

Jharkhand State Electricity Regulatory Commission



Order on
True-up for FY 2020-21,
Annual Performance Review for FY 2021-22, and
Aggregate Revenue Requirement & Tariff FY 2022-23
for
Tata Steel Limited (TSL)

Ranchi,
September 29, 2023



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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.: 05 of 2022

In the matter of:

**Petition for
True-up for FY 2020-21,
Annual Performance Review for FY 2021-22, and Annual
Revenue Requirement & Tariff for FY 2022-23**

In the matter:

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

PRESENT

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

Order dated September 29, 2023

Tata Steel Limited (hereinafter referred to as 'TSL' or the 'Petitioner') has filed the Petition dated November 29, 2021 for approval of True up of FY 2020-21, Annual Performance Review for FY 2021-22, and Annual Revenue Requirement for FY 2022-23.



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 licensees 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 this 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 favorable dispensation;
- b) Pass suitable Orders with respect to its claim based on regulations and audited accounts for the True-up of ARR of Rs. 1,353.53 Crore for FY 2020-21 which is incurred by TSL for serving its consumers;
- c) Pass suitable Orders with respect to its claim based on regulations and provisional actual for first six months and revised estimate for balance six months of FY 2021-22 for ARR of Rs. 1,565.33 Crore;
- d) Pass suitable Orders with respect to its claim based on regulations and provisional account for the ARR of Rs 1,616.56 Crore for FY 2022-23
- e) Pass suitable Orders with respect to the cumulative revenue Gap/Surplus as presented in this petition;
- f) Condone the delay, if any in filing this petition;
- g) 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;
- h) 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 issued the MYT Order for the Petitioner on June 04, 2014 for True up for FY 2011-12 and FY 2012-13, determination of ARR for MYT Period from FY 2013-14 to FY 2015-16 and tariff for FY 2013-14. The Petitioner filed Review Petition against the MYT Order dated June 04, 2014 for relief under the provisions of Section 94 (1) (f) of the Act and Regulation 36 (1) of the Jharkhand State Electricity Regulatory Commission (Conduct of Business) Regulations, 2011 on July 01, 2014. The Commission on March 31, 2015 passed the Order on Review Petition.
- 2.2 The Petitioner had filed the tariff Petition for True-up for FY 2013-14, Annual Performance Review for FY 2014-15 and Revised Annual Revenue Requirement and Tariff for FY 2015-16 on November 10, 2014. The Commission on May 31, 2015 passed the Order on the said petition.
- 2.3 The Petitioner had filed the tariff Petition for Truing up for FY 2014-15 and Annual Performance Review for FY 2015-16 on January 01, 2016. As per the provisions of the Tariff Regulations, 2015, the Petitioner also filed the Business Plan for MYT Control Period from FY 2016-17 to FY 2020-21 on July 12, 2016 and the Petition for determination of Annual Revenue Requirement for Multi Year Tariff Period from FY 2016-17 to FY 2020-21 and Tariff Determination for FY 2016-17 on July 28, 2016. The Commission issued the Tariff Order on February 28, 2017.
- 2.4 The Petitioner filed the tariff Petition for True-Up for FY 2015-16, Annual Performance Review for FY 2016-17, Annual Revenue Requirement and Tariff Determination for FY 2017-18. And on May 18, 2018 the Commission passed the Tariff Order. The Review Petition against the Order dated May 18, 2018 was filed by the Petitioner whereby the Review order on September 11, 2018 passed by the Commission. The Commission passed the order on the True up for FY 2016-17 and FY 2017-18 vide its order dated May 26, 2020.
- 2.5 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 by order dated September 29, 2020.

2.6 The Commission had passed the True-up for FY 2019-20 and Annual Performance Review for FY 2020-21 by Order dated November 24, 2022.

2.7 In the Instant Petition, the Petitioner has sought Truing up for FY 2020-21, APR for FY 2021-22 and ARR & Tariff for FY 2022-23.

Information Gaps in the Petition

2.8 In exercise of Tariff determination process, several deficiencies/information gaps were found in the Petition submitted by the Petitioner and the same communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 05 of 2022/234 dated November 02, 2022.

2.9 In response the Petitioner furnished additional data/information to the Commission vide letter nos.: PBD/JSR/983/2022 dated November 17, 2022.

2.10 The Commission has scrutinized the Petition and the additional data/information furnished by the Petitioner with respect to the discrepancies identified and has considered the same while passing this Order.

Inviting Public Comments/Suggestions

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

2.12 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 TSL

Newspaper	Language	Date of Publication
Dainik Bhaskar	Hindi	28-01-2023
Hindustan Times	English	28-01-2023
Prabhat Khabhar	Hindi	29-01-2023
Sunday Times of India	English	29-01-2023



2.13 The Commission published a Public Notice on its website www.jserc.org and various newspapers allowing time till February 19, 2023 to various Stakeholders to submit their comments/suggestions and also organized a Public Hearing on July 07, 2023, for providing an additional opportunity to all the Stakeholders to submit their comments/suggestions on the said 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 Khabar	Hindi	09.06.2023, 20.06.2023, & 06.07.2023
Dainik Bhaskar	Hindi	09.06.2023, & 06.07.2023
Morning India	English	09.06.2023
Danik Jagaran	Hindi	06.07.2023
Hindustan Danik	Hindi	20.06.2023, & 06.07.2023
The Times of India	English	09.06.2023, 20.06.2023, & 06.07.2023
Morning India	English	20.06.2023, & 06.07.2023

Submission of Comments/Suggestions and Conduct of Public Hearing

2.14 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 trueing-up for FY 2020-21, Annual Performance Review for FY 2021-22, and Aggregate Revenue Requirement for FY 2022-23 as filed by the Petitioner for the Commission’s approval.

True-up for FY 2020-21:

Energy Sales

3.2 The table below summarizes the actual energy sales for FY 2020-21 as submitted by the Petitioner against the sales approved by Order dated September 29, 2020.

Table 3: Sales (in MUs) as submitted by the Petitioner for FY 2020-21

Consumer Category	ARR	Petition
Domestic	224.31	190.14
Domestic – DSHT	85.84	83.68
Commercial	77.35	82.55
LTIS	-	0.23
Total HT IS	1,990.88	1,774.65
Utilities/Street Light	84.44	7.00
Temporary Supply	1.12	0.85
Sale to JUSCO	348.95	257.94
MESRTODL	-	0.22
Sale in IEX-Power Market	-	65.33
Total Sales	2,812.89	2,462.60

Energy Balance

3.3 The Energy Balance as submitted by the Petitioner vis-a-vis as approved by the Commission vide order dated September 29, 2020 is tabulated hereunder:

Table 4: Energy Balance as submitted by the Petitioner for FY 2020-21

Particulars	ARR	Petition
Energy Requirement		
Sales to Other Licensee	348.95	257.94
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%
Distribution Loss on Sales to Other Licensee	-	-



Particulars	ARR	Petition
Energy Req. for Sales to Other Licensee	348.95	257.94
Sales to Steel Works	121.15	95.38
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	-	-
Energy Req. for Sales to Steel Works	121.15	95.38
Sale in IEX-Power Market	-	65.33
Sales to LT consumers	387.22	280.77
Sales to Other HT consumers	1,955.37	1,763.18
Total Sales to Consumers other than Steel Works & TSUISL	2,342.59	2,043.95
Dist. Losses on Sales to Other Consumers (%)	3.02%	3.14%
Dist. Losses on Sales to Other Consumers	72.91	66.24
Energy Req. for Sales to Consumers other than Steel Works & TSUISL	2,415.50	2,110.18
Overall Sales (excluding sale to IEX)	2,812.89	2,397.20
Overall Distribution Losses %	2.53%	2.69%
Overall Distribution Losses	72.91	66.24
Total Energy Requirement (excluding Sales in IEX)	2,885.80	2,463.50
Total Energy Requirement (including Sales in IEX)	2,885.80	2,528.83
Energy Available		
TPCL (Unit II and Unit III)	1,404.58	1,283.76
Damodar Valley Corporation 132kV	301.95	221.85
Damodar Valley Corporation 400kV	994.75	976.79
TSW - Captive	9.59	41.96
G-TAM	-	3.17
Open access/ other sources	174.93	1.30
Total Pooled Energy Availability	2,885.80	2,528.83

Annual Revenue Requirement

3.4 The ARR for FY 2020-21 as submitted by the Petitioner vis-a-vis as approved by the Commission in Order dated September 29, 2020 is tabulated hereunder:

Table 5: ARR (Rs. Crore) as submitted by the Petitioner for FY 2020-21

Particulars	APR	Petition
Power Purchase Cost	1,339.56	1,189.85



Particulars	APR	Petition
O&M Expenses after sharing of Gain/(Loss)	83.63	82.86
Depreciation	31.07	27.75
Interest and Finance Charges	7.30	5.04
Interest on Consumer Security Deposit	2.45	2.43
Interest on Working Capital including Funding Cost of DPS	14.23	17.49
Return on Equity	33.91	31.66
Less: Non-Tariff Income	6.76	3.55
Annual Revenue Requirement	1,505.39	1,353.53

3.5 Based on the ARR and revenue as per Audited Accounts, the Petitioner has computed the Revenue Gap/(Surplus) for FY 2020-21 which is summarized below:

Table 6: Gap/(Surplus) in Rs Crore as submitted by the Petitioner for FY 2020-21

Particulars	APR	Petition
Annual Revenue Requirement	1,505.39	1,353.53
Revenue from Sale of Power	1,797.86	1,537.75
Impact of sharing of Gain/loss on O&M	-	(3.90)
Net Revenue Gap/(Surplus)	(292.47)	(188.12)

Annual Performance Review for FY 2021-22:

Energy Sales

3.6 The table below outline the energy sales estimated by the Petitioner for FY 2021-22 vis-à-vis as approved by the Commission vide Order dated November 24, 2022:

Table 7: Sales (in MUs) as submitted by the Petitioner for FY 2021-22.

Consumer category	MYT Order	Petition
Domestic	195.82	180.16
Domestic Service - DSHT	85.03	82.00
Commercial Services	86.83	84.33
LTIS	0.23	0.23
HT Industrial Services (HTIS)	1,863.61	2,010.31
Streetlight	7.14	7.83
Temporary Supply	1.58	1.21
Sale to JUSCO	400.00	291.20
MESRTODL	-	1.11
Sale thru IEX - Power market	-	86.51
Total Sales	2,640.25	2,744.89



Energy Balance

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

Table 8: Energy Balance (in MUs) as submitted by the Petitioner for FY 2021-22.

Particulars	MYT Order	Petition
Energy Requirement		
Sales to Other Licensee	400.00	291.20
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%
Distribution on Sales to Other Licensee	0.00	-
Energy Req. for Sales to Other Licensee	400.00	291.20
Sales to Steel Works	176.32	38.25
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	0.00	-
Energy Req. for Sales to Steel Works	176.32	38.25
Sale in IEX	-	86.51
Sales to LT consumers	291.61	273.76
Sales to Other HT consumers	1,772.32	2,055.17
Total Sales to Other Consumers	2,063.93	2,328.93
Dist. Losses on Sales to Other Consumers (%)	4.81%	3.68%
Dist. Losses on Sales to Other Consumers	104.29	88.98
Energy Req. for Sales to Other Consumers	2,168.22	2,417.91
Overall Sales	2,640.25	2,658.38
Overall Distribution Losses %	3.80%	3.24%
Overall Distribution Losses	104.29	88.98
Total Energy Requirement	2,744.54	2,747.36
Energy Available		
TPCL (Unit II and Unit III)	1608.34	1528.63
Damodar Valley Corporation 132kV	317.52	212.49
Damodar Valley Corporation 400kV	845.76	1,039.27
TSW – Captive	27.08	19.33
G-TAM	-	22.30
Open access/ other sources	-	11.85
Total Pooled Energy Availability	2,744.54	2,833.87
Less: Power Sold to IEX	-	86.51
Net Pooled Energy Availability (Excl. sale to IEX)	2,744.54	2,747.36



Annual Revenue Requirement

3.8 The ARR for FY 2021-22 as submitted by the Petitioner vis-a-vis as approved in the order dated November 24, 2022 is tabulated hereunder:

Table 9: ARR (in Rs Crore) as submitted by the Petitioner for FY 2021-22

Particulars	MYT Order	Petition
Power Purchase Cost	1,273.88	1,400.00
O&M Expenses	95.22	91.56
Depreciation	21.80	28.57
Interest and Finance Charges	3.54	3.01
Interest on Consumer Security Deposit	2.29	2.28
Interest on Working Capital including Funding Cost of DPS	11.29	12.57
Return on Equity	30.83	30.62
Less: Non-Tariff Income	6.93	3.28
Annual Revenue Requirement	1,431.92	1,565.33

3.9 Based on the ARR and revenue as per existing Tariff, the Petitioner has computed the Revenue Gap/(Surplus) for FY 2021-22 as summarized below:

Table 10: Gap/(Surplus) in (Rs Crore) as submitted by the Petitioner for FY 2021-22

Particulars	MYT Order	Petition
Annual Revenue Requirement	1,627.24	1,565.33
Revenue from Sales	-	1,543.28
Revenue Gap/(Surplus)	-	22.05

Aggregate Revenue Requirement for FY 2022-23:

Energy Sales

3.10 The table below outline the energy sales estimated by the Petitioner for FY 2022-23 vis-à-vis as approved by the Commission vide MYT Order dated November 24, 2022:

Table 11: Sales (in MUs) as submitted by the Petitioner for FY 2022-23.

Consumer category	MYT Order	Petition
Domestic	201.68	189.36
Domestic Service - DSHT	86.40	89.87
Commercial Services	91.33	86.54
LTIS	0.23	0.23



Consumer category	MYT Order	Petition
HT Industrial Services (HTIS)	1,919.52	1,934.37
Streetlight	7.28	8.67
Temporary Supply	1.58	1.21
Sale to JUSCO	400.00	400.00
MESRTODL	-	1.11
Sale thru IEX - Power market	-	30.00
Total Sales	2,708.03	2,741.37

Energy Balance

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

Table 12: Energy Balance (in MUs) as submitted by the Petitioner for FY 2022-23.

Particulars	MYT Order	Petition
Energy Requirement		
Sales to Other Licensee	400.00	400.00
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%
Distribution on Sales to Other Licensee	0.00	-
Energy Req. for Sales to Other Licensee	400.00	400.00
Sales to Steel Works	176.32	176.32
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	0.00	-
Energy Req. for Sales to Steel Works	176.32	176.32
Sale in IEX	30.00	30.00
Sales to LT consumers	302.11	286.02
Sales to Other HT consumers	1,829.60	1,849.03
Total Sales to Other Consumers	2,131.71	2,135.05
Dist. Losses on Sales to Other Consumers (%)	4.78%	4.90%
Dist. Losses on Sales to Other Consumers	106.97	110.07
Energy Req. for Sales to Other Consumers	2,238.68	2,245.12
Overall Sales	2,708.03	2,711.37
Overall Distribution Losses %	3.80%	3.90%
Overall Distribution Losses	106.97	110.07
Total Energy Requirement	2,815.00	2,821.44
Energy Available		
TPCL (Unit II and Unit III)	1608.34	1453.73
Damodar Valley Corporation 132kV	325.67	240.00



Particulars	MYT Order	Petition
Damodar Valley Corporation 400kV	908.07	1,056.90
TSW – Captive	27.08	25.84
G-TAM	-	24.96
Open access/ other sources	-	50.00
Total Pooled Energy Availability	2,815.00	2,851.44
Less: Power Sold to IEX	-	30.00
Net Pooled Energy Availability (Excl. sale to IEX)	2,815.00	2,821.44

Aggregate Revenue Requirement

3.12 The ARR for FY 2022-23 as submitted by the Petitioner vis-a-vis as approved in the order dated November 24, 2022 is tabulated below:

Table 13: ARR (in Rs Crore) as submitted by the Petitioner for FY 2022-23

Particulars	MYT Order	Petition
Power Purchase Cost	1,333.35	1,444.72
O&M Expenses	96.69	99.51
Depreciation	22.83	30.06
Interest and Finance Charges	3.11	1.97
Interest on Consumer Security Deposit	2.38	2.31
Interest on Working Capital including Funding Cost of DPS	11.82	13.00
Return on Equity	32.28	32.09
Less: Non-Tariff Income	7.10	7.10
Annual Revenue Requirement	1,495.36	1616.56



Chapter 4: PUBLIC CONSULTATION PROCESS

- 4.1 Several Stakeholders have responded on the petition. A Public Hearing was held by the Commission in July 07, 2023 for giving additional opportunity to all the stakeholders to submit their comments/suggestions on the said petition to ensure maximum public participation and transparency. Accordingly, stakeholders voiced their comments and suggestions. The list of the attendees is attached as **Chapter-10** 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 hold relevance to True-up, APR, and ARR & Tariff have not been discussed in this Chapter.

Public Comments/ Suggestions

- 4.3 **Ensuring Public Hearing on Sundays:** It was suggested that the public hearing should be held on Sunday, so that maximum number of people can attend the public hearing.
- 4.4 **Physical Inspection of Each Distribution and Production Licensee Annually:** Every distribution and production licensee shall be physically inspected by the Commission once a year for verification of documents submitted by the licensee from time to time before the Commission
- 4.5 **Standardization of Connection Rule for Distribution Licensee:** The rules of connection should be the same for each distribution licensee. The Commission should examine whether the licensee has any agreement with the state or central government or not, if there is an agreement, the Commission should mention it in its rules, so that there is no legal issue in future, it was suggested that the Commission should see whether the licensee is providing that facility to the public according to the rule or not and it should also be checked during annual physical inspection.
- 4.6 **Prohibition of Monetary Transactions without Commission Approval:** If a licensee has received money from the state Government or the Central



Government, the Commission should make it a rule that the money is not released by State Government or Central Government without the permission of the Commission. Further the Commission should also make a rule that if the licensee does not show the money given by the state or central government in ARR, then a fine of five lakhs should be imposed on the licensee.

- 4.7 **Right to Information for All Distribution and Production Licensee:** All the distribution and production licensees should be brought under the Right to Information Act.

Petitioner's Response

- 4.8 Petitioner Tata Steel reported that they can participate in the public hearing on Sunday but they are not sure whether the public at large would like to participate on Sunday on account of their pre-planned activities/ Holidays/ Outing/ Marketing, etc. That the Petitioner would like to have hearings on normal working day as many special arrangements can be avoided including calling relevant people on Holidays and the required other arrangements; Tata Steel will get guided by the decision of the Hon'ble Commission.
- 4.9 The consumer has suggested the visit of the Hon'ble JSERC to different Licensees. Tata Steel sincerely welcomes the Hon'ble JSERC, to visit the electricity distribution facilities at Jamshedpur.
- 4.10 The electricity connection is guided by Electricity Regulations, which is same for every Licensee. However, the actual cost and timelines for new connection varies based on the works involved and related costs in providing those connections.
- 4.11 This pertains to any subsidy amount given by State or Central Govt. to the Licensee and making rules by the Hon'ble Commission. Tata Steel does not get any subsidy amount towards Electricity Tariff.
- 4.12 This pertains to the provisions of Right to Information Act, and does not relate to Tariff determined process.



View of the Commission

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



Chapter 5: TRUE-UP FOR FY 2020-21

- 5.1 The Commission had approved the MYT Order for the 2nd Control Period, i.e., from FY 2016-17 to FY 2020-21 and determined Distribution Tariff for FY 2016-17 vide its Order dated February 28, 2017 on the basis of principles laid down in the Tariff Regulations, 2015.
- 5.2 On May 18, 2018, the Commission had issued Order on Truing-up for FY 2015-16, Annual Performance Review for FY 2016-17, Annual Revenue Requirement and Tariff for FY 2017-18.
- 5.3 The Commission approved the Truing up for FY 2016-17 and FY 2017-18 vide its Order dated May 26, 2020, and vide order dated September 29, 2020 the Commission approved the True up for FY 2018-19, APR for FY 2019-20 and ARR & Tariff for FY 2020-21.
- 5.4 The Commission had passed order on Truing-up for FY 2019-20, Annual Performance Review for FY 2020-21 vide order dated November 24, 2022.
- 5.5 In the instant petition the Petitioner has now sought approval of Truing up for FY 2020-21 based on the Audited Accounts, Annual Performance Review for FY 2021-22, and Aggregate Revenue Requirement for FY 2022-23 taking into consideration the provisions of the Tariff Regulations, 2015 and the methodology adopted by the Commission in the previous Orders.
- 5.6 The Commission on the basis of provisions of the Tariff Regulations, 2015 has determined the truing up for FY 2020-21 on consideration of:
- (a) Audited accounts for FY 2020-21;
 - (b) Tariff Regulations, 2015;
 - (c) Methodology adopted by the Commission in its earlier Orders.
- 5.7 The component-wise details filled 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

5.8 The Petitioner has submitted the actual details of number of consumers, connected load and energy sales for FY 2020-21.

Commission's Analysis

5.9 On scrutinizing the material, information, actual figure and details submitted by the Petitioner and on a prudent Check, the Commission approves the actual number of consumers, connected load, and sales for FY 2020-21 which has been summarized in the table below:

Table 14: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission for FY 2020-21.

Particulars	Petition			Approved		
	No. of Consumers	Connected Load (kVA)	Consumption (MU)	No. of Consumers	Connected Load (kVA)	Consumption (MU)
Domestic	36,026	2,25,425	190.14	36,026	2,25,425	190.14
Domestic - DSHT	134	56,625	83.68	134	56,625	83.68
Commercial	10,303	74,175	82.55	10,303	74,175	82.55
LTIS	1	106	0.23	1	106	0.23
Total HTIS	157	4,17,232	1,774.65	157	4,17,232	1,774.65
Street Light	390	1,862	7.00	390	1,862	7.00
Temporary Supply	87	152	0.85	87	152	0.85
Sale to JUSCO	1	70,000	257.94	1	70,000	257.94
MESRTODL	1	300	0.22	1	300	0.22
Sale in IEX	-	-	65.33	-	-	65.33
Total Sales	47,100	8,45,877	2,462.60	47,100	8,45,877	2,462.60

Energy Balance

Petitioner's Submission

5.10 It has been submitted that in order to meet the energy requirement, the Petitioner has procured power from different sources and the figure of actual sale along with the actual Distribution Loss for FY 2020-21 and requested the Commission for approval of the Energy Balance by the Commission as per the actuals for FY 2020-21 as given below:



Table 15: Energy Balance (in MUs) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Energy Requirement		
Sales to Other Licensee	348.95	257.94
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	348.95	257.94
Sales to Steel Works	121.15	95.38
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	121.15	95.38
Sale in IEX	0.00	65.33
Sales to LT consumers	387.22	280.77
Sales to Other HT consumers	1,955.37	1,763.18
Total Sales to Other Consumers	2,342.59	2,043.95
Dist. Losses on Sales to Other Consumers (%)	3.02%	3.14%
Dist. Losses on Sales to Other Consumers	72.91	66.24
Energy Req. for Sales to Other Consumers	2,415.50	2,110.18
Overall Sales	2,812.89	2,397.20
Overall Distribution Losses %	2.53%	2.69%
Overall Distribution Losses	72.91	66.24
Total Energy Requirement (excluding sales in IEX)	2,885.80	2,463.50
Total Energy Requirement (including sales in IEX)	2,885.80	2,528.83
Energy Available		
TPCL (Unit II and Unit III)	1,404.58	1,283.76
Damodar Valley Corporation 132kV	301.95	221.85
Damodar Valley Corporation 400kV	994.75	976.79
TSW – Captive	9.59	41.96
G-TAM	0.00	3.17
Open access/ other sources	174.93	1.30
Total Pooled Energy Availability	2,885.80	2,528.83

Commission's Analysis

5.11 The Commission has scrutinized the details and on prudent check of the Audited account submitted by the Petitioner has approved the Sales for FY 2020-21. Likewise, on scrutinizing 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 is observed that the actual overall Distribution Loss of 2.69% for FY 2020-21 as claimed by the Petitioner is well within the level of 3.50% approved in the MYT Order dated February 28, 2017 and marginally higher than 2.53% of the Distribution Loss approved by the Commission for FY 2020-21, in the Order dated September 29, 2020. Accordingly, the Commission approves the actual overall Distribution Loss for FY 2020-21 as per Clause 5.23 of the Tariff Regulations, 2015, which is reproduced below:

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

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

5.13 The details of the Energy Sales, Distribution Losses and power purchase quantum as submitted by the Petitioner and approved by the Commission for FY 2020-21 is summarized herein below:

Table 16: Energy Requirement (MUs) as approved by the Commission for FY 2020-21.

Particulars	ARR	Petition	Approved
Energy Requirement			
Sales to Other Licensee	348.95	257.94	257.94
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	348.95	257.94	257.94
Sales to Steel Works	121.15	95.38	95.38
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	121.15	95.38	95.38
Sale in IEX	-	65.33	65.33
Sales to LT consumers	387.22	280.77	280.77



Particulars	ARR	Petition	Approved
Sales to Other HT consumers	1,955.37	1,763.18	1,763.18
Total Sales to Other Consumers	2,342.59	2,043.95	2,043.95
Dist. Losses on Sales to Other Consumers (%)	3.02%	3.14%	3.14%
Dist. Losses on Sales to Other Consumers	72.91	66.24	66.23
Energy Req. for Sales to Other Consumers	2,415.50	2,110.18	2,110.19
Overall Sales	2,812.89	2,397.20	2,397.27
Overall Distribution Losses %	2.53%	2.69%	2.69%
Overall Distribution Losses	72.91	66.24	66.23
Total Energy Requirement (excluding sales in IEX)	2,885.80	2,463.50	2463.51
Total Energy Requirement (including sales in IEX)	2,885.80	2,528.83	2,528.83
Energy Available			
TPCL (Unit II and Unit III)	1,404.58	1,283.76	1,283.76
Damodar Valley Corporation 132kV	301.95	221.85	221.85
Damodar Valley Corporation 400kV	994.75	976.79	976.79
TSW – Captive	9.59	41.96	41.96
G-TAM	0.00	3.17	3.17
Open access/ other sources	174.93	1.30	1.30
Total Pooled Energy Availability	2,885.80	2,528.83	2,528.83

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 details of Renewable Purchase Obligation (RPO) compliance submitted by the Petitioner for FY 2020-21 including the carry forward from previous Financial Year is outlined in the table below:



Table 17: Summary of RPO compliance as submitted by the Petitioner for FY 2020-21.

Particulars	RPO (%)	Obligation for FY 2020-21 (MUs)	Carry forward from previous Year (MUs)	Net Obligation for FY 2020-21 (MUs)	Equivalent REC Purchased (REC)	Carry forward to next Financial Year (MUs)
Non-Solar	5.00%	111.92	(22.82)	89.10	3.24	85.86
Solar	6.55%	146.62	(8.90)	137.72	6.63	131.09
Net RPO	-	258.54	(31.72)	226.82	9.67	216.95

5.16 The Petitioner prayed to the Commission to consider the same and allow subsequent purchase to be carried forward to next Financial Year for meeting the RPO target

5.17 It has been submitted by the Petitioner that power is procured from Open Market, only when there is any breakdown/shutdown in long-term sources, and has shown that the price in the Open Market depends on demand and supply at that particular time in the Open Market, on which the Petitioner has no control over the same and prays to the Commission to consider the same.

5.18 The Petitioner has submitted the actual power purchase expenses based on the Audited Accounts and prayed to the Commission to consider the same while truing up for FY 2020-21:

Table 18: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
TPCL Unit 2		
Power Purchased (MU)	689.70	677.70
Rate of Power Purchased (Rs./kWh)	4.67	3.99
Power Purchase Cost (Rs. Crore)	322.19	294.18
Prior Period Adjustments (Rs. Crore)	-	(23.98)
Net Power Purchase Cost (Rs. Crore)	322.19	270.20
TPCL Unit 3		
Power Purchased (MU)	714.88	606.06
Rate of Power Purchased (Rs./kWh)	4.51	3.92
Power Purchase Cost (Rs. Crore)	322.65	264.96
Prior Period Adjustments (Rs. Crore)		(27.20)
Net Power Purchase Cost (Rs. Crore)	322.65	237.76



Particulars	ARR	Petition
DVC 132 kV		
Power Purchased (MU)	301.95	221.85
Rate of Power Purchased (Rs./kWh)	5.13	5.64
Power Purchase Cost (Rs. Crore)	154.83	125.05
Prior Period Adjustments (Rs. Crore)		
Net Power Purchase Cost (Rs. Crore)	154.83	125.05
DVC 400 kV		
Power Purchased (MU)	994.75	976.79
Rate of Power Purchased (Rs./kWh)	4.59	4.82
Power Purchase Cost (Rs. Crore)	456.59	471.15
Prior Period Adjustments (Rs. Crore)		
Net Power Purchase Cost (Rs. Crore)	456.59	471.15
TSW (Captive)		
Power Purchased (MU)	9.59	41.96
Rate of Power Purchased (Rs./kWh)	4.51	4.57
Power Purchase Cost (Rs. Crore)	4.33	19.17
Prior Period Adjustments (Rs. Crore)		
Net Power Purchase Cost (Rs. Crore)	4.33	19.17
Others/Open Market		
Power Purchased (MU)	174.93	1.30
Rate of Power Purchased (Rs./kWh)	2.55	3.03
Power Purchase Cost (Rs. Crore)	44.67	0.39
RPO Purchased (Rs. Crore)	34.31	-
G-TAM (F)		
Power Purchased (MU)		3.17
Rate of Power Purchased (Rs./kWh)		3.83
Power Purchase Cost (Rs. Crore)		1.22
Sale-Surplus Power		
Power Purchased (MU)	-	-
Rate of Power Purchased (Rs./kWh)	-	-
Revenue from Surplus Sales (Rs. Crore)	-	-
Disallowed Sales	-	-
Total Power Purchase		
Power Purchased (MU)	2,885.80	2,528.83
Power Purchase Cost (Rs. Crore)	1,339.56	1,124.94
Transmission Charges	incl above	64.91
Net Power Purchase Cost (Rs. Crore)	1,339.56	1,189.85



Commission's Analysis

- 5.19 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.
- 5.20 On scrutinizing the Audited Accounts and monthly power procurement bills of TPCL and DVC submitted by the Petitioner. Accordingly, the Commission approves the power procurement cost on the basis of the Audited Accounts, and monthly bills submitted by the Petitioner.
- 5.21 With regard to the power procured from TSW Captive, the Commission has approved the Tariff equal to the lowest tariff among all the other generators approved in the respective Financial Year.
- 5.22 It is observed by the Commission that in case of breakdown/restriction in power supply from DVC 400 kV, the Petitioner procured power from Open Market. Accordingly, the Commission approves the power procurement cost on the basis of the Audited Accounts and monthly bills submitted by the Petitioner.
- 5.23 With regard to the power procurement from REC to meet the Renewable Purchase Obligation (RPO), the Commission approves the cost on the basis of the Audited Accounts and bills submitted by the Petitioner.
- 5.24 With regard to Sale of Surplus Power in IEX, the Commission has approved the Sale of Surplus Power as approved in Energy Sales for FY 2020-21 and has considered Revenue from Surplus Sales of Rs. 26.20 Crore as submitted by the Petitioner.
- 5.25 The Commission observed that the Petitioner has considered Revenue from Surplus Sales of Rs. 26.20 Crore under Revenue from Sale of Power instead of reducing the revenue from Surplus Sales in Power Purchase Cost. therefore, the Commission has deducted Revenue from Surplus Sales from Total Power Purchase Cost and accordingly approved the Power Purchase Cost for FY 2020-21.



Table 19: Power Procurement Cost (Rs Crore) as approved by the Commission for FY 2020-21.

Particulars	ARR	Petition	Approved
TPCL Unit 2			
Power Purchased (MU)	689.70	677.70	677.70
Rate of Power Purchased (Rs./kWh)	4.67	3.99	4.41
Power Purchase Cost (Rs. Crore)	322.19	294.18	294.18
Prior Period Adjustments (Rs. Crore)	-	(23.98)	(23.98)
Net Power Purchase Cost (Rs. Crore)	322.19	270.20	270.20
TPCL Unit 3			
Power Purchased (MU)	714.88	606.06	606.06
Rate of Power Purchased (Rs./kWh)	4.51	3.92	4.35
Power Purchase Cost (Rs. Crore)	322.65	264.96	264.96
Prior Period Adjustments (Rs. Crore)		(27.20)	(27.20)
Net Power Purchase Cost (Rs. Crore)	322.65	237.76	237.76
DVC 132 kV			
Power Purchased (MU)	301.95	221.85	221.85
Rate of Power Purchased (Rs./kWh)	5.13	5.64	5.64
Power Purchase Cost (Rs. Crore)	154.83	125.05	125.05
Prior Period Adjustments (Rs. Crore)			
Net Power Purchase Cost (Rs. Crore)	154.83	125.05	125.05
DVC 400 kV			
Power Purchased (MU)	994.75	976.79	976.79
Rate of Power Purchased (Rs./kWh)	4.59	4.82	4.82
Power Purchase Cost (Rs. Crore)	456.59	471.15	471.15
Prior Period Adjustments (Rs. Crore)			
Net Power Purchase Cost (Rs. Crore)	456.59	471.15	471.15
TSW (Captive)			
Power Purchased (MU)	9.59	41.96	41.96
Rate of Power Purchased (Rs./kWh)	4.51	4.57	4.35
Power Purchase Cost (Rs. Crore)	4.33	19.17	18.26
Prior Period Adjustments (Rs. Crore)			
Net Power Purchase Cost (Rs. Crore)	4.33	19.17	18.26
Others/Open Market			
Power Purchased (MU)	174.93	1.30	1.30
Rate of Power Purchased (Rs./kWh)	2.55	3.03	3.03
Power Purchase Cost (Rs. Crore)	44.67	0.39	0.39
RPO Purchased (Rs. Crore)	34.31	-	-
G-TAM (F)			
Power Purchased (MU)		3.17	3.17



Particulars	ARR	Petition	Approved
Rate of Power Purchased (Rs./kWh)		3.83	3.83
Power Purchase Cost (Rs. Crore)		1.22	1.22
Sale-Surplus Power			
Power Purchased (MU)	-	-	65.33
Rate of Power Purchased (Rs./kWh)	-	-	4.01
Revenue from Surplus Sales (Rs. Crore)	-	-	26.20
Disallowed Sales	-	-	-
Total Power Purchase			
Power Purchased (MU)	2,885.80	2,528.83	2,528.83
Power Purchase Cost (Rs. Crore)	1,339.56	1,124.94	1,097.83
Transmission Charges	incl above	64.91	64.91
Net Power Purchase Cost (Rs. Crore)	1,339.56	1,189.85	1,162.74

5.26 The Commission in the instant petition approves the Power purchased from DVC, based on actual bills submitted by the Petitioner. If any reconciliation is required in future based on the true-up for FY 2020-21 for DVC, it shall be dealt with separately by DVC and TSL and the impact of the same shall be considered in the next true-up.

Operation and Maintenance Expenses (O&M)

Petitioner's Submission

5.27 The Petitioner has submitted that it has segregated each component of O&M Expenses and claimed the normative Employee Expenses for FY 2020-21 taking into account the inflation of 4.14% and actual load growth. Likewise, the Petitioner has claimed the normative A&G Expenses for FY 2020-21 based on the normative A&G Expenses for FY 2019-20, and inflation factor of 4.14%.

5.28 The Petitioner has calculated the normative R&M Expenses considering the 'k' factor as 4.80% as approved by the Commission in the MYT Order dated February 28, 2017 and has factored the inflation factor (4.14%) while calculating the normative R&M Expenses for FY 2020-21.

Table 20: Normative O&M Expenses (Rs Crore) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Employee Expenses	25.67	24.54



Particulars	ARR	Petition
A&G Expenses	29.14	29.25
R&M Expenses	28.45	27.96
O&M Expenses	83.26	81.76
Petition Filing Expenses	0.05	0.79
CGRF Expenses (Rent & Remuneration)	0.32	0.31
Net-O&M Expenses	83.63	82.86

5.29 Further, for calculation of sharing of gains/(loss) on O&M Expenses, the Petitioner has calculated the actual value of Employee Expenses, A&G Expenses and R&M Expenses as Rs. 21.67 Crore, Rs. 28.32 Crore and Rs. 22.02 Crore, respectively, for FY 2020-21 as per the Audited Accounts.

Table 21: Actual O&M Expenses (Rs. Cr.) as submitted by the Petitioner for FY 2020-21.

Particulars	Petition
Employee Expenses	21.67
A&G Expenses	28.32
R&M Expenses	22.02
Petition Filing Fee	0.79
CGRF Expenses (Rent & Remuneration)	0.31
O&M Expenses	73.11

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

Table 22: O&M Expenses including sharing of Gain/Loss (in Rs Crore) as submitted by the Petitioner.

Particulars	Petition
Normative O&M Expenses	81.76
Actual O&M Expenses	72.01
Gain/(Loss)	9.74
Sharing of Gain/(Loss)	5.85
Expenses due to Petition Filing Fee and CGRF Expenses	1.10
O&M Expenses Claimed	78.96

Commission's Analysis

5.31 On Scrutinizing the materials on record, the Commission approves the actual O&M Expenses for FY 2020-21 as per the Audited Accounts for FY 2020-21 given below:



Table 23: Actual O&M Expense (in Rs Crore) as approved by the Commission.

Particulars	Approved
Employee Expenses	21.67
A&G Expenses	28.32
R&M Expenses	22.02
Petition Filling Fee	0.79
CGRF Expenses (Rent & Remuneration)	0.31
Net O&M Expenses	73.11

5.32 The Commission has calculated the inflation factor as per Regulation as 4.14% and considered the same for escalation.

5.33 The Commission in its Order dated May 26, 2020, had calculated the normative Employee Expenses for FY 2016-17, FY 2017-18, FY 2018-19 and FY 2019-20 based on the revised Employee Expenses (Salaries and Wages and Staff Welfare Expenses) for FY 2015-16 as per Audited Accounts, actual value of inflation factor (3.05% for FY 2016-17, 3.01% for FY 2017-18, 4.92% for FY 2018-19, and 4.90% for FY 2019-20) as per the Tariff Regulations, 2015 and approved load growth for respective years.

5.34 In the instant Petition the Commission approves the Employee Expenses for FY 2020-21 taking the actual value of inflation factor (4.14%) as per the Tariff Regulations, 2015 and, has further observed that the load growth for FY 2020-21 was negative, therefore, the Commission has considered Load Growth Factor as zero for FY 2020-21. The Petitioner has submitted the Employee Expenses including the terminal benefits in the past and the Commission has approved the Employee Expenses including terminal benefits. Thus, adopting the same methodology, the Commission approves the Employee Expenses including terminal benefits for FY 2020-21 as follows.

Table 24: Normative Employee Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
Employee Cost of Previous Year	Rs. Cr.	24.12
Connected Load of Previous Year	kVA	8,75,835
Employee Cost/kVA	Rs./kVA	275.40
Inflation Factor	%	4.14%
Employee Cost/kVA including Inflation	Rs./kVA	286.81
Connected Load (kVA) for Current Year	kVA	8,45,877
Normative Employee Cost	Rs. Cr.	24.26



- 5.35 The Commission approves the normative A&G Expenses for FY 2020-21, based on the approved normative A&G Expenses for FY 2019-20 (excluding Petition Filing Fee and CGRF Expenses) and the actual inflation factor as 4.14% for FY 2020-21.
- 5.36 The Commission approves the Petition Filing Fee and CGRF Expenses based on actual as the same are non-escalable expenses.
- 5.37 For the purpose of evaluating the normative R&M Expenses, the Commission has considered the approved opening value of Gross Fixed Assets for FY 2020-21 and multiplied it with the 'k' factor of 4.80% as approved in the MYT Order dated February 28, 2017.

Table 25: Normative O&M Expenses (Rs. Crore) as approved by the Commission

Particulars	Approved
Employee Expenses	24.26
A&G Expenses (excluding filing & CGRF Expenses)	28.93
R&M Expenses	26.83
Normative O&M Expenses	80.02
Petition Filing Fee	0.79
CGRF Expenses (Rent & Remuneration)	0.31
Net Normative O&M Expenses	81.12

- 5.38 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 2020-21 is given below:

Table 26: O&M Expenses (Rs Crore) as approved by the Commission for FY 2020-21.

Particulars	Petition	Approved
Normative O&M Expenses	81.76	80.02
Actual O&M Expenses	72.01	72.01
Gain/(Loss)	9.74	8.01
Sharing of Gain/Loss	5.85	4.80
Expenses due to Change in Law/Filing Fee & CGRF Expenses	1.10	1.10
O&M Expenses after sharing of Gain/(Loss)	78.96	77.91



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

Petitioner's Submission

- 5.39 It was submitted that the Petitioner has considered the Opening and Closing Capital Work-in Progress (CWIP) as per the Balance Sheet for FY 2020-21. The assets transferred to Gross Fixed Asset (GFA) are based on the Audited Accounts.
- 5.40 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 was enclosed with the Petition.
- 5.41 The Petitioner has requested the Commission to review the Capital Expenditure and Capitalization for FY 2020-21 based on the Audited Accounts.

Table 27: CWIP and GFA (in Rs Crore) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Opening CWIP	36.09	32.24
Additional Capex	37.52	2.69
Less: Capitalisation	41.00	32.53
Closing CWIP	32.61	2.41
Gross Fixed Assets		
Opening GFA	592.80	559.37
Net Addition	41.00	32.53
Closing GFA	633.80	591.90

Commission's Analysis

- 5.42 The Commission has scrutinized and analyzed the scheme-wise details of Capital Expenditure and Capitalization along with audited information for approval of CWIP and GFA for FY 2020-21. On analysis of the information submitted by the Petitioner, it is observed by the Commission that the work carried out by the Petitioner for the schemes is in line with the approved scheme in MYT Order dated February 28, 2017.
- 5.43 In the Order dated November 24, 2022 it has observed that the opening Gross Fixed Asset for FY 2019-20 as submitted by the Petitioner (Rs. 550.49 Crore) is different from closing Gross Fixed Asset for FY 2018-19 (Rs.



550.04 Crore) and directed the Petitioner to provide the reasons for same. In compliance to the Commission’s query, the Petitioner, vide letter dated January 22, 2021, submitted that the Commission has not taken into consideration the adjustment made during FY 2017-18 of Rs. 0.45 Crore in the Gross Fixed Asset (GFA) due to which there is a mismatch in the Opening GFA.

- 5.44 It is observed that in the Petition for Truing up for FY 2017-18, the Petitioner has claimed the additional capitalization for FY 2017-18, without considering the adjustment/Transfer during the financial year, while calculating the closing GFA for FY 2017-18. On prudent check of facts placed before the Commission by the Petitioner, the Commission had approved the Closing GFA for FY 2017-18 at Rs. 543.24 Crore, without taking into account adjustment/Transfer during the financial year as shown in the Audited Accounts for FY 2017-18 in its Order dated May 26, 2020. The Commission has therefore, considered the approved closing GFA for FY 2018-19 in its Order dated September 29, 2020 as Opening GFA for FY 2019-20. Likewise, the Commission has considered the approved closing GFA for FY 2019-20 in its Order dated November 24, 2022 as Opening GFA for FY 2020-21.
- 5.45 On consideration of the information submitted by the Petitioner and after prudent check, the Commission approves the GFA, CWIP and capital expenditure incurred during the year for FY 2020-21 as summarized below:

Table 28: CWIP and GFA (in Rs Crore) as approved by the Commission for FY 2020-21.

Particulars	ARR	Petition	Approved
Opening CWIP	36.09	32.24	32.57
Additional Capex	37.52	2.69	2.69
Less: Capitalisation	41.00	32.53	32.53
Closing CWIP	32.61	2.41	2.74
Gross Fixed Assets			
Opening GFA	592.80	559.37	558.93
Net Addition	41.00	32.53	32.53
Closing GFA	633.80	591.90	591.45



Consumer Contribution

Petitioner's Submission

5.46 The Petitioner has submitted the details of Consumer Contribution (CC) capitalized and received during FY 2020-21 as given below:

Table 29: CC (Rs Crore) Capitalized and Received for FY 2020-21 as submitted by the Petitioner.

Particulars	Petition
CC received during the Year	3.00
CC capitalized during the Year	0.56

Commission's Analysis

5.47 The Commission has analyzed and scrutinized the details submitted by the Petitioner and approves the CC received during FY 2020-21 as below and the same is considered for calculation of Depreciation, Loan Addition and Equity Addition calculations as per the methodology adopted by the Commission in the previous Orders.

Table 30: Consumer Contribution received (Rs Crore) as approved by the Commission

Particulars	Petition	Approved
Consumer Contribution received during the Year	3.00	3.00

Depreciation

Petitioner's Submission

5.48 It is 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.

5.49 Further, it is submitted that the details of accumulated depreciation can be referred from the Audited Accounts of FY 2020-21 and depreciation charged during FY 2020-21 can be analyzed from Profit and Loss (P&L) Statement as given below.



Table 31: Depreciation (Rs Crore) on assets created out of CC as submitted by the Petitioner.

Particulars	Petition
Closing GFA (A)	591.90
Closing Consumer Contribution capitalized (B)	63.02
Gross Depreciation (C)	31.06
Depreciation on Consumer Contribution (D=C/A*B)	3.31

5.50 Accordingly, the Petitioner has claimed Net Depreciation as summarized below:

Table 32: Depreciation (Rs Crore) as submitted by the Petitioner

Particulars	ARR	Petition
Gross Depreciation	34.92	31.06
Depreciation on Account of CC	3.85	3.31
Net Depreciation	31.07	27.75

Commission's Analysis

5.51 It is observed that the depreciation on assets created out of CC is calculated in proportion to gross depreciation and in the ratio of closing CC capitalized out of total Closing GFA for FY 2020-21.

5.52 In the previous orders, the Commission has approved the net depreciation after deducting the depreciation on assets funded out of CC from the Gross Depreciation for FY 2020-21. The Commission has considered the average value of GFA and CC instead of closing values as considered by the Petitioner. The depreciation has been considered at the same rate as claimed by the Petitioner while approving the depreciation for FY 2020-21.

5.53 The table below summarizes the depreciation as submitted by the Petitioner and as approved by the Commission for FY 2020-21:

Table 33: Depreciation (Rs Crore) as approved by the Commission for FY 2020-21.

Particulars	ARR	Petition	Approved
Gross Depreciation	34.92	31.06	31.06
Depreciation on Account of CC	3.85	3.31	3.69
Net Depreciation	31.07	27.75	27.37



Interest and Finance Charges

Petitioner's Submission

5.54 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. The deemed additions to the loan have been considered at 70% of GFA addition during FY 2020-21 after reducing assets created from CC during the year.

“(Total Asset Addition to GFA during the Year-Asset Addition from Consumer Contribution during the year) x 70%.”

Table 34: Normative Loan & Normative Equity added during the Year (Rs. Crore)

Particulars	Petition
Assets added during the Year	32.53
Less: CC capitalized during the FY	0.56
Normative Amount Added during the Year	31.96
Equity Addition during the Financial Year @ 30%	9.59
Debt Addition during the Financial Year @ 70%	22.37

5.55 In accordance with Clause 6.24 and Clause 6.25 of the Tariff Regulations, 2015, the interest on normative loan has been calculated on the average normative loan for the year. The rate of interest for the year has been considered as SBI Base Rate as applicable on April 01, 2020 plus 200 basis points as detailed below.

Table 35: Interest and Finance Charges (Rs. Crore) as submitted by the Petitioner

Particulars	ARR	Petition
Opening Loan (Normative)	73.63	52.30
Add: Deemed Addition during the FY	27.65	22.37
Less: Deemed Repayment	31.07	27.75
Closing Loan (Normative)	70.21	46.92
Average Loan	71.92	49.61
Interest Rate	10.15%	10.15%
Interest and Finance Charges	7.30	5.04

Commission's Analysis

5.56 On consideration of the normative opening loan for FY 2020-21 as the closing value approved for FY 2019-20 in Order dated November 24, 2022 and principle adopted in accordance with the Tariff Regulations, 2015 and



methodology in the previous Tariff Order, the Commission has considered the normative loan addition during the financial year as 70% of the approved capitalization after deducting assets funded out of CC received. The normative repayment is deemed to be equal to the approved net depreciation during the financial year.

- 5.57 Taking into account the above methodology, interest on normative loan has been calculated on the average normative loan outstanding during the year at the interest rate of SBI Base Rate as on April 01, 2020 plus 200 basis points as tabulated herein under.

Table 36: Normative Loan and Normative Equity (in Rs Crore) added during FY 2020-21

Particulars	Approved
Assets added during the Year	32.53
Less: CC received during the Year	3.00
Normative Amount Added during the Year	29.52
Equity Addition during the Financial Year @ 30%	8.86
Debt Addition during the Financial Year @ 70%	20.67

- 5.58 The table summarizes the Interest and Finance Charges (IFC) as submitted by the Petitioner and as approved by the Commission for FY 2020-21:

Table 37: Interest and Finance Charges (in Rs Crore) as approved by the Commission for FY 2020-21.

Particulars	ARR	Petition	Approved
Opening Loan (Normative)	73.63	52.30	51.70
Add: Deemed Addition during the FY	27.65	22.37	20.67
Less: Deemed Repayment	31.07	27.75	27.37
Closing Loan (Normative)	70.21	46.92	44.99
Average Loan	71.92	49.61	48.35
Interest Rate	10.15%	10.15%	10.15%
Interest and Finance Charges	7.30	5.04	4.91

Interest on Security Deposits

Petitioner's Submission

- 5.59 The Petitioner has furnished the details of Interest on Consumers' Security Deposit (CSD) as per the Audited Accounts for FY 2020-21 and stated that the Petitioner has paid the Interest on CSD after taking into account the



actual security deposit, period of security deposit and the applicable interest rate.

5.60 It is submitted that the average security deposit amount as on year-end of FY 2020-21 was Rs. 30.09 Crore and the corresponding interest on security deposit was Rs. 2.43 Crore.

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

Particulars	ARR	Petition
Opening Consumer Security Deposit	29.79	29.77
Consumer Security Deposit Addition	0.50	0.65
Closing Consumer Security Deposit	30.29	30.42
Average Consumer Security Deposit	30.04	30.09
Interest Rate	8.15%	8.09%
Interest on Consumer Security Deposit	2.45	2.43

Commission's Analysis

5.61 The Commission has gone through the Petition and analyzed the details along with audited accounts submitted before the Commission and on prudent check approves the Interest on Consumer Security Deposit for FY 2020-21 as given below:

Table 39: Interest on CSD (Rs. Crore) as approved by the Commission

Particulars	ARR	Petition	Approved
Opening Consumer Security Deposit	29.79	29.77	29.77
Consumer Security Deposit Addition	0.50	0.65	0.65
Closing Consumer Security Deposit	30.29	30.42	30.41
Average Consumer Security Deposit	30.04	30.09	30.09
Interest Rate	8.15%	8.09%	8.15%
Interest on Consumer Security Deposit	2.45	2.43	2.45

Return on Equity

Petitioner's Submission

5.62 The Petitioner has submitted that it has considered the same methodology for computing equity addition as approved by the Commission in its earlier Orders. The deemed addition to the equity has been considered @30% of total GFA addition after reducing asset addition from CC amount received during the year.



“{(Total Addition to GFA during the Year-Asset Addition from Consumer Contribution during the year) x 30%}.”

- 5.63 The Petitioner 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 enclosed along with the Petition.
- 5.64 It has been 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 2020-21.

Table 40: Return on Equity (Rs Crore) as submitted by the Petitioner.

Particulars	ARR	Petition
Opening Equity (Normative)	157.79	148.08
Equity Addition (Normative)	11.85	9.59
Closing Equity (Normative)	169.64	157.67
Average Equity	163.71	152.87
Rate of Return	15.50%	15.50%
Return on Equity	25.38	23.70
Income Tax Rate	25.17%	25.17%
Income Tax	8.52	7.97
Return on Equity including Income Tax	33.91	31.66

Commission’s Analysis

- 5.65 On consideration of the Distribution Tariff Regulations, 2015, the Opening Equity base for FY 2020-21 as the Closing Equity base has been considered and approved for FY 2019-20 by the Commission vide its Order dated November 24, 2022 and normative Equity addition during the financial years 30% of the approved capitalization after deducting assets funded out of CC received.
- 5.66 In accordance with clause 6.17 of the Tariff Regulations, 2015, the Commission has allowed a rate of return of 15.5% on equity.
- 5.67 It was observed that the advance tax receipt of Tata Group, as a whole was



submitted by the Petitioner as documentary evidence of Income Tax. In the given facts the Petitioner was directed to substantiate the amount associated to power distribution business of TSL, which is one of the division of Tata Steel limited. It was noticed that the Petitioner has opted for Section 115BAA for FY 2020-21 and paid taxes on its total income (including income from Power Business) @ 25.168%.

5.68 The income tax amount approved by the Commission for FY 2020-21 is Rs. 7.93 Crore, being 25.17% of Rs. 31.50 Crore of total Return on Equity including income tax.

5.69 On scrutinizing and analysis of the detail and additional submission made by the Petitioner, the Commission approves the Return on Equity along with Income Tax for FY 2020-21 is given below.

Table 41: Return on Equity (Rs Crore) as approved by the Commission.

Particulars	ARR	Petition	Approved
Opening Equity (Normative)	157.79	148.08	147.63
Equity Addition	11.85	9.59	8.86
Closing Equity (Normative)	169.64	157.67	156.48
Average Equity	163.71	152.87	152.06
Rate of Return	15.50%	15.50%	15.50%
Return on Equity	25.38	23.70	23.57
Income Tax Rate	25.17%	25.17%	25.17%
Income Tax	8.52	7.97	7.93
Return on Equity including Income Tax	33.91	31.66	31.50

Interest on Working Capital

Petitioner's Submission

5.70 It is submitted by the Petitioner that the Working Capital requirement has been considered on the basis of the Distribution Tariff Regulations, 2015 and the SBI Base rate as on April 01, 2020 plus 350 basis points has been considered for computation of Interest on Working Capital (IoWC).

5.71 The Petitioner has submitted that since the Commission has considered DPS as part of Non- Tariff Income (NTI) to compute the net Annual Revenue Requirement (ARR), in light of the Judgment of Hon'ble Appellate Tribunal for Electricity (APTEL) dated July 12, 2011, in Appeal No. 142 and 147 of



2009, the funding cost of DPS should be additionally allowed in normative working capital. Accordingly, the Petitioner has claimed the Funding cost of Delayed Payment Surcharge (DPS) as Rs. 1.23 Crore.

Table 42: Interest on Working Capital (Rs Crore) as submitted by the Petitioner

Particulars	ARR	Petition
Receivables (2 months)	250.90	256.29
O&M Expenses (1 month)	6.97	6.90
Maintenance Spares (1% of Opening GFA)	5.93	5.59
Less: Security Deposit	30.04	30.09
Less: Power Purchase Cost (1 month)	111.63	99.15
Total Working Capital	122.13	139.54
Interest Rate	11.65%	11.65%
Interest on Working Capital	14.23	16.26
Funding Cost of DPS	-	1.23
IoWC including Funding Cost of DPS	14.23	17.49

Commission's Analysis

5.72 It has been noticed that the Petitioner has received an amount of Rs. 1.90 Crore as Delayed Payment Surcharge in FY 2020-21 and the revenue received from DPS under Non-Tariff Income has been considered and the Commission approves the expenses required to finance the same at the rate approved for IoWC. The Commission has considered the rate for DPS as 18.00% per annum for calculation of corresponding receivables against DPS.

5.73 On Scrutinizing and analysis of the details submitted by the Petitioner, the Commission approves the IoWC on normative basis including funding cost of DPS as tabulated below:

Table 43: Interest on Working Capital (in Rs. Crore) as approved by the Commission

Particulars	ARR	Petition	Approved
Receivables (2 months)	250.90	256.29	251.61
O&M Expenses (1 month)	6.97	6.90	6.76
Maintenance Spares (1% of Opening GFA)	5.93	5.59	5.59
Less: Security Deposit	30.04	30.09	30.09
Less: Power Purchase Cost (1 month)	111.63	99.15	96.90
Total Working Capital	122.13	139.54	136.97
Interest Rate	11.65%	11.65%	11.65%



Particulars	ARR	Petition	Approved
Interest on Working Capital	14.23	16.26	15.96
Funding Cost of DPS		1.23	1.23

Non-Tariff Income

Petitioner's Submission

5.74 The Petitioner has claimed Rs. 3.55 Crore towards NTI for FY 2020-21 and submitted that the NTI includes income from Service Charges, Meter Hiring, and Others as per the Audited Accounts for FY 2020-21 submitted along with the Petition.

Table 44: Non-Tariff Income (Rs Crore) as submitted by the Petitioner for FY 2020-21

Particulars	ARR	Petition
Non-Tariff Income	6.76	3.55

Commission's Analysis

5.75 The Commission has scrutinized the Audited Accounts and it was observed that the Petitioner is taking into account the Meter Rent and Income from DPS in revenue from Sale of power instead of considering under NTI. Therefore, the Commission based on the methodology adopted in previous Orders, approves the NTI including the income from Meter Rent, Service Charge, Others, and Income from DPS as given below:

Table 45: Non-Tariff Income (Rs Crore) as approved by the Commission

Particulars	ARR	Petition	Approved
Non-Tariff Income	6.76	3.55	5.45

Revenue

Petitioner's Submission

5.76 The Petitioner has submitted that the Revenue from Sale of Power as per the Note 5 of audited accounts is Rs. 1,537.75 crore including revenue from Sale of Surplus Power to open market of Rs. 26.19 Crore for FY 2020-21.



Commission's Analysis

5.77 On Scrutiny and analysis of the Audited Accounts submitted by the Petitioner, the Commission has taken into consideration the income from sale of power as a Revenue after subtracting income from DPS under NTI and Revenue from Sale of Surplus Power under Power Purchase Cost from total revenue as summarized below:

Table 46: Revenue (Rs Crore) as approved by the Commission

Particulars	Petition	Approved
Revenue	1,537.75	1,509.65

Summary of Annual Revenue Requirement and Gap/(Surplus)

Petitioner's Submission

5.78 The Petitioner has calculated a Surplus of Rs. (188.12) Crore for FY 2020-21 based on actual and normative claimed in the Petition.

Commission's Analysis

5.79 On consideration of the submission and details furnished by the Petitioner, the Commission approves the ARR and Gap/(Surplus) for FY 2020-21 which is summarized below.

Table 47: Summary of ARR (Rs Crore) as approved by the Commission for FY 2020-21

Particulars	ARR	Petition	Approved
Power Purchase Cost	1,339.56	1,189.85	1,162.74
O&M Expenses	83.63	82.86	81.12
Depreciation	31.07	27.75	27.37
Interest and Finance Charges	7.30	5.04	4.91
Interest on Consumer Security Deposit	2.45	2.43	2.45
Interest on Working Capital including Funding Cost of DPS	14.23	17.49	17.19
Return on Equity	33.91	31.66	31.50
Less: Non-Tariff Income	6.76	3.55	5.45
Annual Revenue Requirement	1,505.39	1,353.53	1,321.82
Revenue from Sale of Power	1,797.86	1,537.75	1,509.65
Revenue Gap/(Surplus)	(292.47)	(184.22)	(187.83)
Add: Impact of Sharing of Gain/(Loss) on O&M Expenses	-	(3.90)	(4.80)



Particulars	ARR	Petition	Approved
Revenue Gap/(Surplus) after Sharing of Gain/(Loss) on O&M Expenses	(292.47)	(188.12)	(192.64)

Revenue Gap/(Surplus)

Petitioner’s Submission

5.80 The Petitioner has submitted the cumulative Gap till FY 2022-23 as 895.80 Crore.

5.81 The Petitioner has submitted the Revenue Gap/Surplus for FY 2016-17, FY 2017- 18, FY 2018-19, FY 2019-20 as approved in previous tariff orders and the submissions of FY 2020-21 in current petition, the cumulative revenue gap/ (surplus) till FY 2022-23 as per the methodology adopted by the Commission has been summarized below:

Table 48: Cumulative Revenue Gap till FY 2022-23 as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Opening Revenue Gap/(Surplus) as on 1 st April of FY	1,269.38	1,156.22	814.31	788.14	763.93	653.86	745.71
Revenue Gap/(Surplus) created during the year	-106.35	-321.65	-118.30	-115.85	-188.12	22.05	68.21
Rate of Interest	12.80%	12.60%	12.20%	12.55%	11.65%	10.50%	10.50%
Carrying Cost on Opening Gap/(Surplus)	-	-	99.35	98.91	89.00	68.65	78.30
Carrying Cost on Gap/(Surplus) during the FY	-6.81	-20.26	-7.22	-7.27	-10.96	1.16	3.58
Total Gap/(Surplus) including Carrying Cost	1,156.22	814.31	788.14	763.93	653.86	745.71	895.80



Commission's Analysis

- 5.82 The Commission has considered the Revenue Gap as Rs. 760.63 Crore till Truing up for FY 2019-20 as approved in Tariff Order dated November 24, 2022.
- 5.83 Based on the approved value of Truing up for FY 2020-21, the cumulative Revenue Gap/(Surplus) as approved by the Commission till FY 2020-21 is shown below:

Table 49: Cumulative Gap/(Surplus) (in Rs Crore) as approved by the Commission

Particulars	Approved
Opening Gap/(Surplus) FY 2020-21	760.63
Revenue Gap/(Surplus) during FY FY 2020-21	(192.64)
Rate of Carrying Cost (%)	11.65%
Carrying Cost on Opening Revenue Gap/(Surplus)	88.61
Carrying Cost on Revenue Gap/(Surplus) during FY 2020-21	(11.22)
Closing Revenue Gap/(Surplus)	645.39

- 5.84 The Gap/(Surplus) approved in this Order for FY 2020-21 will be passed-on to the beneficiary while carrying out the ARR for subsequent year.



Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2021-22

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 A 24 of these Regulations to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including audited/authenticated accounts and the tariff worked out in accordance with these Regulations.”

6.2 The Petitioner has submitted the Annual Performance Review (APR) for FY 2021-22 based on the actual for first six months (H1) and estimated for the balance six months (H2).

Commission's view

6.3 The Commission has not carried out the APR for FY 2021-22 as considerable time has lapsed and the Petitioner has already filed a true-up petition for FY 2021-22 based on audited account. Since, the true-up petition is under active consideration, therefore, the Commission does not find any merit in carrying out APR for FY 2021-22.



Chapter 7: AGGREGATE REVENUE REQUIREMENT & TARRIF FOR FY 2022-23

7.1 The Petitioner has submitted the Aggregate Revenue Requirement and Tariff for FY 2022-23 as per clause A24 of JSERC (Term and Condition for Determination of Distribution Tariff) Regulation, 2020.

Commission's view

7.2 The Commission has not carried out the ARR for FY 2022-23 as considerable time has lapsed and the Petitioner has already filed Annual Performance Review Petition for FY 2022-23 based on six months actual and six-months projection. Since, the Annual Performance Review petition for FY 2022-23 is under active consideration, therefore, the Commission does not find any merit in carrying out ARR & Tariff for FY 2022-23.



Chapter 8: STATUS OF EARLIER DIRECTIVES

8.1 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
RPO Obligation		
<p>The Commission directed the Petitioner to comply with the RPO norms set by the Commission in future, failing which the penal action may be taken by the Commission against the licensee.</p> <p>The Commission observed that the Petitioner has not complied with the RPO targets for FY 2016-17 and FY 2017-18 and has proposed to meet the shortfall in the FY 2019- 20. The Commission directs the Petitioner to fulfil all pending RPO Targets and ensure that in future, the RPO compliance of each Financial Year is met as per JSERC (Renewable Energy Purchase Obligation and its compliance) Regulations, 2016 as amended from time to time.</p>	<p>The petitioner has complied to 100% of the RPO obligation cumulative till FY 2019-20; and will continue complying to the RPO.</p> <p>However, the year FY 20-21 was suspended due to CERC and therefore the same could not be met. Once REC trading resumes the petitioner will start purchasing RECs to comply RPO. In addition the petitioner is promoting solar rooftop in the city which will also help in meeting these RPO compliances.</p>	<p>The Commission has noted the submissions of the Petitioner and direct the Petitioner to Continue the same and meet the RPO Obligation as per Regulation.</p>
Wheeling Tariff		
<p>The Commission directed the Petitioner to Propose capacity based wheeling tariff and specify the voltage-wise distribution losses as per clause 7.9 of the JSERC MYT Regulations, 2015.</p> <p>Further, the Commission directs the Petitioner to study the best practices followed by other Distribution Utilities while calculating the voltage wise wheeling charge and propose the mechanism for Commission's approval.</p>	<p>Petitioner has submitted the voltage wise wheeling tariff in this petition.</p>	<p>The Commission has noted the submissions of the Petitioner.</p>
Investment in Cyber Security Solutions		
<p>The Commission may carry out prudence check while allowing such investment in Annual Revenue Requirement.</p>	<p>As and when additional cost is incurred on cyber security measures, petitioner will submit in ARR.</p>	<p>The Commission has noted the submissions of the Petitioner.</p>



Directives	Status	Views of the Commission
<p>The Commission observes that the investment plan is yet to be finalized. The Commission directs the Petitioner to finalize the same at the earliest.</p>		
<p>Expansion of Distribution Infrastructure</p>		
<p>The Commission directs the Petitioner to take steps to connect to upstream transmission network to improve its grid connectivity. Such interlinking will increase the reliability of the Power, access to other power sources available in the open market within and outside the State and also help in optimizing its power procurement cost.</p>	<p>The petitioner would like to submit that, it's power network is connected to upstream transmission network of DVC through its connectivity at 132kV GOMD II and 400/132kV BPRS substation. These are connected to eastern power grid.</p> <p>The petitioner has started selling daily surplus balance power in power exchange from May 2019, with deemed approval of DVC at 400kV.</p>	<p>The Commission has noted the submissions of the Petitioner.</p>
<p>Raw Water Charges Recovered</p>		
<p>Based on the latest information available with the Commission, TSL has partially paid the water tax to Government of Jharkhand (Go3) amounting to Rs. 316 Crore against the computed value of Rs. 607.20 Crore.</p> <p>The Commission directs the Petitioner to file the detail of water charge claimed by the Petitioner and deposited to the State Government. The Petitioner is also directed to file the details of usage of surplus amount so as to consider it as non-tariff income in future orders.</p>	<p>The petitioner would like to submit that, details required for water charges claimed by petitioner and deposited to the state Government has been submitted to the Hon'ble Commission during the hearing of this case.</p> <p>Petitioner would like to submit that, after receipt of True-up order for Tata Steel Limited, dated 26.5.2020; the petitioner has filed request for an Appeal in APTEL to consider water business as a separate business and not consider any income from water business as non-tariff income of power distribution business.</p> <p>We request the Hon'ble Commission not to treat the income of water division of TSL as a nontariff income of power division of TSL, as both are separate entities, and this kind of income of other business cannot be treated as nontariff</p>	<p>The Commission has noted the submissions of the Petitioner, direct the Petitioner to re-submit the same to the Commission as earliest.</p>



Directives	Status	Views of the Commission
	income of the power business.	
Submission of ToD Data		
<p>The Commission directs the Petitioner to submit the load curves for days with maximum peak demand and minimum peak demand for each month of FY 2019-20 and April 2020 to September 2020 along with its technical preparedness for implementation of ToD Tariffs while submitting the Business Plan and MYT Petition for FY 2021-22 to FY 2025-26.</p>	<p>Petitioner is submitting the same as Annexure no. 20 to this petition.</p>	<p>The Commission has noted the submissions of the Petitioner.</p>



Chapter 9: DIRECTIVES

Submission of Fixed Asset Register

9.1 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. The Petitioner is directed to 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. in time.

Stores and Scraps

- 9.2 The Petitioner is directed to submit the itemized details of scraps and store items along with the estimated values within 3 months from the issue of this Order.
- 9.3 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 necessary action in accordance to law shall be initiated.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on September 29, 2023.

Date: 29.09.2023

Place: Ranchi

Sd/-
(Atul Kumar)
MEMBER (Technical)

Sd/-
(Mahendra Prasad)
MEMBER (Legal)

Sd/-
(Justice Amitav Kumar Gupta)
Chairperson



Chapter 10: ANNEXURE

List of members of public who participated in the Public Hearing and submitted their Suggestions/Comments

Sr. No.	Name	Address/Organization
Date & Time: July 7, 2023		
1.	Samir Ghosal	Tata Steel Ltd.
2.	Avinash Kumar Jha	Tata Steel Ltd.
3.	Pinki Mukhi	CGRF: Tata Steel Ltd.
4.	Rajesh Kumar	Sonari
5.	Sudipta Chatterjee	Tata Steel Utilities and Infrastructure Services Ltd.
6.	S.K. Monsob	Tata Steel Utilities and Infrastructure Services Ltd.
7.	P.K. Banerjee	DBMS Eng. School, B.H. Area, Kadma, Jamshedpur
8.	S.M. Sharma	SECI Sec Industry
9.	Nirmal Kr. Singh	Tata Steel Utilities and Infrastructure Services Ltd.
10.	J.P. Pallav	Tata Steel Utilities and Infrastructure Services Ltd.
11.	Varrun Kumar M.	Tata Steel Utilities and Infrastructure Services Ltd.
12.	Narayan Shyamal	Nirmal Nagar Humepipe
13.	Pratik Kr. Singh	Tata Steel Utilities and Infrastructure Services Ltd.
14.	S. Anand Rao	Tata Steel Utilities and Infrastructure Services Ltd.
15.	S.S. Chawla	Tata Steel Utilities and Infrastructure Services Ltd.
16.	Ritesh Gupta	Tata Steel Utilities and Infrastructure Services Ltd.
17.	N. Leena	Tata Steel Utilities and Infrastructure Services Ltd.
18.	Ashutosh Pal	Tata Steel Utilities and Infrastructure Services Ltd.
19.	Arindam M.	Kadma
20.	Harpreet Kaur Sharma	Tata Steel Ltd.
21.	Satendra Pandey	Tata Steel Ltd.
22.	Mithileshwar Chaudhary	Vijaya Garden
23.	M.M. Singh	Mango
24.	Ashok Kr. Bihany	SCII
25.	Narinder Singh Walia	Kadma
26.	Shashi Adhaya	Kadma
27.	R. Mullick	Tata Steel Utilities and Infrastructure Services Ltd.
28.	Suman Dutta	Vijaya Garden
29.	Vijay Prakash Singh	Tata Steel Utilities and Infrastructure Services Ltd.
30.	Ajay Kumar	Tata Steel Ltd.
31.	Jawahar Lal Sharma	Sonari
32.	Saurav Vishnu	Mango
33.	M.K. Panda	Tata Steel Utilities and Infrastructure Services Ltd.
34.	S.K. Singh	Tata Steel Utilities and Infrastructure Services Ltd.
35.	K.M. Pandey	Tata Steel Utilities and Infrastructure Services Ltd.
36.	Dipesh Kumar	Tata Steel Utilities and Infrastructure Services Ltd.
37.	Sanjay Gautam	Tata Steel Utilities and Infrastructure Services Ltd.
38.	Anirban Bhattacharya	Tata Steel Utilities and Infrastructure Services Ltd.



Sr. No.	Name	Address/Organization
Date & Time: July 7, 2023		
39.	Kautav Banerjee	Tata Steel Utilities and Infrastructure Services Ltd.
40.	Sharad Kumar	Tata Steel Ltd.
41.	Ishita K Bhogal	Tata Steel Ltd.
42.	Vibha Srivastava	Tata Steel Utilities and Infrastructure Services Ltd.
43.	Rakesh Kr. Pandey	Tata Steel Utilities and Infrastructure Services Ltd.
44.	Sunil Kumar	Tata Steel Utilities and Infrastructure Services Ltd.
45.	Satish Prasad Singh	Tata Steel Ltd.
46.	S.C. Jha	CGRF: Tata Steel Ltd.
47.	Zia Bari	Sakchi
48.	Shekhar Kumar	Sakchi
49.	Brajesh Singh	Prabhat Khabar
50.	Jagdish	Bistupur
51.	Vinod Kumar	Bistupur
52.	Satyanarayan Agarwal	Bistupur
53.	Nirmal	Dainik Jagran
54.	Tufan Kr. Mishra	Tata Steel Utilities and Infrastructure Services Ltd.
55.	Gopalder Nath	Nirmal Nagar Humepipe
56.	Suchindra Sipu	Nirmal Nagar Humepipe
57.	Kiran Kumar	Jamshedpur
58.	Anil Kumar	Adityapur
59.	Somnath Mitra	Mango
60.	Munmun	Baridhi Bazar
61.	J.M. Ishar	Baridhi Bazar
62.	D. Harih	Baridhi
63.	P.S. Ducoal	Jharkhand Hotel and Restaurant Association
64.	Arun Kr. Singh	Sidhjora C.C.
65.	Sriyansh Kumar	Sonari
66.	A.K. Sinha	Sonari
67.	Sarbkshwar Dutta Bachy	Baridhi
68.	Fr. Donald d'Silva	XLRI, Jamshedpur
69.	James P. Tirkey	XLRI, Jamshedpur
70.	Sunil Kumar	Tata Steel Utilities and Infrastructure Services Ltd.
71.	Bijan Ram	Tata Steel Utilities and Infrastructure Services Ltd.
72.	Md. Sabbir	Jamshedpur
73.	Katjari W	XLRI, Jamshedpur
74.	Subham Jyoti Meshon	XLRI, Jamshedpur
75.	Lalan Sah	Tata Steel Utilities and Infrastructure Services Ltd.
76.	Abdul Hameed	Bistupur Market
77.	Mani Pandey	Tata Steel Utilities and Infrastructure Services Ltd.
78.	K. Manjumtha	Tata Steel Utilities and Infrastructure Services Ltd.
79.	Rohit Tirkey	Tata Steel Utilities and Infrastructure Services Ltd.
80.	G. Padmavati	Tata Steel Utilities and Infrastructure Services Ltd.
81.	S.S. Dubey	Sakchi



Sr. No.	Name	Address/Organization
Date & Time: July 7, 2023		
82.	P. Sagar Reddy	Manager IUC Operation
83.	S. Roy Choudhury	Mango
84.	Suman Kr. Jha	Mango
85.	Pradip Kumar	Jamshedpur
86.	Durga Rao	Jamshedpur
87.	Hemu Rao	Jamshedpur
88.	Manav Kedia	Gen Secretary, SCCI
89.	Suresh S.	SCCI
90.	Awdesh Ranjan	Kadma
91.	Niteshdhoot	SCCI
92.	A.K. Tripathy	Golmuri
93.	A.N. Choudhary	Tata Steel Utilities and Infrastructure Services Ltd.
94.	Anil Kr. Singh	Bistupur
95.	Debashish Singha	Tata Steel Utilities and Infrastructure Services Ltd.
96.	Satyanarayan Agarwal	SCCI