | 402.37 | 402.37 |
| Sales to Steel Works | 39.17 | 123.34 | 123.34 |
| Dist. Losses on Sales to Steel Works (%) | 0.00 | 0.00% | 0.00% |
| Dist. Losses on Sales to Steel Works | 0.00 | 0.00 | 0.00 |
| Energy Req. for Sales to Steel Works | 39.17 | 123.34 | 123.34 |
| Sale in IEX | 0.00 | 150.48 | 150.48 |
| Sales to LT consumers | 276.06 | 276.95 | 276.95 |
| Sales to Other HT consumers | 2,119.12 | 2,073.05 | 2,073.05 |
| Total Sales to Other Consumers | 2,395.18 | 2,350.00 | 2,350.00 |
| Dist. Losses on Sales to Other Consumers (%) | 4.04% | 3.01% | 3.01% |
| Dist. Losses on Sales to Other Consumers | 96.84 | 72.86 | 72.87 |
| Energy Req. for Sales to Other Consumers | 2,298.34 | 2,422.86 | 2,422.87 |
| Overall Sales | 2,834.35 | 2,875.72 | 2,875.72 |
| Overall Distribution Losses % | 3.30% | 2.47% | 2.47% |
| Overall Distribution Losses | 96.84 | 72.86 | 72.87 |



| Particulars | APR | Petition | Approved |
|--|-----------------|-----------------|-----------------|
| Total Energy Requirement (including sales in IEX) | 2,931.19 | 2,948.58 | 2948.59 |
| Energy Available | | | |
| TPCL (Unit II and Unit III) | 1,621.94 | 1,635.34 | 1,635.34 |
| Damodar Valley Corporation 132kV | 288.49 | 282.88 | 282.88 |
| Damodar Valley Corporation 400kV | 978.62 | 1,138.71 | 1,138.71 |
| TSW – Captive | 10.00 | 6.00 | 6.00 |
| G-TAM | 15.78 | 26.66 | 26.66 |
| Open access/ other sources | 16.36 | 9.48 | 9.48 |
| Total Pooled Energy Availability | 2,931.19 | 3,099.06 | 3,099.07 |
| Less: Power Sold to IEX | | 150.48 | 150.48 |
| Net Pooled Energy Availability for distribution (excl. sale to IEX) | 2,931.19 | 2,948.58 | 2,948.59 |

Power Purchase Cost

Petitioner's Submission

- 5.14 The Petitioner has primarily fulfilled its power requirement from TPCL (Unit-II & Unit-III) and DVC at 132 kV and 400 kV. In addition to the above, the Petitioner also procures power from TSW-Captive Unit as and when required.
- 5.15 The Petitioner has further submitted that it has been procured power from Open Market, as and when required for meeting the shortfall.
- 5.16 The Petitioner has submitted that it has procured power of 1635.34 MUs at a total cost of Rs 691.38 Cr. after taking the impact of previous year's credit note totalling to Rs 8.77 Cr. from Tata Power Company Limited (TPCL).
- 5.17 The Petitioner has further submitted that it has procured power of 282.88 MUs from DVC at 132 kV level at a cost of Rs 691.38 Cr. and 1138.71 MUs at 400 kV level at a cost of Rs 651.08 crores exclusive of transmission & scheduling charges tuned to Rs 83.76 crores.
- 5.18 The Petitioner has further submitted that power purchase from DVC 132 kV and TPCL units, there is no transmission charge because these units are directly connected to TSL distribution network.



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- 5.19 Likewise, the Petitioner has procured power of 6 MUs from TSW captive at a cost of Rs 2.49 crores.
- 5.20 Based on above submission the Petitioner has submitted the actual power purchase expenses based on the Audited Accounts and prayed to the Commission to consider the same for FY 2022-23:

Table 19: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner.

| Particulars | APR | Petition |
|--|---------------|---------------|
| TPCL Unit 2 | | |
| Power Purchased (MU) | 790.17 | 806.29 |
| Rate of Power Purchased (Rs./kWh) | 4.24 | 4.24 |
| Power Purchase Cost (Rs. Crore) | 334.71 | 341.16 |
| Prior Period Adjustments (Rs. Crore) | - | 0.73 |
| Net Power Purchase Cost (Rs. Crore) | 334.71 | 341.89 |
| TPCL Unit 3 | | |
| Power Purchased (MU) | 831.77 | 829.04 |
| Rate of Power Purchased (Rs./kWh) | 4.03 | 4.12 |
| Power Purchase Cost (Rs. Crore) | 335.48 | 341.45 |
| Prior Period Adjustments (Rs. Crore) | - | 8.03 |
| Net Power Purchase Cost (Rs. Crore) | 335.48 | 349.48 |
| DVC 132 kV | | |
| Power Purchased (MU) | 288.49 | 282.88 |
| Rate of Power Purchased (Rs./kWh) | 5.26 | 5.65 |
| Power Purchase Cost (Rs. Crore) | 151.65 | 159.73 |
| Prior Period Adjustments (Rs. Crore) | - | |
| Net Power Purchase Cost (Rs. Crore) | 151.65 | 159.73 |
| DVC 400 kV | | |
| Power Purchased (MU) | 978.62 | 1,138.71 |
| Rate of Power Purchased (Rs./kWh) | 5.61 | 5.72 |
| Power Purchase Cost (Rs. Crore) | 548.70 | 651.08 |
| Prior Period Adjustments (Rs. Crore) | - | |
| Net Power Purchase Cost (Rs. Crore) | 548.70 | 651.08 |
| TSW (Captive) | | |
| Power Purchased (MU) | 10.00 | 6.00 |
| Rate of Power Purchased (Rs./kWh) | 4.03 | 4.14 |
| Power Purchase Cost (Rs. Crore) | 4.03 | 2.49 |
| Prior Period Adjustments (Rs. Crore) | - | |
| Net Power Purchase Cost (Rs. Crore) | 4.03 | 2.49 |
| Others/Open Market | | |
| Power Purchased (MU) | 16.36 | 9.48 |



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| Particulars | APR | Petition |
|---|-----------------|-----------------|
| Rate of Power Purchased (Rs./kWh) | 4.73 | 4.17 |
| Power Purchase Cost (Rs. Crore) | 7.74 | 3.95 |
| RPO Purchased (Rs. Crore) | 140.38 | 120.42 |
| G-TAM (F) | | |
| Power Purchased (MU) | 15.78 | 26.66 |
| Rate of Power Purchased (Rs./kWh) | 4.75 | 4.73 |
| Power Purchase Cost (Rs. Crore) | 7.50 | 12.60 |
| Sale-Surplus Power | | |
| Power Purchased (MU) | - | 150.48 |
| Rate of Power Purchased (Rs./kWh) | - | 13.80 |
| Revenue from Surplus Sales (Rs. Crore) | - | 109.02 |
| Disallowed Sales | | |
| Total Power Purchase | | |
| Power Purchased (MU) | 2,931.19 | 3,099.07 |
| Power Purchase Cost (Rs. Crore) | 1,530.19 | 1,641.65 |
| Transmission Charges | 71.41 | 83.76 |
| Net Power Purchase Cost (Rs. Crore) | 1,601.60 | 1,725.42 |

5.21 The Renewable Purchase Obligation for FY 2022-23 is as given below:

| RPO Obligated Units | |
|---|-----------------|
| Particulars | MUs |
| Power Purchase - MUs (A) | 3,099.06 |
| Less- DVC 132 kV Source MUs (B) | 282.88 |
| Less- Power Sold in exchange MUs (c) | 150.48 |
| Less- Power Purchase from G-TAM MUs (D) | 26.66 |
| Obligated units for FY 2022-23 MUs E=A-B-C-D | 2,639.04 |

5.22 The details of Renewable Purchase Obligation (RPO) compliance submitted by the Petitioner for FY 2022-23 including the carry forward from previous Financial Year is outlined in the table below:

Table 20: Summary of RPO compliance as submitted by the Petitioner for FY 2022-23.

| Status of RPO Compliance | | | | | |
|---|---------|-----|-----------|---------------|-----------|
| Particulars | Formula | UoM | Solar RPO | Non-Solar RPO | Total RPO |
| (Surplus) / Gap purchased REC of previous year i.e. FY2021-22 which is carried to next year (i.e. FY 2022-23) | A | MU | 317.71 | 2.58 | 320.29 |



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| Status of RPO Compliance | | | | | |
|---|--------------------|-----------|---------------|----------------|---------------|
| Particulars | Formula | UoM | Solar RPO | Non-Solar RPO | Total RPO |
| Obligated units for FY 2022-23 (excluding DVC 132 kV, GTAM) | B | MU | 2,639.04 | | |
| Standalone RPO Obligations for FY 2022-23 | C | % | 11.50% | 11.50% | 23.00% |
| Standalone RPO Obligations for FY 2022-23 | D = C x B | MU | 303.49 | 303.49 | 606.98 |
| Total RPO Obligations for FY 2022-23 | E = A + D | MU | 621.20 | 306.08 | 927.28 |
| Actual REC Purchased during FY 2022-23 Equivalent MU | F | REC-MU | 544.30 | 341.61 | 885.92 |
| RE generation under Net Metering in FY2022-23 | G | MU | 14.46 | - | 14.46 |
| RE Power purchased from Green Market (Power Exchange) | H | MU | 27.62 | - | 27.62 |
| Gap/(Surplus) REC, by the end of in FY2022-23 (MUs) | I = E-F-G-H | MU | 34.82 | (35.53) | (0.72) |
| *Shortfall of Solar RPO compliance met by excess Non-Solar RPO | J | MU | 34.82 | - | - |
| Remaining Non-Solar RPO | K | | | (0.72) | |
| Gap/(Surplus) REC, by the end of in FY2022-23 (MUs) Which need to purchase in FY 2023-24 | L | MU | - | (0.72) | (0.72) |

(Note – REC equivalent is given in MWhr. 1 REC equivalent is equal to 1 MWhr.)

* As per Regulation (Renewable Energy Purchase Obligation and its compliance) (First Amendment) Regulations, 2021 dated 21st January 2021 clause 5.2 (a)

“5.2.a. On achievement of Solar RPO Compliance to the extent of 80% and above, remaining shortfall if any, can be met by excess Non-Solar energy purchased beyond specified Non-Solar RPO for that particular year.”

5.23 The Petitioner has submitted that it has been trying its level best to meet the Renewable Purchase Obligation through the purchase of RE Power or RE Certificates through various sources. Further, it has procured Renewable Energy from power exchange through Green Term Ahead Market (GTAM) and REC for FY 2022-23. It has also pointed out that GTAM being a new product is being explored for procuring Renewable Power. Likewise, the Petitioner is also meeting a part of its renewable energy through generation of power from Roof Top Solar Plants. The Petitioner is promoting the installation of roof top systems in its license areas and as a result of the same, the roof top solar installed capacity in FY 2020-21, FY 2021-22 & FY 2022-23 stands as given below:

| Particulars | FY2020-21 | FY2021-22 | FY2022-23 |
|--------------------|-----------|-----------|-----------|
| Installed Capacity | 7131 kWp | 10501 kWp | 14554 kWp |
| Solar Generation | 6.60 MUs | 9.60 MUs | 14.46 MUs |



Commission’s Analysis

- 5.24 It is observed by the Commission that the Petitioner has procured power from various sources (i.e. TSL, TSW, DVC 132 kV and DVC 400 kV) taking into account the interconnection constraints to optimize its power purchase expenses.
- 5.25 On scrutinizing the Audited Accounts and monthly power procurement bills of TPCL and DVC as annexed in ‘**annexure 2, 3, 4**’ of main petition, the Commission approves the power procurement cost for DVC and TPCL.
- 5.26 With regard to the power procured from TSW Captive, the Commission approves the per unit rate equal to the lowest among all other generators for FY 2022-23.
- 5.27 It is observed by the Commission that in case of breakdown/restriction in power supply, the Petitioner has procured power from Open Market via 400 kV Transmission line. Accordingly, the Commission approves the power procurement cost on the basis of the monthly bills as annexed in ‘**annexure 7**’.
- 5.28 With regard to the power procurement from REC to meet the Renewable Purchase Obligation (RPO), the Commission approves the cost on the basis of bills as annexed in ‘**annexure 6**’.
- 5.29 With regard to Sale of Surplus Power in IEX, the Commission approves the Sale of Surplus Power for FY 2022-23 and same has been deducted from total power purchase cost.

Table 21: Power Procurement Cost (Rs Crore) for as approved by the Commission FY 2022-23.

| Particulars | APR | Petition | Approved |
|--|---------------|-----------------|-----------------|
| TPCL Unit 2 | | | |
| Power Purchased (MU) | 790.17 | 806.29 | 806.29 |
| Rate of Power Purchased (Rs./kWh) | 4.24 | 4.24 | 4.24 |
| Power Purchase Cost (Rs. Crore) | 334.71 | 341.16 | 341.16 |
| Prior Period Adjustments (Rs. Crore) | - | 0.73 | 0.73 |
| Net Power Purchase Cost (Rs. Crore) | 334.71 | 341.89 | 341.89 |
| TPCL Unit 3 | | | |



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| Particulars | APR | Petition | Approved |
|---|---------------|-----------------|-----------------|
| Power Purchased (MU) | 831.77 | 829.04 | 829.04 |
| Rate of Power Purchased (Rs./kWh) | 4.03 | 4.12 | 4.03 |
| Power Purchase Cost (Rs. Crore) | 335.48 | 341.45 | 341.45 |
| Prior Period Adjustments (Rs. Crore) | - | 8.03 | 8.03 |
| Net Power Purchase Cost (Rs. Crore) | 335.48 | 349.48 | 349.48 |
| DVC 132 kV | | | |
| Power Purchased (MU) | 288.49 | 282.88 | 282.88 |
| Rate of Power Purchased (Rs./kWh) | 5.26 | 5.65 | 5.65 |
| Power Purchase Cost (Rs. Crore) | 151.65 | 159.73 | 159.73 |
| Prior Period Adjustments (Rs. Crore) | | | |
| Net Power Purchase Cost (Rs. Crore) | 151.65 | 159.73 | 159.73 |
| DVC 400 kV | | | |
| Power Purchased (MU) | 978.62 | 1,138.71 | 1,138.71 |
| Rate of Power Purchased (Rs./kWh) | 5.61 | 5.72 | 5.72 |
| Power Purchase Cost (Rs. Crore) | 548.70 | 651.08 | 651.08 |
| Prior Period Adjustments (Rs. Crore) | | | |
| Net Power Purchase Cost (Rs. Crore) | 548.70 | 651.08 | 651.08 |
| TSW (Captive) | | | |
| Power Purchased (MU) | 10.00 | 6.00 | 6.00 |
| Rate of Power Purchased (Rs./kWh) | 4.03 | 4.14 | 4.03 |
| Power Purchase Cost (Rs. Crore) | 4.03 | 2.49 | 2.42 |
| Prior Period Adjustments (Rs. Crore) | | | |
| Net Power Purchase Cost (Rs. Crore) | 4.03 | 2.49 | 2.42 |
| Others/Open Market | | | |
| Power Purchased (MU) | 16.36 | 9.48 | 9.48 |
| Rate of Power Purchased (Rs./kWh) | 4.73 | 4.17 | 4.17 |
| Power Purchase Cost (Rs. Crore) | 7.74 | 3.95 | 3.95 |
| RPO Purchased (Rs. Crore) | 140.38 | 120.42 | 120.42 |
| G-TAM (F) | | | |
| Power Purchased (MU) | 15.78 | 26.66 | 26.66 |
| Rate of Power Purchased (Rs./kWh) | 4.75 | 4.73 | 4.73 |
| Power Purchase Cost (Rs. Crore) | 7.50 | 12.60 | 12.60 |
| Sale-Surplus Power | | | |
| Power Purchased (MU) | - | 150.48 | 150.48 |
| Rate of Power Purchased (Rs./kWh) | - | 13.80 | 13.80 |
| Revenue from Surplus Sales (Rs. Crore) | - | 109.02 | 109.02 |
| Disallowed Sales | | | |
| Total Power Purchase | | | |



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

| Particulars | APR | Petition | Approved |
|--|-----------------|-----------------|-----------------|
| Power Purchased (MU) | 2,931.19 | 3,099.07 | 3,099.07 |
| Power Purchase Cost (Rs. Crore) | 1,530.19 | 1,641.65 | 1,532.56 |
| Transmission Charges | 71.41 | 83.76 | 83.76 |
| Net Power Purchase Cost (Rs. Crore) | 1,601.60 | 1,725.42 | 1,616.33 |

5.30 The Commission in the instant petition approves the Power purchases from TPCL, DVC based on actual bills submitted by the Petitioner. If any reconciliation is required in future based on the true-up for FY 2022-23 for DVC, TPCL; it shall be dealt with separately by DVC –TSL, TPCL-TSL and the impact of the same shall be considered in the next truing-up.

Operation and Maintenance Expenses (O&M)

Petitioner’s Submission

5.31 The Petitioner has submitted that it has segregated each component of O&M Expenses and claimed the normative Employee Expenses for FY 2022-23 taking into account the inflation of 7.56 % and growth factor of 4.20%. Similarly, the Petitioner has projected the normative A&G Expenses for FY 2022-23 based on the normative A&G Expenses for FY 2021-22, and inflation factor of 7.56%.

5.32 The Petitioner has also calculated the normative R&M Expenses considering the ‘k’ factor as 5.08% as approved by the Commission in the MYT Order dated November 24, 2022 and inflation factor 7.56%.

Table 22: Normative O&M Expenses (Rs Crore) as submitted by the Petitioner for FY 2022-23.

| Particulars | APR | Petition |
|-----------------------------------|--------------|-----------------|
| Normative Employee Expenses | 28.20 | 29.07 |
| Normative A&G Expenses | 33.04 | 33.27 |
| Normative R&M Expenses | 32.12 | 32.37 |
| Normative O&M Expenses | 93.37 | 94.72 |

5.33 Further, for calculation of sharing of gains/(loss) on O&M Expenses, the Petitioner has considered the actual value of Employee Expenses, A&G Expenses and R&M Expenses for FY 2022-23 as per the Audited Accounts as shown below.



Table 23: Actual O&M Expenses (Rs. Cr.) as submitted by the Petitioner.

| Particulars | Petition |
|--------------------------------|--------------|
| Actual Employee Expenses | 23.99 |
| Actual A&G Expenses | 19.04 |
| Actual R&M Expenses | 30.41 |
| Actual O&M Expenses | 73.44 |

5.34 The table below depicts the O&M Expenses as claimed by the Petitioner including sharing of Gain/(Loss):

Table 24: Net O&M Expenses including sharing of Gain/Loss (in Rs Crore) as submitted by the Petitioner.

| Particulars | Petition |
|-------------------------------------|--------------|
| Normative O&M Expenses | 94.72 |
| Actual O&M Expenses | 73.44 |
| Gain/(Loss) | 21.28 |
| Sharing of Gain/(Loss) | 10.64 |
| Petition Filing | 0.18 |
| CGRF Expenses | 0.31 |
| Net O&M Expenses Claimed | 84.57 |

Commission's Analysis

5.35 The Commission has outlined **clause 10.3 to clause 10.7** of JSERC Distribution Tariff Regulation 2020 for the approval of operation and maintenance expense as reproduced below:

“Operation and Maintenance Expenses

10.3 Operation and Maintenance (O&M) Expenses shall include:

- a) Salaries, wages, pension contribution and other employee costs;*
- b) Administrative and General Expenses;*
- c) Repairs and Maintenance Expenses.*

10.4 The O&M Expenses for the Base Year of the Control Period shall be approved by the Commission taking into account the audited accounts of FY 2015-16 to FY 2019-20, Business Plan filed by the Licensee, estimates of the actual for the Base Year, prudence Check and any other factor considered appropriate by the Commission.

*10.5 The O&M expenses permissible towards ARR of each year of the Control Period shall be approved based on the formula shown below:
 $O\&M_n = (R\&M_n + EMP_n + A\&G_n) + Terminal\ Liabilities$*

Where,

R&M_n – Repair and Maintenance Costs of the Licensee for the nth year;



EMP_n – Employee Costs of the Licensee for the nth year excluding terminal liabilities;

A&G_n – Administrative and General Costs of the Licensee for the nth year.

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

a) $R\&M_n = K * GFA * (INDX_n / INDX_{n-1})$

Where,

'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and shall be calculated based on the % of R&M to GFA of the preceding year of the Base Year in the MYT Order after normalising any abnormal expenses;

'GFA' is the opening value of the gross fixed asset of the nth year;

b) $EMP_n + A\&G_n = [(EMP_{n-1}) * (1 + G_n) + (A\&G_{n-1})] * (INDX_n / INDX_{n-1})$

Where,

EMP_{n-1} – Employee Costs of the Licensee for the (n-1)th year excluding terminal liabilities;

A&G_{n-1} – Administrative and General Costs of the Licensee for the (n-1)th year excluding legal/litigation expenses;

INDX_n – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

G_n – is a growth factor for the nth year and it can be greater than or lesser than zero based on the actual performance. Value of G_n shall be determined by the Commission in the MYT Order for meeting the additional manpower requirement based on the Distribution Licensee's Filing, benchmarking and any other factor that the Commission feels appropriate;

c) $INDX_n = 0.55 * CPI_n + 0.45 * WPI_n;$

Note 1: For the purpose of estimation, the same INDX_n/INDX_{n-1} value shall be used for all years of the Control Period. However, the Commission will consider the actual values in the INDX_n/INDX_{n-1} at the end of each year during the Annual Performance Review exercise and true up the employee cost and A&G expenses on account of this variation, for the Control Period;

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

Note3: Terminal Liabilities will be approved as per actual submitted by the Licensee along with documentary evidence such as actuarial studies.

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



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5.36 Base on the above excerpt, the Commission has calculated the inflation factor as 6.87% for FY 2022-23.

5.37 Further, the Commission has observed that the Petitioner has submitted the Growth factor as (4.20%). Hence, based on the above mentioned regulation the Commission has considered the growth factor as 4.20% for Computation of employee expenses.

5.38 Based on the facts & circumstances observes in the petition, the Commission approves the normative employee expenses for FY 2022-23 by taking the actual value of inflation factor (6.87%) and growth factor (4.20%).

Table 25: Normative Employee Expenses (Rs Crore) as approved by the Commission.

| Particulars | UoM | Approved |
|------------------------------------|----------------|--------------|
| Employee Cost of Previous Year | Rs. Cr. | 25.94 |
| Inflation Factor | % | 6.87% |
| Growth Factor | % | 4.20% |
| Normative Employee Expenses | Rs. Cr. | 28.89 |

5.39 The Commission approves the normative A&G Expenses for FY 2022-23, based on the approved normative A&G Expenses for FY 2021-22 (excluding Petition Filing Fee and CGRF Expenses) and the actual inflation factor as 6.87% for FY 2022-23.

Table 26: Normative A&G Expenses (Rs Crore) as approved by the Commission.

| Particulars | UoM | Approved |
|-----------------------------------|----------------|--------------|
| A&G previous year | Rs. Cr. | 30.93 |
| Inflation Factor | % | 6.87% |
| Normative A&G Expenses | Rs. Cr. | 33.06 |

5.40 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of Gross Fixed Assets for FY 2022-23 and by multiplying the 'k' factor of 5.08% as approved in the MYT Order dated November 24, 2022 and inflation factor of 6.87%.

Table 27: Normative R & M Expenses (Rs. Crore) as approved by the Commission

| Particulars | UoM | Approved |
|-------------|---------|---------------|
| GFA | Rs. Cr. | 591.99 |



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| Particulars | UoM | Approved |
|----------------------------------|----------------|--------------|
| K-Factor | % | 5.08 |
| Inflation Factor | % | 6.87 |
| Normative R&M Expense | Rs. Cr. | 32.14 |

5.41 The Commission approves the Petition Filing Fee and CGRF Expenses based on actual as annexed in ‘**annexure 8, 9**’ as the same are non-escalable expenses.

5.42 Based on the above discussion, the Commission approves the normative operational and maintenance expense as given below.

Table 28: Normative O&M Expenses (Rs Crore) as approved by the Commission.

| Particulars | Approved |
|---|--------------|
| Normative Employee Expense | 28.89 |
| Normative A&G Expenses | 33.06 |
| Normative R&M Expenses | 32.14 |
| Net Normative Operation & Maintenance Expenses | 94.09 |

5.43 On scrutinizing and analysing the materials, information, data on record, the Commission approves the actual O&M Expenses as per the Audited Accounts for FY 2022-23 is given below:

Table 29: Actual O&M Expense (in Rs Crore) as approved by the Commission.

| Particulars | Approved |
|--|--------------|
| Employee Expenses | 23.99 |
| A&G Expenses | 19.04 |
| R&M Expenses | 30.41 |
| Actual O&M Expenses (Excl. Petition filing & CGRF Expenses) | 73.44 |

5.44 In view of the above, the O&M Expenses claimed by the Petitioner and as approved by the Commission including sharing of Gain/(Loss) for FY 2022-23 is given below:

Table 30: O&M Expenses (Rs Crore) for FY 2022-23 as approved by the Commission.

| Particulars | Petition | Approved |
|-------------------------------|--------------|--------------|
| Normative O&M Expenses | 94.72 | 94.09 |
| Actual O&M Expenses | 73.44 | 73.44 |
| Gain/(Loss) | 21.28 | 20.65 |
| Sharing of Gain/(Loss) | 10.64 | 10.32 |



| Particulars | Petition | Approved |
|--|-----------------|-----------------|
| Expenses due to Change in Law/Filing Fee & CGRF Expenses | 0.49 | 0.49 |
| O&M Expenses after sharing of Gain/(Loss) | 84.57 | 84.25 |

Capital Work in Progress (CWIP) and Gross Fixed Assets (GFA)

Petitioner's Submission

5.45 It was submitted that the Petitioner has considered the Opening and Closing Capital Work in Progress (CWIP) as per the Balance Sheet for FY 2022-23. The assets transferred to Gross Fixed Asset (GFA) are based on the Audited Accounts.

5.46 It was submitted that the capital expenditure and resultant capitalization is carried out as per the plan approved by the Commission in previous orders and the scheme-wise detail of capital expenditure and capitalization is annexed in '**annexure 10**' of the petition.

5.47 The Petitioner has prayed to review the Capital Expenditure and Capitalization for FY 2022-23 based on the Audited Accounts.

Table 31: CWIP and GFA (in Rs Crore) for FY 2022-23 as submitted by the Petitioner

| Particulars | APR | Petition |
|----------------------------|---------------|-----------------|
| Opening CWIP | 3.88 | 3.55 |
| Additional Capex | 12.01 | 4.00 |
| Less: Capitalisation | 11.20 | 2.62 |
| Closing CWIP | 4.69 | 4.92 |
| Gross Fixed Assets | | |
| Opening GFA | 591.99 | 592.44 |
| Add: Transferred from CWIP | 11.20 | 2.62 |
| Less: Asset Decapitalised | 0.00 | 0.00 |
| Closing GFA | 603.19 | 595.05 |

Commission's Analysis

5.48 On Scrutinizing and analysing the material, data, information on record, the Commission observes that the scheme-wise details of Capital Expenditure and Capitalization for FY 2022-23 is well within the approved value of Tariff Order dated September 29, 2023.

5.49 Accordingly, the Commission on analysing the annual audit account,



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found capitalization tuned to amount of Rs 2.62 Crore under ‘**note 3A**’. Hence, the Commission approves the capitalization of Rs 2.62 crore for FY 2022-23.

- 5.50 Based on the facts and circumstances of the petition, the Commission approves the GFA, CWIP and capital expenditure incurred during the year for FY 2022-23 as summarized below:

Table 32: CWIP and GFA (in Rs Crore) as approved by the Commission.

| Particulars | APR | Petition | Approved |
|----------------------------|---------------|---------------|---------------|
| Opening CWIP | 3.88 | 3.55 | 3.88 |
| Additional Capex | 12.01 | 4.00 | 4.00 |
| Less: Capitalisation | 11.20 | 2.62 | 2.62 |
| Closing CWIP | 4.69 | 4.92 | 5.26 |
| Gross Fixed Assets | | | |
| Opening GFA | 591.99 | 592.44 | 591.99 |
| Add: Transferred from CWIP | 11.20 | 2.62 | 2.62 |
| Less: Asset Decapitalised | 0.00 | 0.00 | 0.00 |
| Closing GFA | 603.19 | 595.05 | 594.61 |

Consumer Contribution

Petitioner’s Submission

- 5.51 The Petitioner has submitted the details of Consumer Contribution (CC) capitalised and received during FY 2022-23 including opening & closing consumer contribution is shown below:

Table 33: CC (Rs Crore) Capitalised and Received as submitted by the Petitioner

| Particulars | Petition |
|--------------------------------|----------|
| CC received during the year | 2.16 |
| CC capitalized during the Year | 1.90 |

Commission’s Analysis

- 5.52 Based on facts, circumstance and methodology adopted in previous Tariff Order, the Commission approves the CC received during FY 2022-23, further the same CC received has been consider for calculation of Depreciation, Loan Addition and Equity Addition calculations.



Table 34: Consumer Contribution (Rs Crore) as approved by the Commission.

| Particulars | Petition | Approved |
|-----------------------------|----------|----------|
| CC received during the Year | 2.16 | 2.16 |

Depreciation

Petitioner's Submission

5.53 It has been submitted by the Petitioner that the Depreciation proportionate to the extent of Fixed Assets funded through CC has been deducted from the total depreciation in order to arrive at the net Depreciation.

5.54 Further, it is submitted that the details of accumulated depreciation can be referred from the Audited Accounts of FY 2022-23 and depreciation charged during FY 2022-23 can be analysed from Profit and Loss (P&L) Statement as given below.

Table 35: Depreciation (Rs Crore) on assets as submitted by the Petitioner.

| Particulars | Petition |
|---|--------------|
| Closing GFA (A) | 595.05 |
| Closing Consumer Contribution capitalised (B) | 66.11 |
| Gross Depreciation (C) | 19.04 |
| Depreciation on Consumer Contribution (D=C/A*B) | 2.12 |
| Net Depreciation (E) = C-D | 16.93 |

Commission's Analysis

5.55 The Commission has outlined **clause 10.34 to clause 10.40** of JSERC Distribution Tariff Regulation 2020 for the approval of Depreciation as reproduce below:

“Depreciation

10.34 Depreciation shall be calculated every year on the amount of original cost of the fixed assets as admitted by the Commission: Provided that depreciation shall not be allowed on assets funded by Consumer Contribution and Capital Subsidies/Grants. Provision for replacement of such assets shall be made in the Capital Investment Plan.



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10.35 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in these Regulations.

10.36 Depreciation shall be calculated annually, based on the straight-line method at the rates specified at Appendix-I. The base value for the purpose of depreciation shall be original cost of the asset:

Provided that the Distribution Licensee shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent of the Book Value of that asset, remaining depreciable value as on March 31 of the year closing shall be spread over the balance useful life of the asset.

10.37 Depreciation shall be charged from the first year of commercial operation of the asset. In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro-rata basis.

10.38 The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset. Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

10.39 The Commission may, in the absence of the Fixed Assets Register, calculate Depreciation (%) arrived by dividing the Depreciation and the Average Gross Fixed Assets as per the latest available Audited Accounts of the Distribution Licensee. The Depreciation (%) so arrived shall be multiplied by the Average GFA approved by the Commission for the relevant Financial Year to arrive at the Depreciation for that Financial Year.

10.40 In case of de-capitalization of assets, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered through tariff corresponding to the decapitalized asset during its useful services.

5.56 On scrutinizing and analysing data, material, information on record, the Commission approves the Gross Depreciation tuned to Rs 19.04 crore as per **note 1(a)** of annual audit account.

5.57 Further, the Commission approves the net depreciation after deducting the depreciation on assets funded out of CC from the Gross Depreciation



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for FY 2022-23.

5.58 The table below summarizes the depreciation as submitted by the Petitioner and as approved by the Commission for FY 2022-23.

Table 36: Depreciation (Rs Crore) as approved by the Commission for FY 2022-23.

| Particulars | APR | Petition | Approved |
|---|--------------|--------------|--------------|
| Average Closing GFA (A) | | | 593.30 |
| Average Consumer Contribution Capitalised (B) | | | 72.04 |
| Gross Depreciation (C) | | | 19.04 |
| Depreciation on Consumer Contribution (D=C/A*B) | | | 2.31 |
| Net Deprecation (E=C-D) | 17.30 | 16.93 | 16.73 |

Interest on Loan

Petitioner's Submission

5.59 The Petitioner has submitted that it has adopted the same methodology as approved by the Commission in its previous Orders for computing Interest and Finance Charges. The deemed additions to the loan have been considered at 70% of GFA addition during FY 2022-23 after reducing assets created from Consumer Contribution capitalized during the year.

5.60 The table below shows the normative loan and normative equity added during the FY 2022-23 as methodology discussed above. The Normative loan is estimated based on actual capitalization and consumer contribution capitalized during the year as per audited account for FY 2022-23.

Table 37: Normative Loan & Normative Equity added during the Year (Rs. Crore)

| Particulars | Petition |
|---|----------|
| Assets added during the Year | 2.62 |
| Less: CC Capitalized during the FY | 1.90 |
| Normative Amount Added during the Year | 0.72 |
| Equity Addition during the Financial Year @ 30% | 0.22 |
| Debt Addition during the Financial Year @ 70% | 0.50 |

5.61 Further, the Petitioner has considered the opening loan for FY 2022-23



equal to closing loan of FY 2021-22.

5.62 In accordance with **clause 10.23** of the JSERC Distribution Tariff Regulation 2020, the Petitioner has considered repayment of loan equal to net depreciation as calculated above.

5.63 Further, in accordance with **clause 10.26** of JSERC Distribution Tariff Regulations, 2020, the rate of interest on normative is considered as Marginal Cost Landing Rate (MCLR) of SBI prevailing as on April 01, 2022 plus 200 basis point i.e. 9.00%. The table below provide the calculation of Interest on Normative Loan for FY 2022-23.

Table 38: Interest on Loan (Rs. Crore) as submitted by the Petitioner

| Particulars | APR | Petition |
|------------------------------------|--------------|--------------|
| Opening Loan (Normative) | 28.30 | 28.29 |
| Add: Deemed Addition during the FY | 6.41 | 0.50 |
| Less: Deemed Repayment | 17.30 | 16.93 |
| Closing Loan (Normative) | 17.41 | 11.86 |
| Average Loan | 22.85 | 20.08 |
| Interest Rate | 9.00% | 9.00% |
| Interest on loan | 2.06 | 1.81 |

Commission's Analysis

5.64 The Commission has outlined the **clause 10.16, clause 10.17, clause 10.21 to clause 10.29** of JSERC Distribution Tariff Regulation 2020 for the approval of interest of loan and finance charge as reproduced below:

10.16 Existing Schemes - In case of capital expenditure schemes capitalised prior to April 01, 2021, the debt-equity ratio as allowed by the Commission for determination of tariff for the period ending March 31, 2021 shall be considered.

10.17 New Schemes – For capital expenditure schemes capitalised after April 01, 2021:

a) A normative debt-equity ratio of 70:30 shall be considered for the purpose of determination of Tariff;

b) In case the actual equity employed is in excess of 30%, the amount of equity for the purpose of tariff determination shall be limited to 30%, and the balance amount shall be considered as normative loan;



c) In case the actual equity employed is less than 30%, the actual debt-equity ratio shall be considered;

d) The premium, if any raised by the Licensee while issuing share capital and investment of internal accruals created out of free reserve, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal accruals are actually utilized for meeting capital expenditure.

Note 1: Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt-equity ratio specified in these Regulations;

Note 2: Any expenditure on replacement of old assets or on renovation and modernization or life extension shall be considered on normative debt-equity ratio specified in these Regulations after writing off the entire book value of the original assets from the capital cost of the new asset;

Note 3: Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt-equity ratio specified in these Regulations.

10.21 The loans arrived at in the manner indicated in Clauses 10.16 and 10.17 shall be considered as gross normative loan for calculation of interest on loan.

10.22 The normative loan outstanding as on April 01, 2021 shall be worked out as the gross loan by deducting the cumulative repayment as admitted by the Commission up to March 31, 2021 from the gross normative loan.

10.23 The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year.

10.24 In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on pro-rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of de-capitalization of such assets.

10.25 Notwithstanding any moratorium period availed by the Licensee, the repayment of loan shall be considered from the first year of operation of the scheme/asset.

10.26 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to



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the Licensee: Provided that if there is no actual loan for a particular year but normative loan is still outstanding, then the rate of interest shall be considered on normative basis and shall be equal to the Bank Rate as on April 01 of the respective year of the Control Period plus 200 basis points.

10.27 The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

10.28 The above interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Distribution Licensee.

10.29 The Licensee shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the users and the net savings shall be shared between the users and the Licensee, as the case may be, in the ratio of 50:50

5.65 In accordance with **clause 10.16** and **clause 10.17**, as mentioned above, the Commission has calculated the loan considering the debt-equity ratio. The loan arrived at in this manner is considered as gross normative loan for calculation of interest on loan.

5.66 In accordance with **clause 10.23** as mentioned above, the Commission approves the debt repayment equal to net depreciation for the same financial year.

5.67 In accordance with **clause 10.26 (proviso)** as mention above, the Commission approves the interest rate as 9.00% (Base rate of SBI as applicable on April 01, 2022 plus 200 basis points).

5.68 The table below shows the normative loan and normative equity added during the FY 2022-23 as methodology discussed above. The normative loan is estimated based on actual consumer contribution received during the year as per audited account for FY 2022-23.

Table 39: Normative Loan and Normative Equity (Rs Crore) added during FY 2022-23.

| Particulars | Approved |
|--|----------|
| Assets added during the Year | 2.62 |
| Less: CC received during the year | 2.16 |
| Normative Amount Added during the Year | 0.46 |



| Particulars | Approved |
|---|----------|
| Equity Addition during the Financial Year @ 30% | 0.14 |
| Debt Addition during the Financial Year @ 70% | 0.32 |

5.69 The below table summarises the Interest on normative loan as submitted by the Petitioner and as approved by the Commission for FY 2022-23.

Table 40: Interest on Normative Loan (in Rs Crore) as approved by the Commission.

| Particulars | ARR | Petition | Approved |
|------------------------------------|--------------|--------------|--------------|
| Opening Loan (Normative) | 28.30 | 28.29 | 28.30 |
| Add: Deemed Addition during the FY | 6.41 | 0.50 | 0.32 |
| Less: Deemed Repayment | 17.30 | 16.93 | 16.73 |
| Closing Loan (Normative) | 17.41 | 11.86 | 11.89 |
| Average Loan | 22.85 | 20.08 | 20.09 |
| Interest Rate | 9.00% | 9.00% | 9.00% |
| Interest on Loan | 2.06 | 1.81 | 1.81 |

Interest on Security Deposits

Petitioner's Submission

5.70 The Petitioner has furnished the details of Interest on Consumer's Security Deposit (CSD) as per the Audited Accounts for FY 2022-23. It was further submitted that the actual outflow towards interest on security deposit paid to consumer is Rs 2.74 crore.

Table 41: Interest on CSD (Rs Crore) as submitted by the Petitioner for FY 2022-23.

| Particulars | APR | Petition |
|--|--------------|--------------|
| Opening Consumer Security Deposit | 31.84 | 31.85 |
| Consumer Security Deposit Addition | 8.13 | 6.58 |
| Closing Consumer Security Deposit | 39.97 | 38.42 |
| Average Security Deposit | 35.91 | 35.13 |
| Interest Rate | 7.55% | 7.55% |
| Interest on Consumer Security Deposit | 2.71 | 2.74 |

Commission's Analysis

5.71 The Commission has outlined **clause 10.33** of JSERC Distribution Tariff Regulation 2020 for approval of interest on consumer security deposit as reproduced below:

“Interest on Consumer Security Deposits



6.49 **Interest paid** on consumer security deposits shall be as specified by the Commission in 'Jharkhand (Electricity Supply Code) Regulations, 2015' and as amended or replaced from time to time."

5.72 On scrutinizing and analysing the annual audit account for FY 2022-23, the Commission has observed that interest on consumer security deposit tuned to Rs 2.74 crore, while calculating the interest on security deposit at a rate specified (7.55% interest payable at SBI Base Rate as on April 01 of the Financial Year) in the provision of JSERC Electricity Supply code regulation 2015 it would be Rs 2.65 crores. Accordingly, the Commission approves the interest on consumer security deposit tuned to Rs 2.65 crores.

Table 42: Interest on CSD (Rs. Crore) as approved by the Commission for FY 2022-23.

| Particulars | APR | Petition | Approved |
|--|--------------|--------------|--------------|
| Opening Consumer Security Deposit | 31.84 | 31.85 | 31.84 |
| Consumer Security Deposit Addition | 8.13 | 6.58 | 6.58 |
| Closing Consumer Security Deposit | 39.97 | 38.42 | 38.42 |
| Average Security Deposit | 35.91 | 35.13 | 35.13 |
| Interest Rate | 7.55% | 7.55% | 7.55% |
| Interest on Consumer Security Deposit | 2.71 | 2.74 | 2.65 |

Return on Equity

Petitioner's Submission

5.73 The Petitioner has submitted that the deemed addition to the normative equity has been taken at 30% of Closing GFA net of Consumer Contribution. It was also submitted that the normative return on equity is claimed @ 14.50% as per the provisions of **clause 10.19** of JSERC Distribution Tariff Regulations, 2020.

5.74 The Petitioner has taken opening balance of equity for FY 2022-23 equal to the closing of FY 2021-22.

5.75 The Petitioner has submitted that it has paid the Income Tax (IT) as per normal IT rate and accordingly Return on Equity (RoE) has been grossed up by corporate IT rate. The challan copy of Income Tax paid is annexed as '**annexure 11**' in the main petition.

5.76 The Petitioner has further submitted that according to section 115BAA introduced under Income Tax Act by the Government of India through Taxation (Amendment) Ordinance 2019 on September 20, 2019, the Petitioner had an option to pay Income Tax at a reduced rate of 25.168%. Accordingly, Petitioner opted for this scheme for FY 2022-23.

Table 43: Return on Equity (Rs Crore) as submitted by the Petitioner for FY 2022-23.

| Particulars | APR | Petition |
|--|--------------|--------------|
| Opening Balance of Normative Equity | 156.68 | 156.68 |
| Equity Addition during Financial Year | 2.75 | 0.22 |
| Closing balance of Normative Equity | 159.43 | 156.90 |
| Average Balance of Equity | 158.06 | 156.79 |
| Rate of on Return | 14.50% | 14.50% |
| Normative Return on Equity | 22.92 | 22.73 |
| Income Tax Rate | 25.17% | 25.17% |
| Income Tax | 7.71 | 7.65 |
| Return on Equity including Income Tax | 30.63 | 30.38 |

Commission's Analysis

5.77 On consideration of the Distribution Tariff Regulations, 2020, the Commission has considered the Opening Equity base for FY 2022-23 as the Closing Equity base for FY 2021-22. Further the Commission has considered the normative Equity addition during the financial year as 30% of the approved capitalization after deducting assets funded out of Consumer Contribution received.

5.78 In accordance with **clause 10.19** of Distribution Tariff Regulation 2020 the Commission has allowed a rate of return of 14.50% on equity.

5.79 The Commission approves the income tax amount for FY 2022-23 is Rs. 7.64 Crore, being 25.17% of Rs. 30.37 Crore of total Return on Equity including income tax.

5.80 Based on above discussion, the Commission approves the Return on Equity along with Income Tax for FY 2022-23 is tabulated hereunder.

Table 44: Return on Equity (Rs Crore) as approved by the Commission for FY 2022-23.

| Particulars | APR | Petition | Approved |
|-------------------------------------|--------|----------|----------|
| Opening Balance of Normative Equity | 156.68 | 156.68 | 156.68 |



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| Particulars | APR | Petition | Approved |
|--|--------------|--------------|--------------|
| Equity Addition during Financial Year | 2.75 | 0.22 | 0.14 |
| Closing balance of Normative Equity | 159.43 | 156.90 | 156.82 |
| Average Balance of Equity | 158.06 | 156.79 | 156.75 |
| Rate of on Return | 14.50% | 14.50% | 14.50% |
| Normative Return on Equity | 22.92 | 22.73 | 22.73 |
| Income Tax Rate | 25.17% | 25.17% | 25.17% |
| Income Tax | 7.71 | 7.65 | 7.64 |
| Return on Equity including Income Tax | 30.63 | 30.38 | 30.37 |

Interest on Working Capital

Petitioner’s Submission

5.81 It has submitted by the Petitioner that the Working Capital requirement has been considered on the basis of the JSERC Distribution Tariff Regulations, 2020 and the normative interest on working capital has been computed on prevailing SBI Bank rate as on April 01, 2022 plus 350 basis points.

5.82 Accordingly, the Petitioner under **clause 10.30, clause 10.31** has computed interest on working capital for Wheeling as well as Retail Business as shown below.

Table 45: Interest on Working Capital (Rs Crore) as submitted by the Petitioner

| Particulars | Estimated in APR Order dated 29.09.2023 (Rs. Cr.) | Wheeling Normative Claim (Rs. Crs) | Retail Normative Claim (Rs. Crs) | Total Normative Claim (Rs. Crs) |
|--|---|------------------------------------|----------------------------------|---------------------------------|
| Maintenance Spares @1% of Opening GFA for Wheeling / Retail business in ratio of 10:90 | 5.92 | 0.59 | 5.33 | 5.92 |
| Receivables for 2 months' Revenue @ existing Tariff from Wheeling / Retail business | 288.84 | 17.40 | 284.32 | 301.72 |
| Sub-Total | 294.76 | 18.00 | 289.65 | 307.65 |
| Less: Average Security Deposit {Opening + Closing}/2} | 35.91 | - | 35.13 | 35.13 |
| Less: Power Purchase cost for 1 month | 133.47 | - | 134.70 | 134.70 |
| Total Working Capital Requirement | 125.38 | 18.00 | 119.81 | 137.81 |
| Rate of Interest (SBI 1 yr MCLR plus 350 b.P) | 11.20% | 10.50% | 10.50% | 10.50% |
| Total Interest on Working Capital | 14.04 | 1.89 | 12.58 | 14.47 |

Commission’s Analysis

5.83 The Commission has outlined the **clause 10.30 to clause 10.32** of



JSERC Distribution Tariff Regulation 2020, for approval of Interest on working capital as reproduced below:

“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 sub-section (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.*

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

5.84 Based on above excerpt the Commission approves the interest on working capital as tabulated below:



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Table 46: Interest on Working Capital (in Rs. Crore) as approved by the Commission.

| Particulars | APR | Wheeling Normative Approved | Retail Normative Approved | Total normative Approved |
|---|---------------|-----------------------------|---------------------------|--------------------------|
| Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business | 5.92 | 0.59 | 5.33 | 5.92 |
| Revenue from Wheeling and Retail Supply Charges-2 month | 288.84 | 17.35 | 284.37 | 301.72 |
| Less: Power Purchase Cost for One Month Retail Business | 133.47 | | 134.69 | 134.69 |
| Less: Average Security Deposit | 35.91 | | 35.13 | 35.13 |
| Total Working Capital Requirement | 125.39 | 17.94 | 119.87 | 137.82 |
| Rate of Interest (SBI 1 yr MCLR plus 350 b.p) | 11.20% | 10.50% | 10.50% | 10.50% |
| Total Interest on Working capital | 14.04 | 1.88 | 12.59 | 14.47 |

Funding Cost of Delayed Payment Surcharge (DPS)

Petitioner’s Submission

5.85 The Petitioner has claimed the financing cost for corresponding receivable being grossed up by 1.50% per month i.e. 18% per annum on DPS amount and thereafter computing the interest @ SBI 1 Year MCLR rate plus 350 basis point for FY 2022-23.

| Computation of Financing Cost of DPS | | |
|---|------------------|-------------|
| Particulars | UoM | FY 2022-23 |
| Delay Payment Surcharge (Rs. Cr.) | A | 1.78 |
| Principal Amount on which DPS was charged (18% p.a.) (Rs. Cr.) | B = A/18% | 9.88 |
| Interest Rate for funding of Principal of DPS (Rs. Cr.) | C | 10.50% |
| Interest on funding of Principal amount of DPS (Rs. Cr.) | D = B x C | 1.04 |

Commission Analysis

5.86 The Commission is of the opinion that there is no provision in JSERC (Terms & Condition of Determination Distribution Tariff) Regulation 2020 with respect to approval of financing cost for corresponding receivables under **clause 10.53 & clause 10.54**.



5.87 The Commission further opines that the Working Capital requirement as stipulated in the provision of JSERC (Distribution Tariff) Regulation 2020 and amendment thereof is being allowed as per normative to cater the day to day working capital requirements of the Utilities. Hence, the Commission does not approve any financing cost for corresponding receivables.

Non-Tariff Income

Petitioner’s Submission

5.88 The Petitioner has submitted that Non-Tariff Income (NTI) includes income from service charge for new LT connection, miscellaneous charge etc. the NTI for FY 2022-23 tuned to Rs. 2.50 Crore as per the Audited Accounts.

Table 47: Non-Tariff Income (Rs Crore) as submitted by the Petitioner

| Particulars | APR | Petition |
|-------------------|------|----------|
| Non-Tariff Income | 7.10 | 2.50 |

Commission’s Analysis

5.89 On scrutinizing and analysing the annual audit account the Commission approves the NTI tuned to Rs 2.50 crores (which include service charge and others charge) as per ‘**note 10**’ of annual audit account for FY 2022-23 as shown below:

Table 48: Non-Tariff Income (Rs Crore) as approved by the Commission

| Particulars | APR | Petition | Approved |
|-------------------|------|----------|----------|
| Non-Tariff Income | 7.10 | 2.50 | 2.50 |

Revenue

Petitioner’s Submission

5.90 The Petitioner has submitted the revenue from Sale of Power as per ‘**note 9**’ of audited accounts is Rs. 1,919.35 crore including sale of power (other than Tata Steel UISL-Licensee), Sale of Power to Tata Steel UISL-licensee and sale of daily surplus balance in exchange is Rs 109.02 crores for FY



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2022-23. Further, the Petitioner has adopted the same methodology as approved by the Commission in previous Tariff Order dated September 29, 2023. Accordingly, the Petitioner has reduced the Power Purchase cost by an amount equivalent to revenue from sale of daily surplus balance in exchange. The break-up of revenue is given below.

Table 49: Revenue (Rs Crore) as submitted by the Petitioner for FY 2022-23.

| Particulars | Revenue in Rs. Cr. |
|---|--------------------|
| Sale of Power Other than Tata Steel UISL Licensee | 1,574.82 |
| Sale of Power to Tata Steel UISL Licensee | 235.51 |
| Total | 1,810.33 |

Commission's Analysis

5.91 On scrutinizing and analysis of the Audited Accounts as mentioned in 'Note 9', the Commission has taken into consideration the sale of daily surplus balance in exchange Rs 109.02 crores as a Revenue. Accordingly, the Commission approves the revenue after deducting the sale of daily surplus balance in exchange which is summarized below:

Table 50: Revenue (Rs Crore) as approved by the Commission for FY 2022-23.

| Particulars | Petition | Approved |
|----------------|----------|----------|
| Revenue | 1,810.33 | 1,810.33 |

Collection Efficiency

Petitioner's Submission

5.92 It is submitted by the Petitioner that they could achieve a collection efficiency of 97.25%. Accordingly, the Petitioner has computed the sharing of Gain/loss as per the provisions in the JSERC Distribution Tariff Regulation 2020. Total Gain on account of higher collection efficiency is NIL. The Computation of the same is given in the table below.

Table 51: Collection Efficiency Revenue (Rs Crore) as submitted by the Petitioner for FY 2022-23.

| Particulars | Formula | Petition |
|-------------------------------------|---------|----------|
| Opening amount of Debtors (Rs. Cr.) | a | 102.50 |
| Revenue during the year (Rs. Cr.) | b | 1921.85 |



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| Particulars | Formula | Petition |
|--|---------|-------------|
| Collection (Rs. Cr.) | c | 1869.02 |
| Closing amount of Debtors (Rs. Cr.) | d=a+b-c | 155.34 |
| Collection Efficiency | e=c/b | 97.25% |
| Minimum Collection Efficiency allowed | f | 99.50% |
| Gain% | g | NIL |
| Collection Efficiency Claim of Tata Steel Limited 50% | h | NIL |
| Revenue Realisation Impact to be taken in the ARR (Rs. Cr.) | | 9.61 |

Commission’s Analysis

5.93 The Commission has outlined the clause 6.39 proviso of JSERC Distribution Tariff Regulation 2020, for the approval of collection efficiency target as reproduced below:

.....

“Provided that in case the actual collection efficiency is greater than the target, the actual collection efficiency shall be considered for Tariff Determination purposes.”

.....

5.94 Based on the facts & circumstance, the Commission approves the collection efficiency as per **clause 6.38 to 6.38** of JSERC Distribution Tariff Regulation 2020, as computed below:

Table 52: Collection Efficiency Revenue (Rs Crore) as approved by the Commission for FY 2022-23.

| Particulars | Formula | Petition | Approved |
|--|---------|------------|------------|
| Opening amount of Debtors (Rs. Cr.) | a | 102.50 | 102.50 |
| Revenue during the year (Rs. Cr.) | b | 1921.85 | 1921.85 |
| Collection (Rs. Cr.) | c | 1869.02 | 1869.02 |
| Closing amount of Debtors (Rs. Cr.) | d=a+b-c | 155.34 | 155.34 |
| Collection Efficiency | e=c/b | 97.25% | 97.25% |
| Minimum Collection Efficiency allowed | f | 99.50% | 99.50% |
| Gain% | g | NIL | NIL |
| Collection Efficiency Claim of Tata Steel Limited 50% | h | NIL | NIL |



Summary of Annual Revenue Requirement and Gap/(Surplus)

Petitioner’s Submission

5.95 The Petitioner has claimed a Surplus of Rs. (35.45) Crore for FY 2022-23 based on audited and normative claimed in the Petition. The surplus so generated will be used to liquidate the previous year’s outstanding revenue gap, which has already reached to unsustainable level and explained in subsequent section.

Commission’s Analysis

5.96 On consideration of the submission and details furnished by the Petitioner, the Commission approves the ARR and Revenue Gap/(Surplus) for FY 2022-23 which is summarizes below.

Table 53: Summary of ARR (Rs Crore) as approved by the Commission for FY 2022-23.

| Particulars | APR | Petition | Approved |
|---|-----------------|-----------------|-----------------|
| Net Power Purchase Cost | 1,601.60 | 1,616.39 | 1,616.33 |
| <i>Power Purchase Cost</i> | 1,601.60 | 1,725.42 | 1,616.33 |
| <i>Less: Sale of Surplus power</i> | - | 109.02 | - |
| O&M Expenses after sharing of Gain/loss | 93.88 | 84.57 | 84.25 |
| Interest on Loan | 2.06 | 1.81 | 1.81 |
| Interest on Working Capital | 14.04 | 14.47 | 14.47 |
| Financing Cost of DPS FY 2020-21 | - | 1.04 | - |
| Interest on Security Deposit | 2.71 | 2.74 | 2.65 |
| Depreciation | 17.30 | 16.93 | 16.73 |
| Return on Equity | 30.63 | 30.38 | 30.37 |
| Gross Aggregate Revenue Requirement | 1,762.22 | 1,768.32 | 1,766.61 |
| Less: Non-Tariff Income | 7.10 | 2.50 | 2.50 |
| Aggregate Revenue Requirement | 1,755.12 | 1,765.82 | 1,764.11 |
| Revenue from sale of Power @ Existing Tariff | 1,733.06 | 1,801.27 | 1,810.33 |
| Net Revenue Gap/(Surplus) | 22.05 | (35.45) | (46.22) |

5.97 The Commission has approved the treatment of the Gap/(Surplus) at existing tariff in **Chapter 8** of this Order.

5.98 The Commission also approves the summarised ARR for wheeling and Retail Business for FY 2022-23.



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Table 54: Summary of ARR (Rs Crore) as approved by the Commission for FY 2022-23.

| Particulars | Wheeling % | Retail % | Wheeling ARR (Rs. Cr.) | Retail ARR (Rs. Cr.) | Total Audited / Normative Claim (Rs. Cr.) |
|---|--------------|---------------|------------------------|----------------------|---|
| Power Purchase Cost | 0% | 100% | | 1,616.33 | 1,616.33 |
| Net O&M Expenses | | | 56.14 | 28.11 | 84.25 |
| <i>Employee Expenses</i> | 60% | 40% | 17.33 | 11.56 | 28.89 |
| <i>A&G Expenses</i> | 50% | 50% | 16.53 | 16.53 | 33.06 |
| <i>R&M Expenses</i> | 90% | 10% | 28.92 | 3.21 | 32.14 |
| <i>Petition Filing Charges & CGRF Expenses</i> | 50% | 50% | 0.24 | 0.24 | 0.49 |
| <i>Less: Sharing of Gain</i> | | | 6.89 | 3.43 | 10.32 |
| Interest on Loan | 90% | 10% | 1.63 | 0.18 | 1.81 |
| Interest on Working Capital | 10% | 90% | 1.45 | 13.02 | 14.47 |
| Financing Cost of DPS FY | 10% | 90% | - | - | - |
| Interest on Security Deposit | 0% | 100% | - | 2.65 | 2.65 |
| Depreciation | 90% | 10% | 15.06 | 1.67 | 16.73 |
| Return on Equity | 90% | 10% | 27.34 | 3.04 | 30.37 |
| Gross Aggregate Revenue Requirement | | | 101.61 | 1,665.00 | 1,766.61 |
| Less: Non-Tariff Income | 10% | 90% | 0.25 | 2.25 | 2.50 |
| Aggregate Revenue Requirement | 5.75% | 94.25% | 101.36 | 1,662.75 | 1,764.11 |
| Less: Revenue from sale of Power @ Existing Tariff | 5.75% | 94.25% | 104.01 | 1,706.31 | 1810.33 |
| Net Gap/ Surplus | | | (2.66) | (43.56) | (46.22) |



Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2023-24.

6.1 As per Clause 13.2 of the Tariff Regulations, 2020:

“13.2 The Licensee shall submit the Annual Performance Review report as part of annual review on actual performance as per the timelines specified in the Section A24 of these Regulations to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including audited/authenticated accounts and the tariff worked out in accordance with these Regulations.”

6.2 In the instant petition the Petitioner has now sought for Annual Performance Review (APR) for FY 2023-24 based on the actuals for first six months (H1) and estimated for the balance six months (H2).

6.3 The Commission on scrutinizing the instant petition on the basis of provision of JSERC Distribution Tariff Regulation, 2020 and on consideration of:

- Actual data for H₁ period and projected data for H₂ period
- Information made available by the Petitioner;

6.4 The component-wise description of the Petitioner’s submission and the Commission’s analysis thereof is provided hereunder.

Consumers, Connected Load and Energy Sales

Petitioner’s Submission

6.5 The Petitioner has submitted the details of the number of consumers, connected load and Energy sales for FY 2023-24 based on the first six month actuals (H₁) and balance six month projected (H₂).

Commission’s Analysis

6.6 On scrutinizing the material, information, actual figure and details submitted by the Petitioner and on prudent Check, the Commission approves the actual number for H₁ period and projected for H₂ period of consumers, connected load, and energy sale FY 2023-24 which is summarized in the table below:

Table 55: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission for FY 2023-24.

| Particulars | Petition | | | Approved | | |
|-------------------------|------------------|----------------------|------------------|------------------|----------------------|------------------|
| | No. of Consumers | Connected Load (kVA) | Consumption (MU) | No. of Consumers | Connected Load (kVA) | Consumption (MU) |
| Domestic | 39,553 | 2,52,510 | 194.71 | 39,553 | 2,52,510 | 194.71 |
| Domestic - DSHT | 145 | 61,323 | 85.23 | 145 | 61,323 | 85.23 |
| Commercial | 10,782 | 84,119 | 90.44 | 10,782 | 84,119 | 90.44 |
| LTIS | 1 | 90 | 0.24 | 1 | 90 | 0.24 |
| Total HTIS | 171 | 4,20,976 | 2,126.91 | 171 | 4,20,976 | 2,126.91 |
| Street Light | 422 | 1,916 | 6.58 | 422 | 1,916 | 6.58 |
| Temporary Supply | 110 | 1,436 | 1.01 | 110 | 1,436 | 1.01 |
| Sale to Tata Steel UISL | 1 | 70,000 | 462.76 | 1 | 70,000 | 462.76 |
| MESRTODL | 1 | 300 | 1.11 | 1 | 300 | 1.11 |
| Sale in IEX | 0 | | 200.81 | 0 | | 0.00 |
| Total Sales | 51,186 | 8,92,671 | 3,169.80 | 51,186 | 8,92,671 | 2,968.99 |

Energy Balance

Petitioner’s Submission

6.7 It has been submitted that in order to meet the energy requirement, the Petitioner has procured power from different sources.

6.8 The Petitioner has considered H1 performance and estimated the energy requirement for the remaining six months of FY 2023-24. The power purchase quantum for H2 is assumed in line with H1 power purchase from the same source. The Petitioner has projected the loss at 3.64% for FY 2023-24 and proposed the Energy Balance as summarised below:



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Table 56: Energy Balance (in MUs) as submitted by the Petitioner for FY 2023-24.

| Particulars | ARR | Petition |
|---|-----------------|-----------------|
| Energy Requirement | | |
| Sales to Other Licensee | 410.00 | 462.76 |
| Dist. Losses on Sales to Other Licensee (%) | 0.00 | 0.00 |
| Distribution on Sales to Other Licensee | 0.00 | 0.00 |
| Energy Req. for Sales to Other Licensee | 410.00 | 462.76 |
| Sales to Steel Works | 39.17 | 117.79 |
| Dist. Losses on Sales to Steel Works (%) | 0.00 | 0.00 |
| Dist. Losses on Sales to Steel Works | 0.00 | 0.00 |
| Energy Req. for Sales to Steel Works | 39.17 | 117.79 |
| Sale in IEX | 0.00 | 200.81 |
| Sales to LT consumers | 295.20 | 292.98 |
| Sales to Other HT consumers | 2,027.85 | 2,095.45 |
| Total Sales to Other Consumers | 2,323.04 | 2,388.43 |
| Dist. Losses on Sales to Other Consumers (%) | 4.50% | 4.48% |
| Dist. Losses on Sales to Other Consumers | 104.58 | 112.15 |
| Energy Req. for Sales to Other Consumers | 2,218.47 | 2,500.59 |
| Overall Sales | 2,772.22 | 2,968.99 |
| Overall Distribution Losses % | 3.64% | 3.64% |
| Overall Distribution Losses | 104.58 | 112.15 |
| Total Energy Requirement (excluding sales in IEX) | 2,876.79 | 3081.14 |
| Energy Available | | |
| TPCL (Unit II and Unit III) | 1,532.70 | 1,727.98 |
| Damodar Valley Corporation 132kV | 276.17 | 298.88 |
| Damodar Valley Corporation 400kV | 1,017.15 | 1,133.41 |
| TSW – Captive | 20.00 | 5.00 |
| G-TAM | 15.10 | 109.25 |
| Open access/ other sources | 15.67 | 7.43 |
| Total Pooled Energy Availability | 2,876.79 | 3,281.95 |
| Less: Power Sold to IEX | | 200.81 |
| Net Pooled Energy Availability (excl. sale to IEX) | 2,887.65 | 3,081.14 |

Commission's Analysis

6.9 On scrutinizing the bills for H₁ period raised by Damodar Valley Corporation (DVC), Tata Power Company Limited (TPCL), and other sources, the Commission approves the power purchase quantum and



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rate from each source. Likewise, the Commission consider the same quantum and rate for H₂ period projection.

- 6.10 The Commission has computed overall distribution loss 3.48% for FY 2023-24 against the approved value of 3.64% in Tariff Order dated September 29, 2023. Accordingly, the Commission approves the overall distribution loss of 3.48% for FY 2023-24.
- 6.11 The Commission has noted the petitioner's proposal to sell surplus power in the open market. However, the Commission considers Power Purchase Cost as one of the major cost components in the Annual Revenue Requirement. Therefore, the Commission does not permit the sale of any surplus power to the exchange during FY 2023-24.
- 6.12 Based on above excerpt, the Commission approves the Energy Balance for FY 2023-24 as tabulated hereunder.

Table 57: Energy Balance (MUs) as approved by the Commission

| Particulars | ARR | Petition | Approved |
|---|-----------------|-----------------|-----------------|
| Energy Requirement | | | |
| Sales to Other Licensee | 410.00 | 462.76 | 462.76 |
| Dist. Losses on Sales to Other Licensee (%) | 0.00 | 0.00 | 0.00% |
| Distribution on Sales to Other Licensee | 0.00 | 0.00 | 0.00 |
| Energy Req. for Sales to Other Licensee | 410.00 | 462.76 | 462.76 |
| Sales to Steel Works | 39.17 | 117.79 | 117.79 |
| Dist. Losses on Sales to Steel Works (%) | 0.00 | 0.00 | 0.00% |
| Dist. Losses on Sales to Steel Works | 0.00 | 0.00 | 0.00 |
| Energy Req. for Sales to Steel Works | 39.17 | 117.79 | 117.79 |
| Sale in IEX | 0.00 | 200.81 | 0.00 |
| Sales to LT consumers | 295.20 | 292.98 | 292.98 |
| Sales to Other HT consumers | 2,027.85 | 2,095.45 | 2,095.45 |
| Total Sales to Other Consumers | 2,323.04 | 2,388.43 | 2,388.43 |
| Dist. Losses on Sales to Other Consumers (%) | 4.50% | 4.48% | 4.48% |
| Dist. Losses on Sales to Other Consumers | 104.58 | 112.15 | 107.12 |
| Energy Req. for Sales to Other Consumers | 2,218.47 | 2,500.59 | 2,281.31 |
| Overall Sales | 2,772.22 | 2,968.99 | 2,968.99 |
| Overall Distribution Losses % | 3.64% | 3.64% | 3.48% |



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| Particulars | ARR | Petition | Approved |
|--|-----------------|-----------------|-----------------|
| Overall Distribution Losses | 104.58 | 112.15 | 107.12 |
| Total Energy Requirement (excluding sales in IEX) | 2,876.79 | 3081.14 | 3076.11 |
| | | | |
| Energy Available | | | |
| TPCL (Unit II and Unit III) | 1,532.70 | 1,727.98 | 1,727.98 |
| Damodar Valley Corporation 132kV | 276.17 | 298.88 | 298.88 |
| Damodar Valley Corporation 400kV | 1,017.15 | 1,133.41 | 927.57 |
| TSW – Captive | 20.00 | 5.00 | 5.00 |
| G-TAM | 15.10 | 109.25 | 109.25 |
| Open access/ other sources | 15.67 | 7.43 | 7.43 |
| Total Pooled Energy Availability | 2,876.79 | 3,281.95 | 3,076.11 |
| Less: Power Sold to IEX | | 200.81 | |
| Net Pooled Energy Availability (Excluding sales in IEX) | 2,887.65 | 3,081.14 | 3,076.11 |

Power Purchase Cost

Petitioner's Submission

- 6.13 The Petitioner has submitted that it has projected the Power Purchase Cost from each source based on the actuals for the period April 2023-September 2023 (H₁) and estimated for the balance six months, i.e., October 2023- March 2024 (H₂).
- 6.14 It has been estimated by the Petitioner that the energy requirement of 879.87 MU and 848.11 MU from Unit-2, Unit-3 at the rate of Rs 4.18/kWh & Rs 4.01/kWh respectively from TPCL plant is based on actual of H₁ and estimated of H₂ period.
- 6.15 It has been estimated by the Petitioner that the energy requirement is of 1133.41 MU, 298.88 MU at the rate of Rs 5.35/kWh, Rs 5.98/kWh respectively from voltage level of 400kV, and 132 kV DVC. The Petitioner has further submitted that the said energy requirement includes the surplus power of 200.81 MU which is to be sold in the Power exchange.
- 6.16 The Petitioner has also submitted that DVC has raised differential AFC bills to the tune of Rs 85.04 Cr from the period of FY 2013-14 to FY 2022-23 based on the latest tariff order issued by Hon'ble CERC dated April 27



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2023, (petition no. 568/GT/2020) & July 03, 2023 (petition no. 573/GT/2020).

- 6.17 In compliance with JSERC (Renewable Purchase Obligation and its Compliance) (First Amendment) Regulations, 2021, the Petitioner has submitted that it has purchased Renewable Energy Certificates (RECs) 55.75 MUs of power @ Rs 3.80/kWh during H1 period and plans to procure 53.50 MU @ 4.16/kWh during H₂ of FY 2023-24. Based on the prevailing REC prices the Petitioner has estimated to incur Rs. 43.45 Crore for procurement of RECs in FY 2023-24.
- 6.18 The Petitioner has also submitted that as per JSERC (Renewable Purchase Obligation and its Compliance) (First Amendment) Regulations, 2021, the Petitioner needs to purchase following quantum of power from Renewable Energy Sources.

Table 58: Renewable Purchase Obligation as per RPO obligation Regulation.

| Financial Year | Solar | Non-Solar | Total |
|-----------------------|---------------|---------------|---------------|
| RPO Obligation | 12.50% | 12.50% | 25.00% |

- 6.19 As explained by petitioner in earlier chapter of True-up, the RPO is applicable on all sources other than DVC 132 kV source and daily surplus balance power sold to open market. Accordingly, the Petitioner has computed RPO on its energy requirement excluding DVC 132 kV source. Apart from the standalone RPO obligation to be met for FY 2023-24, the petitioner has carried forward surplus of RPO target which is to be met in FY 2023-24. Accordingly, the details of RPO to be fulfilled by the Petitioner for F 2023-24 is given below.

Table 59: RPO as submitted by Petitioner for FY 2023-24.

| Particulars | Formula | UoM | Solar RPO | Non-Solar RPO | Total RPO |
|---|-----------|-----|-----------|---------------|-----------|
| (Surplus) / Gap purchased REC of previous year i.e. FY2022-23 which is carried to next year (i.e. FY 2023-24) | A | MU | 0.00 | (0.72) | (0.72) |
| Obligated units for FY 2023-24 | B | MU | 2,673.01 | | |
| Standalone RPO Obligations for FY 2023-24 (%) | C | % | 12.50% | 12.50% | 25.00% |
| Standalone RPO Obligations for FY 2023-24 (MU) | D = C x B | MU | 334.13 | 334.13 | 668.25 |



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| Particulars | Formula | UoM | Solar RPO | Non-Solar RPO | Total RPO |
|--|----------------------|-----------|---------------|---------------|---------------|
| Total RPO Obligations for FY 2023-24 | E = A + D | MU | 334.13 | 333.41 | 667.54 |
| RE Power purchased* in H1 from Green Market (Power Exchange) | F | MU | 28.43 | 27.32 | 55.75 |
| Expected RE generation under Net Metering in FY2023-24 | H | MU | 14.46 | - | 14.46 |
| Actual REC Purchased in FY 2023-24 (H-1) | I | MU | 66.73 | 212.80 | 279.53 |
| Shortfall in RPO (to be met through purchase of REC) | J = E-F-G-H-I | MU | 224.50 | 93.29 | 317.80 |
| RE Power purchased in H2 from Green Market (Power Exchange) | K | | 27.29 | 26.22 | 53.50 |
| REC projected to be purchased during H2 FY 2023-24 | L=J-K | MU eq | 197.22 | 67.08 | 264.30 |
| RPO obligation carried forward to FY 2024-25 | M=J-(K+L) | MU | 0.00 | 0.00 | 0.00 |

6.20 In addition to the above power procurement, the Petitioner has also projected to procure power (3.79 MU) from Open Market at an average per unit rate of Rs. 5.24/kWh.

6.21 It is prayed by the Petitioner to approves the power purchase cost (excluding revenue from Sale of Surplus Power) for FY 2023-24 as summarized below:

Table 60: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner

| Particulars | ARR | Petition |
|--|---------------|---------------|
| TPCL Unit 2 | | |
| Power Purchased (MU) | 746.44 | 879.87 |
| Rate of Power Purchased (Rs./kWh) | 4.20 | 4.18 |
| Power Purchase Cost (Rs. Crore) | 313.28 | 367.55 |
| Prior Period Adjustments (Rs. Crore) | - | - |
| Net Power Purchase Cost (Rs. Crore) | 313.28 | 367.55 |
| TPCL Unit 3 | | |
| Power Purchased (MU) | 786.27 | 848.11 |
| Rate of Power Purchased (Rs./kWh) | 4.01 | 4.01 |
| Power Purchase Cost (Rs. Crore) | 315.53 | 339.71 |
| Prior Period Adjustments (Rs. Crore) | - | - |
| Net Power Purchase Cost (Rs. Crore) | 315.53 | 339.71 |
| DVC 132 kV | | |
| Power Purchased (MU) | 276.17 | 298.88 |
| Rate of Power Purchased (Rs./kWh) | 5.34 | 5.98 |
| Power Purchase Cost (Rs. Crore) | 147.48 | 178.70 |
| Prior Period Adjustments (Rs. Crore) | | |



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| Particulars | ARR | Petition |
|--|-----------------|-----------------|
| Net Power Purchase Cost (Rs. Crore) | 147.48 | 178.70 |
| DVC 400 kV | | |
| Power Purchased (MU) | 1,017.15 | 1,133.41 |
| Rate of Power Purchased (Rs./kWh) | 5.15 | 5.35 |
| Power Purchase Cost (Rs. Crore) | 523.50 | 606.43 |
| Prior Period Adjustments (Rs. Crore) | | |
| Net Power Purchase Cost (Rs. Crore) | 523.50 | 606.43 |
| TSW (Captive) | | |
| Power Purchased (MU) | 20.00 | 5.00 |
| Rate of Power Purchased (Rs./kWh) | 4.01 | 4.11 |
| Power Purchase Cost (Rs. Crore) | 8.03 | 2.05 |
| Prior Period Adjustments (Rs. Crore) | | |
| Net Power Purchase Cost (Rs. Crore) | 8.03 | 2.05 |
| Others/Open Market | | |
| Power Purchased (MU) | 15.67 | 7.43 |
| Rate of Power Purchased (Rs./kWh) | 5.44 | 5.34 |
| Power Purchase Cost (Rs. Crore) | 8.53 | 3.97 |
| RPO Purchased (Rs. Crore) | 108.00 | 52.37 |
| G-TAM (F) | | |
| Power Purchased (MU) | 15.10 | 109.25 |
| Rate of Power Purchased (Rs./kWh) | 4.16 | 3.98 |
| Power Purchase Cost (Rs. Crore) | 62.88 | 43.45 |
| Sale-Surplus Power | | |
| Power Purchased (MU) | - | 200.81 |
| Rate of Power Purchased (Rs./kWh) | - | 6.24 |
| Revenue from Surplus Sales (Rs. Crore) | - | 125.23 |
| Disallowed Sales | - | |
| Difference AFC bill raised by 400 kV DVC source for the Period FY 2014 to FY 2023 | | 85.04 |
| Total Power Purchase | | |
| Power Purchased (MU) | 2,876.79 | 3,281.95 |
| Power Purchase Cost (Rs. Crore) | 1,487.23 | 1,554.05 |
| Transmission Charges | 73.53 | 88.56 |
| Net Power Purchase Cost (Rs. Crore) | 1,560.76 | 1,642.60 |

Commission's Analysis



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

- 6.22 On scrutinizing the actual rate of power purchase for H₁ period and projected for H₂ period in line with the H₁ period for both the Unit of Tata Power Company Limited (TPCL), DVC (400kV, 132kV) for FY 2023-24, the Commission approves the power purchase cost from TPCL, DVC on the basis of six months actual and six-month projection, subject to prudent check at the time of truing up.
- 6.23 The Commission approves the short term power from open market as per bill annexed in '**annexure 16**' for H₁ period and considered the same rate for H₂ period for FY 2022-23, subject to prudence check at the time of truing up.
- 6.24 With regard to TSW (Captive), the Commission approves the power procurement cost as lowest among all the generating source, subject to prudent check at the time of truing up.
- 6.25 Upon careful examination and analysis of the submitted Renewable Energy Certificates (RECs) and invoices by the Petitioner for the first half (H₁) period, the Commission has duly approved the REC cost for the mentioned period. Furthermore, the Commission has estimated the REC cost for the second half (H₂) period of the FY 2023-24 based on these findings. However, it is subject to prudent verification during the truing up process.
- 6.26 With regard to differential AFC bills, the Commission approves the differential AFC bills to the tune of Rs 85.04 crores as annexed in '**annexure 15**' for the period of FY 2013-14 to FY 2022-23 based on the latest tariff order passed by the Hon'ble Central Electricity Regulatory Commission (CERC) vide petition no 568/GT/2020 dated April 27, 2023 and petition no. 573/GT/2020 dated July 03, 2023.
- 6.27 With regard to Transmission charge (PGCIL & ERLDC), the Commission approves the transmission charge after subtracting the IEX quantum of power transmission charge on pro-rata basis for FY 2023-24, subject to prudent check at the time of truing up.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

6.28 Based on the above discussion, the Power Procurement Cost from each source as submitted by the Petitioner and as approved by the Commission for FY 2023-24, is tabulated hereunder:

Table 61: Power Procurement Cost (Rs. Cr.) as approved by the Commission.

| Particulars | ARR | Petition | Approved |
|--|---------------|---------------|---------------|
| TPCL Unit 2 | | | |
| Power Purchased (MU) | 746.44 | 879.87 | 879.87 |
| Rate of Power Purchased (Rs./kWh) | 4.20 | 4.18 | 4.16 |
| Power Purchase Cost (Rs. Crore) | 313.28 | 367.55 | 365.65 |
| Prior Period Adjustments (Rs. Crore) | - | - | - |
| Net Power Purchase Cost (Rs. Crore) | 313.28 | 367.55 | 365.65 |
| TPCL Unit 3 | | | |
| Power Purchased (MU) | 786.27 | 848.11 | 848.11 |
| Rate of Power Purchased (Rs./kWh) | 4.01 | 4.01 | 4.00 |
| Power Purchase Cost (Rs. Crore) | 315.53 | 339.71 | 339.34 |
| Prior Period Adjustments (Rs. Crore) | - | - | - |
| Net Power Purchase Cost (Rs. Crore) | 315.53 | 339.71 | 339.34 |
| DVC 132 kV | | | |
| Power Purchased (MU) | 276.17 | 298.88 | 298.88 |
| Rate of Power Purchased (Rs./kWh) | 5.34 | 5.98 | 5.75 |
| Power Purchase Cost (Rs. Crore) | 147.48 | 178.70 | 171.96 |
| Prior Period Adjustments (Rs. Crore) | | | |
| Net Power Purchase Cost (Rs. Crore) | 147.48 | 178.70 | 171.96 |
| DVC 400 kV | | | |
| Power Purchased (MU) | 1,017.15 | 1,133.41 | 927.57 |
| Rate of Power Purchased (Rs./kWh) | 5.15 | 5.35 | 5.35 |
| Power Purchase Cost (Rs. Crore) | 523.50 | 606.43 | 496.30 |
| Prior Period Adjustments (Rs. Crore) | | | |
| Net Power Purchase Cost (Rs. Crore) | 523.50 | 606.43 | 496.30 |
| TSW (Captive) | | | |
| Power Purchased (MU) | 20.00 | 5.00 | 5.00 |
| Rate of Power Purchased (Rs./kWh) | 4.01 | 4.11 | 4.00 |
| Power Purchase Cost (Rs. Crore) | 8.03 | 2.05 | 2.00 |
| Prior Period Adjustments (Rs. Crore) | | | |
| Net Power Purchase Cost (Rs. Crore) | 8.03 | 2.05 | 2.00 |
| Others/Open Market | | | |
| Power Purchased (MU) | 15.67 | 7.43 | 7.43 |
| Rate of Power Purchased (Rs./kWh) | 5.44 | 5.34 | 5.24 |
| Power Purchase Cost (Rs. Crore) | 8.53 | 3.97 | 3.89 |



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

| Particulars | ARR | Petition | Approved |
|--|-----------------|-----------------|-----------------|
| RPO Purchased (Rs. Crore) | 108.00 | 52.37 | 52.37 |
| G-TAM (F) | | | |
| Power Purchased (MU) | 15.10 | 109.25 | 109.25 |
| Rate of Power Purchased (Rs./kWh) | 4.16 | 3.98 | 3.98 |
| Power Purchase Cost (Rs. Crore) | 62.88 | 43.45 | 43.45 |
| Sale-Surplus Power | | | |
| Power Purchased (MU) | - | 200.81 | - |
| Rate of Power Purchased (Rs./kWh) | - | 6.24 | |
| Revenue from Surplus Sales (Rs. Crore) | - | 125.23 | |
| Disallowed Sales | | | |
| Difference AFC bill raised by 400 kV DVC source for the Period FY 2014 to FY 2023 | | 85.04 | 85.04 |
| Total Power Purchase | | | |
| Power Purchased (MU) | 2,876.79 | 3,281.95 | 3,076.11 |
| Power Purchase Cost (Rs. Crore) | 1,487.23 | 1,554.05 | 1,560.00 |
| Transmission Charges | 73.53 | 88.56 | 72.47 |
| Net Power Purchase Cost (Rs. Crore) | 1,560.76 | 1,642.60 | 1,632.48 |

Operation and Maintenance Expenses (O&M)

Petitioner's Submission

6.29 The Petitioner has submitted that it has segregated each component of O&M Expenses and claimed the normative Employee Expenses for FY 2023-24 considering the inflation of 6.81% and expected growth factor of 4.20%.

Table 62: Normative Employee Expenses as submitted by Petitioner.

| Particulars | Units | APR | Petition |
|---|----------------|--------------|--------------|
| Employee Cost as per normative basis for FY 2023-24 | Rs. Cr. | 28.20 | 29.07 |
| Inflation Factor | % | 6.81% | 6.81% |
| Growth factor (Gn) | % | 0.00% | 4.20% |
| Normative Employee Cost for FY 2023-24 | Rs. Cr. | 30.12 | 32.36 |

6.30 Likewise, the Petitioner has projected the normative A&G Expenses for FY 2023-24 based on the normative A&G Expenses for FY 2022-23, and inflation factor of 6.81%.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Table 63: Normative A&G Expenses as submitted by Petitioner.

| Particulars | Units | ARR | Petition |
|---|----------------|--------------|--------------|
| A&G expenses as per normative basis for FY 2023-24 (Excluding Petition filing fees & CGRF Expenses) | Rs.Cr. | 33.04 | 33.27 |
| Inflation Factor | % | 5.96% | 5.96% |
| Total A&G without CGRF and petition filing fees | Rs Cr. | 35.01 | 35.26 |
| CGRF Expense | Rs Cr. | 0.16 | 0.21 |
| Petition Filing Fees | Rs Cr. | 0.35 | 0.18 |
| Normative A&G Expenses for FY 2023-24 (including Petition filing fees & CGRF Expenses) | Rs. Cr. | 35.52 | 35.64 |

6.31 The Petitioner has further projected the normative R&M Expenses considering the 'k' factor as 5.08% and the inflation factor of 5.96% as approved by the Commission in MYT Order dated November 24, 2022 as given below.

Table 64: Normative R&M Expenses as submitted by Petitioner.

| Particulars | Units | ARR | Petition |
|--|----------------|--------------|--------------|
| Opening GFA | Rs.Cr. | 603.19 | 595.05 |
| K' Factor | % | 5.08% | 5.08% |
| Inflation Factor | % | 5.96% | 5.96% |
| Normative R&M Expenses for FY 2023-24 | Rs. Cr. | 32.47 | 32.03 |

6.32 Based on the above submission the summary of operation & maintenance with respect to approved value by the Hon'ble Commission vide its ARR order dated September 29, 2023 vis-à-vis normative amount for FY 2023-24 is given below.

Table 65: Normative O&M Expenses (Rs Crore) as submitted by the Petitioner.

| Particulars | ARR | Petition |
|---|--------------|--------------|
| Normative A&G Costs | 35.52 | 35.26 |
| Normative R&M Expenses | 32.47 | 32.03 |
| Normative Employee Cost | 30.13 | 32.36 |
| Total Normative O&M expenses (without Petition filing fee & CGRF Expenses) | 98.12 | 99.65 |

Commission's Analysis

6.33 The Commission in True-up chapter of this Order has already outlined the provision of JSERC (Distribution Tariff Regulation), 2020, for



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approval of the operation & maintenance expenses.

- 6.34 On analysis and scrutinizing the material on record, the Commission approves the normative employee expenses for FY 2023-24 by taking inflation factor as 5.98% and growth factor as 4.20%.
- 6.35 Likewise, the Commission approves the normative A&G Expenses (excluding Petition Filing Fees and CGRF Expenses) for FY 2023-24, based on the normative approved value of A&G Expenses (excluding Petition Filing Fee and CGRF Expenses) for FY 2022-23 by multiplying the inflation factor of 5.98% (average of last 2-year inflation).
- 6.36 Additionally, the Commission approves the Petition Filing Fee and CGRF Expenses for FY 2023-24 at the same level as approved in TRUE-UP chapter of this order for FY 2022-23, subject to truing up based on actual.
- 6.37 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of GFA for FY 2022-23 and multiplied it with the “k” factor of 5.08% as approved in the MYT Order dated November 24, 2022. The table below summarizes the Normative O&M Expenses for FY 2023-24:

Table 66: Normative O&M Expenses (Rs. Crore) as approved by the Commission

| Particulars | Approved |
|--|-----------------|
| Normative Employee Expenses | 31.90 |
| Normative A&G Expenses (excluding filing & CGRF Expenses) | 35.04 |
| Normative R&M Expenses | 32.01 |
| Normative O&M Expenses | 98.95 |
| Petition Filing Fee | 0.18 |
| CGRF Expenses (Rent & Remuneration) | 0.31 |
| Normative O&M Expenses including Filing Fee and CGRF Expenses | 99.44 |

Capital Work in Progress (CWIP) and Gross Fixed Assets (GFA)

Petitioner’s Submission

- 6.38 The Petitioner has considered the Opening and Closing Capital Work in Progress (CWIP) as per the Balance Sheet for FY 2022-23. The assets transferred to Gross Fixed Asset (GFA) for FY 2023-24 are considered

True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

based as per actual performance for first six months (H₁ period) and projected for the remaining six months (H₂ period).

- 6.39 It was also submitted that the capital expenditure and resultant capitalization for FY 2023-24 as per H₁ performance and capex planning for H₂ as presented in table below for the purpose of Annual Performance Review subject to final true-up.

Table 67: CWIP and GFA (in Rs Crore) as submitted by the Petitioner for FY 2023-24.

| Particulars | ARR | Petition |
|----------------------------|---------------|---------------|
| Opening CWIP | 4.69 | 11.99 |
| Additional Capex | 48.33 | 42.86 |
| Less: Capitalisation | 49.33 | 13.91 |
| Closing CWIP | 3.69 | 40.94 |
| Gross Fixed Assets | | |
| Opening GFA | 603.19 | 595.05 |
| Add: Transferred from CWIP | 49.33 | 13.91 |
| Less: Asset Decapitalised | 0.00 | 0.00 |
| Closing GFA | 652.52 | 608.96 |

Commission's Analysis

- 6.40 After scrutinizing and analysing the data, materials, and information provided in the '**annexure 10**' of the main petition, the Commission grants approval for the capital expenditure of Rs 31.09 crores, as already approved in the Business Plan & Tariff Order dated September 29, 2023. Furthermore, the Commission also approves the scheme cost amounting to Rs 11.77 crores for the '**capacity augmentation of 400/132 kV bulk power receiving substation (BPRS) at Jamshedpur**', as provisionally approved in the Commission Case Order dated August 11, 2023.
- 6.41 Based on the available information as annexed in the '**annexure 10**' of main petition, the Commission grants approval for the capitalization tuned to Rs 13.91 crores as already approved in the in the Business Plan dated November 24, 2022 & Tariff Order dated September 29, 2023. The table below summarizes the capital expenditure and capitalization.



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Table 68: Scheme-wises capital expenditure FY 2023-24 as approved by the Commission.

| Scheme Name | Total project cost | Audited Capex | | | Projected Capex | |
|---|--------------------|---------------|-------------|-------------|------------------|------------------|
| | | Upto FY-21 | FY-22 | FY-23 | Petition (FY-24) | Approved (FY-24) |
| Scheme Already Approved in Business plan and Tariff order 29/09/2023 | | | | | | |
| BPRS- 33 KV (Enhancement of Telco Area SS) | 58.00 | 31.69 | 0.73 | 0.72 | 0.28 | 0.28 |
| Upgradation of Network monitoring & Control Centre | 12.60 | - | - | - | 0 | 0 |
| New 6.6 kV AIS indoor sub-station at Ramadhin Bagan, Manifit and nearby area | 3.07 | - | - | - | 0 | 0 |
| New 2*16/20 MVA, 33 kV/6.6kV S/s at Baridih Area for Eastern North Area | 32.10 | - | - | - | 0 | 0 |
| 6.6 kV Network Extension for power supply in fringe Area | 10.57 | - | - | - | 4.16 | 4.16 |
| Strengthening of Testing facilities | 2.93 | - | - | - | 0.96 | 0.96 |
| Augmentation- 132 kV Line 6 for Bara / Sonari SS | 24.00 | - | - | - | 12.24 | 12.24 |
| Upgradation of Tinplate Area SS | 21.50 | 1.34 | - | - | 10.15 | 10.15 |
| Supply and installation of power Quality Meter | 2.40 | - | - | - | 0 | 0 |
| Other assets to prewise consumer connection from consumer (self-financing) | 10.00 | - | 1.05 | 1.90 | 3.31 | 3.31 |
| Net Capitalization | 177.17 | 33.03 | 1.79 | 2.62 | 31.09 | 31.09 |
| Scheme Already Approved in Business plan and Tariff order 29/09/2023 | | | | | | |
| Capacity augmentation of 400/132 kV bulk power receiving sub-station (BPRS) at Jamshedpur | 226.77 | - | - | - | 11.77 | 11.77 |
| Fire safety scheme being submitted now in the Petition | | | | | | |
| Retrofitting Fire Fighting system in 10 No. of 33/11 kV transformer | 3.62 | - | - | - | 1.33 | - |

Table 69: Scheme-wises capitalization FY 2023-24 as approved by the Commission.

| Scheme Name | Total project cost | Audited Capitalization | | | Projected Capitalization | |
|--|--------------------|------------------------|-------|-------|--------------------------|------------------|
| | | Upto FY-21 | FY-22 | FY-23 | Petition (FY-24) | Approved (FY-24) |
| Scheme Already Approved in Business plan and Tariff order 29/09/2023 | | | | | | |
| BPRS- 33 KV (Enhancement of Telco Area SS) | 58.00 | 31.69 | 0.73 | 0.72 | 0.08 | 0.08 |
| Upgradation of Network monitoring & Control Centre | 12.60 | - | - | - | - | - |
| New 6.6 kV AIS indoor sub-station at Ramadhin Bagan, Manifit and nearby area | 3.07 | - | - | - | - | - |
| New 2*16/20 MVA, 33 kV/6.6kV S/s at Baridih Area for Eastern North Area | 32.10 | - | - | - | - | - |
| 6.6 kV Network Extension for power supply in fringe Area | 10.57 | - | - | - | 1.00 | 1.00 |
| Strengthening of Testing facilities | 2.93 | - | - | - | 0.96 | 0.96 |
| Augmentation- 132 kV Line 6 for Bara / Sonari SS | 24.00 | - | - | - | 9.47 | 9.47 |
| Upgradation of Tinplate Area SS | 21.50 | 1.34 | - | - | - | - |



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| Scheme Name | Total project cost | Audited Capitalization | | | Projected Capitalization | |
|---|--------------------|------------------------|-------------|-------------|--------------------------|------------------|
| | | Upto FY-21 | FY-22 | FY-23 | Petition (FY-24) | Approved (FY-24) |
| Supply and installation of power Quality Meter | 2.40 | - | - | - | - | - |
| Other assets to prewise consumer connection from consumer (self-financing) | 10.00 | - | 1.05 | 1.90 | 2.40 | 2.40 |
| Net Capitalization | 177.17 | 33.03 | 1.79 | 2.62 | 13.91 | 13.91 |
| Scheme Already Approved in Business plan and Tariff order 29/09/2023 | | | | | | |
| Capacity augmentation of 400/132 kV bulk power receiving sub-station (BPRS) at Jamshedpur | 226.77 | - | - | - | - | - |
| Fire safety scheme being submitted now in the Petition | | | | | | |
| Retrofitting Fire Fighting system in 10 No. of 33/11 kV transformer | 3.62 | - | - | - | 1.33 | - |

6.42 Based on the facts and circumstance as discuss above, the Commission approves the capital expenditure and capitalization for FY 2023-24 is tabulated hereunder.

Table 70: CWIP and GFA (in Rs Crore) as approved by the Commission.

| Particulars | ARR | Petition | Approved |
|----------------------------|---------------|---------------|---------------|
| Opening CWIP | 4.69 | 11.99 | 5.26 |
| Additional Capex | 48.33 | 42.86 | 42.86 |
| Less: Capitalisation | 49.33 | 13.91 | 13.91 |
| Closing CWIP | 3.69 | 40.94 | 34.20 |
| Gross Fixed Assets | | | |
| Opening GFA | 603.19 | 595.05 | 594.61 |
| Add: Transferred from CWIP | 49.33 | 13.91 | 13.91 |
| Less: Asset Decapitalised | 0.00 | 0.00 | 0.00 |
| Closing GFA | 652.52 | 608.96 | 608.52 |

Consumer Contribution

Petitioner's Submission

6.43 The Petitioner has adopted a similar approach as adopted in the previous Year, the consumer contribution received in H₁ and expected to be received in H₂ is added to arrive at the total consumer contribution for FY 2023-24 is given below:



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Table 71: Consumer Contribution (Rs Crore) Capitalised and Received as submitted by the Petitioner.

| Particulars | ARR | Petition |
|---|------|--------------|
| Opening Consumer Contribution received | | 73.12 |
| Add - Consumer contribution received during the year | 2.00 | 7.71 |
| Closing consumer contribution received | | 80.83 |
| Opening Consumer Contribution capitalized | | 66.11 |
| Add -Consumer contribution capitalized during the year | 2.00 | 2.40 |
| Closing consumer contribution energized / capitalized | | 68.51 |
| Balance amount of consumer contribution not capitalized as on last day of year | | 12.32 |

Commission’s Analysis

6.44 On scrutinizing and analysing the data, material, information available on record and based on the previous methodology, the Commission approves the Consumer Contribution received during FY 2023-24 as Rs 7.71 crores. Furthermore, the Commission has taken the same for calculation of Depreciation, Loan Addition and Equity Addition calculations as per the methodology adopted in the previous orders, subjected to prudent check at the time of truing-up.

Table 72: Consumer Contribution (Rs Crore) as approved by the Commission

| Particulars | Petition | Approved |
|-----------------------------|----------|----------|
| CC Received during the Year | 2.40 | 7.71 |

Depreciation

Petitioner’s Submission

6.45 The Petitioner has computed depreciation year on year on average Gross Fixed Asset base of the Licensee for the control period. Accordingly, the Petitioner has considered an average depreciation rate of 3.21% (which is average depreciation rate for FY 2022-23) to arrives at the year-on-year depreciation.



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- 6.46 Furthermore, the Petitioner has submitted that it is entitled to avail the depreciation on assets which have been commissioned from its own resources. It is therefore necessary to remove depreciation on assets funded by consumers. Accordingly, the Petitioner has subtracted the depreciation against consumer contribution from the total depreciation on the asset base to arrive at the net depreciation to be claimed in the ARR. Hence, the Petitioner projected the net depreciation to be charged for FY 2023-24 after subtracting the depreciation on assets created on account of consumer contribution to be Rs 17.14 crores
- 6.47 Based on the above submission, the Petitioner prayed to approve the net Depreciation for the purpose of APR subject to final true-up as tabulated hereunder.

Table 73: Depreciation (Rs Crore) on assets created out of CC as submitted by the Petitioner.

| Particulars | ARR | Petition |
|---|--------------|-----------------|
| Closing GFA (A) | 627.86 | 602.01 |
| Gross Depreciation for the year (B) | 20.67 | 19.31 |
| Average Gross Depreciation Rate (C) | 3.29% | 3.21% |
| Consumer Contribution towards closing GFA (D) | - | 68.51 |
| Closing Gross GFA (E) | 652.52 | 608.96 |
| Depreciation on account of Consumer Contribution (F)=D/E*B | 2.44 | 2.17 |
| Net Depreciation (G) | 18.23 | 17.14 |

Commission's Analysis

- 6.48 The Commission in true-up chapter of this order had already outlined the JSERC (Distribution Tariff Regulation) 2020 for the approval of depreciation.
- 6.49 The Commission has observed that the depreciation on assets created out of Consumer Contribution (CC) is calculated in proportion to gross depreciation and in the ratio of closing CC capitalized out of total Closing GFA for FY 2023-24.



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- 6.50 The Commission has considered the average value of GFA and CC instead of closing values of GFA and CC as considered by the Petitioner. Furthermore, the depreciation rate has been considered at the same rate of Depreciation rate as approved in the true-up for FY 2022-23.
- 6.51 The Commission has computed the net depreciation after deducting the depreciation on assets funded out of CC from the Gross Depreciation for FY 2023-24.
- 6.52 Based on the above excerpt, the Net Depreciation approves by the Commission as Rs 16.84 crores for FY 2023-24 as summarizes in table hereunder.

Table 74: Depreciation (Rs Crore) as approved by the Commission.

| Particulars | Approved |
|---|--------------|
| Average GFA (A) | 601.56 |
| Average Consumer Contribution Received(B) | 76.97 |
| Average Gross Depreciation Rate | 3.21% |
| Gross Depreciation (C) | 19.31 |
| Depreciation on Consumer Contribution (D=C/A*B) | 2.47 |
| Net Deprecation (E=C-D) | 16.84 |

Interest on Loan

Petitioner's Submission

- 6.53 The Petitioner has submitted that it has adopted the same methodology as approved in the previous Orders by the Commission for computing Interest and Finance Charges. Furthermore, the normative loan is estimated based on actual capitalization and consumer contribution received during H₁ and projected for H₂.

Table 75: Normative Loan & Normative Equity (Rs. Crore) added during the Year.

| Particulars | Petition |
|---|----------|
| Assets added during the Year | 13.91 |
| Less: Capitalized from Consumer Contribution | 2.40 |
| Normative Amount Added during the Year | 11.51 |
| Equity Addition during the Financial Year @ 30% | 3.45 |
| Debt Addition during the Financial Year @ 70% | 8.06 |



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- 6.54 In accordance with the **clause 10.23** of JSERC (Distribution Tariff Regulation) 2020, the repayment of loan for FY 2023-24 has been considered equal to net Depreciation as calculated above.
- 6.55 In accordance with **Clause 10.26** of the JSERC (Distribution Tariff Regulations), 2020, the interest on normative loan for the year has been considered as Marginal Cost of Lending Rate of SBI prevailing as on 01st April 2023 plus 200 basis points i.e., 10.50%. Accordingly, the normative interest comes to Rs. 0.77 Cr. The table below provides calculation of Interest on Normative Loan for FY 2023-24.
- 6.56 Based on above submission the summarizes interest on normative loan is computed hereunder for FY 2023-24.

Table 76: Interest on Normative Loan (Rs. Crore) as submitted by the Petitioner

| Particulars | ARR | Petition |
|-------------------------------------|-------------|-----------------|
| Opening Loan (Normative) | 17.41 | 11.86 |
| Add: Deemed Addition during the FY | 33.13 | 8.06 |
| Less: Deemed Repayment | 18.23 | 17.14 |
| Closing Loan (Normative) | 32.31 | 2.79 |
| Average Loan | 24.86 | 7.33 |
| Interest Rate | 9.00% | 10.50% |
| Interest and Finance Charges | 2.24 | 0.77 |

Commission's Analysis

- 6.57 The Commission in True-up chapter of this order has already outlined the provision of JSERC (Distribution Tariff Regulation), 2020 for the approval of interest on loan.
- 6.58 The Commission has considered the opening value of normative loan for FY 2023-24 equal to the closing value of normative loan for FY 2022-23.
- 6.59 In accordance with **clause 10.16** and **clause 10.17**, as mentioned in true-up chapter of this order, the Commission has calculated the loan considering the debt-equity ratio. The loan arrived at in this manner is considered as gross normative loan for calculation of interest on loan.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

6.60 In accordance with **clause 10.23** as mentioned above, the Commission approves the debt repayment equal to net depreciation for the same financial year.

6.61 In accordance with **clause 10.26 (proviso)** as mention above, the Commission approves the interest rate as 10.50% (Base rate of SBI as applicable on April 01, 2023 plus 200 basis points).

6.62 The table below shows the normative loan and normative equity added during the FY 2023-24 as methodology discussed above. The Normative loan & equity is estimated based on estimated consumer contribution received during the year i.e. for FY 2023-24.

Table 77: Normative Loan and Normative Equity (in Rs Crore) added during FY 2023-24.

| Particulars | Approved |
|---|----------|
| Assets added during the Year | 13.91 |
| Less: Consumer Contribution Received for FY | 7.71 |
| Normative Amount Added during the Year | 6.20 |
| Equity Addition during the Financial Year @ 30% | 1.86 |
| Debt Addition during the Financial Year @ 70% | 4.34 |

6.63 The below table summarises the Interest on normative loan as submitted by the Petitioner and as approved by the Commission for FY 2023-24:

Table 78: Interest on normative Loan (in Rs Crore) as approved by the Commission.

| Particulars | ARR | Petition | Approved |
|-------------------------------------|--------------|-------------|---------------|
| Normative Opening Loan | 17.41 | 11.86 | 11.89 |
| Add: Deemed Addition during the FY | 33.13 | 8.06 | 4.34 |
| Less: Deemed Repayment | 18.23 | 17.14 | 16.84 |
| Normative Closing Loan | 32.31 | 2.79 | (0.61) |
| Average Loan | 24.86 | 7.33 | 5.64 |
| Interest Rate | 9.00% | 10.50% | 10.50% |
| Interest and Finance Charges | 2.24 | 0.77 | 0.59 |

Interest on Security Deposits

Petitioner's Submission

6.64 The Petitioner has furnished the details of Interest on Consumers' Security Deposit (CSD) for the first six months actual and next six month



estimated for FY 2023-24.

6.65 It is estimated that the average security deposit amount as on year-end of FY 2023-24 will be Rs. 41.03 Crore and the corresponding interest on security deposit will be Rs. 4.14 Crore.

Table 79: Interest on CSD (Rs Crore) as submitted by the Petitioner.

| Particulars | ARR | Petition |
|--|-------------|-------------|
| Opening Consumer Security Deposit | 39.97 | 38.42 |
| Consumer Security Deposit Addition | 1.23 | 5.22 |
| Closing Consumer Security Deposit | 41.20 | 43.65 |
| Average Security Deposit | 40.58 | 41.03 |
| Interest Rate | 10.10% | 10.10% |
| Interest on Consumer Security Deposit | 4.10 | 4.14 |

Commission’s Analysis

6.66 The Commission has outlined **clause 10.33** of JSERC Distribution Tariff Regulation 2020 for approval of interest on consumer security deposit as reproduced below.

“Interest on Consumer Security Deposits

6.49 Interest paid on consumer security deposits shall be as specified by the Commission in ‘Jharkhand (Electricity Supply Code) Regulations, 2015’ and as amended or replaced from time to time.”

6.67 On scrutinizing and analysing the submission available on record for FY 2023-24, the Commission has observed that interest on consumer security deposit tuned to Rs 4.14 crore, while calculating the interest on security deposit at a rate specified (10.10% interest payable at SBI Base Rate as on April 01 of the Financial Year) in the provision of JSERC Electricity Supply code regulation 2015 it would be Rs 4.14 crores. Accordingly, the Commission approves the interest on consumer security deposit tuned to Rs 4.14 crores:

Table 80: Interest on CSD (Rs. Crore) as approved by the Commission.

| Particulars | ARR | Petition | Approved |
|--|-------------|-------------|-------------|
| Opening Consumer Security Deposit | 39.97 | 38.42 | 38.42 |
| Consumer Security Deposit Addition | 1.23 | 5.22 | 5.22 |
| Closing Consumer Security Deposit | 41.20 | 43.65 | 43.64 |
| Average Security Deposit | 40.58 | 41.03 | 41.03 |
| Interest Rate | 10.10% | 10.10% | 10.10% |
| Interest on Consumer Security Deposit | 4.10 | 4.14 | 4.14 |

Return on Equity

Petitioner's Submission

- 6.68 The deemed addition to the equity has been considered @30% of total GFA addition after reducing asset addition from CC amount capitalized during the year.
- 6.69 The Petitioner has considered the opening balance of normative equity for FY 2023-24 as per the closing balance for the FY 2022-23.
- 6.70 Further, the Petitioner has submitted that the rate of Return on Equity (RoE) has considered as 14.50% as per **clause 10.19** of JSERC Distribution Tariff Regulations, 2020. It was also submitting that the Return on Equity has been grossed with the applicable income tax rate for FY 2023-24, which stands at 25.17% as shown below:

Table 81: Return on Equity (Rs Crore) as submitted by the Petitioner.

| Particulars | ARR | Petition |
|--|--------------|--------------|
| Normative Opening Equity | 159.43 | 156.90 |
| Normative Equity Addition | 14.20 | 3.45 |
| Normative Closing Equity | 173.63 | 160.35 |
| Average Equity | 166.53 | 158.62 |
| Rate of Return | 14.50% | 14.50% |
| Return on Equity | 24.15 | 23.00 |
| Income Tax Rate | 25.17% | 25.17% |
| Income Tax | 8.12 | 7.74 |
| Return on Equity including Income Tax | 32.27 | 30.74 |

Commission's Analysis

- 6.71 On consideration of the Distribution Tariff Regulations, 2020, the



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Commission has considered the Opening Equity base for FY 2023-24 as the Closing Equity base approved for FY 2022-23. Furthermore, the Commission has considered the normative Equity addition during the financial year as 30% of the approved capitalization after deducting assets funded out of Consumer Contribution received.

- 6.72 In accordance with **clause 10.19** of Distribution Tariff Regulation 2020 the Commission has allowed a rate of return of 14.50% on equity.
- 6.73 The Commission approves the income tax amount for FY 2023-24 is Rs. 7.69 Crore, being 25.17% of Rs. 30.57 Crore of total Return on Equity including income tax.
- 6.74 Based on above discussion, the Commission approves the Return on Equity along with Income Tax for FY 2023-24 is tabulated hereunder.

Table 82: Return on Equity (Rs Crore) as approved by the Commission.

| Particulars | ARR | Petition | Approved |
|--|--------------|-----------------|-----------------|
| Opening Equity (Normative) | 159.43 | 156.90 | 156.82 |
| Equity Addition | 14.20 | 3.45 | 1.86 |
| Closing Equity (Normative) | 173.63 | 160.35 | 158.68 |
| Average Equity | 166.53 | 158.62 | 157.75 |
| Rate of Return | 14.50% | 14.50% | 14.50% |
| Return on Equity | 24.15 | 23.00 | 22.87 |
| Income Tax Rate | 25.17% | 25.17% | 25.17% |
| Income Tax | 8.12 | 7.74 | 7.69 |
| Return on Equity including Income Tax | 32.27 | 30.74 | 30.57 |

Interest on Working Capital

Petitioner's Submission

- 6.75 The Petitioner has submitted the Wheeling & Retail ARR has been computed as per allocation ratios in accordance with JSERC Distribution Tariff Regulations, 2020. The detailed computation of Interest on Working Capital for the wheeling as well as retail supply business is shown in the table below:

True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Table 83: Interest on Working Capital (Rs Crore) as submitted by the Petitioner.

| Particulars | ARR | Wheeling Business | Retail Business | Total Revised Projections for FY 2023-24 (Rs.Cr.) |
|--|---------------|---|---|---|
| | | Revised Projections for FY 2023-24 (Rs.Cr.) | Revised Projections for FY 2023-24 (Rs.Cr.) | |
| Maintenance Spares @1% of Opening GFA | 6.03 | 0.60 | 5.36 | 5.95 |
| Expected Revenue from Wheeling/ Retail Supply Charges - 2 Months | 310.99 | 18.44 | 282.15 | 300.60 |
| Sub-Total | 317.02 | 19.04 | 287.51 | 306.55 |
| Less: Power Purchase Cost for one month | (130.06) | - | (136.88) | (136.88) |
| Less: Security Deposit for Wheeling | (40.58) | - | (41.03) | (41.03) |
| Total Working Capital Requirement | 146.37 | 19.04 | 109.59 | 128.63 |
| Rate of Interest (SBI 1 yr MCLR plus 350 b.p.) | 11.20% | 12.00% | 12.00% | 12.00% |
| Total Interest on Working Capital for Wheeling Business | 16.39 | 2.28 | 13.15 | 15.44 |

Commission's Analysis

6.76 The Commission has outlined **clause 10.30 to clause 10.32** of JSERC Distribution Tariff Regulation 2020, for approval of Interest on Working Capital (IoWC) is reproduced below:

“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*



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

c) Amount held as security deposits under Clause (a) and Clause (b) of sub-section (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.

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

6.77 Based on the above excerpt, the Commission approves the Interest on working capital for FY 2023-24 on normative basis is computed hereunder:

Table 84: Interest on Working Capital (in Rs. Crore) as approved by the Commission

| Particulars | APR | Wheeling Normative Approved | Retail Normative Approved | Total normative Approved |
|---|---------------|-----------------------------|---------------------------|--------------------------|
| Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business | 6.03 | 0.60 | 5.36 | 5.95 |
| Revenue from Wheeling and Retail Supply Charges-2 month | 310.99 | 18.44 | 282.15 | 299.49 |
| Less: Power Purchase Cost for One Month Retail Business | 130.06 | | 136.88 | 136.04 |
| Less: Average Security Deposit | 40.58 | | 41.03 | 41.03 |
| Total Working Capital Requirement | 146.37 | 19.04 | 109.59 | 128.37 |
| Rate of Interest (SBI 1 yr MCLR plus 350 b.p) | 11.20% | 12.00% | 12.00% | 12.00% |
| Total Interest on Working capital | 16.39 | 2.28 | 13.15 | 15.40 |



Non-Tariff Income

Petitioner's Submission

6.78 The Petitioner has estimated Rs. 7.10 Crore towards Non-Tariff Income (NTI) for FY 2023-24 as approved in the Tariff Order dated September 29, 2023 as shown below:

Table 85: Non-Tariff Income (Rs Crore) as submitted by the Petitioner

| Particulars | ARR | Petition |
|--------------------|------------|-----------------|
| Non-Tariff Income | 7.10 | 7.10 |

Commission's Analysis

6.79 On scrutinizing and analysing the data, material, information available on record, the Commission provisionally approves the NTI as Rs 2.50 Crore for FY 2023-24 as approved in true-up for FY 2022-23 in this order, subjected to truing up on the actual basis.

Table 86: Non-Tariff Income (Rs Crore) as approved by the Commission

| Particulars | ARR | Petition | Approved |
|--------------------|------------|-----------------|-----------------|
| Non-Tariff Income | 7.10 | 7.10 | 2.50 |

Revenue

Petitioner's Submission

6.80 The Petitioner has submitted that the Revenue from Sale of Power for H₁ is taken as per actual and that for H₂ has been computed based on growth in load, consumers and energy sales during the H₂ period for FY 2023-24.

6.81 The Petitioner has further submitted that the Revenue from sale of Power in H₂ during Oct 2023 and March 2024 is considered on the basis of prevailing tariff for FY 2023-24.

6.82 Based on the above submission, the Petitioner has submitted the revenue from sale of power for FY 2023-24 as shown in the table below.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Table 87: Revenue (Rs Crore) as submitted by the Petitioner.

| Particulars | Petition |
|-------------|----------|
| Revenue | 1,956.94 |

Commission's Analysis

6.83 On scrutinizing and analysis information available on record, the Commission approves the Revenue from Sale of Power equal to the Petitioner Projection, subject to prudent check at the time of true-up on actuals basis.

Table 88: Revenue (Rs Crore) as approved by the Commission

| Particulars | Petition | Approved |
|-------------|----------|----------|
| Revenue | 1,956.94 | 1,956.94 |

Summary of Annual Revenue Requirement and Gap/(Surplus)

Petitioner's Submission

6.84 The Petitioner has estimated a Revenue surplus of Rs. (153.36) Crore for FY 2023-24 based on actual for H₁ period and projected for H₂ period.

Commission's Analysis

6.85 On consideration of the submission and details furnished by the Petitioner, the Commission approves the ARR and Gap/(Surplus) for FY 2023-24 which is summarized hereunder.

Table 89: Summary of ARR (Rs Crore) as approved by the Commission for FY 2023-24.

| Particulars | ARR | Petition | Approved |
|---|----------|----------|----------|
| Net Power Purchase Cost | 1,560.76 | 1,642.60 | 1,632.48 |
| Power Purchase Cost | 1,560.76 | 1,767.83 | 1,632.48 |
| Less: Sale of Surplus power | - | 125.23 | - |
| O&M Expenses after sharing of Gain/loss | 98.12 | 100.03 | 99.44 |
| Interest on Loan | 2.24 | 0.77 | 0.59 |
| Interest on Working Capital | 16.39 | 15.44 | 15.40 |
| Financing Cost of DPS FY 2020-21 | | 0.00 | - |
| Interest on Security Deposit | 4.10 | 4.14 | 4.14 |
| Depreciation | 18.23 | 17.14 | 16.84 |



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

| Particulars | ARR | Petition | Approved |
|---|-----------------|-----------------|-----------------|
| Return on Equity | 32.27 | 30.74 | 30.57 |
| Gross Aggregate Revenue Requirement | 1,732.11 | 1,810.86 | 1,799.46 |
| Less: Non-Tariff Income | 7.28 | 7.28 | 2.50 |
| Aggregate Revenue Requirement | 1,724.83 | 1,803.58 | 1,796.96 |
| Revenue from sale of Power @ Existing Tariff | 1,865.95 | 1,956.94 | 1,956.94 |
| Net Revenue Gap/(Surplus) | (141.13) | (153.36) | (159.98) |

6.86 The Commission has approved the treatment of the Gap/(Surplus) at existing tariff in **Chapter 8** of this Order.

6.87 The Commission also approves the summarised ARR for wheeling and Retail Business for FY 2023-24.

Table 90: Summary of ARR (Rs Crore) as approved by the Commission.

| Particulars | Wheeling % | Retail % | Wheeling ARR (Rs. Cr.) | Retail ARR (Rs. Cr.) | Total Audited / Normative Claim (Rs. Cr.) |
|---|--------------|---------------|------------------------|----------------------|---|
| Power Purchase Cost | 0% | 100% | - | 1,632.48 | 1,632.48 |
| Net O&M Expenses | | | 65.71 | 33.72 | 99.44 |
| <i>Employee Expenses</i> | 60% | 40% | 19.14 | 12.76 | 31.90 |
| <i>A&G Expenses</i> | 50% | 50% | 17.52 | 17.52 | 35.04 |
| <i>R&M Expenses</i> | 90% | 10% | 28.81 | 3.20 | 32.01 |
| <i>Petition Filing Charges & CGRF Expenses</i> | 50% | 50% | 0.24 | 0.24 | 0.49 |
| <i>Less: Sharing of Gain</i> | | | | - | - |
| Interest on Loan | 90% | 10% | 0.53 | 0.06 | 0.59 |
| Interest on Working Capital | 10% | 90% | 1.54 | 13.86 | 15.40 |
| Financing Cost of DPS FY | 10% | 90% | - | - | - |
| Interest on Security Deposit | 0% | 100% | - | 4.14 | 4.14 |
| Depreciation | 90% | 10% | 15.15 | 1.68 | 16.84 |
| Return on Equity | 90% | 10% | 27.51 | 3.06 | 30.57 |
| Gross Aggregate Revenue Requirement | | | 110.45 | 1,689.01 | 1,799.46 |
| Less: Non-Tariff Income | 10% | 90% | 0.25 | 2.25 | 2.50 |
| Aggregate Revenue Requirement | 5.75% | 94.25% | 110.20 | 1,686.76 | 1,796.96 |
| Less: Revenue from sale of Power @ Existing Tariff | 5.75% | 94.25% | 120.01 | 1,836.93 | 1,956.94 |
| Net Gap/ Surplus | | | (9.81) | (150.17) | (159.98) |



Chapter 7: AGGREGATE REVENUE REQUIREMENT & TARIFF FOR FY 2024-25.

- 7.1 The Petitioner has submitted the Aggregate Revenue Requirement and Tariff for FY 2024-25 as per clause A24 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.
- 7.2 The Petitioner has revised the ARR for FY 2024-25 based on the true-up of ARR for FY 2022-23 and APR for FY 2023-24. A comparison of figures approved in MYT Business Plan & Tariff order dated November 24, 2022 vis-à-vis estimated figures for FY 2024-25 are shown under relevant section discussed herewith.

Consumers, Connected Load and Energy Sales

Petitioner's Submission

- 7.3 The Petitioner has factored in the increase in consumers and connected load for FY 2024-25 compared to FY 2023-24, consistent with the numbers submitted as part of the Business Plan for the control period FY 2021-22 to FY 2025-26. This projection also accounts for the expected application, consumers, and connected load based on past trends and anticipated developments.
- 7.4 Additionally, the Petitioner has been projecting connected load, sales for HTIS consumers has considered the impact of additional load increase of 40 MVA due to increased demand, which the Petitioner envisages to cater via capacity augmentation of 400/132 kV bulk power receiving substation (BPRS) at Jamshedpur.
- 7.5 Furthermore, the Petitioner has projected connected load and sales for High Tension Industrial Supply (HTIS) consumers, taking into account the impact of an additional load increase of 40 MVA due to increased demand. The Petitioner plans to address this increase by augmenting the capacity of the 400/132 kV Bulk Power Receiving Substation (BPRS) at Jamshedpur.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

7.6 The Petitioner has also submitted that the energy sale to Tata Steel UISL has been considered based on projection received from the Tata Steel UISL.

7.7 Based on the above submission the Petitioner has submitted the details of number of consumers, connected load and energy sales for FY 2024-25 based on projection.

Commission’s Analysis

7.8 On scrutinizing the information submitted by the Petitioner and after performing a prudent check, the Commission is of the view that the Petitioner has projected minimal increase in the aforesaid parameter as compare to true-up value of FY 2022-23.

7.9 Hence, the Commission at this stage has considered the projection as made by the Petitioner, and approves the number of Consumers, Connected Load and Energy sales, subject to prudent check at the time of truing up based on actuals.

Table 91: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission for FY 2024-25.

| Particulars | Petition | | | Approved | | |
|--------------------|------------------|----------------------|------------------|------------------|----------------------|------------------|
| | No. of Consumers | Connected Load (kVA) | Consumption (MU) | No. of Consumers | Connected Load (kVA) | Consumption (MU) |
| Domestic | 41,559 | 2,27,173 | 200.40 | 41,559 | 2,27,173 | 200.40 |
| Domestic - DSHT | 151 | 63,781 | 86.94 | 151 | 63,781 | 86.94 |
| Commercial | 10,916 | 72,398 | 91.01 | 10,916 | 72,398 | 91.01 |
| LTIS | 1 | 90 | 0.24 | 1 | 90 | 0.24 |
| Total HTIS | 173 | 4,63,976 | 2,339.31 | 173 | 4,63,976 | 2,339.31 |
| Street Light | 429 | 1,721 | 6.77 | 429 | 1,721 | 6.77 |
| Temporary Supply | 110 | 1,221 | 1.01 | 110 | 1,221 | 1.01 |
| Sale to JUSCO | 1 | 70,000 | 470.00 | 1 | 70,000 | 470.00 |
| MESRTODL | 1 | 300 | 1.11 | 1 | 300 | 1.11 |
| Sale in IEX | 0 | 0 | 166.38 | 0 | 0 | 0 |
| Total Sales | 53,341 | 9,00,659 | 3,363.16 | 53,341 | 9,00,659 | 3,196.78 |



Energy Balance

Petitioner’s Submission

7.10 It has been submitted that in order to meet its energy requirement, the Petitioner is planning to procure power from different sources in an efficient manner.

7.11 In the Instant Petition, the Petitioner has considered Distribution Losses of 3.80% for FY 2024-25 for formulation of Energy Balance and determination of Power Purchase quantum. The Power Purchase Quantum from each source has been considered based on the estimated power purchase quantum in FY 2023-24 vis-à-vis as approved by the Commission in its MYT Order dated November 24, 2022. The computation of Energy Balance is tabulated hereunder:

Table 92: Energy Balance (in MUs) as submitted by the Petitioner for FY 2024-25.

| Particulars | MYT | Petition |
|---|-----------------|-----------------|
| Energy Requirement | | |
| Sales to Other Licensee | 400.00 | 470.00 |
| Dist. Losses on Sales to Other Licensee (%) | 0.00 | 0.00 |
| Distribution on Sales to Other Licensee | 0.00 | 0.00 |
| Energy Req. for Sales to Other Licensee | 400.00 | 470.00 |
| Sales to Steel Works | 176.32 | 300.33 |
| Dist. Losses on Sales to Steel Works (%) | 0.00 | 0.00 |
| Dist. Losses on Sales to Steel Works | 0.00 | 0.00 |
| Energy Req. for Sales to Steel Works | 176.32 | 300.33 |
| Sale in IEX | 0.00 | 166.38 |
| Sales to LT consumers | 324.36 | 299.42 |
| Sales to Other HT consumers | 1,949.32 | 2,127.02 |
| Total Sales to Other Consumers | 2,273.67 | 2,426.45 |
| Dist. Losses on Sales to Other Consumers (%) | 4.72% | 4.95% |
| Dist. Losses on Sales to Other Consumers | 112.58 | 126.28 |
| Energy Req. for Sales to Other Consumers | 2,386.25 | 2,552.72 |
| Overall Sales | 2,849.99 | 3,196.78 |
| Overall Distribution Losses % | 3.80% | 3.80% |
| Overall Distribution Losses | 112.58 | 126.28 |



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

| Particulars | MYT | Petition |
|---|-----------------|-----------------|
| Total Energy Requirement (excluding sales in IEX) | 2,962.57 | 3323.05 |
| Energy Available | | |
| TPCL (Unit II and Unit III) | 1,608.34 | 1,793.89 |
| Damodar Valley Corporation 132kV | 342.75 | 296.67 |
| Damodar Valley Corporation 400kV | 1,038.56 | 1,185.63 |
| TSW – Captive | 27.08 | 5.33 |
| G-TAM | | 200.00 |
| Open access/ other sources | | 7.91 |
| Total Pooled Energy Availability | 3,016.73 | 3,489.43 |
| Less: Power Sold to IEX | 0.00 | 166.38 |
| Net Pooled Energy Availability (excluding sale in IEX) | 3,016.73 | 3,323.05 |

Commission's Analysis

- 7.12 On scrutinizing and analysing the details submitted by the Petitioner, the Commission has observed that the projected Energy Sales for FY 2024-25 are significantly higher than the value approved in the MYT Order dated November 24, 2022.
- 7.13 At this stage, the Commission has recalculated the distribution loss as 3.46%, compared to the approved distribution loss of 3.80% in the Multi-Year Tariff (MYT) Order dated November 24, 2023, for FY 2024-25. Therefore, the Commission approves the overall distribution loss of 3.46% for FY 2024-25.
- 7.14 The Commission has noted that the Petitioner proposed to sell surplus power in the open market. However, considering that Power Purchase Cost is a significant component of the Aggregate Revenue Requirement (ARR), the Commission has decided not to approve the sale of any surplus power for the ARR. Consequently, the Commission has proportionally reduced the quantum purchased from the costliest source.
- 7.15 Based on the above excerpt the Commission approves the energy Balance as submitted by the Petitioner and as approved by the Commission for FY 2024-25, is summarized hereunder below:



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Table 93: Energy Requirement (MUs) as approved by the Commission for FY 2024-25.

| Particulars | MYT | Petition | Approved |
|--|-----------------|-----------------|-----------------|
| Energy Requirement | | | |
| Sales to Other Licensee | 400.00 | 470.00 | 470.00 |
| Dist. Losses on Sales to Other Licensee (%) | 0.00 | 0.00 | 0.00% |
| Distribution on Sales to Other Licensee | 0.00 | 0.00 | 0.00 |
| Energy Req. for Sales to Other Licensee | 400.00 | 470.00 | 470.00 |
| Sales to Steel Works | 176.32 | 300.33 | 300.33 |
| Dist. Losses on Sales to Steel Works (%) | 0.00 | 0.00 | 0.00% |
| Dist. Losses on Sales to Steel Works | 0.00 | 0.00 | 0.00 |
| Energy Req. for Sales to Steel Works | 176.32 | 300.33 | 300.33 |
| Sale in IEX | 0.00 | 166.38 | 0.00 |
| Sales to LT consumers | 324.36 | 299.42 | 299.42 |
| Sales to Other HT consumers | 1,949.32 | 2,127.02 | 2,127.02 |
| Total Sales to Other Consumers | 2,273.67 | 2,426.45 | 2,426.45 |
| Dist. Losses on Sales to Other Consumers (%) | 4.72% | 4.95% | 4.72% |
| Dist. Losses on Sales to Other Consumers | 112.58 | 126.28 | 114.47 |
| Energy Req. for Sales to Other Consumers | 2,386.25 | 2,552.72 | 2,311.97 |
| Overall Sales | 2,849.99 | 3,196.78 | 3,196.78 |
| Overall Distribution Losses % | 3.80% | 3.80% | 3.46% |
| Overall Distribution Losses | 112.58 | 126.28 | 114.47 |
| Total Energy Requirement (excluding sales in IEX) | 2,962.57 | 3323.05 | 3311.25 |
| Energy Available | | | |
| TPCL (Unit II and Unit III) | 1,608.34 | 1,793.89 | 1,793.89 |
| Damodar Valley Corporation 132kV | 342.75 | 296.67 | 296.67 |
| Damodar Valley Corporation 400kV | 1,038.56 | 1,185.63 | 1,007.45 |
| TSW – Captive | 27.08 | 5.33 | 5.33 |
| G-TAM | | 200.00 | 200.00 |
| Open access/ other sources | | 7.91 | 7.91 |
| Total Pooled Energy Availability | 3,016.73 | 3,489.43 | 3,311.25 |
| Less: Power Sold to IEX | 0.00 | 166.38 | |
| Net Pooled Energy Availability (excluding sales in IEX) | 3,016.73 | 3,323.05 | 3,311.25 |

Power Purchase Cost

Petitioner’s Submission

7.16 The Petitioner has submitted that, for projecting the power purchase cost from TPCL Unit-2 and Unit-3, DVC 400 kV, short-term open access power, and power from G-TAM/G-DAM, they have considered an increase of 2% over and above the respective source-wise per unit power purchase cost of FY 2023-24. This 2% increase is consistent with the projection made by the Petitioner in its business plan petition dated November 29, 2022.

7.17 Further, the Petitioner has projected the power purchase cost from DVC 132 kV has considered an increase of 8% over and above the per unit power purchase cost of FY 2023-24. The Petitioner has considered such an increase in order to cater the implication of increased power purchase cost due to differential bill that will be raised by DVC to TSL based on the then revised order issued by the Hon’ble Commission.

7.18 The Petitioner has projected the power purchase cost from TSW captive has considered the average per unit power purchase cost of TPCL Unit-II & Unit-III.

7.19 The Petitioner has further submitted that the RPO is applicable on all sources other than DVC 132 kV source and surplus power sold to open market. Accordingly, the Petitioner has computed RPO on its energy requirement excluding 132 kV source and surplus power to open market.

Table 94: Renewable Purchase Obligation as submitted by petitioner for FY 2024-25.

| Particulars | Formula | Uo M | Wind Renewable Energy | Hydro Renewable Energy | Distributed Renewable Energy | Other Renewable Energy | Total |
|---|---------|------|-----------------------|------------------------|------------------------------|------------------------|-------|
| (Surplus) / Gap purchased REC of previous year i.e. FY2023-24 which is carried to next year (i.e. FY 2024-25) | A | MU | 0 | 0 | 0 | -8.85 | -8.85 |
| Obligated units for FY 2024-25 | B | MU | 2826.38 | | | | |



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| Particulars | Formula | Uo M | Wind Renewable Energy | Hydro Renewable Energy | Distributed Renewable Energy | Other Renewable Energy | Total |
|---|----------------------|-----------|-----------------------|------------------------|------------------------------|------------------------|---------------|
| Standalone RPO Obligations for FY 2024-25 (%) | C | % | 0.67% | 0.38% | 1.50% | 27.36 % | 29.91% |
| Standalone RPO Obligations for FY 2024-25 (MU) | $D = C \times B$ | MU | 18.94 | 10.74 | 42.40 | 773.27 | 845.34 |
| Total RPO Obligations for FY 2024-25 | E = A + D | MU | 18.94 | 10.74 | 42.40 | 764.42 | 836.49 |
| RE Power purchased from Green Market (Power Exchange) | F | MU | | | | 200.00 | 200.00 |
| Expected RE generation under Net Metering in FY2024-25 | H | MU | | | 22.00 | | 0.00 |
| Shortfall in RPO (to be met through purchase of REC) | J = E-F-G-H-I | MU | 18.94 | 10.74 | 20.40 | 564.42 | 614.49 |
| REC projected to be purchased during FY 2024-25 | K=J | MU eq | 18.94 | 10.74 | 20.40 | 564.42 | 614.49 |
| RPO obligation carried forward to FY 2025-26 | L=J-K | MU | 0 | 0 | 0 | 0 | 0 |

7.20 In compliance with JSERC (Renewable Purchase Obligation and its Compliance) (2nd Amendment) Regulations, 2022, the Petitioner would like to bring to the notice of the Hon'ble Commission that State Government of Jharkhand has notified "The Jharkhand Green Energy Cess Act'2021) on July 7, 2021; wherein Green Energy Cess up to 15 paisa per unit has been proposed to be levied on Consumer operating at 33kV and above, Generating Power plants and Captive Power Plant. It is worthwhile mentioning that any cess such levied on the Generating Plant may also finally flow to the end Consumer by way of power purchase cost. The Rules under this notification is yet to be framed by the Government. Implementation of such notification which may result in additional burden of up to Rs 0.30 per unit on end consumer, which is almost equal to the cost of meeting RPO under these regulations. It was stated that Jharkhand Energy Cess will create a fund which will be utilised for (1) promoting the generation of electricity through renewable energy source. (2) Purchase of non-conventional energy and purchase of REC & (3) taking initiatives for protecting environment in the state; which is also the intent for Renewable Purchase Obligation given to distribution



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Licensee. In view of the above and to reduce the burden of additional/duplicate cost for the same purpose to end consumers, the Petitioner has requested the Hon'ble Commission to review the RPO Targets for waiver or fixing at appropriate lower levels.

7.21 In addition to the above power procurement, the Petitioner has also projected to procure power (7.91 MU) from Open Market at an average per unit rate of Rs. 5.44/kWh.

7.22 Based on the above submission, the Petitioner has prayed to the Commission to approve Rs. 1730.45 Crore for 3,489.43 MUs for FY 2024-25 is given below:

Table 95: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner.

| Particulars | MYT | Petition |
|--|---------------|---------------|
| TPCL Unit 2 | | |
| Power Purchased (MU) | 804.17 | 913.86 |
| Rate of Power Purchased (Rs./kWh) | 3.74 | 4.26 |
| Power Purchase Cost (Rs. Crore) | 301.08 | 389.38 |
| Prior Period Adjustments (Rs. Crore) | - | - |
| Net Power Purchase Cost (Rs. Crore) | 301.08 | 389.38 |
| TPCL Unit 3 | | |
| Power Purchased (MU) | 804.17 | 880.03 |
| Rate of Power Purchased (Rs./kWh) | 3.79 | 4.09 |
| Power Purchase Cost (Rs. Crore) | 304.38 | 359.54 |
| Prior Period Adjustments (Rs. Crore) | - | - |
| Net Power Purchase Cost (Rs. Crore) | 304.38 | 359.54 |
| DVC 132 kV | | |
| Power Purchased (MU) | 342.75 | 296.67 |
| Rate of Power Purchased (Rs./kWh) | 4.40 | 6.46 |
| Power Purchase Cost (Rs. Crore) | 150.89 | 191.57 |
| Prior Period Adjustments (Rs. Crore) | - | - |
| Net Power Purchase Cost (Rs. Crore) | 150.89 | 191.57 |
| DVC 400 kV | | |
| Power Purchased (MU) | 1,038.56 | 1,185.63 |
| Rate of Power Purchased (Rs./kWh) | 5.83 | 5.46 |
| Power Purchase Cost (Rs. Crore) | 605.84 | 647.06 |
| Prior Period Adjustments (Rs. Crore) | - | - |
| Net Power Purchase Cost (Rs. Crore) | 605.84 | 647.06 |
| TSW (Captive) | | |



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| Particulars | MYT | Petition |
|---|-----------------|-----------------|
| Power Purchased (MU) | 27.08 | 5.33 |
| Rate of Power Purchased (Rs./kWh) | 3.74 | 4.17 |
| Power Purchase Cost (Rs. Crore) | 10.14 | 2.22 |
| Prior Period Adjustments (Rs. Crore) | | |
| Net Power Purchase Cost (Rs. Crore) | 10.14 | 2.22 |
| | | |
| Others/Open Market | | |
| Power Purchased (MU) | - | 7.91 |
| Rate of Power Purchased (Rs./kWh) | 4.40 | 5.44 |
| Power Purchase Cost (Rs. Crore) | - | 4.31 |
| | | |
| RPO Purchased (Rs. Crore) | 74.66 | 70.05 |
| | | |
| G-TAM (F) | | |
| Power Purchased (MU) | | 200.00 |
| Rate of Power Purchased (Rs./kWh) | | 4.16 |
| Power Purchase Cost (Rs. Crore) | | 83.20 |
| | | |
| Sale-Surplus Power | | |
| Power Purchased (MU) | - | 166.38 |
| Rate of Power Purchased (Rs./kWh) | - | 5.44 |
| Revenue from Surplus Sales (Rs. Crore) | | 90.59 |
| | | |
| Disallowed Sales | - | |
| | | |
| Total Power Purchase | | |
| Power Purchased (MU) | 3,016.72 | 3,489.43 |
| Power Purchase Cost (Rs. Crore) | 1,446.98 | 1,747.34 |
| Transmission Charges | | 90.33 |
| Net Power Purchase Cost (Rs. Crore) | 1,446.98 | 1,837.67 |

Commission's Analysis

- 7.23 On scrutinizing the details submitted by the Petitioner, the Commission approves the power procurement rate for TPCL Jojobera Plant (Unit-II & Unit-III), DVC 132 kV, 400kV, and open market source at escalation of 2.00% over last year for FY 2024-25, subject to prudent check at the time of true up based on actuals.
- 7.24 The Commission approves the power procurement rate for TSW captive at the lowest among all approved generating sources.



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7.25 As per JSERC (Renewable Purchase Obligation and its Compliance) (2nd Amendment) Regulation, 2024, the Petitioner needs to purchase following quantum of power from renewable energy sources.

Table 96: Renewable Purchase Obligation as per RPO Regulation for FY 2024-25.

| | Wind | Hydro | Distributed Renewable Energy | Other Renewable Energy | Total |
|----------------|-------|-------|------------------------------|------------------------|--------|
| RPO Obligation | 0.67% | 0.38% | 1.50% | 27.36% | 29.91% |

7.26 With regard to the power procurement from REC to meet the Renewable Purchase Obligation, the Commission approves at estimation of 2.00% for FY 2024-25, subject to prudence check at the time of truing up.

7.27 With regard to the Petitioner’s proposal to sell the surplus power, the Commission has denied any surplus power for FY 2024-25 and reduced proportionally the Energy Purchase from the costliest source, in line with the Energy Requirement.

7.28 With regard to Transmission charge (PGCIL & ERLDC), the Commission approves the transmission charge after subtracting the IEX quantum of power transmission charge for FY 2024-25, subject to prudent check at the time of truing up.

7.29 In view of the above, the Power Procurement Cost from each source as submitted by the Petitioner and as approved by the Commission for FY 2024-25 is tabulated below:

Table 97: Power Procurement Cost (Rs. Cr.) as approved by the Commission.

| Particulars | MYT | Petition | Approved |
|--|---------------|---------------|---------------|
| TPCL Unit 2 | | | |
| Power Purchased (MU) | 804.17 | 913.86 | 913.86 |
| Rate of Power Purchased (Rs./kWh) | 3.74 | 4.26 | 4.24 |
| Power Purchase Cost (Rs. Crore) | 301.08 | 389.38 | 387.37 |
| Prior Period Adjustments (Rs. Crore) | - | - | - |
| Net Power Purchase Cost (Rs. Crore) | 301.08 | 389.38 | 387.37 |
| TPCL Unit 3 | | | |
| Power Purchased (MU) | 804.17 | 880.03 | 880.03 |



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| Particulars | MYT | Petition | Approved |
|---|---------------|-----------------|-----------------|
| Rate of Power Purchased (Rs./kWh) | 3.79 | 4.09 | 4.08 |
| Power Purchase Cost (Rs. Crore) | 304.38 | 359.54 | 359.15 |
| Prior Period Adjustments (Rs. Crore) | - | - | - |
| Net Power Purchase Cost (Rs. Crore) | 304.38 | 359.54 | 359.15 |
| DVC 132 kV | | | |
| Power Purchased (MU) | 342.75 | 296.67 | 296.67 |
| Rate of Power Purchased (Rs./kWh) | 4.40 | 6.46 | 5.87 |
| Power Purchase Cost (Rs. Crore) | 150.89 | 191.57 | 174.11 |
| Prior Period Adjustments (Rs. Crore) | - | - | - |
| Net Power Purchase Cost (Rs. Crore) | 150.89 | 191.57 | 174.11 |
| DVC 400 kV | | | |
| Power Purchased (MU) | 1,038.56 | 1,185.63 | 1,007.45 |
| Rate of Power Purchased (Rs./kWh) | 5.83 | 5.46 | 5.46 |
| Power Purchase Cost (Rs. Crore) | 605.84 | 647.06 | 549.82 |
| Prior Period Adjustments (Rs. Crore) | - | - | - |
| Net Power Purchase Cost (Rs. Crore) | 605.84 | 647.06 | 549.82 |
| TSW (Captive) | | | |
| Power Purchased (MU) | 27.08 | 5.33 | 5.33 |
| Rate of Power Purchased (Rs./kWh) | 3.74 | 4.17 | 4.08 |
| Power Purchase Cost (Rs. Crore) | 10.14 | 2.22 | 2.17 |
| Prior Period Adjustments (Rs. Crore) | - | - | - |
| Net Power Purchase Cost (Rs. Crore) | 10.14 | 2.22 | 2.17 |
| Others/Open Market | | | |
| Power Purchased (MU) | - | 7.91 | 7.91 |
| Rate of Power Purchased (Rs./kWh) | 4.40 | 5.44 | 5.34 |
| Power Purchase Cost (Rs. Crore) | - | 4.31 | 4.23 |
| RPO Purchased (Rs. Crore) | 74.66 | 70.05 | 70.05 |
| G-TAM (F) | | | |
| Power Purchased (MU) | - | 200.00 | 200.00 |
| Rate of Power Purchased (Rs./kWh) | - | 4.16 | 4.06 |
| Power Purchase Cost (Rs. Crore) | - | 83.20 | 81.13 |
| Sale-Surplus Power | | | |
| Power Purchased (MU) | - | 166.38 | - |
| Rate of Power Purchased (Rs./kWh) | - | 5.44 | - |
| Revenue from Surplus Sales (Rs. Crore) | - | 90.59 | - |
| Disallowed Sales | | | |
| Power Purchased (MU) | - | - | - |
| Total Power Purchase | | | |
| Power Purchased (MU) | 3,016.72 | 3,489.43 | 3,311.25 |



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| Particulars | MYT | Petition | Approved |
|--|-----------------|-----------------|-----------------|
| Power Purchase Cost (Rs. Crore) | 1,446.98 | 1,747.34 | 1,628.03 |
| Transmission Charges | | 90.33 | 76.75 |
| Net Power Purchase Cost (Rs. Crore) | 1,446.98 | 1,837.67 | 1,704.78 |

Operation and Maintenance Expenses (O&M)

Petitioner's Submission

7.30 The Petitioner has submitted that it has segregated each component of O&M Expenses and claimed the normative Employee Expenses for FY 2024-25 taking into account the inflation of 3.47% and projected growth factor 4.20%.

Table 98: Normative Employee Cost as submitted by the Petitioner.

| Particulars | Units | MYT | Petition |
|---|----------------|--------------|--------------|
| Employee Cost as per normative basis for FY 2024-25 | Rs.Cr. | 33.11 | 32.36 |
| Inflation Factor | % | 3.47% | 3.47% |
| Growth factor (Gn) | % | -2.80% | 4.20% |
| Normative Employee Cost for FY 2024-25 | Rs. Cr. | 33.29 | 34.88 |

7.31 Likewise, the Petitioner has projected the normative A&G Expenses for FY 2024-25 based on the normative A&G Expenses for FY 2023-24, and inflation factor of 3.47%.

Table 99: Normative A&G Cost as submitted by the Petitioner.

| Particulars | Units | MYT | Petition |
|---|----------------|--------------|--------------|
| A&G expenses as per normative basis for FY 2024-25 (Excluding Petition filing fees & CGRF Expenses) | Rs.Cr. | 33.65 | 35.26 |
| Inflation Factor | % | 3.47% | 3.47% |
| Total A&G without CGRF and petition filing fees | Rs Cr. | 34.82 | 36.48 |
| CGRF Expense | Rs Cr. | 0.20 | 0.21 |
| Petition Filing Fees | Rs Cr. | 0.28 | 0.18 |
| Normative A&G Expenses for FY 2024-25 (including Petition filing fees & CGRF Expenses) | Rs. Cr. | 35.30 | 36.87 |

7.32 The Petitioner has further calculated the normative R&M Expenses considering the 'k' factor as 5.08% and inflation factor of 3.47% as



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approved by the Commission in the MYT Order dated November 24, 2022 as tabulated hereunder.

Table 100: Normative R&M Expenses as submitted by the Petitioner.

| Particulars | Units | MYT | Petition |
|--|----------------|--------------|--------------|
| Opening GFA | Rs.Cr. | 679.85 | 608.96 |
| K' Factor | % | 5.08% | 5.08% |
| Inflation Factor | % | 3.47% | 3.47% |
| Normative R&M Expenses for FY 2024-25 | Rs. Cr. | 35.73 | 33.12 |

7.33 Based on the above submission, the summary of operation & maintenance with respect to approved value by the Hon'ble Commission vide its MYT order dated November 24, 2022 vis-à-vis normative amount for FY 2024-25 is given below.

Table 101: Normative O&M Expenses (Rs Crore) as submitted by the Petitioner.

| Particulars | MYT | Petition |
|---|---------------|---------------|
| A&G Costs | 35.30 | 36.48 |
| R&M Expenses | 35.73 | 33.12 |
| Employee Cost | 33.29 | 34.88 |
| Total Normative O&M expenses (without Petition Filing & CGRF Expenses) | 104.32 | 104.49 |

Commission's Analysis

7.34 The Commission in True-up chapter of this order has already outlined the provision of JSERC (Distribution Tariff Regulation), 2020, for approval of the operation & maintenance expenses.

7.35 On analysis and scrutinizing of the material on record, the Commission approves the normative employee expenses for FY 2024-25 by taking inflation factor as 6.59% (average of last 3 years) and growth factor as zero.

7.36 Likewise, the Commission approves the normative A&G Expenses (excluding Petition Filing Fees and CGRF Expenses) for FY 2024-25 based on the normative approved value of A&G Expenses (excluding Petition



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Filing Fee and CGRF Expenses) for FY 2023-24 by multiplying the inflation factor of 6.59% (average of last three-year inflation).

7.37 Additionally, the Commission approves the Petition Filing Fee and CGRF Expenses for FY 2024-25 at the same level as approved for FY 2023-24 earlier in this order, subject to prudent check at the time of truing up.

7.38 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of GFA for FY 2024-25 and multiplied it with the “k” factor of 5.08% as approved in the MYT Order dated November 24, 2022. The table below summarizes the O&M Expenses as approved by the Commission for FY 2024-25:

Table 102: Normative O&M Expenses (Rs. Crore) as approved by the Commission

| Particulars | MYT | Petition | Approved |
|---|---------------|---------------|---------------|
| Employee Expenses | 33.29 | 34.88 | 34.00 |
| A&G Expenses (excluding filing & CGRF Expenses) | 34.82 | 36.48 | 37.35 |
| R&M Expenses | 35.73 | 33.12 | 32.95 |
| Normative O&M Expenses | 103.84 | 104.49 | 104.30 |
| Petition Filing Fee | 0.20 | 0.21 | 0.18 |
| CGRF Expenses (Rent & Remuneration) | 0.28 | 0.18 | 0.31 |
| Net Normative O&M Expenses | 104.32 | 104.87 | 104.79 |

Capital Work in Progress (CWIP) and Gross Fixed Assets (GFA)

Petitioner’s Submission

7.39 The Petitioner has submitted that the higher value of estimated capex and capitalisation is primarily because of following reasons.

- Delay in Approval of Business Plan & MYT petition, which led to starting the work only in Q3 of FY23. As starting of the work was delayed, various schemes got shifted to subsequent years of the control period.
- A new scheme for “Capacity augmentation of 400/132 KV bulk power receiving substation, BPRS at Jamshedpur” of Rs 226.77 Cr. was approved on 11th Aug 2023 other than the schemes approved in MYT petition. Capital Expenditure of Rs 113 Cr is planned for FY 2024-25.



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- c) The scheme for in “Upgradation of Tinsplate Area Sub Station scheme” of Rs 21.5 Cr. got shifted to FY 2024-25, which was envisaged to be completed and capitalized by FY 2022-23 as per Business plan. Capital Expenditure of Rs 8.05 Cr & Capitalization of Rs 20.16 Cr. is planned for FY 2024-25
- d) The scheme for in “Power Supply to Fringe area in town” of Rs 10.57 Cr. which was envisaged to be completed and capitalized by FY 2022-23 as per Business plan. Capital Expenditure of Rs 8.05 Cr & Capitalization of Rs 20.16 Cr. is planned for FY 2024-25

7.40 Based on the above submission, the Petitioner has projected the Capital Work in progress (CWIP), Capital Investment and Gross Fixed Assets (GFA) for FY 2024-25 vis-à-vis as approved by the Commission in MYT Order dated November 24, 2022 is provided in the given table:

Table 103: CWIP and GFA (in Rs Crore) as submitted by the Petitioner for FY 2024-25.

| Particulars | MYT | Petition |
|----------------------------|---------------|---------------|
| Opening CWIP | 3.22 | 40.94 |
| Additional Capex | 7.02 | 156.61 |
| Less: Capitalisation | 7.00 | 44.03 |
| Closing CWIP | 3.24 | 153.52 |
| Gross Fixed Assets | | |
| Opening GFA | 679.85 | 608.96 |
| Add: Transferred from CWIP | 7.00 | 44.03 |
| Less: Asset Decapitalised | 0.00 | 0.00 |
| Closing GFA | 686.85 | 652.99 |

Commission’s Analysis

7.41 On scrutinizing and analysing the data, material, information as annexed in ‘**annexure 10**’, the Commission has observed that capital expenditure cost of Rs 46.61 crores scheme is already approved in Business Plan date November 24, 2022 and Tariff Order dated September 29, 2023.

7.42 Further, the Commission has observed that capital expenditure cost of Rs 113.00 crores scheme provisionally approved in Order date August 11, 2023.



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7.43 The Commission has provisionally approved the Scheme-wise capital expenditure (capex) and capitalization for FY 2024-25, as summarized below, subject to prudent check at the time of true-up on an actual basis.

Table 104: Scheme-wises Capital Expenditure for FY 2024-25 as approved by the Commission.

| Scheme Name | Total project cost | Audited Capex | | | Projected capex | | Approved |
|---|--------------------|---------------|--------------|-------------|-----------------|---------------|---------------|
| | | Upto FY-21 | FY-22 | FY-23 | FY-24 | FY-25 | |
| Scheme Already Approved in Business plan and Tariff order 29/09/2023 | | | | | | | |
| BPRS- 33 KV (Enhancement of Telco Area SS | 58.00 | 32.30 | 1.02 | 2.40 | 0.28 | - | - |
| Upgradation of Network monitoring & Control Centre | 12.60 | | | | 0 | 5.00 | 5.00 |
| New 6.6 kV AIS indoor sub-station at Ramadhin Bagan, Manifit and nearby area | 3.07 | | | | 0 | 1.00 | 1.00 |
| New 2*16/20 MVA, 33 kV/6.6kV S/s at Baridih Area for Eastern North Area | 32.10 | | | | 0 | 10.00 | 10.00 |
| 6.6 kV Network Extension for power supply in fringe Area | 10.57 | | | | 4.16 | 3.84 | 3.84 |
| Strengthening of Testing facilities | 2.93 | | | | 0.96 | 1.00 | 1.00 |
| Augmentation- 132 kV Line 6 for Bara / Sonari SS | 24.00 | | | | 12.24 | 7.76 | 7.76 |
| Upgradation of Tinplate Area SS | 21.50 | 1.34 | | 1.96 | 10.15 | 8.05 | 8.05 |
| Supply and installation of power Quality Meter | 2.40 | | | | 0 | 2.40 | 2.40 |
| Other assets to prewise consumer connection from consumer (self-financing) | 10.00 | | 1.90 | 1.59 | 3.31 | 4.56 | 4.56 |
| Other assets | - | | | | | | |
| Net Capital expenditure | 177.17 | 33.65 | 02.92 | 5.95 | 31.09 | 43.61 | 43.61 |
| Scheme provisionally approved in Order dated 11/08/2023 | | | | | | | |
| Capacity augmentation of 400/132 kV bulk power receiving sub-station (BPRS) at Jamshedpur | 226.77 | | | | 11.77 | 113.00 | 113.00 |
| Fire safety scheme being submitted now in the Petition | | | | | | | |
| Retrofitting Fire Fighting system in 10 No. of 33/11 kV transformer | 3.62 | | | | 1.33 | 2.29 | - |



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Table 105: Scheme-wises capitalization FY 2024-25 as approved by the Commission.

| Scheme Name | Total project cost | Audited Capitalization | | | Projected Capitalization | |
|---|--------------------|------------------------|-------------|-------------|--------------------------|------------------|
| | | Upto FY-21 | FY-22 | FY-23 | Petition (FY-24) | Approved (FY-24) |
| Scheme Already Approved in Business plan and Tariff order 29/09/2023 | | | | | | |
| BPRS- 33 KV (Enhancement of Telco Area SS) | 58.00 | 31.69 | 0.73 | 0.72 | 0.08 | 0.08 |
| Upgradation of Network monitoring & Control Centre | 12.60 | - | - | - | - | - |
| New 6.6 kV AIS indoor sub-station at Ramadhin Bagan, Manifit and nearby area | 3.07 | - | - | - | - | - |
| New 2*16/20 MVA, 33 kV/6.6kV S/s at Baridih Area for Eastern North Area | 32.10 | - | - | - | - | - |
| 6.6 kV Network Extension for power supply in fringe Area | 10.57 | - | - | - | 1.00 | 1.00 |
| Strengthening of Testing facilities | 2.93 | - | - | - | 0.96 | 0.96 |
| Augmentation- 132 kV Line 6 for Bara / Sonari SS | 24.00 | - | - | - | 9.47 | 9.47 |
| Upgradation of Tinplate Area SS | 21.50 | 1.34 | - | - | - | - |
| Supply and installation of power Quality Meter | 2.40 | - | - | - | - | - |
| Other assets to prewise consumer connection from consumer (self-financing) | 10.00 | - | 1.05 | 1.90 | 2.40 | 2.40 |
| Net Capitalization | 177.17 | 33.03 | 1.79 | 2.62 | 13.91 | 13.91 |
| Scheme Already Approved in Business plan and Tariff order 29/09/2023 | | | | | | |
| Capacity augmentation of 400/132 kV bulk power receiving sub-station (BPRS) at Jamshedpur | 226.77 | - | - | - | - | - |
| Fire safety scheme being submitted now in the Petition | | | | | | |
| Retrofitting Fire Fighting system in 10 No. of 33/11 kV transformer | 3.62 | - | - | - | 1.33 | - |



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

7.44 Based on the facts and circumstances as discuss above, the Commission approves the capital expenditure and capitalization for FY 2024-25 is tabulated hereunder:

Table 106: CWIP and GFA (in Rs Crore) as approved by the Commission for FY 2024-25.

| Particulars | MYT | Petition | Approved |
|----------------------------|---------------|---------------|---------------|
| Opening CWIP | 3.22 | 40.94 | 34.20 |
| Additional Capex | 7.02 | 156.61 | 156.61 |
| Less: Capitalisation | 7.00 | 44.03 | 44.03 |
| Closing CWIP | 3.24 | 153.52 | 146.78 |
| Gross Fixed Assets | | | |
| Opening GFA | 679.85 | 608.96 | 608.52 |
| Add: Transferred from CWIP | 7.00 | 44.03 | 44.03 |
| Less: Asset Decapitalised | 0.00 | 0.00 | 0.00 |
| Closing GFA | 686.85 | 652.99 | 652.55 |

Consumer Contribution

Petitioner's Submission

7.45 The Petitioner has estimated consumer contribution for FY 2024-25 based on the projection of both the receipt and capitalization of consumer contribution at Rs 2.00 crores for FY 2024-25. The details of estimation of consumer contribution for FY 2024-25 is given in the table below:

Table 107: CC (Rs Crore) Capitalised and Received as submitted by the Petitioner.

| Particulars | MYT | Petition |
|--|------|----------|
| Opening Consumer Contribution received | | 80.83 |
| Add - Consumer contribution received during the year | 2.00 | 8.68 |
| Closing consumer contribution received | | 89.50 |
| Opening Consumer Contribution capitalized | | 68.51 |
| Add -Consumer contribution capitalized during the year | 2.00 | 2.85 |
| Closing consumer contribution energized / capitalized | | 71.36 |



| Particulars | MYT | Petition |
|---|------------|-----------------|
| Balance amount of consumer contribution not capitalized as on last day of year | | 18.15 |

Commission’s Analysis

7.46 On scrutinizing and analysing the data, material, information available on record and based on the previous methodology, the Commission approves the Consumer Contribution received during FY 2024-25 as Rs 8.68 crores. Furthermore, the Commission has taken the same for calculation of Depreciation, Loan Addition and Equity Addition calculations as per the methodology adopted in the previous orders, subjected to prudent check at the time of truing-up.

Table 108: Consumer Contribution (Rs Crore) as approved by the Commission

| Particulars | Petition | Approved |
|-----------------------------|-----------------|-----------------|
| CC Received during the Year | 2.85 | 8.68 |

Depreciation

Petitioner’s Submission

7.47 The Petitioner has computed depreciation year on year on average Gross Fixed Asset base of the Licensee for the control period. Accordingly, the Petitioner has considered an average depreciation rate of 4.11% (which is approved in MYT order dated November 24, 2022) to arrive at the year-on-year depreciation.

7.48 Furthermore, the Petitioner has submitted that it has entitled to avail the depreciation on assets which have been commissioned from its own resources. It is therefore necessary to remove depreciation on assets funded by consumers. Accordingly, the Petitioner has subtracted the depreciation against consumer contribution from the total depreciation on the asset base to arrive at the net depreciation to be claimed in the ARR. Hence, the Petitioner projected the net depreciation to be charged



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

for FY 2024-25 after subtracting the depreciation on assets created on account of consumer contribution to be Rs 23.10 crores

7.49 Based on the above submission, the Petitioner has prayed to approve the net Depreciation for the purpose of ARR subject to prudent check at the time of final true-up as tabulated hereunder.

Table 109: Depreciation (Rs Crore) on assets created out of CC as submitted by the Petitioner.

| Particulars | MYT | Petition |
|--|--------------|-----------------|
| Average GFA | 683.35 | 630.98 |
| Gross Depreciation for the year | 4.11% | 4.11% |
| Average Gross Depreciation Rate | 28.09 | 25.93 |
| Consumer Contribution towards closing GFA | - | 71.36 |
| Closing Gross GFA | 686.85 | 652.99 |
| Depreciation on account of Consumer Contribution | 3.10 | 2.83 |
| Net Depreciation | 24.99 | 23.10 |

Commission's Analysis

7.50 The Commission in true-up chapter of this order had already outlined the JSERC (Distribution Tariff Regulation) 2020 for the approval of depreciation.

7.51 The Commission has observed that the depreciation on assets created out of Consumer Contribution (CC) is calculated in proportion to gross depreciation and in the ratio of closing CC capitalized out of total Closing GFA for FY 2024-25.

7.52 The Commission has considered the average value of GFA and CC instead of closing values of GFA and CC as considered by the Petitioner. Furthermore, the depreciation rate has been considered at the same rate of depreciation rate as approved in true-up for FY 2022-23.

7.53 Base on above excerpt, the net depreciation approves by the Commission for FY 2024-25 is tabulated hereunder:



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Table 110: Depreciation (Rs Crore) as approved by the Commission for FY 2024-25.

| Particulars | MYT | Petition | Approved |
|---|--------------|--------------|--------------|
| Average GFA (A) | | | 630.53 |
| Average Consumer Contribution Received(B) | | | 85.17 |
| Gross Depreciation (C) | | | 20.24 |
| Depreciation on Consumer Contribution (D=C/A*B) | | | 2.73 |
| Net Deprecation (E=C-D) | 24.99 | 23.10 | 17.51 |

Interest on Loan

Petitioner’s Submission

7.54 The Petitioner has submitted that it has considered opening balance of normative loan for FY 2024-25 equal to approved closing value for FY 2024-25.

7.55 In accordance with the ‘**clause 10.23**’ of JSERC (Distribution Tariff Regulation) 2020, the repayment of loan for FY 2024-25 has been considered equal to net Depreciation as calculated above.

Table 111: Normative Loan & Normative Equity (Rs. Crore) added during the Year

| Particulars | Petition |
|---|----------|
| Assets added during the Year | 44.03 |
| Less: Capitalized from Consumer Contribution | 2.85 |
| Normative Amount Added during the Year | 41.18 |
| Equity Addition during the Financial Year @ 30% | 12.35 |
| Debt Addition during the Financial Year @ 70% | 28.83 |

7.56 In accordance with ‘**clause 10.26**’ of the JSERC (Distribution Tariff Regulations), 2020, the interest on normative loan for the year has been considered as Marginal Cost of Lending Rate of SBI prevailing as on 01st April 2023 plus 200 basis points i.e., 10.50%. Accordingly, the normative interest comes to Rs. 0.59 Cr. The table below provides calculation of Interest on Normative Loan for FY 2024-25.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Table 112: Interest on Loan (Rs. Crore) as submitted by the Petitioner

| Particulars | MYT | Petition |
|------------------------------------|-------------|-------------|
| Opening Loan (Normative) | 33.94 | 2.79 |
| Add: Deemed Addition during the FY | 3.50 | 28.83 |
| Less: Deemed Repayment | 24.99 | 23.10 |
| Closing Loan (Normative) | 12.45 | 8.51 |
| Average Loan | 23.19 | 5.65 |
| Interest Rate | 9.00% | 10.50% |
| Interest on Loan | 2.09 | 0.59 |

Commission's Analysis

- 7.57 The Commission in True-up chapter of this order has already outlined the provision of JSERC (Distribution Tariff Regulation), 2020 for the approval of interest on loan.
- 7.58 The Commission has considered the opening value of normative loan for FY 2024-25 equal to the closing value of normative loan for FY 2023-24.
- 7.59 In accordance with '**clause 10.16 and clause 10.17**', as mentioned in true-up chapter of this order, the Commission has calculated the loan considering the debt-equity ratio. The loan arrived at in this manner is considered as gross normative loan for calculation of interest on loan.
- 7.60 In accordance with **clause 10.23** as mentioned above, the Commission approves the debt repayment equal to net depreciation for the same financial year.
- 7.61 In accordance with **clause 10.26 (proviso)** as mention above, the Commission approves the interest rate as 10.50% (Base rate of SBI as applicable on April 01, 2023 plus 200 basis points).
- 7.62 The table below shows the normative loan and normative equity added during the FY 2024-25 as methodology discussed above. The Normative loan is estimated based on projected consumer contribution received during the year i.e. for FY 2024-25.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Table 113: Normative Loan and Normative Equity (in Rs Crore) added during FY 24-25.

| Particulars | Approved |
|---|----------|
| Assets added during the Year | 44.03 |
| Less: Consumer Contribution received for FY | 8.68 |
| Normative Amount Added during the Year | 35.35 |
| Equity Addition during the Financial Year @ 30% | 10.61 |
| Debt Addition during the Financial Year @ 70% | 24.75 |

7.63 The table summarises the Interest on loan as submitted by the Petitioner and as approved by the Commission for FY 2024-25:

Table 114: Interest on Loan (in Rs Crore) as approved by the Commission for FY 2024-25.

| Particulars | MYT | Petition | Approved |
|------------------------------------|--------------|-------------|--------------|
| Normative Opening Loan | 33.94 | 2.79 | -0.61 |
| Add: Deemed Addition during the FY | 3.50 | 28.83 | 24.75 |
| Less: Deemed Repayment | 24.99 | 23.10 | 17.51 |
| Normative Closing Loan | 12.45 | 8.51 | 6.63 |
| Average Loan | 23.19 | 5.65 | 3.01 |
| Interest Rate | 9.00% | 10.50% | 10.50% |
| Interest on Loan | 2.09 | 0.59 | 0.32 |

Interest on Security Deposits

Petitioner's Submission

7.64 The Petitioner has projected the addition to CSD for FY 2024-25 as Rs. 7.59 Crore based on the growth expected. The Petitioner has estimated the Interest on CSD as Rs. 4.79 Crore for FY 2024-25 based on the amount and period for which the CSD has been deposited.

Table 115: Interest on CSD (Rs Crore) as submitted by the Petitioner.

| Particulars | MYT | Petition |
|--|--------------|--------------|
| Opening Consumer Security Deposit | 32.57 | 43.65 |
| Consumer Security Deposit Addition | 0.71 | 7.59 |
| Closing Consumer Security Deposit | 33.28 | 51.23 |
| Average Security Deposit | 32.93 | 47.44 |
| Interest Rate | 7.55% | 10.10% |
| Interest on Consumer Security Deposit | 2.49 | 4.79 |



Commission’s Analysis

7.65 The Commission has outlined clause 10.33 of JSERC Distribution Tariff Regulation 2020 for approval of interest on consumer security deposit as reproduced below.

“Interest on Consumer Security Deposits

6.49 Interest paid on consumer security deposits shall be as specified by the Commission in ‘Jharkhand (Electricity Supply Code) Regulations, 2015’ and as amended or replaced from time to time.”

7.66 On scrutinizing and analysing the submission available on record for FY 2024-25, the Commission has observed that interest on consumer security deposit tuned to Rs 4.79 crore, while calculating the interest on security deposit at a rate specified (10.10% interest payable at SBI Base Rate as on April 01 of the Financial Year) in the provision of JSERC Electricity Supply code regulation 2015 it would be Rs 4.79 crores. Accordingly, the Commission approves the interest on consumer security deposit tuned to Rs 4.79 crores.

Table 116: Interest on CSD (Rs. Crore) as approved by the Commission for FY 2024-25.

| Particulars | MYT | Petition | Approved |
|--|-------------|-----------------|-----------------|
| Opening Consumer Security Deposit | 32.57 | 43.65 | 43.64 |
| Consumer Security Deposit Addition | 0.71 | 7.59 | 7.59 |
| Closing Consumer Security Deposit | 33.28 | 51.23 | 51.23 |
| Average Security Deposit | 32.93 | 47.44 | 47.44 |
| Interest Rate | 7.55% | 10.10% | 10.10% |
| Interest on Consumer Security Deposit | 2.49 | 4.79 | 4.79 |

Return on Equity

Petitioner’s Submission

7.67 The deemed addition to the equity has been considered @30% of total GFA addition after reducing asset addition from CC amount capitalized during the year.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

- 7.68 The Petitioner has considered the opening balance of normative equity for FY 2024-25 as per the closing balance for the FY 2023-24.
- 7.69 Further, the Petitioner has submitted that the rate of Return on Equity (RoE) has considered as 14.50% as per '**clause 10.19**' of JSERC Distribution Tariff Regulations, 2020. It was also submitting that the Return on Equity has been grossed with the applicable income tax rate for FY 2024-25, which stands at 25.17% as shown below:

Table 117: Return on Equity (Rs Crore) as submitted by the Petitioner.

| Particulars | MYT | Petition |
|--|--------------|-----------------|
| Normative Opening Equity | 181.65 | 160.35 |
| Normative Equity Addition | 1.50 | 12.35 |
| Normative Closing Equity | 183.15 | 172.70 |
| Average Equity | 182.40 | 166.53 |
| Rate of Return | 14.50% | 14.50% |
| Return on Equity | 26.45 | 24.15 |
| Income Tax Rate | 25.17% | 25.17% |
| Income Tax | 8.12 | 8.12 |
| Return on Equity including Income Tax | 35.34 | 32.27 |

Commission's Analysis

- 7.70 On consideration of Distribution Tariff Regulations, 2020, the Commission has considered the Opening Equity base for FY 2024-25 as the Closing Equity base approved for FY 2023-24. Furthermore, the Commission has considered the normative Equity addition during the financial year as 30% of the approved capitalization, after deducting assets funded out of CC received.
- 7.71 In accordance with '**clause 10.19**' of Distribution Tariff Regulation 2020 the Commission has allowed a rate of return of 14.50% on equity.
- 7.72 The income tax amount approved by the Commission for FY 2024-25 is Rs. 8.12 Crore, being 25.17% of Rs. 32.27 Crore of total Return on Equity including income tax.
- 7.73 Based on above discussion, the Commission approves the Return on Equity along with Income Tax for FY 2024-25 is tabulated hereunder.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Table 118: Return on Equity (Rs Crore) as approved by the Commission.

| Particulars | MYT | Petition | Approved |
|--|--------------|--------------|--------------|
| Opening Equity (Normative) | 181.65 | 160.35 | 158.68 |
| Equity Addition | 1.50 | 12.35 | 10.61 |
| Closing Equity (Normative) | 183.15 | 172.70 | 169.29 |
| Average Equity | 182.40 | 166.53 | 163.99 |
| Rate of Return | 14.50% | 14.50% | 14.50% |
| Return on Equity | 26.45 | 24.15 | 23.78 |
| Income Tax Rate | 25.17% | 25.17% | 25.17% |
| Income Tax | 8.12 | 8.12 | 8.00 |
| Return on Equity including Income Tax | 35.34 | 32.27 | 31.78 |

Interest on Working Capital

Petitioner's Submission

7.74 The Petitioner has submitted that the Wheeling & Retail ARR has been as per allocation ratios in accordance with JSERC Distribution Tariff Regulations, 2020. The detailed computation of Interest on Working Capital for the wheeling as well as retail supply business is shown in the table below:

Table 119: Interest on Working Capital (Rs Crore) as submitted by the Petitioner for FY 2024-25.

| Particulars | Wheeling Business | | Retail Business | |
|--|-------------------|---|-----------------|---|
| | MYT | Revised Projections for FY 2024-25 (Rs.Cr.) | MYT | Revised Projections for FY 2024-25 (Rs.Cr.) |
| Maintenance Spares @1% of Opening GFA | 0.68 | 0.61 | 6.12 | 5.48 |
| Expected Revenue from Wheeling/ Retail Supply Charges - 2 Months | 27.03 | 20.06 | 243.26 | 300.14 |
| Less: Power Purchase Cost for one month | - | - | 120.58 | 138.87 |
| Less: Security Deposit for Wheeling | - | - | 32.93 | 47.44 |
| Total Working Capital Requirement | 27.71 | 20.67 | 95.87 | 112.59 |
| Rate of Interest (SBI 1 yr MCLR plus 350 b.p.) | 10.50% | 12.00% | 10.50% | 12.00% |
| Total Interest on Working Capital for Wheeling Business | 2.91 | 2.48 | 10.07 | 13.51 |



Commission's Analysis

7.75 The Commission has outlined '**clause 10.30 to clause 10.32**' of JSERC Distribution Tariff Regulation 2020, for the approval of Interest on Working Capital (IoWC) is reproduced below:

“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 sub-section (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.*

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



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

7.76 Based on the above excerpt, the Commission approves the Interest on working capital for FY 2024-25 on normative basis is computed hereunder:

Table 120: Interest on Working Capital (in Rs. Crore) as approved by the Commission

| Particulars | MYT | Wheeling Normative Approved | Retail Normative Approved | Total normative Approved |
|---|---------------|-----------------------------|---------------------------|--------------------------|
| Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business | 6.80 | 0.61 | 5.48 | 6.09 |
| Revenue from Wheeling and Retail Supply Charges-2 month | 270.29 | 19.15 | 293.68 | 312.83 |
| Less: Power Purchase Cost for One Month Retail Business | 120.58 | | 142.07 | 142.07 |
| Less: Average Security Deposit | 32.93 | | 47.44 | 47.44 |
| Total Working Capital Requirement | 123.58 | 19.75 | 109.65 | 129.42 |
| Rate of Interest (SBI 1 yr MCLR plus 350 b.p) | 10.50% | 12.00% | 12.00% | 12.00% |
| Total Interest on Working capital | 12.98 | 2.37 | 13.16 | 15.53 |

Non-Tariff Income

Petitioner's Submission

7.77 The Petitioner has projected Rs. 7.46 Crore towards Non-Tariff Income (NTI) for FY 2024-25, same as approved in the MYT Order dated November 24, 2022 as shown below:

Table 121: Non-Tariff Income (Rs Crore) as submitted by the Petitioner

| Particulars | MYT | Petition |
|-------------------|------|----------|
| Non-Tariff Income | 7.46 | 7.46 |

Commission's Analysis

7.78 On scrutinizing and analysing the data, material, information available on record, the Commission provisionally approves the NTI as Rs 2.50



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Crore for FY 2024-25 as approved in true-up for earlier in this order, subjected to truing up on the actual basis.

Table 122: Non-Tariff Income (Rs Crore) as approved by the Commission

| Particulars | MYT | Petition | Approved |
|--------------------------|-------------|-------------|-------------|
| Non-Tariff Income | 7.46 | 7.46 | 2.50 |

Revenue

Petitioner's Submission

7.79 The Petitioner has submitted that the Revenue from Sale of Power is Rs 2,114.83 Crore for FY 2024-25 as shown below, subjected to prudent check at the time of true-up based on actual.

Table 123: Revenue (Rs Crore) as submitted by the Petitioner for FY 2024-25

| Particulars | Petition |
|----------------|----------------|
| Revenue | 2114.83 |

Commission's Analysis

7.80 On scrutinizing and analysis information available on record, the Commission has computed the Revenue from Sale of Power as Rs 2120.44 crore, subject to prudent check at the time of true-up on actuals basis.

Table 124: Revenue (Rs Crore) as approved by the Commission for FY 2024-25.

| Particulars | Petition | Approved |
|----------------|----------------|----------------|
| Revenue | 2114.83 | 2120.44 |

Summary of Annual Revenue Requirement and Gap/(Surplus)

Petitioner's Submission

7.81 The Petitioner has projected a Revenue Surplus of Rs. (193.60) Crore for FY 2024-25 based on projected energy sales, consumer, and connected load.



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

Commission's Analysis

7.82 On consideration of the submission and details furnished by the Petitioner, the Commission approves the ARR and Gap/(Surplus) for FY 2024-25 which is summarized below:

Table 125: Summary of ARR (Rs Crore) as approved by the Commission.

| Particulars | MYT | Petition | Approved |
|---|-----------------|-----------------|-----------------|
| Net Power Purchase Cost | 1,446.98 | 1,747.08 | 1,704.78 |
| <i>Power Purchase Cost</i> | 1,446.98 | 1,837.67 | 1,704.78 |
| <i>Less: Sale of Surplus power</i> | - | 90.59 | - |
| O&M Expenses after sharing of Gain/loss | 104.32 | 104.87 | 104.79 |
| Interest on Loan | 2.09 | 0.59 | 0.32 |
| Interest on Working Capital | 12.98 | 15.99 | 15.53 |
| Financing Cost of DPS FY 2020-21 | | 0.00 | - |
| Interest on Security Deposit | 2.49 | 4.79 | 4.79 |
| Depreciation | 24.99 | 23.10 | 17.51 |
| Return on Equity | 35.34 | 32.27 | 31.78 |
| Gross Aggregate Revenue Requirement | 1,629.19 | 1,928.69 | 1,879.49 |
| Less: Non-Tariff Income | 7.46 | 7.46 | 2.50 |
| Aggregate Revenue Requirement | 1,621.73 | 1,921.23 | 1,876.98 |
| Revenue from sale of Power @ Existing Tariff | | 2,114.83 | 2,120.44 |
| Net Revenue Gap/(Surplus) | | (193.60) | (243.46) |

7.83 The Commission has approved the treatment of the Gap/(Surplus) at existing tariff in **Chapter 8** of this Order.



Chapter 8: Cumulative Revenue Gap/(Surplus) till FY 2024-25

Revenue Gap/(Surplus)

Petitioner's Submission

- 8.1 The Petitioner has considered the Revenue Gap/(Surplus) of Rs 760.64 crores till FY 2019-20 as approved by the Commission in Tariff Order dated November 24, 2022. This however does not include the carrying cost for the Year FY 2016-17 and FY 2017-18 for which the petitioner has made an appeal.
- 8.2 Further, the Petitioner has submitted the Revenue Gap/(Surplus) of Rs 646.10 crores till FY 2021-22 as approved by the Commission in Tariff Order dated September 29, 2023. This however does not include the carrying cost & few other costs of FY 2016-17 and FY 2017-18 (approximately Rs 330 crores for both the years) for which the petitioner has filed an appeal in the Hon'ble APTEL. The Petitioner prayed to kindly consider the impact of APTEL order whenever the same is decided by Hon'ble APTEL.
- 8.3 Based on the above submission, the Petitioner has submitted the projected cumulative Revenue Gap/(Surplus) till FY 2024-25 at existing Tariff, is tabulated below:

Table 126: Cumulative Revenue Gap (Rs. Crore) till FY 2024-25 as submitted by the Petitioner

| Particulars (All figures in Rs. Cr.) | FY 16-17 | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Opening revenue gap/(surplus) as on 1st April of FY | 1,269.38 | 1,156.22 | 814.31 | 788.14 | 760.64 | 645.39 | 646.10 | 676.63 | 595.26 |
| Revenue gap/(surplus) created during the year | (106.35) | (321.65) | (118.30) | (118.95) | (192.64) | (63.71) | (35.45) | (153.36) | (193.60) |
| Closing revenue gap/(surplus) at the end of year | 1,163.03 | 834.57 | 696.01 | 669.19 | 568.00 | 581.68 | 610.65 | 523.26 | 401.66 |
| Rate of interest | 12.80% | 12.60% | 12.20% | 12.55% | 11.65% | 10.50% | 10.50% | 12.00% | 12.00% |
| Carrying cost on opening gap/(surplus) | - | - | 99.35 | 98.91 | 88.61 | 67.77 | 67.84 | 81.20 | 71.43 |
| Carrying cost on gap/(surplus) created during FY | (6.81) | (20.26) | (7.22) | (7.46) | (11.22) | (3.34) | (1.86) | (9.20) | (11.62) |
| Total gap/(surplus) including carrying cost | 1,156.22 | 814.31 | 788.14 | 760.64 | 645.39 | 646.10 | 676.63 | 595.26 | 461.47 |

- 8.4 The Petitioner has further submitted that at existing tariff the cumulative revenue Gap at the end of FY 2024-25 is expected to be at Rs 461.47



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

crores. The Petitioner also emphasis that to liquidate the same in a timely manner appropriate tariff increase is extremely essential.

8.5 The Petitioner has further submitted that the Commission had subsequently changed the methodology for computing load factor rebate resulting into reduction of the effect of actual tariff allowed.

Commission’s Analysis

8.6 The Commission has taken the Revenue Gap as Rs. 646.09 Crore till Truing up for FY 2021-22 as approved in Tariff Order September 29, 2023.

8.7 Based on the approved value of Truing up for FY 2022-23 and APR for FY 2023-24 the cumulative Revenue Gap/(Surplus) approves by the Commission till FY 2023-24 is given below:

Table 127: Cumulative Gap/(Surplus) (in Rs Crore) as approved by the Commission

| Particulars | FY 2022-23 | FY 2023-24 |
|--|---------------|---------------|
| Opening Gap/(Surplus) | 646.09 | 665.29 |
| Revenue Gap/(Surplus) during FY | (46.22) | (159.98) |
| Rate of Carrying Cost (%) | 10.50% | 12.00% |
| Carrying Cost on Opening Revenue Gap/(Surplus) | 67.84 | 75.04 |
| Carrying Cost on Revenue Gap/(Surplus) during FY | (2.43) | (19.20) |
| Closing Revenue Gap/(Surplus) | 665.29 | 561.15 |

8.8 Based on the approved ARR and revenue from existing tariff, the Commission has approved the Revenue Gap/(Surplus) for FY 2024-25 as shown below:

Table 128: Revenue Gap/(Surplus) (in Rs Crore) as approved by the Commission

| Particulars | FY 2024-25 |
|--|-----------------|
| ARR for FY 2024-25 | 1,876.98 |
| Revenue from sale at existing Tariff | 2,120.44 |
| Revenue Gap/(Surplus) during FY 2024-25 | (243.46) |



True-up for FY 2022-23, APR for FY 2023-24, and ARR & tariff for FY 2024-25

8.9 Further, taking into account of Trued-up for FY 2022-23, APR for FY 2023-24 and above surplus for FY 2024-25, the Commission hereby approves the Cumulative Closing Revenue gap/(Surplus) for FY 2024-25 is given below:

Table 129: Cumulative Gap/(Surplus) (in Rs Crore) as approved by the Commission

| Particulars | Approved |
|--|-----------------|
| Opening Gap/(Surplus) FY 2024-25 | 561.15 |
| Revenue Gap/(Surplus) during FY 2024-25 | (243.46) |
| Rate of Carrying Cost (%) | 12.00% |
| Carrying Cost on Opening Revenue Gap/(Surplus) | 60.03 |
| Carrying Cost on Revenue Gap/(Surplus) during FY 2024-25 | (29.21) |
| Closing Revenue Gap/(Surplus) | 348.51 |

8.10 The Commission has observed that Cumulative Revenue Gap till 2024-25 stands at Rs 348.51 Crore.

8.11 The Commission, in this order, has approved a net surplus from the recovery of the existing tariff for FY 2024-25. Accordingly, the Commission is of the opinion that there is no need for a tariff hike in any category. Therefore, the Commission has decided not to increase the tariff for any consumer category.

8.12 The Tariff Schedule approved by the Commission for FY 2024-25 is detailed in **Chapter 13** of this Order.



Chapter 9: OPEN ACCESS CHARGES

- 9.1 As per the provisions of Electricity Act 2003 the distribution licensees are mandated to provide the open access to consumers. Nationwide, the present tariff structure has cross subsidization mechanism whereby the tariff for some category of consumers are lower than cost of supply to them.
- 9.2 Open Access consumers are required to pay the cost of wheeling along-with cross subsidy surcharge and additional surcharge etc. as may be applicable depending upon the voltage level at which open access power is availed and the charges as may be approved by Hon'ble Commission from time to time.
- 9.3 As per Section 2 (47) of the Electricity Act 2003 defines "Open Access", while Section 42 of the said Act inter-alia mandates the Distribution Licensee to provide Open Access to eligible consumers, subject to payment of "Cross Subsidy Surcharge", "Additional Surcharge" & other applicable charges.
- 9.4 Section 42 (2) of the Electricity Act 2003 provides following provisions wherein the powers have been given to State Commissions for specifying cross subsidy surcharge. The relevant part of the same is reproduced as under:

"The State Commission shall introduce open access in such phases and subject to such conditions, (including the cross subsidies, and other operational constraints) as may be specified within one year of the appointed date by it and in specifying the extent of open access in successive phases and in determining the charges for wheeling, it shall have due regard to all relevant factors including such cross subsidies, and other operational constraints:

Provided that such open access shall be allowed on payment of a surcharge in addition to the charges for wheeling as may be determined by the State Commission:

Provided further that such surcharge shall be utilised to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee:

Provided also that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission:

Provided also that such surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use."



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“to provide non-discriminatory open access to its transmission system for use by- (i) any licensee or generating company on payment of the transmission charges; or (ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:

Provided that such surcharge shall be utilised for the purpose of meeting the requirement of current level cross-subsidy:

Provided further that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission:

Provided also that the manner of payment and utilisation of the surcharge shall be specified by the State Commission:”

9.5 Further, Section 86 of electricity act 2003, deals with the functions of State Commission and its sub-section (1) (a) reads as follows:

"86. (1) The State Commission shall discharge the following functions, namely: (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;”

9.6 As per Clause 2.2 of the Tariff Regulations, 2020, the Commission shall determine wheeling tariff, cross-subsidy surcharge, additional surcharge and other Open Access (OA) related charges. The relevant extract of the Regulations has been reproduced below:

“2.2

..... Provided further that where any category of consumer has been permitted open access under Section 42 of the Act, the Commission shall determine the wheeling tariff, cross-subsidy surcharge, additional surcharge and other open access related charges in accordance with these Regulations and JSERC (Intra State Open Access) Regulations, 2016, as amended from time to time;”

9.7 As per the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016, the OA charges includes Wheeling Charges, Wheeling Losses, Cross Subsidy Surcharge, and Additional Surcharge.

9.8 The Petitioner has submitted its proposal for the determination of Wheeling Charge, Cross Subsidy Surcharge and Additional Surcharge for FY 2024-25. The following Sections summarize the Petitioner’s submission and Commission’s analysis thereof:

Wheeling Charges

Petitioner’s Submission

9.9 The Petitioner has submitted that it has considered the allocation ratio for Wheeling and Retail Supply business in accordance with Clause 6.8 of the Tariff Regulations, 2020. Accordingly, the allocation for wire and supply business for each ARR component for FY 2024-25 is reproduced below:

Table 130: Segregation of ARR and Wheeling Charges as submitted by the Petitioner.

| S. No. | Particulars | Retail ARR (%) | Wheeling ARR (%) | Revised Estimates of Retail ARR (Rs. Cr.) | Revised Estimates of Wheeling ARR (Rs. Cr.) |
|-----------|---------------------------------------|----------------|------------------|---|---|
| 1 | Power Purchase Cost | 100% | 0% | 1,730.45 | - |
| 2 | O&M Expenses | | | | - |
| (a) | Employee Expenses | 40% | 60% | 13.95 | 20.93 |
| (b) | A&G Expenses | 50% | 50% | 18.43 | 18.43 |
| (c) | R&M Expenses | 10% | 90% | 3.31 | 29.81 |
| (e) | Petition Filing Fees | 50% | 50% | - | - |
| (f) | CGRF Expenses | 50% | 50% | - | - |
| 3 | Depreciation | 10% | 90% | 2.31 | 20.79 |
| 4 | Interest on Long Term Loan | 10% | 90% | 0.06 | 0.53 |
| 5 | Interest on Working Capital Loan | 90% | 10% | 14.24 | 1.58 |
| 6 | Interest on Consumer Security Deposit | 100% | 0% | 4.79 | - |
| 7 | Return on Equity | 10% | 90% | 3.23 | 29.04 |
| 8 | Total Expenditure | | | 1,790.78 | 121.12 |
| 9 | Less: Non-Tariff Income | 90% | 10% | 6.71 | 0.75 |
| 10 | Aggregate Revenue Requirement | | | 1,784.06 | 120.37 |

Commission Analysis

9.10 The Commission has outline the ‘**clause 6.5 to Clause 6.8**’ of the Distribution Tariff Regulations, 2020 for approval of segregation of ARR into Wheeling and Retail ARR as reproduced below:



“6.5 The Licensee shall segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business.

6.6 The ARR for Wheeling Business shall be used to determine Wheeling Tariff and the ARR for Retail Supply Business shall be used to determine Retail Supply Tariff.

6.7 For such period until accounts are segregated, the Licensee shall prepare an Allocation Statement to apportion costs and revenues to respective business. The Allocation Statement, approved by the Board of Directors of the Licensee, shall be accompanied with an explanation of the basis and methodology used for segregation, which should be consistent over the Control Period.

6.8 In case clear and reasoned methodology for allocation is not submitted by the Distribution Licensee, the Commission may consider the segregation as approved for the previous Control Period as specified below or may decide on the manner in which such allocation can be done;”

9.11 Further, in absence of segregated accounts, the Petitioner is required to submit an allocation statement duly approved by the Board of Directors accompanied with an explanation of the basis and methodology used for segregation as stipulated in provision of JSERC Distribution Tariff Regulation 2020.

9.12 Based on above discussion the Commission approves the segregation of ARR into Wheeling (wire) and Retail (supply) Business for FY 2024-25 is tabulated hereunder:



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Table 131: Segregation of ARR and Wheeling Charges as approved by the Commission for FY 2024-25.

| Particulars | Share of Wheeling Business (%) | Share of Retail Business (%) | Wheeling Business ARR (Rs. Cr.) | Retail Business ARR (Rs. Cr.) | ARR (Rs Cr.) |
|--|--------------------------------|------------------------------|---------------------------------|-------------------------------|-----------------|
| Power Purchase Cost | 0% | 100% | - | 1,704.78 | 1,704.78 |
| Net O&M Expenses | | | 68.97 | 35.81 | 104.79 |
| <i>Employee Expenses</i> | 60% | 40% | 20.40 | 13.60 | 34.00 |
| <i>A&G Expenses</i> | 50% | 50% | 18.67 | 18.67 | 37.35 |
| <i>R&M Expenses</i> | 90% | 10% | 29.66 | 3.30 | 32.95 |
| <i>Petition Filing Charges & CGRF Expenses</i> | 50% | 50% | 0.24 | 0.24 | 0.49 |
| <i>Less: Sharing of Gain</i> | | | | - | |
| Interest on Loan | 90% | 10% | 0.28 | 0.03 | 0.32 |
| Interest on Working Capital | 10% | 90% | 1.55 | 13.98 | 15.53 |
| Financing Cost of DPS FY | 10% | 90% | - | - | - |
| Interest on Security Deposit | 0% | 100% | - | 4.79 | 4.79 |
| Depreciation | 90% | 10% | 15.75 | 1.75 | 17.51 |
| Return on Equity | 90% | 10% | 28.60 | 3.18 | 31.78 |
| Gross Aggregate Revenue Requirement | | | 115.16 | 1,764.32 | 1,879.49 |
| Less: Non-Tariff Income | 10% | 90% | 0.25 | 2.25 | 2.50 |
| Aggregate Revenue Requirement | 6.25% | 93.75% | 114.91 | 1,762.07 | 1,876.98 |

9.13 In the absence of asset register, to estimate the ratio of fixed assets at various voltage levels, the Commission has considered the network details of the Petitioner as submitted along with the Petition. The 400 kV asset and common assets are distributed among the other voltage level assets based on the estimated sales for FY 2024-25.

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Table 132: Segregation of ARR and Wheeling Charges for FY 2024-25 as approved by the Commission

| Voltage Level | Asset Segregation | Asset Segregation (%) | Segregation of ARR | Sale (%) |
|-----------------|-------------------|-----------------------|--------------------|----------|
| LT | 105.64 | 17.77% | 20.42 | 9.37% |
| HT (upto 11kV) | 102.31 | 17.21% | 19.77 | 12.93% |
| HT (above 11kV) | 386.66 | 65.03% | 74.73 | 77.70% |
| Total | 594.61 | | 114.91 | |

9.14 Based on the above, the Voltage-wise Wheeling Charges for FY 2024-25 as approved by the Commission has been tabulated below:

Table 133: Cost stacking on the basis of energy sale as approved by the Commission.

| Voltage level | Voltage-wise ARR Allocation | Cost stacking on the basis of energy sales | | |
|-----------------|-----------------------------|--|----------------|-----------------|
| | | LT | HT (upto 11kV) | HT (above 11kV) |
| LT | 20.42 | 20.42 | | |
| HT (upto 11kV) | 19.77 | 8.31 | 11.47 | |
| HT (above 11kV) | 74.73 | 7.00 | 9.66 | 58.06 |
| Total | 114.91 | 35.72 | 21.13 | 58.06 |

Table 134: Wheeling Tariff as approved by the Commission for FY 2024-25.

| Voltage Level | ARR (Rs. Cr.) | Sales (MUs) | Wheeling Tariff (Rs./kWh) |
|-----------------|---------------|----------------|---------------------------|
| LT | 35.72 | 299.42 | 1.19 |
| HT (upto 11kV) | 21.13 | 413.35 | 0.51 |
| HT (above 11kV) | 58.06 | 2484.00 | 0.23 |
| Total | 114.91 | 3196.78 | 0.36 |

Cross Subsidy Surcharge

9.15 The Petitioner has determined the Cross-Subsidy Surcharge as per the methodology outlined in National Tariff Policy 2016. Further, the petitioner has submitted that the methodology keeps the interest of distribution companies as well as consumers in mind while determining a mathematical formula, thus ensuring the competition in electricity through open access is not constrained.



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9.16 The Petitioner has submitted the cross subsidy surcharges as per the formula and methodology adopted by the Hon’ble Commission in previous tariff order, CSS for consumers connected to TSL is calculated on proposed tariffs as shown below:

Table 135: Cross Subsidy Surcharges as submitted by the Petitioner for FY 2024-25

| Consumer Categories | Voltage Level | T-Tariff Payable ABR (Rs/kWh) | C-Power Purchase Cost (Rs/kWh) | L-System losses for applicable voltage (%) | D-Wheeling Charges (Rs/kWh) | R- per unit cost of carrying Regulatory assets | Cross Subsidy Surcharge (Rs/kWh) | Cross Subsidy Surcharge considering 20% limit (Rs/kWh) |
|------------------------------|---------------|-------------------------------|--------------------------------|--|-----------------------------|--|----------------------------------|--|
| Domestic | LT | 5.38 | 4.96 | 11.00% | 1.27 | 0.24 | 0.00 | - |
| Commercial | LT | 7.76 | 4.96 | 11.00% | 1.27 | 0.24 | 1.28 | 1.28 |
| Domestic - HT | HT | 6.56 | 4.96 | 2.20% | 0.56 | 0.24 | 0.00 | - |
| Industrial - HTIS | 6.6 KV HT | 7.93 | 4.96 | 2.20% | 0.56 | 0.24 | 2.17 | 1.59 |
| | 33 KV HT | 7.93 | 4.96 | 1.95% | 0.27 | 0.24 | 2.46 | 1.59 |
| | 132 KV HT | 7.93 | 4.96 | 0.70% | 0.16 | 0.24 | 2.57 | 1.59 |
| Street Light | LT | 7.25 | 4.96 | 11.00% | 1.27 | 0.24 | 0.00 | - |
| Railway Traction Services, | 132kV HT | 7.93 | 4.96 | 2.20% | 0.16 | 0.24 | 2.57 | 1.59 |
| Military Engineering Service | 6.6 KV HT | 9.74 | 4.96 | 2.20% | 0.56 | 0.24 | 3.98 | 1.95 |
| LTIS | LT | 7.75 | 4.96 | 11% | 1.27 | 0.24 | 1.28 | 1.28 |

Commission Analysis

9.17 The Commission has outlined the ‘**clause 21.5**’ of JSERC (Terms and Conditions for Intra-State Open Access) Regulations, 2016, and ‘**clause 10.62**’ of JSERC Distribution Tariff Regulation 2020 while approving the Cross-Subsidy Surcharge (CSS) for approval of cross subsidy surcharge:

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



“10.62 The surcharge payable by consumers opting for open access on the network of the Licensee will be determined by the Commission as per the following formula:

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

Where,

S is the surcharge;

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

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

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

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

R is the per unit cost of carrying regulatory assets:

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

9.18 The Commission has computed the weighted average purchase cost for CSS computation works out to Rs 5.15 per unit by considering the Power Purchase Cost of Rs. 1,704.78 Crore and Power Purchase Quantum of 3,311.25 MU as approved by the Commission for FY 2024-25 earlier in ARR chapter of this Order.

9.19 Based on the above submission, discussion and provision stipulated in National Tariff Policy 2016, JSERC Distribution Tariff Regulation 2020 and amendments thereof the Commission approves the cross subsidy surcharges as shown below:



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Table 136: Cross Subsidy Surcharges as approved by the Commission for FY 2024-25

| Category | Voltage Level | T-Tariff Payable ABR (Rs/kWh) | C-Power Purchase Cost (Rs/kWh) | L-System losses for applicable voltage (%) | D-Wheeling Charges (Rs/kWh) | R- per unit cost of carrying Regulatory assets | Cross Subsidy Surcharge (Rs/kWh) | Cross Subsidy Surcharge considering 20% limit (Rs/kWh) |
|------------------------------|---------------|-------------------------------|--------------------------------|--|-----------------------------|--|----------------------------------|--|
| Domestic | LT | 3.01 | 5.15 | 11.00% | 1.19 | 0.19 | 0.00 | |
| Commercial | LT | 5.21 | 5.15 | 11.00% | 1.19 | 0.19 | 0.00 | |
| Domestic - HT | HT | 6.29 | 5.15 | 2.20% | 0.51 | 0.19 | 0.44 | 0.44 |
| Industrial-HTIS | 6.6 KV HT | 7.01 | 5.15 | 2.20% | 1.19 | 0.19 | 0.48 | 0.48 |
| | 33 KV HT | 7.01 | 5.15 | 1.95% | 0.23 | 0.19 | 1.44 | 1.40 |
| | 132 KV HT | 7.01 | 5.15 | 0.70% | 0.23 | 0.19 | 1.44 | 1.40 |
| Street Light | LT | 6.43 | 5.15 | 11.00% | 1.19 | 0.19 | 0.00 | |
| Railway Traction Services, | 132kV HT | 7.01 | 5.15 | 2.20% | 0.23 | 0.19 | 1.44 | 1.40 |
| Military Engineering Service | 6.6 KV HT | 8.01 | 5.15 | 2.20% | 0.51 | 0.19 | 2.16 | 1.60 |
| LTIS | LT | 6.64 | 5.15 | 11.00% | 1.19 | 0.19 | 0.11 | 0.11 |

Additional Surcharges

Petitioner’s Submission

9.20 The Petitioner has submitted that Section 8.5 of the Tariff Policy 2016 deals with applicability of Additional Surcharge to be paid by OA consumers, as reproduced below:

“8.5.4 The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges.”



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9.21 The Petitioner has prayed for determination of Additional Surcharge on case-to-case basis and reserves its right to approach the Commission for the same at appropriate time within the given provisions of applicable Regulations.

Commission Analysis

9.22 On Scrutinizing and analysing data, material, information on record, the Commission does not allow any Additional Surcharge and reserves its right to approach this Commission separately in this matter, if required.

Regulatory Surcharge for Open Access Consumers

Petitioner’s Submission

9.23 The Petitioner has submitted that a Regulatory Asset Surcharge ought to be levied on OA consumers to protect the interest of other consumers who shall continue to take power from the Licensee.

9.24 The Petitioner has estimated a cumulative Gap of Rs. 443.67 Cr at existing tariff by the end of FY 2024-25. With the proposed tariff a surplus of Rs. 415.60 Cr. is expected to be generated which will be used for liquidation of Regulatory Asset (Cumulative Revenue Gap). Therefore, Category wise Regulatory Asset surcharge has been proposed considering liquidation of Regulatory Assets of Rs. 415.60 Cr during FY 2024-25. Category Wise Regulatory Asset Surcharge is given in table below.

Table 137: Regulatory Asset Surcharge as Submitted by the Petitioner.

| Consumer Categories | Energy Charges for FY 2024-25 (Rs. Cr.) at proposed tariff | % of Total | Regulatory Charge (Rs. Cr.) liquidation allocation for FY2024-25 | Sales MU | Regulatory Asset Surcharge (Rs/kWhr) | Regulatory Asset Surcharge / kVAH |
|------------------------------|--|------------|---|----------|--------------------------------------|-----------------------------------|
| Domestic | 102.79 | 5% | 21.94 | 200.40 | 1.09 | |
| Commercial | 57.74 | 3% | 12.32 | 91.01 | 1.35 | |
| Domestic - HT | 50.71 | 3% | 10.82 | 86.94 | 1.24 | 1.46 |
| Industrial-HTIS | 1729.59 | 89% | 369.11 | 2339.31 | 1.58 | 1.86 |
| Street Light | 4.63 | 0.24% | 0.99 | 6.77 | 1.46 | |
| LTIS | 0.17 | 0.01% | 0.04 | 0.24 | 1.51 | 1.78 |
| Military Engineering Service | 0.79 | 0.04% | 0.17 | 1.11 | 1.52 | |



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| Consumer Categories | Energy Charges for FY 2024-25 (Rs. Cr.) at proposed tariff | % of Total | Regulatory Charge (Rs. Cr.) liquidation allocation for FY2024-25 | Sales MU | Regulatory Asset Surcharge (Rs/kWhr) | Regulatory Asset Surcharge / kVAH |
|---------------------|--|------------|---|----------------|--------------------------------------|-----------------------------------|
| Temporary | 0.96 | 0.05% | 0.20 | 1.01 | 2.03 | |
| Total | 1947.40 | | 415.60 | 2726.78 | 1.52 | |

Commission Analysis

9.25 The Commission notes that there is a Revenue Gap to be recovered by the Petitioner. However, the Petitioner has not provided any details regarding the number of OA Consumers, financial impact and proposed surcharge on OA consumers. Hence, the Commission at this juncture is not approving any Regulatory Surcharge. The Petitioner is at liberty to approach the Commission with the aforementioned details for determination of Regulatory Surcharge, if required.



Chapter 10: Proposal for Green Tariff for FY 2024-25

10.1 The Ministry of Power, Government of India has notified “the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022. On 6th June 2022 (amended on 27th Jan 2023) to facilitate use of Renewable Energy by the consumers and further accelerate India’s RE program’s. SERC’s/JERC’s vide letter dated 10.10.2022 were informed to take appropriate action for determination of Green Tariff under Rule 4 (2) (C) (c).

Petitioner Submission

10.2 The Petitioner has submitted that some of the industrial customers have approached for supplying Green Energy. Accordingly, the Petitioner is planning to procure approx. 50MW (approx.125 MUs on Annual basis) Green Energy through Competitive Bidding Process as per MoP guidelines, in addition to what petitioner is purchasing from power exchange on opportunity basis. This Energy will also be considered to meet the RPO obligation of the Licensee. The Green energy purchased from the Distribution Licensee in excess of Renewable Purchase obligation of Obligated entity shall be counted towards Renewable Purchase Obligation compliance of the Distribution Licensee. The surplus green energy available after meeting the requirement of individual consumers who has opted for Green energy tariff, will be considered for meeting the RPO obligation of the Distribution Licensee.

10.3 Furthermore, the petitioner has submitted that the prices of green Energy is not yet known; Hence, the Petitioner submits to the Hon’ble Commission to allow Green Energy tariff for various category of consumers considering additional cost of procurement and management at Rs 0.30 / Unit over and above the existing Electricity tariff applicable for that category of consumers.

10.4 The Petitioner has requested to the Hon’ble commission that it may also be authorized to provide green energy certificate to the consumers who availed Green energy at applicable Green Energy tariff.



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10.5 The petitioner has calculated Weighted Average Variable Cost of all Non RE Sources supplying power to the Licensee by considering data available Average Variable Cost of Power Purchase comes out to be Rs. 3.26 / kWh. This has been derived by considering 3 years' figures, actuals of FY22-2023, FY 23-2024 & Projections for FY24-2025.

Table 138: Analysis of Variable cost of power purchase from conventional Non-RE Sources as submitted by petitioner.

| Source | FY23 | FY24 | FY25 (Projected) |
|------------------------------------|-------------|-------------|------------------|
| | Rs/kWh | Rs/kWh | Rs/kWh |
| TPCL, Jojobera Unit 2 | 2.95 | 2.90 | 2.89 |
| TPCL, Jojobera Unit 3 | 2.92 | 2.90 | 2.78 |
| DVC 132 kV | 4.19 | 4.33 | 4.74 |
| DVC-400 Kv DSTPS Unit 1 & 2 | 3.82 | 3.38 | 3.54 |
| DVC-400 Kv MTPS Unit 7 & 8 | 3.49 | 3.37 | 3.37 |
| STOA | 4.17 | 5.55 | 5.44 |
| Captive TSL | 4.14 | 4.14 | 4.17 |
| Weighted Average Rs/kWh (B) | 3.32 | 3.23 | 3.23 |

10.6 The petitioner has calculated Weighted Average Cost of all RE Sources supplying power to the Licensee comes out to be Rs. 4.73/kWh, 3.76/kWh, and Rs 4.16/kWh for FY 2022-23, FY 2023-24, FY 2024-25 respectively.

Table 139: Analysis of cost from Renewable Energy as submitted by petitioner.

| Source | FY23 | FY24 | FY25 (Projected) |
|--------------------------------------|-------------|-------------|------------------|
| | Rs/kWh | Rs/kWh | Rs/kWh |
| Green Market (GTAM/GDAM) (A) | 4.73 | 3.76 | 4.16 |

Table 140: Different between RE & Non-RE (A-B) in Rs/kWh as submitted by petitioner.

| Source | FY23 | FY24 | FY25 (Projected) | Average |
|--|-------------|-------------|------------------|-------------|
| | Rs/kWh | Rs/kWh | Rs/kWh | |
| Difference between RE & Non-RE Power (Variable Cost) (A-B) Rs/kWh | 1.40 | 0.53 | 0.93 | 0.95 |

10.7 Based on above discussion, the Petitioner has proposed Green Energy Tariff considering promotion of Green Energy at **“Normal Tariff applicable for a consumer + Rs 0.30/Unit”**.



- 10.8 The Petitioner emphasis that based on the principle adopted by various Commission (MERC Order Case No. 226 of 2022 & MERC Order Case No: 134 of 2020, UPERC Order dated May 24, 2023 on Petition no: 1948/2023, 1945/2023, 1947/2023 and 1946/2023 of DVVNL, MVVNL, PVVNL, PUVVNL, & KESCO), Green Energy Tariff come out to be **“Normal Tariff applicable for a consumer + Rs 0.95/Unit”**.
- 10.9 Accordingly, the Petitioner has requested the Hon’ble Commission may approve Green Energy Tariff at any level between the proposed and the actual; difference between cost of RE and Non- RE (Only Variable Cost) considering the need to balance the interest of other- consumers and promotion of Green Energy.

Commission Analysis

- 10.10 In accordance with the Section 86(1)(e) of the Electricity Act, 2003, the Commission is mandated to promote adoption of Renewable Energy (RE). Therefore, the Commission has introduced Green Energy Tariff in this Order as an optional/voluntary arrangement for the consumers who are willing to procure RE Power from DISCOMs for the purpose of reducing their carbon footprint and seeking certification to this effect.
- 10.11 Such Green Tariff would be in addition to regular tariff approved in this Tariff Order. The Commission observes that the concept of Green Tariff has been well appreciated by many stakeholders across the state as it provides opportunity for consumers willing to meet their power requirement through green energy sources, however, the concept is still at nascent stage with limited participation.
- 10.12 For the calculation of the Green Energy Tariff, the Commission has introduced a formula that considers the difference between the weighted average rate of renewable energy (RE) power and the weighted average rate of the energy charge (variable charge) of non-renewable energy (Non-RE) sources.
- 10.13 Based on the above discussion the weighted average rate of renewable energy (RE) Power and the weighted average rate of energy charge



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(Variable Charge) of non-renewable (Non-RE) sources as tabulated hereunder:

Table 141: Analysis of cost from Renewable Energy as approved by the Commission.

| Source | FY23 | FY24 | FY25 (Projected) |
|--------------------------------------|--------|--------|------------------|
| | Rs/kWh | Rs/kWh | Rs/kWh |
| Green Market (GTAM/GDAM) (A) | 4.73 | 3.98 | 4.09 |

Table 142: Analysis of Variable cost of power purchase from conventional Non-RE Sources as approved by the Commission.

| Source | FY23 | FY24 | FY25 (Projected) |
|------------------------------------|-------------|-------------|------------------|
| | Rs/kWh | Rs/kWh | Rs/kWh |
| TPCL, Jojobera Unit 2 | 2.95 | 2.90 | 2.92 |
| TPCL, Jojobera Unit 3 | 2.92 | 2.88 | 2.90 |
| DVC 132 kV | 4.19 | 4.04 | 4.11 |
| DVC-400 kV DSTPS Unit 1 & 2 | 3.82 | 3.31 | 3.56 |
| DVC-400 kV MTPS Unit 7 & 8 | 3.49 | 3.20 | 3.34 |
| STOA | 4.17 | 5.24 | 4.70 |
| Captive TSL | 2.92 | 2.88 | 2.90 |
| Weighted Average Rs/kWh (B) | 3.32 | 3.13 | 3.22 |

Table 143: Different between RE & Non-RE (A-B) in Rs/kWh as approved by the Commission.

| Source | FY23 | FY24 | FY25 (Projected) |
|--|-------------|-------------|------------------|
| | Rs/kWh | Rs/kWh | Rs/kWh |
| Difference between RE & Non-RE Power (Variable Cost) (A-B) Rs/kWh | 1.41 | 0.85 | 0.87 |

10.14 Furthermore, the Commission decides to levy only 50% of charges determined above i.e. **(0.87*50%= Rs 0.43/kWh)** as Green Tariff to the Consumer opting for meeting its power requirement through RE Sources. Such Green Energy Tariff would be in addition to regular tariff approved in this Order.

10.15 All Consumer shall be eligible for opting Renewable Energy power on payment of Green Power Tariff.



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- 10.16 The Consumer will have option to select the quantum of green power to be purchased in the step of 10% and going up to 100% of the consumption.
- 10.17 The Distribution Licensee will levy Green Power Tariff only for percentage of consumption opted by the Consumer.
- 10.18 The Distribution License shall issue Annual Certificate to consumers stating percentage of power requirement of such consumer has been sourced through RE Sources.
- 10.19 The total tariff earned under “Green Energy Tariff” will be considered as a part of the revenue/tariff income of the Petitioner. Further, the Petitioner must file all details along with each ARR/Tariff filings with a list of consumers opting for it. Also, the Petitioner to ensure that the total consumption of these consumers must be met by renewable energy source.



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Chapter 11: APPROVED RETAIL TARIFF FOR FY 2024-25

Petitioner Submission

11.1 The Summary of Tariff proposed by the Petitioner is provided below:

Table 144: Summary of Tariff Proposed by the Petitioner for FY 2024-25

| Consumer Category | Existing Tariff | | | | Proposed Tariff | | | |
|---|---|------|--|------|---|------|--|------|
| | Fixed Charges | | Energy Charges | | Fixed Charges | | Energy Charges | |
| | Units | Rate | Units | Rate | Units | Rate | Units | Rate |
| DOMESTIC SERVICE | | | | | | | | |
| <i>DS-LT (0-100 Units)</i> | Rs./Conn/Month | 30 | Rs/kWh | 3.00 | Rs./Conn/Month | 33 | Rs/kWh | 3.30 |
| <i>DS-LT (Above 100 Units)</i> | Rs./Conn/Month | 65 | Rs/kWh | 5.15 | Rs./Conn/Month | 72 | Rs/kWh | 5.65 |
| <i>DS-HT</i> | Rs./kVA/Month | 85 | Rs/kVAh | 5.10 | Rs./kVA/Month | 94 | Rs/kVAh | 5.60 |
| <i>IRRIGATION & AGRICULTURE SERVICE (IAS)</i> | Rs./HP/Month | 20 | Rs/kWh | 5.00 | Rs./HP/Month | 22 | Rs/kWh | 5.50 |
| <i>COMMERCIAL SERVICES (CS)</i> | Rs./kW/Month | 120 | Rs/kWh | 5.75 | Rs./kW/Month | 132 | Rs/kWh | 6.35 |
| INDUSTRIAL SERVICES | | | | | | | | |
| <i>Low Tension Industrial Service</i> | Rs./kVA/Month | 150 | Rs/kVAh | 5.50 | Rs./kVA/Month | 165 | Rs/kVAh | 6.10 |
| <i>High Tension Industrial Service</i> | Rs./kVA/Month | 385 | Rs/kVAh | 6.30 | Rs./kVA/Month | 424 | Rs/kVAh | 6.95 |
| INSTITUTIONAL SERVICE | | | | | | | | |
| <i>Street Light</i> | Rs./kW/Month | 120 | Rs/kWh | 6.20 | Rs./kW/Month | 132 | Rs/kWh | 6.85 |
| <i>Railway Traction Services, Military Engineering Services and Other Distribution Licensees* (Excluding JUSCO)</i> | Rs./kVA/Month | 380 | Rs/kVAh | 6.25 | Rs./kVA/Month | 418 | Rs/kVAh | 6.90 |
| <i>Temporary Connection</i> | 1.5 times of the applicable fixed charges | | 1.5 times of the applicable energy charges | | 1.5 times of the applicable fixed charges | | 1.5 times of the applicable energy charges | |



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Commission Analysis

11.2 Based on the above discussions, the summary of Tariff approved by the Commission for FY 2024-25 is given below:

Table 145: Summary of Tariff Approved by the Commission for FY 2024-25.

| Consumer Category | Existing Tariff | | | | Approved Tariff | | | |
|--|---------------------------------------|------|---------------------------------------|------|---------------------------------------|------|---------------------------------------|------|
| | Fixed Charges | | Energy Charges | | Fixed Charges | | Energy Charges | |
| | Units | Rate | Units | Rate | Units | Rate | Units | Rate |
| DOMESTIC SERVICE | | | | | | | | |
| DS-LT | | | | | | | | |
| 0-100 Units | Rs./Conn/Month | 30 | Rs/kWh | 3.00 | Rs./Conn/Month | 30 | Rs/kWh | 3.00 |
| Above 100 Units | Rs./Conn/Month | 65 | Rs/kWh | 5.15 | Rs./Conn/Month | 65 | Rs/kWh | 5.15 |
| DS-HT | Rs./kVA/Month | 85 | Rs/kVAh | 5.10 | Rs./kVA/Month | 85 | Rs/kVAh | 5.10 |
| IRRIGATION & AGRICULTURE SERVICE (IAS) | Rs./HP/Month | 20 | Rs/kWh | 5.00 | Rs./HP/Month | 20 | Rs/kWh | 5.00 |
| COMMERCIAL SERVICES (CS) | - | | - | | - | | - | |
| All Units | Rs./kW/Month | 120 | Rs/kWh | 5.75 | Rs./kW/Month | 120 | Rs/kWh | 5.75 |
| INDUSTRIAL SERVICES | - | | - | | - | | - | |
| Low Tension Industrial Service | Rs./kVA/Month | 150 | Rs/kVAh | 5.50 | Rs./kVA/Month | 150 | Rs/kVAh | 5.50 |
| High Tension Industrial Service | Rs./kVA/Month | 385 | Rs/kVAh | 6.30 | Rs./kVA/Month | 385 | Rs/kVAh | 6.30 |
| INSTITUTIONAL SERVICE | - | | - | | - | | - | |
| Street Light | Rs./kW/Month | 120 | Rs/kWh | 6.20 | Rs./kW/Month | 120 | Rs/kWh | 6.20 |
| Railway Traction Services, Military Engineering Services and Other Distribution Licensees* (Excluding JUSCO) | Rs./kVA/Month | 380 | Rs/kVAh | 6.25 | Rs./kVA/Month | 380 | Rs/kVAh | 6.25 |
| Temporary Connection | 1.5 times of applicable fixed charges | | 1.5 times of applicable energy charge | | 1.5 times of applicable fixed charges | | 1.5 times of applicable energy charge | |



Chapter 12: SCHEDULE OF CHARGES FOR FY 2024-25.

Petitioner Submission

12.1 The Petitioner has proposed no change in the Schedule for Miscellaneous Charges except Disconnection and Reconnection charges, and one new service is proposed for shutdown on customer request as shown below:

Table 146: Miscellaneous Charges as proposed by the Petitioner.

| No | Purpose | Existing Charges | Proposed Charges | Manner in which payment will be realized |
|----|--|------------------|------------------|--|
| 1 | Application fee | | | |
| | LT categories | 100 | No change | Payable with Energy Bill |
| | HT Connection | 500 | No Change | |
| 2 | Revision of Estimate on Consumer Request based on Revision in Original Application | | | |
| | LT Categories | 100 | No Change | Payable with demand note |
| | HT Connection | 500 | No Change | |
| 3 | Testing of consumers Installation ⁽¹⁾ | | | |
| | LT Supply | 100 | No change | Payable with energy bill |
| | HT Supply | 500 | No Change | |
| 4 | Meter test when accuracy disputed by consumer ⁽²⁾ | | | |
| | Single/ Three Phase | 100 | 505 | Payable with request for testing |
| | Trivector/Special Type Meter, HT, EHT Metering Equipment | 1000 | 1500 | |
| 5 | Removing/Refixing of meter/ Changing of meter/meter equipment/fixing of sub meter on the request of the customer/fixing of sub meter/ Resealing of Meter when meter seals are found broken. | | | |
| | Single / Three Phase | 200 | No Change | Payable with energy bill |
| | Trivector/Special type meter/ HT / EHT Meter/Metering equipment | 1000 | No Change | |
| 6 | Replacement of meter card, if | 100 | No Change | Payable with Energy Bill |



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| No | Purpose | Existing Charges | Proposed Charges | Manner in which payment will be realized |
|----|--|---|------------------|---|
| | lost or damaged by Consumer | | | |
| 7 | Fuse call- Replacement /RCBO Tripping Call- Replacement. | | | |
| | Consumer fuse/ RCBO attending | 100 | 100 | Payable with energy bill |
| 8 | Disconnection / Reconnection | | | |
| | LT Connection | 200 | | Payable in advance along with the consumer request. |
| | HT Connection | 1500 | | |
| 9 | Replacement of Burnt Meter/ MCCB/ RCBO/ Catenary/Switches or any it her items | Cost of meter or other items replaced | No change | Payable with Energy Bill |
| 10 | Security Deposit | As per JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time | | |
| 11 | Transformer Rent ⁽³⁾ | | | |
| | Up to 200 kVA | 5500/Month | No Change | Payable with energy bill |
| | Above 200 kVA | 7500/Month | No Change | |
| 12 | Shutdown on Consumer Request - | | | |
| | LT Connection | NA | 200 | Payable with energy bill; Considering visit twice per shutdown request (Power disconnection & reconnection) |
| | LT Industrial | NA | 1000 | |
| | HT Industrial | NA | 2000 | |

(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) 3Applicable for 6-month duration from the date of taking the transformer on rent, thereafter monthly escalation of 10% would be applicable.

Commission Analysis

12.2 The Commission has analysed the various aspects of these charges and the Schedule of Miscellaneous Charges applicable to other Distribution Licensee in the State of Jharkhand. The Commission observes that the Schedule of Miscellaneous Charges are already specified in the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time. However, since the Commission had approved the Miscellaneous Charges in the Tariff Order dated September 29, 2023, the Commission



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has not approved any change in Miscellaneous Charges in this Order as reiterated in **Chapter 13** of this Order and any changes in the Charges shall be revised in the amendment of the Supply Code Regulations.



Chapter 13: TARIFF SCHEDULE

APPLICABLE FROM 01.07.2024

Consumer Tariff

Celling Tariff

The Tariffs approved below are Ceiling Tariffs and the Licensees are at the liberty to Supply at lower and more competitive rates based on the requirement of the Consumers. However, this reduced recovery shall be attributable to the Licensee and shall not be recoverable in the ARR.

Domestic Service- Rural and Urban

Applicability:

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

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

This rate is also applicable for all consumers with contracted demand of up to 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.



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Domestic Service -Urban: areas covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Service Character:

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

Tariff:

| Category | Fixed Charge | | Energy Charge | |
|------------------------------|-----------------|-------|---------------|------|
| | Unit | Rate | Unit | Rate |
| LT-Rural/Urban (0-100) Units | Rs./Conn./month | 30.00 | Rs./kWh | 3.00 |
| LT-Rural/Urban (>100) Units | Rs./Conn./month | 65.00 | Rs./kWh | 5.15 |

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** 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 6.6 kV, 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 6.6 kV, 11 kV or 33 kV

Tariff:

| Category | Fixed Charge | | Energy Charge | |
|----------|---------------|-------|---------------|------|
| | Unit | Rate | Unit | Rate |
| DS-HT | Rs./kVA/month | 85.00 | Rs./kVAh | 5.10 |

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 14** of this Tariff Order.



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Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order



Irrigation & Agriculture Service (IAS)

Applicability:

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

Service Character:

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

Tariff:

| Category | Fixed Charge | | Energy Charge | |
|----------|--------------|-------|---------------|------|
| | Unit | Rate | Unit | Rate |
| IAS | Rs./HP/month | 20.00 | Rs./kWh | 5.00 |

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.



Commercial Service:

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 area indicated for Commercial Service Urban.

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



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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 Charge | | Energy Charge | |
|-------------------------|--------------|--------|---------------|------|
| | Unit | Rate | Unit | Rate |
| Commercial- Rural/Urban | Rs./kW/month | 120.00 | Rs./kWh | 5.75 |

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

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 14** 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 14** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.



Low Tension Industrial Service:

Applicability:

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

Service Character:

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

Tariff:

| Category | Fixed Charge | | Energy Charge | |
|----------|---------------|--------|---------------|------|
| | Unit | Rate | Unit | Rate |
| LTIS | Rs./kVA/month | 150.00 | Rs./kVAh | 5.50 |

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

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 14** 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 14** of this Tariff Order.



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Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.



HT Service:

Applicability:

High Tension Service (HTS): All the consumers drawing power at voltage level at 6.6 kV and above except Domestic-HT and HT- Institutional Consumers.

Service Character:

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

Tariff

| Category | Fixed Charge | | Energy Charge | |
|----------|---------------|------|---------------|------|
| | Unit | Rate | Unit | Rate |
| HTS | Rs./kVA/month | 385 | Rs./kVAh | 6.30 |

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding 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 14** of this Tariff Order.

Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Voltage Rebate: In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

TOD Tariff: In accordance with **Clause VII: ToD Tariff** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.



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Street Light:

This tariff schedule shall apply for use of Street Lighting system.

Applicability:

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

Service Character:

Street Light Service (SS): AC, 50 cycles, Single phase at 230 Volts or Three phase at 400 Volts

Tariff:

| Category | Fixed Charge | | Energy Charge | |
|--------------|--------------|------|---------------|------|
| | Unit | Rate | Unit | Rate |
| Street Light | Rs./kW/month | 120 | Rs./kWh | 6.20 |

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order



HT Institutional Service:

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

Applicability:

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

Other Distribution Licensees: This tariff schedule shall apply to other distribution licensees procuring power from the Licensee (except JUSCO, which shall continue to procure power as per the prevailing arrangement) for the sole purpose of supplying it to its consumers. It is clarified that such tariff shall not be applicable for the quantum of power utilised in industrial units owned by it or its parent or affiliate company.

Service Character:

Railway Traction Service (RTS): AC, 50 cycles, Single phase at 25 kV/132 kV.

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

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

Tariff:

| Category | Fixed Charge | | Energy Charge | |
|--------------------------|---------------|------|---------------|------|
| | Unit | Rate | Unit | Rate |
| HT Institutional Service | Rs./kVA/month | 380 | Rs./kVAh | 6.25 |

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 14** of this Tariff Order.



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Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Voltage Rebate: In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Rebate for Prompt Payment: In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

TOD Tariff: In accordance with **Clause VII: ToD Tariff** as provided in **Chapter** on Terms & Conditions of Supply as provided in **Chapter 14** 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 buys power from DVC then the onus to comply with RPO will be with DVC only.



Temporary Connection:

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 and amendment thereof.

(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 Charge | Energy Charge |
|----------------------------------|---|---|
| | Rate | Rate |
| Temporary Connection (all Units) | 1.5 times of the applicable fixed charges | 1.5 times of the applicable energy charge |



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Tariff to be paid by the Licensee for Gross/Net Metering of rooftop Solar PV project

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 such eligible consumers of the Petitioner shall be issued separately by the Commission and till the time such order is issued; the existing rate shall continue to be valid.

Table 147: Miscellaneous Charges as approved by the Commission

| No | Purpose | Scale of Charges | Payment Realisation |
|----|--|------------------|--------------------------|
| 1 | Application fee | | |
| | LT categories | 100 | Payable with Energy Bill |
| | HT Connection | 500 | |
| 2 | Revision of Estimate on Consumer Request based on Revision in Original Application | | |
| | LT Categories | 100 | Payable with energy bill |
| | HT Connection | 500 | |
| 3 | Testing of consumers Installation ⁽¹⁾ | | |
| | LT Supply | 100 | Payable with energy bill |
| | HT Supply | 500 | |
| 4 | Meter test when accuracy disputed by consumer ⁽²⁾ | | |
| | Single/ Three Phase | 100 | Payable with energy bill |
| | Trivector/Special Type Meter, HT, EHT Metering Equipment | 1000 | |
| 5 | Removing/Refixing of meter/ Changing of meter/meter equipment/fixing of sub meter on the request of the customer/fixing of sub meter/ Resealing of Meter when meter seals are found broken. | | |
| | Single / Three Phase | 200 | Payable with energy bill |
| | Trivector/Special type meter/ HT / EHT Neter/Metering equipment | 1000 | |
| 6 | Replacement of meter card, if lost or damaged by Consumer | 100 | Payable with Energy Bill |
| 7 | Fuse call- Replacement /RCBO Tripping Call- Replacement. | | |



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| No | Purpose | Scale of Charges | Payment Realisation |
|----|---|---|--|
| | Consumer fuse/ RCBO attending | 100 | Payable with energy bill |
| 8 | Disconnection / Reconnection | | |
| | LT Connection | 200 | Payable in advance along with the consumer request. In case, the same consumer is reconnected or disconnected within 12 months, 50% will be charges extra. |
| | HT Connection | 1500 | |
| 9 | Replacement of Burnt Meter/ MCCB/ RCBO/ Catenary/Switches or any other items | Cost of meter or other items replaced | Payable with Energy Bill |
| 10 | Security Deposit | As per JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time | |
| 11 | Transformer Rent ⁽³⁾ | | |
| | Up to 200 kVA | 5500/Month | Payable with energy bill |
| | Above 200 kVA | 7500/Month | |
| 12 | Shutdown on Consumer Request - | | |
| | LT Connection | NA | - |
| | LT Industrial | NA | - |
| | HT Industrial | NA | - |

- (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.



Chapter 14: TERMS AND CONDITION 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 the 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 amended 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.

Clause IV: Voltage Rebate

Voltage Rebate* will be applicable on Energy Charge 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% |



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| Consumer Category | Voltage Rebate* |
|-----------------------------|------------------------|
| HTS.HT Institutional-132 kV | 5.00% |

**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



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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.

Note: As for example if a bill is issued on the 1st day of any month, the 5 days will be counted from the 2nd day of the month, i.e. the 6th day of the month will be the end date for availing the rebate.



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. TSL to include the same in the consumer's bill and recover the Fixed Charges only in proportion to the hours of supply as per the meter. The cut off hours for complete recovery from Fixed/Demand Charges shall be 21 hours per day for LT consumers and 23 hours per day for HT Consumers.

Provided that the planned outages/Rostering in the network that are uploaded on its website seven days in advance with a copy to the Commission and intimation to the respective consumers shall be excluded while computing scheduled supply hours.

Provided that any reduction in recovery of Fixed/Demand Charges on account of lower than stipulated hours of supply shall not be claimed as a part of the ARR. Any reduction in the Fixed/Demand Charges shall be considered as a compensation to be paid to the Consumer by the Licensee.



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The Commission directs the Petitioner to 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 following the issuance of this Order.

Point of Supply

The Power supply shall normally be provided at a single point for the entire premises. In certain categories like coal mines power may be supplied at more than one point on request of consumer subject to technical feasibility. But in such cases metering and billing shall be done separately for each point.

Dishonoured Cheques

In terms of Clause 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 Delayed Payment Surcharge shall be levied extra as per the applicable terms and conditions of Delayed 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 Load/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 Consumer-<132kV | 0.30 |
| HT Consumer- >132kV | 0.50 |



Sale of Energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/entity. In case of DS-HT consumers, who supply power to individual households, the average per unit charges billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Release of New Connections

No new connections shall be provided without appropriate meter.

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.



Chapter 14: STATUS OF EARLIER DIRECTIVES

14.1 The directives issued by the Commission in its earlier Orders, its compliance by the Petitioner and further view of the Commission on compliance is tabulated below:

| Directives | Status | Views of the Commission |
|---|---|--|
| Submission of Fixed Asset Register | | |
| <p>The Commission directs the Petitioner to maintain the Fixed Assets Register (FAR) considering the depreciation rates as specified in JSERC Distribution Tariff Regulations, 2020 and submit the status report to the Commission along with FAR in next tariff filing. Further, the Commission directs that the Petitioner should specifically comply with observations of statutory authorities/auditors on the matter of Verification & Monitoring of Fixed Assets/CAPEX/Inventory and Maintenance of proper records preferably in digital form for observance of statutory provisions. The Petitioner should also put in place a robust Integrated Accounts & Financial Management System to minimize the time for preparation of Annual Accounts & filing of Petitions/Business Plans/APR's. in time.</p> | <p>The petitioner submits that Fixed Asset Register (FAR) is maintained as per the depreciation rates as specified in JSERC Distribution Tariff Regulations, 2020. The soft copy of the same is being provided along with this petition. The petitioner would like to inform the Hon'ble Commission that a robust integrated Accounts & Financial Management System in the form of SAP-ERP is already in place. (For Billing and Collection: SAP-IS Utility and for Financial Management: SAP S/4 HANA)</p> | <p>The Commission has noted the submission of the Petitioner.</p> |
| Stores and scrapes | | |
| <p>The Commission directs the Petitioner to submit the Itemized details of scrapes and store items along with the estimated values within 3 months from the issue of this Order.</p> | <p>The details of stores items is given in Annexure- 20. The details of the scrap and estimated value shall be submitted to the Hon'ble Commission by the end of Dec'2023. The petitioner submits that it will review and comply to any directives issued by Hon'ble Commission on the above subject.</p> | <p>The Commission has noted the submissions of the Petitioner.</p> |



Chapter 15: DIRECTIVES

Submission of Fixed Asset Register

15.1 The Commission directs the Petitioner to maintain the Fixed Assets Register (FAR) considering the depreciation rates as specified in JSERC Distribution Tariff Regulations, 2020 and submit the status report to the Commission along with FAR in next tariff filing. Further, the Commission directs that the Petitioner should specifically comply with observations of statutory authorities/auditors on the matter of Verification & Monitoring of Fixed Assets/CAPEX/Inventory and Maintenance of proper records preferably in digital form for observance of statutory provisions. The Petitioner should also put in place a robust Integrated Accounts & Financial Management System to minimize the time for preparation of Annual Accounts & filing of Petitions/Business Plans/APR's. in time.

Stores and Scraps

15.2 The Commission directs the Petitioner to submit the Itemized details of scraps and store items along with the estimated values within 3 months from the issue of this Order.

15.3 The Petitioner is directed to review the comments of the Commission and comply with the directives issued by the Commission with utmost sincerity failing which penal action may be taken.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on June 26, 2024.

Date: 26.06.2024

Place: Ranchi

Atul Kumar
MEMBER (Technical)

Mahendra Prasad
MEMBER (Law)



Chapter 16: List of Participant

Table 148: List of participant who attend Public Hearing and submitted their Suggestions/Comments

| Sr. No. | Name | Address/Organization |
|---------|-----------------------|----------------------|
| 1. | Suman Mandal | Tata Steel USIL |
| 2. | Rites Gupta | Jamshedpur |
| 3. | Koustav Banerjee | Tata Steel USIL |
| 4. | Sharad Kumar | Tata Steel USIL |
| 5. | Nand Singh | No. 10 Basti |
| 6. | Anirban Bhattacharya | Tata Steel USIL |
| 7. | B.N Jha | Teachers Colony |
| 8. | S.S.chawala | Vijay Nagar |
| 9. | S. D. Panday | Tube Baridih |
| 10. | S. Anand Rao | Foujabagan |
| 11. | S. Panday | Jamshedpur |
| 12. | A.N. Choudhary | Tata Steel USIL |
| 13. | Rishi Chaterjee | Deloitte |
| 14. | N. Leena | Tata Steel USIL |
| 15. | Souvik Mukherjee | Deloitte |
| 16. | Sanjay Gautam | Tata Steel USIL |
| 17. | Chittaranjan Paul | Tata Steel USIL |
| 18. | Suman Deuri | Tata Steel USIL |
| 19. | Parshuram Singh Baghi | Bhaluloasa |
| 20. | Birendra Singh | New Baradwari |
| 21. | Tilak Raj | Golmuri |
| 22. | Mithilesh kr. Sinha | No 10 Basti |
| 23. | V.P. Singh | JSR |
| 24. | Varun Kumar | Adityapur |
| 25. | Maj. Vikram Thakur | Tata Steel USIL |
| 26. | Capt. Dhananjay | Tata Steel USIL |
| 27. | Yuvraj Chauhan | Tata Steel USIL |
| 28. | Yoganta Gupta | Tata Steel USIL |
| 29. | Vinaj Sharma | Tata Steel USIL |
| 30. | Lalit Dubey | Danik Bhaskar |
| 31. | Subendu Kumar | Tata Steel USIL |
| 32. | Kumar Tushar | Tata Steel USIL |
| 33. | Manish Vaishkhiya | Tata Steel USIL |
| 34. | SR Sihna | Tata Steel USIL |
| 35. | Shashi Acharya | Kadma |
| 36. | Jai Pushpit Pallav | Tata Steel USIL |
| 37. | Nirmal Kr. Singh | Tata Steel USIL |
| 38. | Sunil Kumar Singh | Tata Steel USIL |
| 39. | Ruchi Bansal | Tata Steel USIL |



| Sr. No. | Name | Address/Organization |
|---------|----------------------|-----------------------|
| 40. | Harpreet Kaur Bhamra | Tata Steel USIL |
| 41. | Kush Kumar | Tata Steel USIL |
| 42. | N.S. Walia | Tata Steel USIL |
| 43. | Amit Chaterjee | Tata Steel USIL |
| 44. | Ravi Kumar | Tata Steel USIL |
| 45. | Rajiv K. Verma | Tata Steel USIL |
| 46. | Payal Choudhary | Tata Steel USIL |
| 47. | Rahul Kr. Ash | Tata Steel USIL |
| 48. | Harendra Verma | Tata Steel USIL |
| 49. | Ajay Kumar | Tata Steel USIL |
| 50. | Ranbir Mallick | Tata Steel USIL |
| 51. | Vibha Srivastav | Tata Steel USIL |
| 52. | Bajnath Agarwal | Bhuysdih Gwala Basti |
| 53. | Gupteshwar Singh | Bhuysdih Gwala Basti |
| 54. | Kiran Kumar | Jamshedpur |
| 55. | Charan Das | TSL |
| 56. | S.S. Dubey | Baidih |
| 57. | Santosh Kuamr | Adityapur |
| 58. | Santu Hare | Tata Motors |
| 59. | T. Roy Choudhary | Kadma Prof Flat Block |
| 60. | Suvajit | Tata Steel USIL |
| 61. | Mani Pandey | Tata Steel USIL |
| 62. | Anil Kumar | Tata Steel USIL |
| 63. | GG Mondal | Tata Motors |
| 64. | Sachin | Tata Steel USIL |
| 65. | Brajesh Singh | Prabhat Khabhar |
| 66. | Gyantendra Kakay | Tata Steel USIL |
| 67. | Shoeb Ahmad | Tata Steel |
| 68. | Navin Kumar | Timken India Limited |
| 69. | Nitendra Bhatnagar | Timken India Limited |
| 70. | U.K Bhandra | Timken India Limited |
| 71. | Saomenath Mitra | Tata Steel USIL |
| 72. | Y. Prasad | Baridih |
| 73. | Bijendra Kumar | Dainik Bhaskar |
| 74. | Sayan Sakkak | Tata Steel |
| 75. | Lakra Das | Dasbasti |
| 76. | Rakesh | Sonari |
| 77. | Rudra Sinha | Sackshi |
| 78. | A.K.Tripathi | Golmuri |
| 79. | Kundan Kanth | T.E. JSR |
| 80. | Ayushi Yadav | Tata Steel USIL |
| 81. | Arbind Kumar | Town Electrical |
| 82. | Diksha | Tata Steel USIL |
| 83. | Utsav Kinda | Tata Steel USIL |

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| Sr. No. | Name | Address/Organization |
|---------|----------------------|----------------------|
| 84. | Roshan Ranjan Pandey | DVC Colony |