

# **Jharkhand State Electricity Regulatory Commission**



Order on  
True-up for FY 2021-22,  
Annual Performance Review for FY 2022-23, and  
Aggregate Revenue Requirement & Tariff FY 2023-24  
for  
Tata Steel Limited (TSL)

Ranchi,  
September 29, 2023



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## List of Abbreviations

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



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**BEFORE**

**Jharkhand State Electricity Regulatory Commission,  
Ranchi**

**Case (Tariff) No.: 16 of 2022**

**In the matter of:**

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

**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 30, 2022 for approval of True up of FY 2021-22, Annual Performance Review for FY 2022-23, and Annual Revenue Requirement for FY 2023-24.





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## **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. 1,544.71 Crore for FY 2021-22 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 2022-23 for ARR of Rs. 1,871.69 Crore;
- d) Pass suitable Orders with respect to its claim based on regulations and provisional account for the ARR of Rs 1,867.39 Crore for FY 2023-24.
- 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 order, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case;"



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## **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 passed the Order on the Review Petition on March 31, 2015.
- 2.2 The Petitioner 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 passed the Order on the said petition on May 31, 2015.
- 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 had 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 was 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 has 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 has passed the True-up for FY 2019-20 and Annual Performance Review for FY 2020-21 by Order dated November 24, 2022.
- 2.7 The Commission has 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 vide its Order dated November 24, 2022.
- 2.8 The Commission has carried out the True-up for FY 2020-21 and Annual Performance Review for FY 2021-22 and Aggregate Revenue Requirement for FY 2022-23 vide its Order dated September 29, 2023.
- 2.9 In the instant Petition, the Petitioner has sought Truing up for FY 2021-22, Annual Performance Review for FY 2022-23 and ARR & Tariff for FY 2023-24.

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

- 2.10 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.: 16 of 2022/294 dated January 19, 2023.
- 2.11 In response the Petitioner has furnished additional data/information to the Commission vide letter nos.: PSD/JSR/1157/2023 dated February 02, 2023.
- 2.12 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**

- 2.13 On scrutiny of the petition, the Commission 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.
- 2.14 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

<b>Newspaper</b>	<b>Language</b>	<b>Date of Publication</b>
Dainik Bhaskar	Hindi	21-02-2023
Hindustan Times	English	21-02-2023
Prabhat Khabhar	Hindi	21-02-2023
Sunday Times of India	English	21-02-2023

2.15 The Commission published a Public Notice on its website [www.jserc.org](http://www.jserc.org) and various newspapers giving time till March 15, 2023 to various Stakeholders to submit their comments/suggestions and also organized a Public Hearing on July 07, 2023 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

<b>Newspaper</b>	<b>Language</b>	<b>Date of Publication</b>
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**

2.16 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 2021-22, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24 as filed by the Petitioner for the Commission’s approval.

### **True-up for FY 2021-22:**

#### **Energy Sales**

3.2 The table below summarizes the actual energy sales for FY 2021-22 as submitted by the Petitioner against the sales approved by the MYT Order dated November 24, 2022.

Table 3: Sales (in MUs) as submitted by the Petitioner for FY 2021-22

<b>Consumer Category</b>	<b>MYT</b>	<b>Petition</b>
Domestic	195.82	175.27
Domestic – DSHT	85.03	82.81
Commercial	86.83	63.45
LTIS	0.23	0.23
Total HT IS	1,863.61	2,017.35
Utilities/Street Light	7.14	6.80
Temporary Supply	1.58	1.10
Sale to JUSCO	400.00	327.25
MESRTODL		1.08
Sale in IEX-Power Market		137.40
<b>Total Sales</b>	<b>2,640.25</b>	<b>2,812.73</b>

#### **Energy Balance**

3.3 The Energy Balance as submitted by the Petitioner vis-à-vis as that approved by the Commission vide Order dated November 24, 2022 is hereunder:

Table 4: Energy Balance as submitted by the Petitioner for FY 2021-22

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>
<b>Energy Requirement</b>		
Sales to Other Licensee	400.00	327.25
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%
Distribution Loss on Sales to Other Licensee	-	-
<b>Energy Req. for Sales to Other Licensee</b>	<b>400.00</b>	<b>327.25</b>



Particulars	MYT	Petition
Sales to Steel Works	176.32	46.67
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	-	-
<b>Energy Req. for Sales to Steel Works</b>	<b>176.32</b>	<b>46.67</b>
<b>Sale in IEX-Power Market</b>	<b>0.00</b>	<b>137.40</b>
Sales to LT consumers	291.60	246.85
Sales to Other HT consumers	1,772.32	2,054.56
<b>Total Sales to Consumers other than Steel Works &amp; JUSCO</b>	<b>2,063.92</b>	<b>2,301.40</b>
Dist. Losses on Sales to Other Consumers (%)	4.81%	3.21%
Dist. Losses on Sales to Other Consumers	104.29	76.42
<b>Energy Req. for Sales to Consumers other than Steel Works &amp; JUSCO</b>	<b>2,168.21</b>	<b>2,377.83</b>
Overall Sales (excluding sale to IEX)	2,640.25	2,675.33
Overall Distribution Losses %	3.80%	2.78%
Overall Distribution Losses	104.29	76.42
<b>Total Energy Requirement (excluding Sales in IEX)</b>	<b>2,744.54</b>	<b>2,751.76</b>
<b>Total Energy Requirement (including Sales in IEX)</b>	<b>2,744.54</b>	<b>2,889.16</b>
<b>Energy Available</b>		
<b>TPCL (Unit II and Unit III)</b>	<b>1,608.34</b>	<b>1,467.20</b>
Damodar Valley Corporation 132kV	317.52	252.93
Damodar Valley Corporation 400kV	845.76	1,057.34
TSW - Captive	27.08	44.24
G-TAM	-	46.39
Open access/ other sources	-	21.06
<b>Total Pooled Energy Availability</b>	<b>2,798.70</b>	<b>2,889.16</b>

### Annual Revenue Requirement for FY 2021-22

3.4 The ARR for FY 2021-22 as submitted by the Petitioner vis-a-vis as approved by the Commission in Order dated November 24, 2022 is tabulated below:

Table 5: ARR (Rs Crore) as submitted by the Petitioner for FY 2021-22

Particulars	MYT	Petition
Power Purchase Cost	1,273.88	1,392.85



Particulars	MYT	Petition
O&M Expenses after sharing of Gain/loss	95.22	87.74
Interest on Loan	3.54	3.41
Interest on Working Capital	11.29	13.32
Financing Cost of DPS FY 2021-22	-	0.96
Interest on Security Deposit	2.29	2.29
Depreciation	21.80	17.37
Return on Equity	30.83	30.57
Less: Non-Tariff Income	6.93	3.79
<b>Annual Revenue Requirement</b>	<b>1431.92</b>	<b>1544.71</b>

3.5 Based on the ARR and revenue as per the Audited Accounts, the Petitioner has computed the Revenue Gap/(Surplus) for FY 2021-22 which is summarized below:

Table 6: Gap/(Surplus) in Rs Crore as submitted by the Petitioner for FY 2021-22

Particulars	MYT	Petition
<b>Annual Revenue Requirement</b>	<b>1,431.92</b>	<b>1,544.71</b>
<b>Revenue from Sale of Power</b>	<b>1,466.46</b>	<b>1,608.82</b>
Impact of sharing of Gain/loss on collection efficiency	-	(4.57)
<b>Net Revenue Gap/(Surplus)</b>		<b>(68.68)</b>

### **Annual Performance Review for FY 2022-23:**

#### **Energy Sales**

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

Table 7: Sales (in MUs) as submitted by the Petitioner for FY 2022-23.

Consumer category	MYT	Petition
Domestic	201.68	169.93
Domestic Service - DSHT	86.40	88.65
Commercial Services	91.33	98.19
LTIS	0.23	0.23
HT Industrial Services (HTIS)	1,919.52	2,068.53
Streetlight	7.28	6.50
Temporary Supply	1.58	1.21
Sale to JUSCO	400.00	400.00
MESRTODL	-	1.11
Sale thru IEX - Power market	-	84.96
<b>Total Sales</b>	<b>2,708.02</b>	<b>2,919.31</b>



## Energy Balance

3.7 The Energy Balance as submitted by the Petitioner vis-a-vis that 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 2022-23.

Particulars	MYT	Petition
<b>Energy Requirement</b>		
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	-	-
<b>Energy Req. for Sales to Other Licensee</b>	<b>400.00</b>	<b>400.00</b>
Sales to Steel Works	176.32	39.17
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	0.00	-
<b>Energy Req. for Sales to Steel Works</b>	<b>176.32</b>	<b>39.17</b>
<b>Sale in IEX</b>	<b>-</b>	<b>84.96</b>
Sales to LT consumers	302.11	276.06
Sales to Other HT consumers	1,829.60	2,119.12
<b>Total Sales to Other Consumers</b>	<b>2,131.71</b>	<b>2,395.18</b>
Dist. Losses on Sales to Other Consumers (%)	4.78%	4.04%
Dist. Losses on Sales to Other Consumers	106.97	100.92
<b>Energy Req. for Sales to Other Consumers</b>	<b>2,238.68</b>	<b>2,496.10</b>
Overall Sales	<b>2,708.03</b>	<b>2,834.35</b>
Overall Distribution Losses %	3.80%	3.44%
Overall Distribution Losses	106.97	100.92
<b>Total Energy Requirement</b>	<b>2,815.00</b>	<b>2,935.27</b>
<b>Energy Available</b>		
TPCL (Unit II and Unit III)	1608.34	1,621.94
Damodar Valley Corporation 132kV	325.67	288.49
Damodar Valley Corporation 400kV	908.07	1,067.66
TSW – Captive	27.08	10.00
G-TAM	-	15.78
Open access/ other sources	-	16.36
<b>Total Pooled Energy Availability</b>	<b>2,815.00</b>	<b>3,020.23</b>
Less: Power Sold to IEX	-	84.96
<b>Net Pooled Energy Availability (Excl. sale to IEX)</b>	<b>2,815.00</b>	<b>2,935.27</b>



### **Annual Revenue Requirement for FY 2022-23**

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

Table 9: ARR (in Rs Crore) as submitted by the Petitioner for FY 2022-23

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>
Power Purchase Cost	1,333.35	1,709.55
O&M Expenses after sharing of Gain/loss	96.69	100.10
Interest on Loan	3.11	2.09
Interest on Working Capital	11.82	16.08
Financing Cost of DPS FY 2022-23	-	0.00
Interest on Security Deposit	2.38	2.70
Depreciation	22.83	17.46
Less: Non-Tariff Income	7.10	7.10
<b>Annual Revenue Requirement</b>	<b>1,495.35</b>	<b>1,871.69</b>

3.9 Based on the ARR and revenue as per the existing Tariff, the Petitioner has computed the Revenue Gap/(Surplus) for FY 2022-23, as summarized below:

Table 10: Gap/(Surplus) in (Rs Crore) as submitted by the Petitioner for FY 2022-23

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>
<b>Annual Revenue Requirement</b>	<b>1,495.36</b>	<b>1,871.69</b>
<b>Revenue from Sales</b>	-	<b>1,793.55</b>
<b>Revenue Gap/(Surplus)</b>	-	<b>78.13</b>

### **Aggregate Revenue Requirement for FY 2023-24:**

#### **Energy Sales**

3.10 The following table summarises the energy sales estimated by the Petitioner for FY 2023-24 vis-à-vis that approved by the Commission in the MYT Order dated November 24, 2022:

Table 11: Sales (in MUs) as submitted by the Petitioner for FY 2023-24.

<b>Consumer category</b>	<b>MYT</b>	<b>Petition</b>
Domestic	207.71	187.65
Domestic Service - DSHT	87.80	92.16
Commercial Services	96.07	99.73
LTIS	0.23	0.23
HT Industrial Services (HTIS)	1,977.11	1,973.75
Streetlight	7.43	6.58





Consumer category	MYT	Petition
Temporary Supply	1.58	1.01
Sale to JUSCO	400.00	410.00
MESRTODL	-	1.11
Sale thru IEX - Power market	-	84.96
<b>Total Sales</b>	<b>2,777.92</b>	<b>2,857.18</b>

## 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 2023-24.

Particulars	MYT	Petition
<b>Energy Requirement</b>		
Sales to Other Licensee	400.00	410.00
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%
Distribution on Sales to Other Licensee	-	-
<b>Energy Req. for Sales to Other Licensee</b>	<b>400.00</b>	<b>410.00</b>
Sales to Steel Works	176.32	39.17
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	-	-
<b>Energy Req. for Sales to Steel Works</b>	<b>176.32</b>	<b>39.17</b>
<b>Sale in IEX</b>	<b>-</b>	<b>84.96</b>
Sales to LT consumers	313.02	295.20
Sales to Other HT consumers	1,888.59	2,027.85
<b>Total Sales to Other Consumers</b>	<b>2,201.60</b>	<b>2,323.04</b>
Dist. Losses on Sales to Other Consumers (%)	4.75%	4.50%
Dist. Losses on Sales to Other Consumers	109.73	109.51
<b>Energy Req. for Sales to Other Consumers</b>	<b>2,311.33</b>	<b>2,432.55</b>
Overall Sales	2,777.92	2,772.22
Overall Distribution Losses %	3.80%	3.80%
Overall Distribution Losses	109.73	109.51
<b>Total Energy Requirement</b>	<b>2,887.65</b>	<b>2,881.72</b>
<b>Energy Available</b>		
TPCL (Unit II and Unit III)	1,612.74	1,532.70
Damodar Valley Corporation 132kV	334.08	276.17
Damodar Valley Corporation 400kV	967.91	1,107.04
TSW – Captive	27.08	20.00
G-TAM	-	15.10
Open access/ other sources	-	15.67



<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>
<b>Total Pooled Energy Availability</b>	<b>2,887.65</b>	<b>2,966.68</b>
Less: Power Sold to IEX	-	84.96
<b>Net Pooled Energy Availability (Excl. sale to IEX)</b>	<b>2,887.65</b>	<b>2,881.72</b>

### **Aggregate Revenue Requirement**

3.12 The ARR for FY 2023-24 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 2023-24

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>
Power Purchase Cost	1,388.43	1,698.32
O&M Expenses	101.42	105.04
Depreciation	24.33	18.45
Interest and Finance Charges	3.28	2.20
Interest on Consumer Security Deposit	2.43	3.06
Interest on Working Capital	12.44	15.21
Return on Equity	34.40	32.40
Less: Non-Tariff Income	7.28	7.28
<b>Aggregate Revenue Requirement</b>	<b>1,559.45</b>	<b>1,867.39</b>

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

Table 14: Gap/(Surplus) in (Rs Crore) as submitted by the Petitioner for FY 2023-24

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>
<b>Annual Revenue Requirement</b>	<b>1,559.45</b>	<b>1,867.39</b>
<b>Revenue from Sales</b>	-	<b>1,872.56</b>
<b>Revenue Gap/(Surplus)</b>	-	<b>(5.17)</b>



## Proposed Tariff for FY 2023-24

3.14 The purposed tariff for FY 2023-24 as submitted by the Petitioner is tabulated below:

Table 15: Purposed Tariff as submitted by the Petitioner for FY 2023-24.

Consumer Category	Existing Tariff w.e.f.1.12.2022				Tariff Proposed Now			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
<b>DOMESTIC SERVICE</b>								
<b>DS-LT</b>								
<i>0-100 Units</i>	Rs./Conn/Month	20	Rs/kWh	2.80	Rs./Conn/Month	25	Rs/kWh	3.30
<i>Above 100 Units</i>	Rs./Conn/Month	55	Rs/kWh	4.95	Rs./Conn/Month	65	Rs/kWh	5.70
<b>DS-HT</b>	Rs./kVA/Month	65	Rs/kVAh	4.55	Rs./kVA/Month	75	Rs/kVAh	5.30
<b>IRRIGATION &amp; AGRICULTURE SERVICE (IAS)</b>	Rs./HP/Month	20	Rs/kWh	5.00	Rs./HP/Month	25	Rs/kWh	5.70
<b>COMMERCIAL SERVICES (CS)</b>					-		-	
<i>All Units</i>	Rs./kW/Month	105	Rs/kWh	5.55	Rs./kW/Month	125	Rs/kWh	6.60
<b>INDUSTRIAL SERVICES</b>					-		-	
<i>Low Tension Industrial Service</i>	Rs./kVA/Month	135	Rs/kVAh	5.25	Rs./kVA/Month	165	Rs/kVAh	6.50
<i>High Tension Industrial Service</i>	Rs./kVA/Month	360	Rs/kVAh	6.20	Rs./kVA/Month	440	Rs/kVAh	7.35
<b>INSTITUTIONAL SERVICE</b>					-		-	
<i>Street Light</i>	Rs./kW/Month	110	Rs/kWh	5.85	Rs./kW/Month	125	Rs/kWh	6.90
<i>Railway Traction Services, Military Engineering Services and Other Distribution Licensees* (Excluding JUSCO)</i>	Rs./kVA/Month	360	Rs/kVAh	6.05	Rs./kVA/Month	440	Rs/kVAh	7.20



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## **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 July 07, 2023 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-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 have meaning 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 have 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 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 state Government or Central



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Government, the Commission should make a rule that this money should not be released by the State Government or Central Government without 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 to 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 has reported that they can participate in the public hearing on Sunday but they are not sure whether 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 timeline 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.



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***View of the Commission***

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



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## **Chapter 5: TRUE-UP FOR FY 2021-22**

- 5.1 The Commission had approved the MYT Order for the 2<sup>nd</sup> 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 had 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 The Commission had passed the MYT Order for the 3<sup>rd</sup> 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.
- 5.6 On September 29, 2023, the Commission had passed the Order on Truing-up for FY 2020-21, Annual Performance Review for FY 2021-22, and Aggregate Revenue Requirement & Tariff for FY 2022-23.
- 5.7 In the instant petition the Petitioner has now sought approval of Truing up for FY 2021-22 based on the Audited Accounts, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24 taking into consideration the provisions of the Tariff Regulations, 2020 and the methodology adopted by the Commission in the earlier Orders.
- 5.8 The Commission on the basis of provisions of the Tariff Regulations, 2020 has determined the truing up for FY 2021-22, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24 on consideration of the:
  - (a) Audited accounts for FY 2021-22;





(b) Tariff Regulations, 2020;

5.9 The component-wise detail 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**

5.10 The Petitioner has submitted the actual details of number of consumers, connected load and energy sales for FY 2021-22.

#### **Commission's Analysis**

5.11 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 2021-22 which is summarized in the table below:

Table 16: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission for FY 2021-22.

Particulars	Petition			Approved		
	No. of Consumers	Connected Load (kVA)	Consumption (MU)	No. of Consumers	Connected Load (kVA)	Consumption (MU)
Domestic	37,324	2,34,561	175.27	37,324	2,34,561	175.27
Domestic - DSHT	135	57,568	82.81	135	57,568	82.81
Commercial	10,399	75,786	63.45	10,399	75,786	63.45
LTIS	1	106	0.23	1	106	0.23
Total HTIS	159	4,20,042	2,017.35	159	4,20,042	2,017.35
Street Light	386	1,845	6.80	386	1,845	6.80
Temporary Supply	95	118	1.10	95	118	1.10
Sale to JUSCO	1	70,000	327.25	1	70,000	327.25
MESRTODL	1	300	1.08	1	300	1.08
Sale in IEX	0	0	137.40	0	0	137.40
<b>Total Sales</b>	<b>48,501</b>	<b>8,60,324</b>	<b>2,812.73</b>	<b>48,501</b>	<b>8,60,324</b>	<b>2,812.73</b>

### **Energy Balance**



### Petitioner's Submission

5.12 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 2021-22 and has requested the Commission for approval of the Energy Balance by the Commission as per the actuals for FY 2021-22 as given below:

Table 17: Energy Balance (in MUs) for FY 2021-22 as submitted by the Petitioner.

Particulars	MYT	Petition
<b>Energy Requirement</b>		
Sales to Other Licensee	400.00	327.25
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%
Distribution on Sales to Other Licensee	-	-
<b>Energy Req. for Sales to Other Licensee</b>	<b>400.00</b>	<b>327.25</b>
Sales to Steel Works	176.32	46.67
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	-	-
<b>Energy Req. for Sales to Steel Works</b>	<b>176.32</b>	<b>46.67</b>
<b>Sale in IEX</b>	<b>-</b>	<b>137.40</b>
Sales to LT consumers	291.60	246.85
Sales to Other HT consumers	1,772.32	2,054.56
<b>Total Sales to Other Consumers</b>	<b>2,063.92</b>	<b>2,301.40</b>
Dist. Losses on Sales to Other Consumers (%)	4.81%	3.21%
Dist. Losses on Sales to Other Consumers	104.29	76.42
<b>Energy Req. for Sales to Other Consumers</b>	<b>2,168.21</b>	<b>2,377.83</b>
Overall Sales	2,640.25	2,675.33
Overall Distribution Losses %	3.80%	2.78%
Overall Distribution Losses	104.29	76.42
<b>Total Energy Requirement (excluding sales in IEX)</b>	<b>2,744.54</b>	<b>2,751.76</b>
<b>Total Energy Requirement (including sales in IEX)</b>	<b>2,744.54</b>	<b>2,889.16</b>
<b>Energy Available</b>		
TPCL (Unit II and Unit III)	<b>1,608.34</b>	<b>1,467.20</b>
Damodar Valley Corporation 132kV	317.52	252.93
Damodar Valley Corporation 400kV	845.76	1,057.34
TSW – Captive	27.08	44.24
G-TAM	0.00	46.39



Particulars	MYT	Petition
Open access/ other sources	0.00	21.06
<b>Total Pooled Energy Availability</b>	<b>2,798.70</b>	<b>2,889.16</b>

### Commission's Analysis

- 5.13 The Commission has scrutinized the details submitted by the Petitioner and on prudent check of the Audited account submitted by the Petitioner has approved the Sales for FY 2021-22. 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.
- 5.14 It has observed that the actual overall Distribution Loss of 2.78% for FY 2021-22 as claimed by the Petitioner is well within the level of 3.80% as approved in the MYT Order dated November 24, 2022. Accordingly, the Commission approves the actual overall Distribution Loss as 2.78% for FY 2021-22.
- 5.15 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 2021-22 is summarized herein below:

Table 18: Energy Requirement (MUs) for FY 2021-22 as approved by the Commission

Particulars	MYT	Petition	Approved
<b>Energy Requirement</b>			
Sales to Other Licensee	400.00	327.25	327.25
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
<b>Energy Req. for Sales to Other Licensee</b>	<b>400.00</b>	<b>327.25</b>	<b>327.25</b>
Sales to Steel Works	176.32	46.67	46.67
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
<b>Energy Req. for Sales to Steel Works</b>	<b>176.32</b>	<b>46.67</b>	<b>46.67</b>
<b>Sale in IEX</b>	<b>0.00</b>	<b>137.40</b>	<b>137.40</b>
Sales to LT consumers	291.60	246.85	246.85
Sales to Other HT consumers	1,772.32	2,054.56	2,054.56
<b>Total Sales to Other Consumers</b>	<b>2,063.92</b>	<b>2,301.40</b>	<b>2,301.40</b>



<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>	<b>Approved</b>
Dist. Losses on Sales to Other Consumers (%)	4.81%	3.21%	3.21%
Dist. Losses on Sales to Other Consumers	104.29	76.42	76.42
<b>Energy Req. for Sales to Other Consumers</b>	<b>2,168.21</b>	<b>2,377.83</b>	<b>2,377.83</b>
Overall Sales	2,640.25	2,675.33	2,675.33
Overall Distribution Losses %	3.80%	2.78%	2.78%
Overall Distribution Losses	104.29	76.42	76.42
<b>Total Energy Requirement (excluding sales in IEX)</b>	<b>2,744.54</b>	<b>2,751.76</b>	<b>2751.76</b>
<b>Total Energy Requirement (including sales in IEX)</b>	<b>2,744.54</b>	<b>2,889.16</b>	<b>2,889.16</b>
<b>Energy Available</b>			
TPCL (Unit II and Unit III)	1,608.34	1,467.20	1,467.20
Damodar Valley Corporation 132kV	317.52	252.93	252.93
Damodar Valley Corporation 400kV	845.76	1,057.34	1,057.34
TSW – Captive	27.08	44.24	44.24
G-TAM	0.00	46.39	46.39
Open access/ other sources	0.00	21.06	21.06
<b>Total Pooled Energy Availability</b>	<b>2,798.70</b>	<b>2,889.16</b>	<b>2,889.16</b>

## **Power Purchase Cost**

### ***Petitioner's Submission***

5.16 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.

5.17 The details of Renewable Purchase Obligation (RPO) compliance submitted by the Petitioner for FY 2021-22 including the carry forward from previous Financial Year is outlined in the table below:



Table 19: Summary of RPO compliance for FY 2021-22 as submitted by the Petitioner.

Particulars	RPO (%)	Obligation for FY 2021-22 (MUs)	Carry forward from previous Year (MUs)	Net Obligation for FY 2021-22 (MUs)	Equivalent REC Purchased (REC)	Carry forward to next Financial Year (MUs)
Non-Solar	10.50%	257.51	85.86	343.37	340.78	2.58
Solar	10.50%	257.51	131.09	388.60	70.88	317.71
<b>Total RPO</b>	<b>21.00%</b>	<b>515.01</b>	<b>216.95</b>	<b>731.97</b>	<b>411.66</b>	<b>320.29</b>

5.18 The Petitioner has requested the Commission to consider the same and allow subsequent purchase as carry forward to next Financial Year for meeting the RPO target.

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

5.20 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 2021-22:

Table 20: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner for FY 2021-22.

Particulars	MYT	Petition
<b>TPCL Unit 2</b>		
Power Purchased (MU)	804.17	682.46
Rate of Power Purchased (Rs./kWh)	3.69	4.01
Power Purchase Cost (Rs. Crore)	296.50	273.62
Prior Period Adjustments (Rs. Crore)	-	(3.44)
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>296.50</b>	<b>270.17</b>
<b>TPCL Unit 3</b>		
Power Purchased (MU)	804.17	784.74
Rate of Power Purchased (Rs./kWh)	3.75	3.71
Power Purchase Cost (Rs. Crore)	301.48	291.49
Prior Period Adjustments (Rs. Crore)		(2.18)
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>301.48</b>	<b>289.32</b>



Particulars	MYT	Petition
<b>DVC 132 kV</b>		
Power Purchased (MU)	317.52	252.93
Rate of Power Purchased (Rs./kWh)	4.50	5.18
Power Purchase Cost (Rs. Crore)	142.90	130.89
Prior Period Adjustments (Rs. Crore)		
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>142.90</b>	<b>130.89</b>
<b>DVC 400 kV</b>		
Power Purchased (MU)	845.76	1,057.34
Rate of Power Purchased (Rs./kWh)	5.50	5.02
Power Purchase Cost (Rs. Crore)	464.91	531.12
Prior Period Adjustments (Rs. Crore)		
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>464.91</b>	<b>531.12</b>
<b>TSW (Captive)</b>		
Power Purchased (MU)	27.08	44.24
Rate of Power Purchased (Rs./kWh)	3.69	3.78
Power Purchase Cost (Rs. Crore)	9.98	16.72
Prior Period Adjustments (Rs. Crore)		
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>9.98</b>	<b>16.72</b>
<b>Others/Open Market</b>		
Power Purchased (MU)		21.06
Rate of Power Purchased (Rs./kWh)		6.15
<b>Power Purchase Cost (Rs. Crore)</b>		<b>12.95</b>
<b>RPO Purchased (Rs. Crore)</b>	<b>58.10</b>	<b>47.11</b>
<b>G-TAM (F)</b>		
Power Purchased (MU)		46.39
Rate of Power Purchased (Rs./kWh)		3.99
<b>Power Purchase Cost (Rs. Crore)</b>		<b>18.49</b>
<b>Sale-Surplus Power</b>		
Power Purchased (MU)	-	-
Rate of Power Purchased (Rs./kWh)	-	-
<b>Revenue from Surplus Sales (Rs. Crore)</b>	-	-
<b>Disallowed Sales</b>	<b>54.16</b>	-
<b>Total Power Purchase</b>		
Power Purchased (MU)	2,744.54	2,889.16
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1,273.87</b>	<b>1,316.78</b>
Transmission Charges	incl above	76.07
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>1,273.87</b>	<b>1,392.85</b>



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**Commission's Analysis**

- 5.21 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.
- 5.22 On scrutinizing the Audited Accounts and monthly power procurement bills of TPCL and DVC as 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.
- 5.23 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.
- 5.24 It is observed by the Commission that in case of breakdown/restriction in power supply from DVC 400 kV, the Petitioner has 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.
- 5.25 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.
- 5.26 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 2021-22 and has considered Revenue from Surplus Sales of Rs. 69.87 Crore as submitted by the Petitioner.
- 5.27 The Commission has observed that the Petitioner has considered Revenue from Surplus Sales of Rs. 69.87 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 2021-22.





Table 21: Power Procurement Cost (Rs Crore) for FY 2021-22 as approved by the Commission

Particulars	ARR	Petition	Approved
<b>TPCL Unit 2</b>			
Power Purchased (MU)	804.17	682.46	682.46
Rate of Power Purchased (Rs./kWh)	3.69	4.01	4.01
Power Purchase Cost (Rs. Crore)	296.50	273.62	273.62
Prior Period Adjustments (Rs. Crore)	-	(3.44)	(3.44)
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>296.50</b>	<b>270.17</b>	<b>270.17</b>
<b>TPCL Unit 3</b>			
Power Purchased (MU)	804.17	784.74	784.74
Rate of Power Purchased (Rs./kWh)	3.75	3.71	3.71
Power Purchase Cost (Rs. Crore)	301.48	291.49	291.49
Prior Period Adjustments (Rs. Crore)		(2.18)	(2.18)
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>301.48</b>	<b>289.32</b>	<b>289.32</b>
<b>DVC 132 kV</b>			
Power Purchased (MU)	317.52	252.93	252.93
Rate of Power Purchased (Rs./kWh)	4.50	5.18	5.18
Power Purchase Cost (Rs. Crore)	142.90	130.89	130.89
Prior Period Adjustments (Rs. Crore)			
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>142.90</b>	<b>130.89</b>	<b>130.89</b>
<b>DVC 400 kV</b>			
Power Purchased (MU)	845.76	1,057.34	1,057.34
Rate of Power Purchased (Rs./kWh)	5.50	5.02	5.02
Power Purchase Cost (Rs. Crore)	464.91	531.12	530.73
Prior Period Adjustments (Rs. Crore)			
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>464.91</b>	<b>531.12</b>	<b>530.73</b>
<b>TSW (Captive)</b>			
Power Purchased (MU)	27.08	44.24	44.24
Rate of Power Purchased (Rs./kWh)	3.69	3.78	3.71
Power Purchase Cost (Rs. Crore)	9.98	16.72	16.43
Prior Period Adjustments (Rs. Crore)			
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>9.98</b>	<b>16.72</b>	<b>16.43</b>
<b>Others/Open Market</b>			
Power Purchased (MU)		21.06	21.06
Rate of Power Purchased (Rs./kWh)		6.15	6.15
<b>Power Purchase Cost (Rs. Crore)</b>		<b>12.95</b>	<b>12.95</b>
<b>RPO Purchased (Rs. Crore)</b>	<b>58.10</b>	<b>47.11</b>	<b>47.11</b>
<b>G-TAM (F)</b>			
Power Purchased (MU)		46.39	46.39





<b>Particulars</b>	<b>ARR</b>	<b>Petition</b>	<b>Approved</b>
Rate of Power Purchased (Rs./kWh)		3.99	3.99
<b>Power Purchase Cost (Rs. Crore)</b>		<b>18.49</b>	<b>18.49</b>
<b>Sale-Surplus Power</b>			
Power Purchased (MU)		137.40	137.40
Rate of Power Purchased (Rs./kWh)		5.09	5.09
<b>Revenue from Surplus Sales (Rs. Crore)</b>		<b>69.87</b>	<b>69.87</b>
<b>Disallowed Sales</b>	<b>54.16</b>		-
<b>Total Power Purchase</b>			
Power Purchased (MU)	2,744.54	2,889.16	2,889.16
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1,273.87</b>	<b>1,316.78</b>	<b>1,246.22</b>
Transmission Charges	incl above	76.07	76.07
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>1,273.87</b>	<b>1,392.85</b>	<b>1,322.29</b>

5.28 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 2021-22 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 true-up.

### **Operation and Maintenance Expenses (O&M)**

#### ***Petitioner's Submission***

5.29 The Petitioner has submitted that it has segregated each component of O&M Expenses and claimed the normative Employee Expenses for FY 2021-22 taking into account the inflation of 8.67% and growth factor of 12.40%. Similarly, the Petitioner has projected the normative A&G Expenses for FY 2021-22 based on the normative A&G Expenses for FY 2021-22, and inflation factor of 8.67%.

5.30 The Petitioner has 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 has factored in the inflation factor (8.67%) while calculating the normative R&M Expenses for FY 2021-22.



Table 22: Normative O&M Expenses (Rs Crore) for FY 2021-22 as submitted by the Petitioner.

Particulars	MYT	Petition
Employee Expenses	30.38	30.62
A&G Expenses	31.43	32.22
R&M Expenses	32.92	32.67
<b>O&amp;M Expenses</b>	<b>94.73</b>	<b>95.51</b>
Petition Filing Expenses	0.20	0.16
CGRF Expenses (Rent & Remuneration)	0.28	0.35
<b>Net-O&amp;M Expenses</b>	<b>95.21</b>	<b>96.02</b>

5.31 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 2021-22 as per the Audited Accounts.

Table 23: Actual O&M Expenses (Rs. Cr.) for FY 2021-22 as submitted by the Petitioner.

Particulars	Petition
Employee Expenses	22.28
A&G Expenses	27.02
R&M Expenses	29.64
<b>O&amp;M Expenses</b>	<b>78.94</b>
Petition Filing Fee	0.16
CGRF Expenses (Rent & Remuneration)	0.35
<b>Net O&amp;M Expenses</b>	<b>79.46</b>

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

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

Particulars	Petition
Normative O&M Expenses	95.51
Actual O&M Expenses	78.94
Gain/(Loss)	16.57
<b>Sharing of Gain/(Loss)</b>	<b>8.28</b>
Expenses due to Change in Law/ Filing Fee and CGRF Expenses	0.52
<b>O&amp;M Expenses Claimed</b>	<b>87.74</b>

### **Commission's Analysis**

5.33 On scrutinizing of the materials on record, the Commission approves the actual O&M Expenses for FY 2021-22 as per the Audited Accounts for FY



2021-22 given below:

Table 25: Actual O&M Expense (in Rs Crore) as approved by the Commission.

Particulars	Approved
Employee Expenses	22.28
A&G Expenses	27.02
R&M Expenses	29.51
Petition Filing Fee	0.16
CGRF Expenses (Rent & Remuneration)	0.35
<b>Actual O&amp;M Expenses</b>	<b>79.33</b>

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

5.35 The Commission in the data gap had directed the Petitioner to submit the proper justification of Operational & Maintenance of Rs 96.02 Crore expenses which include normative employee cost of Rs 30.62 Crore, but the Petitioner has failed to submit the basis of the Growth factor of 12.40%. Accordingly, the Commission has approved the Growth factor in accordance with the clause 10.6(b) which defines Gn as quoted below:

*“Gn – 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 Gn 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;**”*

5.36 Based on the facts & circumstance of the Petition, the Commission approves the Normative Employee Expenses for FY 2021-22 by taking the actual value of inflation factor (6.93%), and growth factor (0%).

Table 26: Normative Employee Expenses (Rs Crore) as approved by the Commission.

Particulars	UoM	Approved
Employee Cost of Previous Year	Rs. Cr.	24.26
Inflation Factor	%	6.93%
Growth Factor	%	0.00%
<b>Normative Employee Expenses</b>	<b>Rs. Cr.</b>	<b>25.94</b>

5.37 The Commission approves the normative A&G Expenses for FY 2021-22,



based on the approved normative A&G Expenses for FY 2020-21 (excluding Petition Filing Fee and CGRF Expenses) and the actual inflation factor as 6.93% for FY 2021-22.

5.38 The Commission approves the Petition Filing Fee and CGRF Expenses based on actual as the same are non-escalable expenses.

5.39 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of Gross Fixed Assets for FY 2021-22 and by multiplying the 'k' factor of 5.08% as approved in the MYT Order dated November 24, 2022 and inflation factor of 6.93%.

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

Particulars	Approved
Employee Expenses	25.94
A&G Expenses (excluding filing & CGRF Expenses)	30.93
R&M Expenses	32.13
<b>Normative O&amp;M Expenses</b>	<b>89.01</b>
Petition Filing Fee	0.16
CGRF Expenses (Rent & Remuneration)	0.35
<b>Net Normative O&amp;M Expenses</b>	<b>89.52</b>

5.40 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 2021-22 is given below:

Table 28: O&M Expenses (Rs Crore) for FY 2021-22 as approved by the Commission.

Particulars	Petition	Approved
Normative O&M Expenses	95.51	89.01
Actual O&M Expenses	78.94	78.81
Gain/(Loss)	16.57	10.20
<b>Sharing of Gain/Loss</b>	<b>8.28</b>	<b>5.10</b>
Expenses due to Change in Law/Filing Fee & CGRF Expenses	0.52	0.52
<b>O&amp;M Expenses after sharing of Gain/(Loss)</b>	<b>87.74</b>	<b>84.42</b>

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

#### ***Petitioner's Submission***

5.41 It was submitted that the Petitioner has considered the Opening and Closing Capital Work in Progress (CWIP) as per the Balance Sheet for FY 2021-22. The assets transferred to Gross Fixed Asset (GFA) are based on



the Audited Accounts.

- 5.42 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.
- 5.43 The Petitioner has requested the Commission to review the Capital Expenditure and Capitalization for FY 2021-22 based on the Audited Accounts.

Table 29: CWIP and GFA (in Rs Crore) for FY 2021-22 as submitted by the Petitioner

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>
<b>Opening CWIP</b>	<b>2.81</b>	<b>2.41</b>
Additional Capex	9.11	2.92
Less: Capitalisation	6.52	1.79
<b>Closing CWIP</b>	<b>5.40</b>	<b>3.55</b>
<b>Gross Fixed Assets</b>		
<b>Opening GFA</b>	<b>596.43</b>	<b>591.90</b>
Add: Transferred from CWIP	6.52	1.79
Less: Asset Decapitalised	0.00	1.25
<b>Closing GFA</b>	<b>602.95</b>	<b>592.44</b>

### **Commission's Analysis**

- 5.44 The Commission has scrutinized and analysed the scheme-wise details of Capital Expenditure and Capitalization along with audited information for approval of CWIP and GFA for FY 2021-22. On analysis of the information submitted by the Petitioner, it is observed by the Commission that the works carried out by the Petitioner for the schemes are as approved in MYT Order dated November 24, 2022.
- 5.45 In the Order dated November 24, 2022 it is 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 has directed the Petitioner to provide the reasons for the same. In compliance with the Commission's query, the Petitioner, vide letter dated January 22, 2021, has 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 mismatch in the Opening GFA.



5.46 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 had 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.

5.47 On consideration of the information submitted by the Petitioner and prudent check, the Commission approves the GFA, CWIP and capital expenditure incurred during the year for FY 2021-22 as summarized below:

Table 30: CWIP and GFA (in Rs Crore) as approved by the Commission for FY 2021-22.

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>	<b>Approved</b>
<b>Opening CWIP</b>	<b>2.81</b>	<b>2.41</b>	<b>2.74</b>
Additional Capex	9.11	2.92	2.92
Less: Capitalisation	6.52	1.79	1.79
<b>Closing CWIP</b>	<b>5.40</b>	<b>3.55</b>	<b>3.88</b>
<b>Gross Fixed Assets</b>			
<b>Opening GFA</b>	<b>596.43</b>	<b>591.90</b>	<b>591.45</b>
Add: Transferred from CWIP	6.52	1.79	1.79
Less: Asset Decapitalised	0.00	1.25	1.25
<b>Closing GFA</b>	<b>602.95</b>	<b>592.44</b>	<b>591.99</b>

### **Consumer Contribution**

#### ***Petitioner's Submission***

5.48 The Petitioner has submitted the details of Consumer Contribution (CC) capitalised and received during FY 2021-22 as shown below:



Table 31: CC (Rs Crore) Capitalised and Received as submitted by the Petitioner for FY 2021-22.

Particulars	Petition
CC received during the year	1.12
CC capitalized during the Year	1.19

### **Commission's Analysis**

5.49 The Commission has scrutinized the details submitted by the Petitioner and approves the CC received during FY 2021-22 as below, as 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 32: Consumer Contribution (Rs Crore) as approved by the Commission for FY 2021-22

Particulars	Petition	Approved
CC received during the Year	1.12	1.12

### **Depreciation**

#### **Petitioner's Submission**

5.50 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.

5.51 Further, it is submitted that the details of accumulated depreciation can be referred from the Audited Accounts of FY 2021-22 and depreciation charged during FY 2021-22 can be analysed from Profit and Loss (P&L) Statement as given below.

Table 33: Depreciation (Rs Crore) on assets created out of CC as submitted by the Petitioner.

Particulars	Petition
Closing GFA (A)	592.44
Closing Consumer Contribution capitalised (B)	64.21
Gross Depreciation (C)	19.48
Depreciation on Consumer Contribution (D=C/A*B)	2.11

5.52 Accordingly, the Petitioner has claimed Net Depreciation as summarised below:





Table 34: Depreciation (Rs Crore) as submitted by the Petitioner for FY 2021-22.

Particulars	MYT	Petition
Gross Depreciation	24.65	19.48
Depreciation on Account of CC	2.85	2.11
<b>Net Depreciation</b>	<b>21.80</b>	<b>17.37</b>

### **Commission's Analysis**

5.53 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 2021-22.

5.54 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 2021-22. 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 of Depreciation as claimed by the Petitioner while approving the depreciation for FY 2021-22.

5.55 The table below summarizes the depreciation as submitted by the Petitioner and as approved by the Commission for FY 2021-22:

Table 35: Depreciation (Rs Crore) for FY 2021-22 as approved by the Commission.

Particulars	MYT	Petition	Approved
Gross Depreciation	24.65	19.48	19.48
Depreciation on Account of CC	2.85	2.11	2.32
<b>Net Depreciation</b>	<b>21.80</b>	<b>17.37</b>	<b>17.16</b>

### **Interest and Finance Charges**

#### **Petitioner's Submission**

5.56 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 2021-22 after reducing assets created from Consumer Contribution during the year.

*"{(Total Asset Addition to GFA during the Year-Asset Addition from Consumer Contribution during the year) x 70%}."*





Table 36: Normative Loan & Normative Equity added during the Year (Rs. Crore)

Particulars	Petition
Assets added during the Year	1.79
Less: CC Capitalized during the FY	1.19
Normative Amount Added during the Year	0.60
Equity Addition during the Financial Year @ 30%	0.18
Debt Addition during the Financial Year @ 70%	0.42

5.57 In accordance with Clause 10.26 and Clause 10.27 of the Distribution Tariff Regulations, 2020, 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 Bank rate as applicable on April 01, 2021 plus 200 basis points (i.e 9.00%=7.00% + 200 basis points) as detailed below:

Table 37: Interest and Finance Charges as submitted by the Petitioner (Rs. Crore)

Particulars	MYT	Petition
<b>Opening Loan (Normative)</b>	<b>48.70</b>	<b>46.32</b>
Add: Deemed Addition during the FY	3.16	0.42
Less: Deemed Repayment	21.80	17.37
<b>Closing Loan (Normative)</b>	<b>30.06</b>	<b>29.37</b>
Average Loan	39.38	37.85
Interest Rate	9.00%	9.00%
<b>Interest and Finance Charges</b>	<b>3.54</b>	<b>3.41</b>

### **Commission's Analysis**

5.58 On Consideration of the normative opening loan for FY 2021-22 as the closing value approved for FY 2020-21 as approved in true-up Order, and in accordance with the Distribution Tariff Regulations, 2020 and the methodology adopted 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.

5.59 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 Bank Rate as on April 01, 2021 plus 200 basis points as given below.



Table 38: Normative Loan and Normative Equity (in Rs Crore) added during FY 2021-22

Particulars	Approved
Assets added during the Year	1.79
Less: CC received during the year	1.12
Normative Amount Added during the Year	0.66
Equity Addition during the Financial Year @ 30%	0.20
Debt Addition during the Financial Year @ 70%	0.46

5.60 The table summarises the Interest and Finance Charges (IFC) as submitted by the Petitioner and as approved by the Commission for FY 2021-22:

Table 39: Interest and Finance Charges (in Rs Crore) as approved by the Commission for FY 2021-22.

Particulars	ARR	Petition	Approved
<b>Opening Loan (Normative)</b>	<b>48.70</b>	<b>46.32</b>	<b>44.99</b>
Add: Deemed Addition during the FY	3.16	0.42	0.46
Less: Deemed Repayment	21.80	17.37	17.16
<b>Closing Loan (Normative)</b>	<b>30.06</b>	<b>29.37</b>	<b>28.30</b>
Average Loan	39.38	37.85	36.65
Interest Rate	9.00%	9.00%	9.00%
<b>Interest and Finance Charges</b>	<b>3.54</b>	<b>3.41</b>	<b>3.30</b>

## Interest on Security Deposits

### *Petitioner's Submission*

5.61 The Petitioner has furnished the details of Interest on Consumer's Security Deposit (CSD) as per the Audited Accounts for FY 2021-22 and as stated that the Petitioner has paid the Interest on CSD after considering the actual security deposit, period of security deposit held and applicable interest rate.

5.62 It is submitted that the average security deposit amount as on year-end of FY 2021-22 was Rs. 31.13 Crore and the corresponding interest on security deposit was Rs. 2.29 Crore.

Table 40: Interest on CSD (Rs Crore) as submitted by the Petitioner for FY 2021-22.

Particulars	MYT	Petition
Opening Consumer Security Deposit	30.59	30.42
Consumer Security Deposit Addition	0.64	1.43



Particulars	MYT	Petition
Closing Consumer Security Deposit	31.23	31.85
<b>Average Security Deposit</b>	<b>30.91</b>	<b>31.13</b>
Interest Rate	-	7.36%
<b>Interest on Consumer Security Deposit</b>	<b>2.29</b>	<b>2.29</b>

### Commission's Analysis

5.63 The Commission has gone through and analysed the detail along with audited accounts submitted before the Commission and after prudent check approves the Interest on Consumer Security Deposit for FY 2021-22 as shown below:

Table 41: Interest on CSD (Rs. Crore) as approved by the Commission for FY 2021-22.

Particulars	MYT	Petition	Approved
Opening Consumer Security Deposit	30.59	30.42	30.41
Consumer Security Deposit Addition	0.64	1.43	1.43
Closing Consumer Security Deposit	31.23	31.85	31.84
<b>Average Security Deposit</b>	<b>30.91</b>	<b>31.13</b>	<b>31.13</b>
Interest Rate	-	7.36%	7.40%
<b>Interest on Consumer Security Deposit</b>	<b>2.29</b>	<b>2.29</b>	<b>2.30</b>

### Return on Equity

#### Petitioner's Submission

5.64 It is submitted by the Petitioner that it has considered the same methodology for computing equity addition as approved by the Commission in its previous Orders. The deemed addition to the equity has been considered @30% of the 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%}."*

5.65 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 enclosed along with the Petition.

5.66 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 42: Return on Equity (Rs Crore) as submitted by the Petitioner for FY 2021-22.

Particulars	MYT	Petition
Opening Equity (Normative)	158.43	157.67
Equity Addition (Normative)	1.36	0.18
Closing Equity (Normative)	159.78	157.85
Average Equity	159.11	157.76
Rate of Return	14.50%	14.50%
<b>Return on Equity</b>	<b>23.07</b>	<b>22.88</b>
Income Tax Rate	25.17%	25.17%
Income Tax	<b>7.76</b>	<b>7.69</b>
<b>Return on Equity including Income Tax</b>	<b>30.83</b>	<b>30.57</b>

### **Commission's Analysis**

- 5.67 On consideration of the Distribution Tariff Regulations, 2020, the Opening Equity base for FY 2021-22 as the Closing Equity base has been considered and approved for FY 2020-21 by the Commission and normative Equity addition during the financial year as 30% of the approved capitalization after deducting assets funded out of CC received.
- 5.68 In accordance with clause 10.19 of Distribution Tariff Regulation 2020 the Commission has allowed a rate of return of 14.50% on equity.
- 5.69 The Commission has observed that the Petitioner has submitted the advance tax receipt of Tata Group, as a whole as documentary evidence of Income Tax and has directed the Petitioner to substantiate the amount associated to power distribution business of TSL.
- 5.70 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 is 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%.



- 5.71 The income tax amount approved by the Commission for FY 2021-22 is Rs. 7.64 Crore, being 25.17% of Rs. 30.34 Crore of total Return on Equity including income tax.
- 5.72 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 2021-22 is given below.

Table 43: Return on Equity (Rs Crore) as approved by the Commission for FY 2021-22.

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>	<b>Approved</b>
Opening Equity (Normative)	158.43	157.67	156.48
Equity Addition	1.36	0.18	0.20
Closing Equity (Normative)	159.78	157.85	156.68
Average Equity	159.11	157.76	156.58
Rate of Return	14.50%	14.50%	14.50%
<b>Return on Equity</b>	<b>23.07</b>	<b>22.88</b>	<b>22.70</b>
Income Tax Rate	25.17%	25.17%	25.17%
<b>Income Tax</b>	<b>7.76</b>	<b>7.69</b>	<b>7.64</b>
<b>Return on Equity including Income Tax</b>	<b>30.83</b>	<b>30.57</b>	<b>30.34</b>

## **Interest on Working Capital**

### ***Petitioner's Submission***

- 5.73 It is submitted by the Petitioner that the Working Capital requirement has been considered on the basis of the Distribution Tariff Regulations, 2020 and the SBI Bank rate as on April 01, 2021 plus 350 basis points has been considered for computation of Interest on Working Capital (IoWC).
- 5.74 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) and 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. 0.96 Crore.



Table 44: Interest on Working Capital (Rs Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	5.97	5.92
Revenue from Wheeling and Retail Supply Charges-2 month	238.66	268.14
Less: Power Purchase Cost for One Month Retail Business	106.16	116.07
Less: Average Security Deposit	30.91	31.13
<b>Total Working Capital Requirement</b>	<b>107.56</b>	<b>126.85</b>
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	10.50%	10.50%
<b>Total Interest on Working capital</b>	<b>11.29</b>	<b>13.32</b>
<b>Interest on funding of Principal amount of DPS</b>	<b>-</b>	<b>0.96</b>

### **Commission's Analysis**

5.75 In accordance with clause 10.30 to clause 10.32 of JSERC Distribution Tariff Regulation 2020, the Commission has calculated the Interest on Working Capital (IoWC) for FY 2021-22 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.”

5.76 It is observed by the Commission that the Petitioner has received an amount of Rs. 1.65 Crore as Delayed Payment Surcharge for FY 2021-22. The Commission has taken the revenue received from DPS under Non-Tariff Income. Accordingly, approves the expenses required to finance the same at the rate approved for Interest on Working Capital (IoWC). In accordance with clause 10.75 of Distribution Tariff Regulation 2020 the Commission approves the rate for DPS as 1 years MCLR plus 700 bp per annum for calculation of corresponding receivables against DPS.

5.77 On due scrutiny 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 45: Interest on Working Capital (in Rs. Crore) as approved by the Commission.

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>	<b>Approved</b>
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	5.97	5.92	5.91
Revenue from Wheeling and Retail Supply Charges-2 month	238.66	268.14	268.14
Less: Power Purchase Cost for One Month Retail Business	106.16	116.07	110.19
Less: Average Security Deposit	30.91	31.13	31.13
<b>Total Working Capital Requirement</b>	<b>107.56</b>	<b>126.85</b>	<b>132.73</b>





Particulars	MYT	Petition	Approved
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	10.50%	10.50%	10.50%
<b>Total Interest on Working capital</b>	<b>11.29</b>	<b>13.32</b>	<b>13.94</b>
<b>Interest on funding of Principal amount of DPS</b>		<b>0.96</b>	<b>1.23</b>

## Non-Tariff Income

### Petitioner's Submission

5.78 The Petitioner has claimed Rs. 3.79 Crore towards Non-Tariff Income (NTI) for FY 2021-22 and has submitted that the NTI includes income from Service Charges for new LT connection, miscellaneous charges, etc. as per the Audited Accounts for FY 2021-22 submitted along with the Petition.

Table 46: Non-Tariff Income (Rs Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Non-Tariff Income	6.93	3.79

### Commission's Analysis

5.79 The Commission has scrutinized the Audited Accounts and has observed that the Petitioner has taken into account the meter Rent, service charge for new LT connection, but didn't considered Income from DPS under NTI. Therefore, in accordance with clause 10.53, 10.54 the Commission after scrutinizing the Audited Accounts, approves the NTI after considering the DPS for FY 2021-22 as shown below:

Table 47: Non-Tariff Income (Rs Crore) as approved by the Commission

Particulars	MYT	Petition	Approved
Non-Tariff Income	6.93	3.79	5.43

## Revenue

### Petitioner's Submission

5.80 The Petitioner has submitted the Revenue from Sale of Power as Rs. 1,608.82 Crore including revenue from Sale of Surplus Power of Rs. 69.87 Crore for FY 2021-22.

### Commission's Analysis

5.81 On scrutinizing and analysis of the Audited Accounts as 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. which is summarized below:

Table 48: Revenue (Rs Crore) as approved by the Commission

Particulars	Petition	Approved
<b>Revenue</b>	<b>1,608.82</b>	<b>1,537.30</b>

### Collection Efficiency

#### *Petitioner's Submission*

5.82 It is submitted by the Petitioner that they could achieve a collection efficiency of 100.07%. Accordingly, the Petitioner has computed the sharing of Gain/loss as per the provisions in the regulation. Total Gain on account of higher collection efficiency is RS 9.14 Cr. Therefore, it is prayed to the Commission to allow the sharing of Gain of Rs. 4.57 Cr as computed above in accordance with the provisions specified under clause 6.38 to 6.53 of prevailing Distribution Tariff Regulations, 2020.

Table 49: Collection Efficiency Revenue (Rs Crore) as submitted by the Petitioner for FY 2021-22.

Particulars	Formula	Petition
Opening amount of Debtors	a	103.58
Revenue during the year	b	1612.60
Collection	c	1613.68
Closing amount of Debtors	d=a+b-c	102.50
Collection Efficiency	e=c/b	100.07%
Collection Efficiency target	f	99.50%
Gain%	g	0.57%
Gain Value	h	<b>9.14</b>
<b>Collection Efficiency Claim of Tata Steel 50%</b>		<b>4.57</b>

#### *Commission's Analysis*

5.83 Based on the facts & circumstance the Commission approves the collection efficiency as per clause 6.38 to 6.53 of JSERC Distribution Tariff Regulation 2020, as computed below:



Table 50: Collection Efficiency Revenue (Rs Crore) as approved by the Commission for FY 2021-22.

Particulars	Formula	Petition	Approved
Opening amount of Debtors	a	103.58	103.58
Revenue during the year	b	1612.60	1612.60
Collection	c	1613.68	1613.68
Closing amount of Debtors	d=a+b-c	102.50	102.50
Collection Efficiency	e=c/b	100.07%	100.07%
Collection Efficiency target	f	99.50%	99.50%
Gain on sharing allowed (%)	g	0.57%	0.50%
Gain Value	h	9.14	8.06
<b>Collection Efficiency Claim of Tata Steel 50%</b>		<b>4.57</b>	<b>4.03</b>

### Summary of Annual Revenue Requirement and Gap/(Surplus)

#### *Petitioner's Submission*

5.84 The Petitioner has claimed a Surplus of Rs. (59.54) Crore for FY 2021-22 based on projection and normative claimed in the Petition.

#### *Commission's Analysis*

5.85 On consideration of the submission and details furnished by the Petitioner, the Commission approves the ARR and Gap/(Surplus) for FY 2021-22 which is summarizes below.

Table 51: Summary of ARR (Rs Crore) as approved by the Commission for FY 2021-22

Particulars	MYT	Petition	Approved
Power Purchase Cost	1,273.88	1,392.85	1,322.29
O&M Expenses after sharing of Gain/loss	95.22	87.74	84.42
Interest on Loan	3.54	3.41	3.30
Interest on Working Capital	11.29	13.32	13.94
Financing Cost of DPS FY 2021-22	-	0.96	1.23
Interest on Security Deposit	2.29	2.29	2.30
Depreciation	21.80	17.37	17.16
Return on Equity	30.83	30.57	30.34
<b>Gross Aggregate Revenue Requirement</b>	<b>1,438.85</b>	<b>1,548.50</b>	<b>1,474.98</b>
Less: Non-Tariff Income	6.93	3.79	5.43
<b>Annual Revenue Requirement</b>	<b>1,431.92</b>	<b>1,544.71</b>	<b>1,469.55</b>



<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>	<b>Approved</b>
<b>Revenue from sale of Power @ Existing Tariff</b>	<b>1,466.46</b>	<b>1,608.82</b>	<b>1,537.30</b>
<b>Net Revenue Gap/(Surplus)</b>	<b>(34.54)</b>	<b>(64.11)</b>	<b>(67.75)</b>
Add/ Less: Impact of Sharing of Gains/ Loss on Collection Efficiency		4.57	4.03
<b>Revenue Gap / (Surplus) after Sharing of Gains/ Loss</b>		<b>(59.54)</b>	<b>(63.71)</b>

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



## Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2022-23

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 The Petitioner has submitted the Annual Performance Review (APR) for FY 2022-23 based on the actuals for first six months (H1) and estimated for the balance six months (H2).

6.3 The Commission has approved the APR for FY 2022-23 taking into consideration:

- Distribution Tariff Regulations, 2020;
- 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 2022-23 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 2022-23 which is summarized in the table below:



Table 52: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission for FY 2022-23.

Particulars	Petition			Approved		
	No. of Consumers	Connected Load (kVA)	Consumption (MU)	No. of Consumers	Connected Load (kVA)	Consumption (MU)
Domestic	38,004	2,02,947	169.93	38,004	2,02,947	169.93
Domestic - DSHT	140	59,652	88.65	140	59,652	88.65
Commercial	10,705	67,370	98.19	10,705	67,370	98.19
LTIS	1	90	0.23	1	90	0.23
Total HTIS	166	4,09,275	2,068.53	166	4,09,275	2,068.53
Street Light	386	1,568	6.50	386	1,568	6.50
Temporary Supply	88	666	1.21	88	666	1.21
Sale to JUSCO	1	70,000	400.00	1	70,000	400.00
MESRTODL	1	300	1.11	1	300	1.11
Sale in IEX	0	0	84.96	0	0	0.00
<b>Total Sales</b>	<b>49,492</b>	<b>8,11,868</b>	<b>2,919.31</b>	<b>49,492</b>	<b>8,11,868</b>	<b>2,834.35</b>

## 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 2022-23. 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 3.44% for FY 2022-23 and proposed the Energy Balance as summarised below:

Table 53: Energy Balance (in MUs) for FY 2022-23 as submitted by the Petitioner.

Particulars	MYT	Petition
<b>Energy Requirement</b>		
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	0.00
<b>Energy Req. for Sales to Other Licensee</b>	<b>400.00</b>	<b>400.00</b>
Sales to Steel Works	176.32	39.17
Dist. Losses on Sales to Steel Works (%)	0.00	0.00%
Dist. Losses on Sales to Steel Works	0.00	0.00



Particulars	MYT	Petition
<b>Energy Req. for Sales to Steel Works</b>	<b>176.32</b>	<b>39.17</b>
<b>Sale in IEX</b>	<b>0.00</b>	<b>84.96</b>
Sales to LT consumers	302.11	276.06
Sales to Other HT consumers	1,829.60	2,119.12
<b>Total Sales to Other Consumers</b>	<b>2,131.71</b>	<b>2,395.18</b>
Dist. Losses on Sales to Other Consumers (%)	4.78%	4.04%
Dist. Losses on Sales to Other Consumers	106.97	100.92
<b>Energy Req. for Sales to Other Consumers</b>	<b>2,238.68</b>	<b>2,496.10</b>
Overall Sales	2,708.03	2,919.31
Overall Distribution Losses %	3.80%	3.44%
Overall Distribution Losses	106.97	100.92
<b>Total Energy Requirement (excluding sales in IEX)</b>	<b>2,815.00</b>	<b>2,935.27</b>
<b>Energy Available</b>		
TPCL (Unit II and Unit III)	1,608.34	1,621.94
Damodar Valley Corporation 132kV	325.67	288.49
Damodar Valley Corporation 400kV	908.07	1,067.66
TSW – Captive	27.08	10.00
G-TAM	0.00	15.78
Open access/ other sources	0.00	16.36
<b>Total Pooled Energy Availability</b>	<b>2,815.00</b>	<b>3,020.23</b>

### Commission's Analysis

- 6.9 The Commission has scrutinized the details and on prudent check of the data submitted by the Petitioner, has approved the sales for FY 2022-23. Likewise, on scrutinizing the bills for H1 period raised by Damodar Valley Corporation (DVC), Tata Power Company Limited (TPCL), and other sources and estimated the same for H2 period, the Commission approves the power purchase quantum from each source.
- 6.10 It is observed that the estimated overall distribution loss is 3.30% for FY 2022-23 against the approved value of 3.80% in MYT Order dated November 24, 2022. Accordingly, the Commission approves the overall distribution loss of 3.30% for FY 2022-23.
- 6.11 It is observed by the Commission that the Petitioner has proposed to sell the surplus power in the Open Market and is of the view that the Power Purchase Cost is one of the major cost components in the Annual Revenue



Requirement. Accordingly, the Commission is not approving sale of any surplus power to the exchange during FY 2022-23.

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

Table 54: Energy Requirement (MUs) for FY 2022-23 as approved by the Commission

Particulars	MYT	Petition	Approved
<b>Energy Requirement</b>			
Sales to Other Licensee	400.00	400.00	400.00
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
<b>Energy Req. for Sales to Other Licensee</b>	<b>400.00</b>	<b>400.00</b>	<b>400.00</b>
Sales to Steel Works	176.32	39.17	39.17
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
<b>Energy Req. for Sales to Steel Works</b>	<b>176.32</b>	<b>39.17</b>	<b>39.17</b>
<b>Sale in IEX</b>	<b>0.00</b>	<b>84.96</b>	<b>0.00</b>
Sales to LT consumers	302.11	276.06	276.06
Sales to Other HT consumers	1,829.60	2,119.12	2,119.12
<b>Total Sales to Other Consumers</b>	<b>2,131.71</b>	<b>2,395.18</b>	<b>2,395.18</b>
Dist. Losses on Sales to Other Consumers (%)	4.78%	4.04%	4.04%
Dist. Losses on Sales to Other Consumers	106.97	100.92	96.84
<b>Energy Req. for Sales to Other Consumers</b>	<b>2,238.68</b>	<b>2,496.10</b>	<b>2,298.34</b>
Overall Sales	2,708.03	2,919.31	2,834.35
Overall Distribution Losses %	3.80%	3.44%	3.30%
Overall Distribution Losses	106.97	100.92	96.84
<b>Total Energy Requirement (excluding sales in IEX)</b>	<b>2,815.00</b>	<b>2,935.27</b>	<b>2931.19</b>
<b>Energy Available</b>			
TPCL (Unit II and Unit III)	1,608.34	1,621.94	1,621.94
Damodar Valley Corporation 132kV	325.67	288.49	288.49
Damodar Valley Corporation 400kV	908.07	1,067.66	978.62
TSW – Captive	27.08	10.00	10.00
G-TAM	0.00	15.78	15.78
Open access/ other sources	0.00	16.36	16.36
<b>Total Pooled Energy Availability</b>	<b>2,815.00</b>	<b>3,020.23</b>	<b>2,931.19</b>



## **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 2022-September 2022 (H1) and estimated for the balance six months, i.e., October 2022-March 2023 (H2).
- 6.14 It has been estimated by the Petitioner that the energy requirement of 790.17 MU and 831.77 MU from Unit-2, Unit-3 at the rate of Rs 4.30/kWh & Rs 4.14/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 1067.66 MU, 288.49 MU at voltage level of 400kV, 132 kV at the rate of Rs 5.92/kWh, Rs 5.21/kWh respectively from DVC. The Petitioner has further submitted that the said energy requirement includes the surplus power of 84.96 MU which is to be sold in the Power exchange.
- 6.16 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) amounting to Rs. 70.19 Crore for Solar and Non-Solar Categories in H1 of FY 2022-23 and plans to procure the balance RECs required during H2 of FY 2022-23. Based on the prevailing REC prices and balance RPO to be met, the Petitioner has estimated to incur Rs. 74.34 Crore for procurement of RECs in H2 of FY 2022-23.
- 6.17 In addition to the above power procurement, the Petitioner has also projected to procure power (16.36 MU) from Open Market at an average per unit rate of Rs. 4.73/kWh.
- 6.18 It is prayed by the Petitioner to the Commission to approve Rs. 1709.55 Crore as power purchase cost (including revenue from Sale of Surplus Power) for FY 2022-23 as summarized below:





Table 55: Power Procurement Cost (Rs. Cr.) for FY 2022-23 as submitted by the Petitioner

Particulars	MYT	Petition
<b>TPCL Unit 2</b>		
Power Purchased (MU)	804.17	790.17
Rate of Power Purchased (Rs./kWh)	3.72	4.30
Power Purchase Cost (Rs. Crore)	299.55	339.60
Prior Period Adjustments (Rs. Crore)		-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>299.55</b>	<b>339.60</b>
<b>TPCL Unit 3</b>		
Power Purchased (MU)	804.17	831.77
Rate of Power Purchased (Rs./kWh)	3.78	4.14
Power Purchase Cost (Rs. Crore)	303.81	344.23
Prior Period Adjustments (Rs. Crore)		-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>303.81</b>	<b>344.23</b>
<b>DVC 132 kV</b>		
Power Purchased (MU)	325.67	288.49
Rate of Power Purchased (Rs./kWh)	4.47	5.21
Power Purchase Cost (Rs. Crore)	145.48	150.38
Prior Period Adjustments (Rs. Crore)		-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>145.48</b>	<b>150.38</b>
<b>DVC 400 kV</b>		
Power Purchased (MU)	908.07	1,067.66
Rate of Power Purchased (Rs./kWh)	5.61	5.92
Power Purchase Cost (Rs. Crore)	509.14	631.74
Prior Period Adjustments (Rs. Crore)		-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>509.14</b>	<b>631.74</b>
<b>TSW (Captive)</b>		
Power Purchased (MU)	27.08	10.00
Rate of Power Purchased (Rs./kWh)	3.73	4.31
Power Purchase Cost (Rs. Crore)	10.09	4.31
Prior Period Adjustments (Rs. Crore)		-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>10.09</b>	<b>4.31</b>
<b>Others/Open Market</b>		
Power Purchased (MU)		16.36
Rate of Power Purchased (Rs./kWh)		4.73
<b>Power Purchase Cost (Rs. Crore)</b>		<b>7.74</b>
<b>RPO Purchased (Rs. Crore)</b>	<b>65.27</b>	<b>144.53</b>
<b>G-TAM (F)</b>		
Power Purchased (MU)		15.78



Particulars	MYT	Petition
Rate of Power Purchased (Rs./kWh)		4.75
<b>Power Purchase Cost (Rs. Crore)</b>		<b>7.50</b>
<b>Sale-Surplus Power</b>		
Power Purchased (MU)		84.96
Rate of Power Purchased (Rs./kWh)		14.04
<b>Revenue from Surplus Sales (Rs. Crore)</b>		<b>60.49</b>
<b>Disallowed Sales</b>	-	-
<b>Total Power Purchase</b>		
Power Purchased (MU)	2,815.00	3,020.23
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1,333.34</b>	<b>1,630.03</b>
Transmission Charges	incl above	79.52
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>1,333.34</b>	<b>1,709.55</b>

### Commission's Analysis

- 6.19 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 2022-23, 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.
- 6.20 It is observed by the Commission that the tariff claimed by the Petitioner for power procured from Open Market is on the higher side and approves the tariff at weighted average price discovered in Indian Energy Exchange (IEX) applicable for Jharkhand region in FY 2022-23, subject to prudence check at the time of truing up. Since, the Commission has not approved any sale of surplus power for FY 2022-23, there shall be no Revenue from Sale of Surplus Power in the Open Market.
- 6.21 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.
- 6.22 On scrutinizing and analysis of the actual RECs and invoice submitted by the Petitioner for H1 period, accordingly the Commission on the basis of actual approves the REC cost for H1 period and has estimated the same



for H2 period for FY 2022-23, subject to prudent check at the time of truing up.

6.23 With regard to Transmission charge (PGCIL & ERLDC), the Commission approves the transmission charge after subtracting the IEX quantum of power transmission charge for FY 2022-23, subject to prudent check at the time of truing up.

6.24 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 2022-23, is tabulated below:

Table 56: Power Procurement Cost (Rs. Cr.) for FY 2022-23 as approved by the Commission

Particulars	MYT	Petition	Approved
<b>TPCL Unit 2</b>			
Power Purchased (MU)	804.17	790.17	790.17
Rate of Power Purchased (Rs./kWh)	3.72	4.30	4.24
Power Purchase Cost (Rs. Crore)	299.55	339.60	334.71
Prior Period Adjustments (Rs. Crore)		-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>299.55</b>	<b>339.60</b>	<b>334.71</b>
<b>TPCL Unit 3</b>			
Power Purchased (MU)	804.17	831.77	831.77
Rate of Power Purchased (Rs./kWh)	3.78	4.14	4.03
Power Purchase Cost (Rs. Crore)	303.81	344.23	335.48
Prior Period Adjustments (Rs. Crore)		-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>303.81</b>	<b>344.23</b>	<b>335.48</b>
<b>DVC 132 kV</b>			
Power Purchased (MU)	325.67	288.49	288.49
Rate of Power Purchased (Rs./kWh)	4.47	5.21	5.26
Power Purchase Cost (Rs. Crore)	145.48	150.38	151.65
Prior Period Adjustments (Rs. Crore)			
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>145.48</b>	<b>150.38</b>	<b>151.65</b>
<b>DVC 400 kV</b>			
Power Purchased (MU)	908.07	1,067.66	958.76
Rate of Power Purchased (Rs./kWh)	5.61	5.92	5.61
Power Purchase Cost (Rs. Crore)	509.14	631.74	548.70
Prior Period Adjustments (Rs. Crore)			
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>509.14</b>	<b>631.74</b>	<b>548.70</b>
<b>TSW (Captive)</b>			



Particulars	MYT	Petition	Approved
Power Purchased (MU)	27.08	10.00	10.00
Rate of Power Purchased (Rs./kWh)	3.73	4.31	4.03
Power Purchase Cost (Rs. Crore)	10.09	4.31	4.03
Prior Period Adjustments (Rs. Crore)			
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>10.09</b>	<b>4.31</b>	<b>4.03</b>
<b>Others/Open Market</b>			
Power Purchased (MU)		16.36	16.36
Rate of Power Purchased (Rs./kWh)		4.73	4.73
<b>Power Purchase Cost (Rs. Crore)</b>		<b>7.74</b>	<b>7.74</b>
<b>RPO Purchased (Rs. Crore)</b>	<b>65.27</b>	<b>144.53</b>	<b>140.38</b>
<b>G-TAM (F)</b>			
Power Purchased (MU)		15.78	15.78
Rate of Power Purchased (Rs./kWh)		4.75	4.75
<b>Power Purchase Cost (Rs. Crore)</b>		<b>7.50</b>	<b>7.50</b>
<b>Sale-Surplus Power</b>			
Power Purchased (MU)		84.96	-
Rate of Power Purchased (Rs./kWh)		14.04	-
<b>Revenue from Surplus Sales (Rs. Crore)</b>		<b>60.49</b>	-
<b>Disallowed Sales</b>	-		
<b>Total Power Purchase</b>			
Power Purchased (MU)	2,815.00	3,020.23	2,931.19
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1,333.34</b>	<b>1,630.03</b>	<b>1,530.19</b>
Transmission Charges	incl above	79.52	71.41
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>1,333.34</b>	<b>1,709.55</b>	<b>1,601.60</b>

## Operation and Maintenance Expenses (O&M)

### Petitioner's Submission

- 6.25 The Petitioner has submitted that it has segregated each component of O&M Expenses and claimed the normative Employee Expenses for FY 2022-23 considering the inflation of 6.41% and growth factor of 1.78%. Likewise, 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 6.41%.
- 6.26 The Petitioner has calculated the normative R&M Expenses considering the 'k' factor as 5.08% and as approved by the Commission in the MYT



Order dated November 24, 2022 and has factored in the inflation factor (6.41%) while calculating the normative R&M Expenses for FY 2022-23 as given below.

Table 57: Normative O&M Expenses (Rs Crore) as submitted by the Petitioner for FY 2022-23.

Particulars	MYT	Petition
Employee Expenses	32.00	33.16
A&G Expenses	32.52	34.28
R&M Expenses	31.69	32.02
<b>O&amp;M Expenses</b>	<b>96.21</b>	<b>99.46</b>
Petition Filing Expenses	0.20	0.20
CGRF Expenses (Rent & Remuneration)	0.28	0.44
<b>Net-O&amp;M Expenses</b>	<b>96.69</b>	<b>100.10</b>

### **Commission's Analysis**

- 6.27 On analysis and scrutinizing the material on record, the Commission approves the normative employee expenses for FY 2022-23 by taking inflation factor as 6.81% and growth factor as 1.78%.
- 6.28 On analysis and scrutinizing the material on record, the Commission approves the normative A&G Expenses (excluding Petition Filing Fees and CGRF Expenses) for FY 2022-23, based on the normative approved value of A&G Expenses (excluding Petition Filing Fee and CGRF Expenses) for FY 2021-22 by multiplying the inflation factor of 6.81%.
- 6.29 The Commission approves the Petition Filing Fee and CGRF Expenses for FY 2022-23 at the same level as approved for FY 2021-22 earlier in this order, subject to truing up.
- 6.30 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 2022-23:

Table 58: Normative O&M Expenses ( Rs. Crore) as approved by the Commission

Particulars	Approved
Employee Expenses	28.20



Particulars	Approved
A&G Expenses (excluding filing & CGRF Expenses)	33.04
R&M Expenses	32.12
<b>Normative O&amp;M Expenses</b>	<b>93.37</b>
Petition Filing Fee	0.16
CGRF Expenses (Rent & Remuneration)	0.35
<b>Normative O&amp;M Expenses including Filing Fee and CGRF Expenses</b>	<b>93.88</b>

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

#### Petitioner's Submission

6.31 It was submitted that the Petitioner has considered the Opening and Closing Capital Work in Progress (CWIP) as per the Balance Sheet for FY 2021-22. The assets transferred to Gross Fixed Asset (GFA) for FY 2022-23 are considered based as per actual performance for first six months and projected for the remaining six months.

6.32 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 as enclosed with the Petition is given below.

Table 59: CWIP and GFA ( in Rs Crore) as submitted by the Petitioner for FY 2022-23.

Particulars	MYT	Petition
<b>Opening CWIP</b>	<b>5.40</b>	<b>3.55</b>
Additional Capex	48.10	12.01
Less: Capitalisation	47.40	11.20
<b>Closing CWIP</b>	<b>6.10</b>	<b>4.36</b>
<b>Gross Fixed Assets</b>		
<b>Opening GFA</b>	<b>602.95</b>	<b>592.44</b>
Add: Transferred from CWIP	47.40	11.20
Less: Asset Decapitalised	0.00	0.00
<b>Closing GFA</b>	<b>650.35</b>	<b>603.64</b>

#### Commission's Analysis

6.33 The Commission has scrutinised the scheme-wise details of Capital Expenditure and Capitalisation as submitted by the Petitioner for approval of CWIP and GFA for FY 2022-23. On analysis of the information submitted by the Petitioner, it is observed by the Commission that the works carried



out by the Petitioner for the schemes is in line with the scheme approved by the Commission in MYT Order dated November 24, 2022.

6.34 Based on 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 2022-23, given below:

Table 60: CWIP and GFA (in Rs Crore) for FY 2022-23 as approved by the Commission.

Particulars	MYT	Petition	Approved
<b>Opening CWIP</b>	<b>5.40</b>	<b>3.55</b>	<b>3.88</b>
Additional Capex	48.10	12.01	12.01
Less: Capitalisation	47.40	11.20	11.20
<b>Closing CWIP</b>	<b>6.10</b>	<b>4.36</b>	<b>4.69</b>
<b>Gross Fixed Assets</b>			
<b>Opening GFA</b>	<b>602.95</b>	<b>592.44</b>	<b>591.99</b>
Add: Transferred from CWIP	47.40	11.20	11.20
Less: Asset Decapitalised	0.00	0.00	0.00
<b>Closing GFA</b>	<b>650.35</b>	<b>603.64</b>	<b>603.19</b>

## Consumer Contribution

### *Petitioner's Submission*

6.35 The Petitioner has adopted a similar approach as in the previous order, the consumer contribution received in H1 and expected to be received in H2 is added to arrive at the total consumer contribution for FY 2022-23 is given below:

Table 61: CC (Rs Crore) Capitalised and Received as submitted by the Petitioner for FY 2022-23.

Particulars	Petition
CC Received during the Year	2.04
CC capitalized during the Year	3.72

### *Commission's Analysis*

6.36 The Commission has analyzed and scrutinized the details submitted by the Petitioner and approves the CC received during FY 2022-23 as below. Accordingly, the same is taken for calculation of Depreciation, Loan Addition and Equity Addition calculations as per the methodology adopted





by the Commission in the previous orders, subjected to prudent check at the time of truing-up.

Table 62: Consumer Contribution (Rs Crore) as approved by the Commission

Particulars	Petition	Approved
CC Received during the Year	2.04	2.04

## Depreciation

### Petitioner's Submission

6.37 The Petitioner has projected the Gross Depreciation based on methodology adopted in previous order i.e., FY 2021-22, subject to truing up based on actuals and Tariff Regulations, 2020 is shown below.

Table 63: Depreciation (Rs Crore) on assets created out of CC as submitted by the Petitioner.

Particulars	Petition
Closing GFA (A)	603.19
Closing Consumer Contribution capitalised (B)	3.72
Gross Depreciation (C)	19.67
Depreciation on Consumer Contribution (D=C/A*B)	2.21

6.38 Accordingly, the Petitioner has estimated Net Depreciation as summarised below:

Table 64: Depreciation (Rs Crore) as submitted by the Petitioner for FY 2022-23.

Particulars	MYT	Petition
Gross Depreciation	25.76	19.67
Depreciation on Account of CC	2.93	2.21
<b>Net Depreciation</b>	<b>22.83</b>	<b>17.46</b>

### Commission's Analysis

6.39 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 2023-24.

6.40 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 2022-23. 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 of Depreciation as claimed by the Petitioner while approving the depreciation for FY 2022-23.

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

Table 65: Depreciation (Rs Crore) as approved by the Commission for FY 2022-23.

Particulars	MYT	Petition	Approved
Gross Depreciation	25.76	19.67	19.67
Depreciation on Account of CC	2.93	2.21	2.37
<b>Net Depreciation</b>	<b>22.83</b>	<b>17.46</b>	<b>17.30</b>

### **Interest and Finance Charges**

#### ***Petitioner's Submission***

6.42 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 2022-23 after reducing assets created from Consumer Contribution during the year.

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

Table 66: Normative Loan & Normative Equity (Rs. Crore) added during the Year.

Particulars	Petition
Assets added during the Year	11.20
Less: Capitalized from Consumer Contribution	3.72
Normative Amount Added during the Year	7.48
Equity Addition during the Financial Year @ 30%	2.24
Debt Addition during the Financial Year @ 70%	5.24

6.43 In accordance with Clause 10.26 and Clause 10.27 of the Distribution Tariff Regulations, 2020, 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 Bank rate as applicable on April 01, 2022 plus 200 basis points (i.e 9.00%=7.00% + 200 basis points)

Table 67: Interest and Finance Charges as submitted by the Petitioner (Rs. Crore)

Particulars	MYT	Petition
<b>Opening Loan (Normative)</b>	<b>30.06</b>	<b>29.37</b>
Add: Deemed Addition during the FY	31.78	5.24
Less: Deemed Repayment	22.83	17.46
<b>Closing Loan (Normative)</b>	<b>39.01</b>	<b>17.15</b>
Average Loan	34.54	23.26
Interest Rate	9.00%	9.00%
<b>Interest and Finance Charges</b>	<b>3.11</b>	<b>2.09</b>

### **Commission's Analysis**

- 6.44 On consideration of the normative opening loan for FY 2022-23 as the closing value approved for FY 2021-22 and principle adopted in accordance with the Tariff Regulations, 2020 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.
- 6.45 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 Bank Rate as on April 01, 2022 plus 200 basis points as tabulated herein under.

Table 68: Normative Loan and Normative Equity (in Rs Crore) added during FY 2022-23

Particulars	Approved
Assets added during the Year	11.20
Less: Consumer Contribution Received for FY	2.04
Normative Amount Added during the Year	9.16
Equity Addition during the Financial Year @ 30%	2.75
Debt Addition during the Financial Year @ 70%	6.41

- 6.46 The table summarises the Interest and Finance Charges (IFC) as submitted by the Petitioner and as approved by the Commission for FY 2022-23:



Table 69: Interest and Finance Charges (in Rs Crore) as approved by the Commission for FY 2022-23.

Particulars	MYT	Petition	Approved
<b>Opening Loan (Normative)</b>	<b>30.06</b>	<b>29.37</b>	<b>28.30</b>
Add: Deemed Addition during the FY	31.78	5.24	6.41
Less: Deemed Repayment	22.83	17.46	17.30
<b>Closing Loan (Normative)</b>	<b>39.01</b>	<b>17.15</b>	<b>17.41</b>
Average Loan	34.54	23.26	22.85
Interest Rate	9.00%	9.00%	9.00%
<b>Interest and Finance Charges</b>	<b>3.11</b>	<b>2.09</b>	<b>2.06</b>

### Interest on Security Deposits

#### **Petitioner's Submission**

6.47 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 2022-23.

6.48 It is estimated that the average security deposit amount as on year-end of FY 2022-23 will be Rs. 35.91 Crore and the corresponding interest on security deposit will be Rs. 2.70 Crore.

Table 70: Interest on CSD (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Opening Consumer Security Deposit	31.23	31.85
Consumer Security Deposit Addition	0.66	8.13
Closing Consumer Security Deposit	31.89	39.97
<b>Average Security Deposit</b>	<b>31.56</b>	<b>35.91</b>
Interest Rate	7.54%	7.53%
<b>Interest on Consumer Security Deposit</b>	<b>2.38</b>	<b>2.70</b>

#### **Commission's Analysis**

6.49 The Commission has gone through the Petition and analysed the details submitted by the Petitioner before the Commission and on prudent check approves the Interest on Consumer Security Deposit for FY 2022-23, subjected to truing up based on actuals is given below:



Table 71: Interest on CSD (Rs. Crore) as approved by the Commission.

Particulars	MYT	Petition	Approved
Opening Consumer Security Deposit	31.23	31.85	31.84
Consumer Security Deposit Addition	0.66	8.13	8.13
Closing Consumer Security Deposit	31.89	39.97	39.97
<b>Average Security Deposit</b>	<b>31.56</b>	<b>35.91</b>	<b>35.91</b>
Interest Rate	7.54%	7.53%	7.55%
<b>Interest on Consumer Security Deposit</b>	<b>2.38</b>	<b>2.70</b>	<b>2.71</b>

## Return on Equity

### Petitioner's Submission

6.50 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%.”*

6.51 It has been submitted by the Petitioner that the rate of Return on Equity (RoE) is considered as 14.50% as per clause 10.19 of JSERC Distribution Tariff Regulations, 2020. The Petitioner also submits that the Return on Equity has been grossed with the applicable income tax rate for FY 2022-23, which stands at 25.17% as shown below:

Table 72: Return on Equity (Rs Crore) as submitted by the Petitioner for FY 2022-23.

Particulars	MYT	Petition
Opening Equity (Normative)	159.78	157.85
Equity Addition (Normative)	13.62	2.24
Closing Equity (Normative)	173.40	160.09
Average Equity	166.59	158.97
Rate of Return	14.50%	14.50%
<b>Return on Equity</b>	<b>24.16</b>	<b>23.05</b>
Income Tax Rate	25.17%	25.17%
<b>Income Tax</b>	<b>8.12</b>	<b>7.75</b>
<b>Return on Equity including Income Tax</b>	<b>32.28</b>	<b>30.80</b>



### **Commission's Analysis**

- 6.52 On consideration of the Distribution Tariff Regulations, 2020, the Opening Equity base for FY 2022-23 as the Closing Equity base approved for FY 2021-22 by the Commission earlier in this order and normative Equity addition during the financial year as 30% of the approved capitalization after deducting assets funded out of CC received.
- 6.53 In accordance with clause 10.19 of Distribution Tariff Regulation 2020 the Commission has allowed a rate of return of 14.50% on equity.
- 6.54 The income tax amount approved by the Commission for FY 2022-23 is Rs. 7.71 Crore, being 25.17% of Rs. 30.63 Crore of total Return on Equity including income tax.
- 6.55 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 2022-23 is given below.

Table 73: Return on Equity (Rs Crore) as approved by the Commission for FY 2022-23.

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>	<b>Approved</b>
Opening Equity (Normative)	159.78	157.85	156.68
Equity Addition	13.62	2.24	2.75
Closing Equity (Normative)	173.40	160.09	159.43
Average Equity	166.59	158.97	158.06
Rate of Return	14.50%	14.50%	14.50%
<b>Return on Equity</b>	<b>24.16</b>	<b>23.05</b>	<b>22.92</b>
Income Tax Rate	25.17%	25.17%	25.17%
<b>Income Tax</b>	<b>8.12</b>	<b>7.75</b>	<b>7.71</b>
<b>Return on Equity including Income Tax</b>	<b>32.28</b>	<b>30.80</b>	<b>30.63</b>

### **Interest on Working Capital**

#### **Petitioner's Submission**

- 6.56 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:



Table 74: Interest on Working Capital (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	6.03	5.92
Revenue from Wheeling and Retail Supply Charges-2 month	249.22	311.95
Less: Power Purchase Cost for One Month Retail Business	111.11	142.46
Less: Average Security Deposit	31.56	31.85
<b>Total Working Capital Requirement</b>	<b>112.58</b>	<b>143.56</b>
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	10.50%	11.20%
<b>Total Interest on Working capital</b>	<b>11.82</b>	<b>16.08</b>

### **Commission's Analysis**

6.57 In accordance with clause 10.30 to clause 10.32 of JSERC Distribution Tariff Regulation 2020, the Commission has calculated the Interest on Working Capital (IoWC) for FY 2022-23 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.”

6.58 On the basis of facts & circumstances the Commission has approved the Interest on working capital for FY 2022-23 on normative basis as shown below:

Table 75: Interest on Working Capital (in Rs. Crore) as approved by the Commission

Particulars	Approved
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	5.92
Revenue from Wheeling and Retail Supply Charges-2 month	288.84
Less: Power Purchase Cost for One Month Retail Business	133.47
Less: Average Security Deposit	35.91
<b>Total Working Capital Requirement</b>	<b>125.39</b>
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	11.20%
<b>Total Interest on Working capital</b>	<b>14.04</b>

## **Non-Tariff Income**

### **Petitioner's Submission**

6.59 The Petitioner has estimated Rs. 7.10 Crore towards Non-Tariff Income (NTI) for FY 2022-23 same as approved in the MYT Order dated November 24, 2022 as shown below:

Table 76: Non-Tariff Income (Rs Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Non-Tariff Income	7.10	7.10



### **Commission's Analysis**

6.60 The Commission has scrutinized the detail submitted by the Petitioner along with the Petition and provisionally approved the NTI as Rs 7.10 Crore for FY 2022-23 subjected to truing up on the actual basis.

Table 77: Non-Tariff Income (Rs Crore) as approved by the Commission

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>	<b>Approved</b>
Non-Tariff Income	7.10	7.10	7.10

### **Revenue**

#### **Petitioner's Submission**

6.61 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 2022-23.

6.62 It is submitted by the Petitioner that the Revenue from sale of Power in H2 during Oct 2022 and Nov 2022 is considered on the basis of prevailing tariff for FY 2021-22.

6.63 Further, the Petitioner has submitted that the Revenue from sale of power in H2 during Dec 2022 to April 2023 is considered as per the tariff approved by the Commission in its Order dated November 24, 2022.

Table 78: Revenue (Rs Crore) as submitted by the Petitioner for FY 2022-23.

<b>Particulars</b>	<b>Petition</b>
Revenue	<b>1,793.55</b>

#### **Commission's Analysis**

6.64 On scrutinizing and analysis of the submission of the Petition, the Commission has taken into consideration the income from Sale of Power as a revenue after subtracting the sale of surplus power under power purchase deducted from revenue, to arrive at the Revenue from Sale of Power as summarised below:



Table 79: Revenue (Rs Crore) as approved by the Commission

Particulars	Petition	Approved
Revenue	<b>1,793.55</b>	<b>1,733.06</b>

### Summary of Annual Revenue Requirement and Gap/(Surplus)

#### Petitioner's Submission

6.65 The Petitioner has estimated a Gap of Rs. 78.13 Crore for FY 2022-23 based on actual and normative claimed.

#### Commission's Analysis

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

Table 80: Summary of ARR (Rs Crore) as approved by the Commission for FY 2022-23

Particulars	MYT	Petition	Approved
Power Purchase Cost	1,333.35	1,709.55	1,601.60
O&M Expenses	96.69	100.10	93.88
Interest on Loan	3.11	2.09	2.06
Interest on Working Capital	11.82	16.08	14.04
Financing Cost of DPS FY 2022-23	-	0.00	-
Interest on Security Deposit	2.38	2.70	2.71
Depreciation	22.83	17.46	17.30
Return on Equity	32.28	30.80	30.63
<b>Gross Aggregate Revenue Requirement</b>	<b>1,502.45</b>	<b>1,878.79</b>	<b>1,762.22</b>
Less: Non-Tariff Income	7.10	7.10	7.10
<b>Annual Revenue Requirement</b>	<b>1,495.35</b>	<b>1,871.69</b>	<b>1,755.12</b>
<b>Revenue from sale of Power @ Existing Tariff</b>		<b>1,793.55</b>	<b>1,733.06</b>
<b>Net Revenue Gap/(Surplus)</b>	<b>1,495.35</b>	<b>78.13</b>	<b>22.06</b>

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



## **Chapter 7: AGGREGATE REVENUE REQUIREMENT & TARIFF FOR FY 2023-24**

- 7.1 The Petitioner has submitted the Aggregate Revenue Requirement and Tariff for FY 2023-24 as per clause A24 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.
- 7.2 The Petitioner has submitted the projection of ARR for FY 2023-24 based on the Truing up for FY 2021-22 and APR for FY 2022-23. While projecting the ARR for FY 2023-24, the Petitioner has revised the Energy Sales forecast based on actuals during the first half of FY 2022-23 as against the values approved in the MYT Order. Due to this revised sales estimates, the Petitioner has submitted that the revenue and power purchase cost would undergo change as the same constitutes ~90.00% of the ARR.
- 7.3 The Commission has approved the ARR and Tariff for FY 2023-24 taking into consideration:
- Tariff Regulations, 2020;
  - Information placed on record;
  - Methodology adopted by the Commission in its previous Orders

### **Consumers, Connected Load and Energy Sales**

#### **Petitioner's Submission**

- 7.4 The Petitioner has submitted the details of number of consumers, connected load and energy sales for FY 2023-24 based on projection.

#### **Commission's Analysis**

- 7.5 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 FY 2021-22.
- 7.6 The Commission at this stage has considered the projection as made by the Petitioner, and approves the number of Consumers, Connected Load and sales, subject to truing up based on actuals as given below:



Table 81: 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	39,910.00	2,13,924	187.65	39,910.00	2,13,924	187.65
Domestic - DSHT	146.00	62,111	92.16	146.00	62,111	92.16
Commercial	10,835.00	68,182	99.73	10,835.00	68,182	99.73
LTIS	1.00	90	0.23	1.00	90	0.23
Total HTIS	175.00	4,16,795	1,973.75	175.00	4,16,795	1,973.75
Street Light	386.00	3,136	6.58	386.00	3,136	6.58
Temporary Supply	88.00	1,332	1.01	88.00	1,332	1.01
Sale to JUSCO	1.00	70,000	410.00	1.00	70,000	410.00
MESRTODL	1.00	300	1.11	1.00	300	1.11
Sale in IEX	0.00	0	84.96	0.00	0	0.00
<b>Total Sales</b>	<b>51,543.00</b>	<b>8,35,869</b>	<b>2,857.18</b>	<b>51,543.00</b>	<b>8,35,869</b>	<b>2,772.22</b>

## Energy Balance

### Petitioner's Submission

- 7.7 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.
- 7.8 In the Instant Petition, the Petitioner has considered Distribution Losses of 3.80% for FY 2023-24 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 2022-23 vis-à-vis as approved by the Commission in its MYT Order dated November 24, 2022. The computation of Energy Balance is tabulated below:

Table 82: Energy Balance (in MUs) for FY 2023-24 as submitted by the Petitioner.

Particulars	MYT	Petition
<b>Energy Requirement</b>		
Sales to Other Licensee	400.00	410.00
Dist. Losses on Sales to Other Licensee (%)	0.00	0.00
Distribution on Sales to Other Licensee	0.00	0.00
<b>Energy Req. for Sales to Other Licensee</b>	<b>400.00</b>	<b>410.00</b>



Particulars	MYT	Petition
Sales to Steel Works	176.32	39.17
Dist. Losses on Sales to Steel Works (%)	0.00	0.00
Dist. Losses on Sales to Steel Works	0.00	0.00
<b>Energy Req. for Sales to Steel Works</b>	<b>176.32</b>	<b>39.17</b>
<b>Sale in IEX</b>	<b>0.00</b>	<b>84.96</b>
Sales to LT consumers	313.02	295.20
Sales to Other HT consumers	1,888.59	2,027.85
<b>Total Sales to Other Consumers</b>	<b>2,201.60</b>	<b>2,323.04</b>
Dist. Losses on Sales to Other Consumers (%)	4.75%	4.50%
Dist. Losses on Sales to Other Consumers	109.73	109.51
<b>Energy Req. for Sales to Other Consumers</b>	<b>2,311.33</b>	<b>2,432.55</b>
Overall Sales	2,777.92	2,772.22
Overall Distribution Losses %	3.80%	3.80%
Overall Distribution Losses	109.73	109.51
<b>Total Energy Requirement (excluding sales in IEX)</b>	<b>2,887.65</b>	<b>2,881.72</b>
<b>Energy Available</b>		
TPCL (Unit II and Unit III)	1,612.74	1,532.70
Damodar Valley Corporation 132kV	334.08	276.17
Damodar Valley Corporation 400kV	967.91	1,107.04
TSW – Captive	27.08	20.00
G-TAM	0.00	15.10
Open access/ other sources	0.00	15.67
<b>Total Pooled Energy Availability</b>	<b>2,887.65</b>	<b>2,966.68</b>

### Commission's Analysis

- 7.9 On scrutinizing the details submitted by the Petitioner, the Commission has observed that the projected Sales for FY 2023-24 are significantly higher than the value approved in the MYT Order dated November 24, 2022.
- 7.10 It is observed by the Commission that the estimated overall distribution loss is 3.64% for FY 2023-24 against the approved value of 3.80% in MYT Order dated November 24, 2022. Accordingly, the Commission approves the overall distribution loss of 3.64% for FY 2023-24.
- 7.11 It has been observed by the Commission that the Petitioner has proposed to sell the surplus power in the Open Market. In this regard the Commission is of the view that the Power Purchase Cost is one of the major



cost components in the ARR. Accordingly, for ARR, the Commission is not approving sale of any surplus power and has proportionally reduced the quantum purchased from the costliest source.

7.12 The details of the Energy Sales, Distribution Loss and power purchase quantum as submitted by the Petitioner and as approved by the Commission for FY 2023-24, is summarized herein below:

Table 83: Energy Requirement (MUs) for FY 2023-24 as approved by the Commission

Particulars	MYT	Petition	Approved
<b>Energy Requirement</b>			
Sales to Other Licensee	400.00	410.00	410.00
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
<b>Energy Req. for Sales to Other Licensee</b>	<b>400.00</b>	<b>410.00</b>	<b>410.00</b>
Sales to Steel Works	176.32	39.17	39.17
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
<b>Energy Req. for Sales to Steel Works</b>	<b>176.32</b>	<b>39.17</b>	<b>39.17</b>
<b>Sale in IEX</b>	<b>0.00</b>	<b>84.96</b>	<b>0.00</b>
Sales to LT consumers	313.02	295.20	295.20
Sales to Other HT consumers	1,888.59	2,027.85	2,027.85
<b>Total Sales to Other Consumers</b>	<b>2,201.60</b>	<b>2,323.04</b>	<b>2,323.04</b>
Dist. Losses on Sales to Other Consumers (%)	4.75%	4.50%	4.50%
Dist. Losses on Sales to Other Consumers	109.73	109.51	104.58
<b>Energy Req. for Sales to Other Consumers</b>	<b>2,311.33</b>	<b>2,432.55</b>	<b>2,218.47</b>
Overall Sales	2,777.92	2,772.22	2,772.22
Overall Distribution Losses %	3.80%	3.80%	3.64%
Overall Distribution Losses	109.73	109.51	104.58
<b>Total Energy Requirement (excluding sales in IEX)</b>	<b>2,887.65</b>	<b>2,881.72</b>	<b>2876.79</b>
<b>Energy Available</b>			
TPCL (Unit II and Unit III)	1,612.74	1,532.70	1,532.70
Damodar Valley Corporation 132kV	334.08	276.17	276.17
Damodar Valley Corporation 400kV	967.91	1,107.04	1,017.15
TSW – Captive	27.08	20.00	20.00
G-TAM	0.00	15.10	15.10
Open access/ other sources	0.00	15.67	15.67
<b>Total Pooled Energy Availability</b>	<b>2,887.65</b>	<b>2,966.68</b>	<b>2,876.79</b>





## **Power Purchase Cost**

### ***Petitioner's Submission***

- 7.13 It has been submitted by the Petitioner that for computing the power purchase cost from TPCL Unit-2 and Unit-3, fixed charge has been taken as approved by the Hon'ble Commission in the Business Plan of Tata Power Company Limited. The Energy Charge has been considered to be the same as being charged in FY 2023-24.
- 7.14 Further, the Petitioner has submitted that the per unit Power purchase cost from DVC 400kV is considered, to be the same as that approved by the Hon'ble Commission in the Business Plan for FY 2023-24.
- 7.15 In compliance with JSERC (Renewable Purchase Obligation and its Compliance) (First Amendment) Regulations, 2021, 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 paise 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 is 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 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.



7.16 In addition to the above power procurement, the Petitioner has also projected to procure power (15.67 MU) from Open Market at an average per unit rate of Rs. 5.70/kWh.

7.17 The Petitioner has prayed to the Commission to approve Rs. 1698.32 Crore as power purchase cost (including revenue from Sale of Surplus Power) for FY 2023-24 is given below:

Table 84: Power Procurement Cost (Rs. Cr.) for FY 2023-24 as submitted by the Petitioner

Particulars	MYT	Petition
<b>TPCL Unit 2</b>		
Power Purchased (MU)	806.37	746.44
Rate of Power Purchased (Rs./kWh)	3.72	4.39
Power Purchase Cost (Rs. Crore)	299.89	327.54
Prior Period Adjustments (Rs. Crore)		-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>299.89</b>	<b>327.54</b>
<b>TPCL Unit 3</b>		
Power Purchased (MU)	806.37	786.27
Rate of Power Purchased (Rs./kWh)	3.77	4.36
Power Purchase Cost (Rs. Crore)	304.00	342.66
Prior Period Adjustments (Rs. Crore)		-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>304.00</b>	<b>342.66</b>
<b>DVC 132 kV</b>		
Power Purchased (MU)	334.08	276.17
Rate of Power Purchased (Rs./kWh)	4.43	6.66
Power Purchase Cost (Rs. Crore)	148.15	183.90
Prior Period Adjustments (Rs. Crore)		-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>148.15</b>	<b>183.90</b>
<b>DVC 400 kV</b>		
Power Purchased (MU)	967.91	1,107.04
Rate of Power Purchased (Rs./kWh)	5.72	5.72
Power Purchase Cost (Rs. Crore)	553.55	633.12
Prior Period Adjustments (Rs. Crore)		-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>553.55</b>	<b>633.12</b>
<b>TSW (Captive)</b>		
Power Purchased (MU)	27.08	20.00
Rate of Power Purchased (Rs./kWh)	3.72	4.37
Power Purchase Cost (Rs. Crore)	10.07	8.75
Prior Period Adjustments (Rs. Crore)		-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>10.07</b>	<b>8.75</b>



Particulars	MYT	Petition
<b>Others/Open Market</b>		
Power Purchased (MU)		15.67
Rate of Power Purchased (Rs./kWh)		5.70
<b>Power Purchase Cost (Rs. Crore)</b>		<b>8.93</b>
<b>RPO Purchased (Rs. Crore)</b>	<b>72.78</b>	<b>108.00</b>
<b>G-TAM (F)</b>		
Power Purchased (MU)		15.10
Rate of Power Purchased (Rs./kWh)		4.85
<b>Power Purchase Cost (Rs. Crore)</b>		<b>7.32</b>
<b>Sale-Surplus Power</b>		
Power Purchased (MU)		84.96
Rate of Power Purchased (Rs./kWh)		5.59
<b>Revenue from Surplus Sales (Rs. Crore)</b>		<b>47.49</b>
<b>Disallowed Sales</b>	-	
<b>Total Power Purchase</b>		
Power Purchased (MU)	2,887.65	2,966.68
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1,315.66</b>	<b>1,620.21</b>
Transmission Charges	incl above	78.11
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>1,388.43</b>	<b>1,698.32</b>

### Commission's Analysis

- 7.18 On scrutinizing the details submitted by the Petitioner, the Commission has taken into account the power procurement rate for TPCL Jojobera Plant (Unit-II & Unit-III), DVC 132kV and DVC 400kV source at an average rate of last 3 years for FY 2023-24, subject to final truing up based on actuals.
- 7.19 The Commission has approved the power procurement rate for TSW captive at the lowest among all approved generating sources.
- 7.20 With regard to the power procurement from REC to meet the Renewable Purchase Obligation, the Commission approves the Petitioner's estimation for FY 2023-24, subject to prudence check at the time of truing up.
- 7.21 With regard to the Petitioner's proposal to sell the surplus power, the Commission has not approved any surplus power for FY 2023-24 in this



Order and reduced proportionally the Energy Purchase from the costliest source, in line with the Energy Requirement.

7.22 With regard to Transmission charge (PGCIL & ERLDC), the Commission approves the transmission charge after subtracting the IEX quantum of power transmission charge for FY 2023-24, subject to prudent check at the time of truing up.

7.23 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 2023-24 is tabulated below:

Table 85: Power Procurement Cost (Rs. Cr.) as approved by the Commission for FY 2023-24.

Particulars	MYT	Petition	Approved
<b>TPCL Unit 2</b>			
Power Purchased (MU)	806.37	746.44	746.44
Rate of Power Purchased (Rs./kWh)	3.72	4.39	4.20
Power Purchase Cost (Rs. Crore)	299.89	327.54	313.28
Prior Period Adjustments (Rs. Crore)		-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>299.89</b>	<b>327.54</b>	<b>313.28</b>
<b>TPCL Unit 3</b>			
Power Purchased (MU)	806.37	786.27	786.27
Rate of Power Purchased (Rs./kWh)	3.77	4.36	4.01
Power Purchase Cost (Rs. Crore)	304.00	342.66	315.53
Prior Period Adjustments (Rs. Crore)		-	-
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>304.00</b>	<b>342.66</b>	<b>315.53</b>
<b>DVC 132 kV</b>			
Power Purchased (MU)	334.08	276.17	276.17
Rate of Power Purchased (Rs./kWh)	4.43	6.66	5.34
Power Purchase Cost (Rs. Crore)	148.15	183.90	147.48
Prior Period Adjustments (Rs. Crore)			
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>148.15</b>	<b>183.90</b>	<b>147.48</b>
<b>DVC 400 kV</b>			
Power Purchased (MU)	967.91	1,107.04	1,017.15
Rate of Power Purchased (Rs./kWh)	5.72	5.72	5.15
Power Purchase Cost (Rs. Crore)	553.55	633.12	523.50
Prior Period Adjustments (Rs. Crore)			
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>553.55</b>	<b>633.12</b>	<b>523.50</b>
<b>TSW (Captive)</b>			



Particulars	MYT	Petition	Approved
Power Purchased (MU)	27.08	20.00	20.00
Rate of Power Purchased (Rs./kWh)	3.72	4.37	4.01
Power Purchase Cost (Rs. Crore)	10.07	8.75	8.03
Prior Period Adjustments (Rs. Crore)			
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>10.07</b>	<b>8.75</b>	<b>8.03</b>
<b>Others/Open Market</b>			
Power Purchased (MU)		15.67	15.67
Rate of Power Purchased (Rs./kWh)		5.70	5.44
<b>Power Purchase Cost (Rs. Crore)</b>		<b>8.93</b>	<b>8.53</b>
<b>RPO Purchased (Rs. Crore)</b>	<b>72.78</b>	<b>108.00</b>	<b>108.00</b>
<b>G-TAM (F)</b>			
Power Purchased (MU)		15.10	15.10
Rate of Power Purchased (Rs./kWh)		4.85	4.16
<b>Power Purchase Cost (Rs. Crore)</b>		<b>7.32</b>	<b>62.88</b>
<b>Sale-Surplus Power</b>			
Power Purchased (MU)		84.96	-
Rate of Power Purchased (Rs./kWh)		5.59	-
<b>Revenue from Surplus Sales (Rs. Crore)</b>		<b>47.49</b>	-
<b>Disallowed Sales</b>	-		-
<b>Total Power Purchase</b>			
Power Purchased (MU)	2,887.65	2,966.68	2,876.79
<b>Power Purchase Cost (Rs. Crore)</b>	<b>1,315.66</b>	<b>1,620.21</b>	<b>1,487.23</b>
Transmission Charges	incl above	78.11	73.53
<b>Net Power Purchase Cost (Rs. Crore)</b>	<b>1,388.43</b>	<b>1,698.32</b>	<b>1,560.76</b>

## Operation and Maintenance Expenses (O&M)

### Petitioner's Submission

- 7.24 The Petitioner has submitted that it has segregated each component of O&M Expenses and claimed the normative Employee Expenses for FY 2023-24 taking into account the inflation of 3.47% and nil growth factor. 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 3.47%.
- 7.25 The Petitioner has 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. The Petitioner has factored in the inflation factor (3.47%) while calculating the normative R&M Expenses for FY 2023-24.

Table 86: Normative O&M Expenses (Rs Crore) for FY 2023-24 as submitted by the Petitioner.

Particulars	MYT	Petition
Employee Expenses	33.11	34.31
A&G Expenses	34.46	37.25
R&M Expenses	34.18	32.83
<b>O&amp;M Expenses</b>	<b>101.75</b>	<b>104.39</b>
Petition Filing Expenses	0.20	0.20
CGRF Expenses (Rent & Remuneration)	0.28	0.46
<b>Net-O&amp;M Expenses</b>	<b>102.23</b>	<b>105.04</b>

### **Commission's Analysis**

- 7.26 On analysis and scrutinizing of the material on record, the Commission approves the normative employee expenses for FY 2023-24 by taking inflation factor as 6.81% and growth factor as zero.
- 7.27 On analysis and scrutinizing the material on record, the Commission has approved 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 2023-24 by multiplying the inflation factor of 5.96%.
- 7.28 The Commission has approved the Petition Filing Fee and CGRF Expenses for FY 2023-24 at the same level as approved for FY 2021-22 earlier in this order, subject to truing up.
- 7.29 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of GFA for FY 2023-24 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 2023-24:

Table 87: Normative O&M Expenses ( Rs. Crore) as approved by the Commission

Particulars	Approved
Employee Expenses	30.12
A&G Expenses (excluding filing & CGRF Expenses)	35.01



Particulars	Approved
R&M Expenses	32.47
<b>Normative O&amp;M Expenses</b>	<b>97.60</b>
Petition Filing Fee	0.16
CGRF Expenses (Rent & Remuneration)	0.35
<b>Net Normative O&amp;M Expenses</b>	<b>98.12</b>

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

#### Petitioner's Submission

7.30 The Petitioner has projected the Capital Work in progress (CWIP), Capital Investment and Gross Fixed Assets (GFA) for FY 2023-24 vis-à-vis as approved by the Commission in MYT Order dated November 24, 2022 is provided in the given table:

Table 88: CWIP and GFA ( in Rs Crore) as submitted by the Petitioner for FY 2023-24.

Particulars	MYT	Petition
<b>Opening CWIP</b>	<b>6.10</b>	<b>4.36</b>
Additional Capex	26.62	48.33
Less: Capitalisation	29.50	49.33
<b>Closing CWIP</b>	<b>3.22</b>	<b>3.36</b>
<b>Gross Fixed Assets</b>		
<b>Opening GFA</b>	<b>650.35</b>	<b>603.64</b>
Add: Transferred from CWIP	29.50	49.33
Less: Asset Decapitalised	0.00	0.00
<b>Closing GFA</b>	<b>679.85</b>	<b>652.97</b>

#### Commission's Analysis

7.31 On scrutinizing and prudent check of the submission, the Commission has directed the Petitioner to submit scheme-wise break-up of additional capex of Rs 48.33 Crore, cost-benefit analysis, DPR and applicable regulatory provision through discrepancy notes. In reply to the discrepancies noted vide letter dated February 02, 2023, it is submitted that these Capex were approved in last control period but the same were not completed on time, so it was carried forward to the next control period.

7.32 The Commission, on prudent check has provisionally approved the Scheme-wise capex for FY 2023-24 as summarized below; subject to truing-up on actual basis.





Table 89: Scheme-wises Capital Expenditure for FY 2023-24 as approved by the Commission.

Scheme Name	Total project cost	Audited Capex						Expt. Capex.		Approved
		FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	
BPRS- 33 KV (Enhancement of Telco Area SS)	58.00		0.59		30.65	1.06	1.02	0.99	1.00	1.00
Upgradation of Network monitoring & Control Centre	12.60								1.00	1.00
New 6.6 kV AIS indoor sub-station at Ramadhin Bagan, Manifit and nearby area	3.07								0.50	0.50
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 Areas	10.57							1.50	4.00	4.00
Strengthening of Testing facilities	2.93							1.00	1.93	1.93
Augmentation- 132 kV Line 6 for Bara / Sonari SS	24.00							1.00	18.00	18.00
Upgradation of Tinsplate Area SS	21.50			1.24	0.11			4.00	17.50	17.50
Supply and installation of power Quality Meter	2.40								2.40	2.40
Other assets to provide consumer connection from consumer (self-financing)	10.00	2.52	2.55	2.69	2.43	1.44	1.90	3.53	2.00	2.00
Other assets	-									
<b>Net Capitalization</b>	<b>199.24</b>	<b>8.46</b>	<b>13.13</b>	<b>9.93</b>	<b>34.33</b>	<b>2.69</b>	<b>02.92</b>	<b>12.01</b>	<b>48.33</b>	<b>48.33</b>

7.33 On consideration of the information submitted by the Petitioner and prudent check, the Commission approves the GFA, CWIP and capital expenditure incurred for FY 2023-24 as summarized below:

Table 90: CWIP and GFA (in Rs Crore) for FY 2023-24 as approved by the Commission.

Particulars	MYT	Petition	Approved
<b>Opening CWIP</b>	<b>6.10</b>	<b>4.36</b>	<b>4.69</b>
Additional Capex	26.62	48.33	48.33
Less: Capitalisation	29.50	49.33	49.33
<b>Closing CWIP</b>	<b>3.22</b>	<b>3.36</b>	<b>3.69</b>
<b>Gross Fixed Assets</b>			
<b>Opening GFA</b>	<b>650.35</b>	<b>603.64</b>	<b>603.19</b>
Add: Transferred from CWIP	29.50	49.33	49.33
Less: Asset Decapitalised	0.00	0.00	0.00
<b>Closing GFA</b>	<b>679.85</b>	<b>652.97</b>	<b>652.52</b>



## **Consumer Contribution**

### **Petitioner's Submission**

7.34 The Petitioner has submitted that it has adopted a similar approach as adopted by the Commission in MYT Order dated November 24, 2022 to calculate total consumer contribution for FY 2023-24. The details of estimation of consumer contribution are given in the table below:

Table 91: CC (Rs Crore) Capitalised and Received as submitted by the Petitioner for FY 2023-24.

<b>Particulars</b>	<b>Petition</b>
CC Received during the Year	2.00
CC capitalized during the Year	2.00

### **Commission's Analysis**

7.35 The Commission has analysed and scrutinized the details submitted by the Petitioner and approves the CC received during FY 2023-24 as below as 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 subject to prudent check at the time of truing-up.

Table 92: Consumer Contribution (Rs Crore) as approved by the Commission

<b>Particulars</b>	<b>Petition</b>	<b>Approved</b>
CC Received during the Year	2.00	2.00

## **Depreciation**

### **Petitioner's Submission**

7.36 In accordance with clause 24 of JSERC Distribution Regulations, 2020, the Petitioner has computed the depreciation annually on a straight-line method.

7.37 Further, the Petitioner has submitted that depreciation has been computed year on year on the average Gross Fixed Asset base of the licensee for the



control period as discussed above. The methodology adopted for computation of gross depreciation is as follows:

- Depreciation on the average Gross Fixed Asset base for FY 2022-23. The Petitioner has considered an average depreciation rate of 3.29% (which is average depreciation rate for FY 2021-22) to arrive at the depreciation for FY 2023-24.
- Depreciation on Consumer Contribution: Distribution Licensee is entitled to avail depreciation on assets which have been commissioned from its own resources. It is therefore necessary to remove depreciation on assets funded by consumers. Regulation 24 of the JSERC Distribution Tariff Regulations, 2020 also provides that depreciation shall not be allowed on assets funded by Consumer Contribution and Capital Subsidies/Grants. In accordance with the provisions of the JSERC Regulations, 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.

7.38 The Petitioner has projected the Gross Depreciation based on methodology adopted in previous order i.e., FY 2021-22, subject to truing up based on actuals and Tariff Regulations, 2020.

7.39 The Petitioner has submitted the depreciation on assets funded through CC as shown below:

Table 93: Depreciation (Rs Crore) on assets created out of CC as submitted by the Petitioner.

Particulars	Petition
Closing GFA (A)	652.52
Closing Consumer Contribution capitalised (B)	2.00
Gross Depreciation (C)	18.45
Depreciation on Consumer Contribution (D=C/A*B)	2.21

7.40 Accordingly, the Petitioner has claimed Net Depreciation as summarised below:

Table 94: Depreciation (Rs Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Gross Depreciation	27.34	20.67
Depreciation on Account of CC	3.01	2.21



<b>Net Depreciation</b>	<b>24.33</b>	<b>18.45</b>
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### Commission's Analysis

- 7.41 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 2023-24.
- 7.42 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 2023-24. 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 2023-24 subject to true up based on the actual.
- 7.43 The table below summarizes the depreciation as submitted by the Petitioner and as approved by the Commission for FY 2023-24:

Table 95: Depreciation (Rs Crore) as approved by the Commission for FY 2023-24.

Particulars	MYT	Petition	Approved
Gross Depreciation	27.34	20.67	20.67
Depreciation on Account of CC	3.01	2.21	2.44
<b>Net Depreciation</b>	<b>24.33</b>	<b>18.45</b>	<b>18.23</b>

### Interest and Finance Charges

#### Petitioner's Submission

- 7.44 The Petitioner has submitted that it has considered 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 2023-24 after reducing assets created from Consumer Contribution during the year.

*"{(Total Asset Addition to GFA during the Year - Asset Addition from Consumer Contribution during the year) x 70%}."*

Table 96: Normative Loan & Normative Equity (Rs. Crore) added during the Year



Particulars	Petition
Assets added during the Year	49.33
Less: Capitalized from Consumer Contribution	2.00
Normative Amount Added during the Year	47.33
Equity Addition during the Financial Year @ 30%	14.20
Debt Addition during the Financial Year @ 70%	33.13

7.45 In accordance with Clause 10.26 and Clause 10.27 of the Distribution Tariff Regulations, 2020, 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 Bank rate as applicable on April 01, 2022 plus 200 basis points (i.e 9.00%=7.00% + 200 bp).

Table 97: Interest and Finance Charges (Rs. Crore) as submitted by the Petitioner

Particulars	MYT	Petition
<b>Opening Loan (Normative)</b>	39.01	17.15
Add: Deemed Addition during the FY	19.25	33.13
Less: Deemed Repayment	24.33	18.45
<b>Closing Loan (Normative)</b>	<b>33.94</b>	<b>31.83</b>
Average Loan	36.48	24.49
Interest Rate	9.00%	9.00%
<b>Interest and Finance Charges</b>	<b>3.28</b>	<b>2.20</b>

### **Commission's Analysis**

7.46 On consideration of the normative opening loan for FY 2023-24 as the closing value approved for FY 2022-23 in the above chapter of this order and the principles adopted in accordance with the Tariff Regulations, 2020 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.

7.47 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 Bank Rate as on April 01, 2022 plus 200 basis points (i.e. 9.00%=7.00%+200 basis points)



Table 98: Normative Loan and Normative Equity (in Rs Crore) added during FY 2023-24

Particulars	Approved
Assets added during the Year	49.33
Less: Consumer Contribution received for FY	2.00
Normative Amount Added during the Year	47.33
Equity Addition during the Financial Year @ 30%	14.20
Debt Addition during the Financial Year @ 70%	33.13

7.48 The table summarises the Interest and Finance Charges (IFC) as submitted by the Petitioner and as approved by the Commission for FY 2023-24:

Table 99: Interest and Finance Charges (in Rs Crore) for FY 2023-24 as approved by the Commission.

Particulars	MYT	Petition	Approved
<b>Opening Loan (Normative)</b>	<b>39.01</b>	<b>17.15</b>	<b>17.41</b>
Add: Deemed Addition during the FY	19.25	33.13	33.13
Less: Deemed Repayment	24.33	18.45	18.23
<b>Closing Loan (Normative)</b>	<b>33.94</b>	<b>31.83</b>	<b>32.31</b>
<b>Average Loan</b>	<b>36.48</b>	<b>24.49</b>	<b>24.86</b>
Interest Rate	9.00%	9.00%	9.00%
<b>Interest and Finance Charges</b>	<b>3.28</b>	<b>2.20</b>	<b>2.24</b>

## Interest on Security Deposits

### *Petitioner's Submission*

7.49 The Petitioner has projected the addition to CSD for FY 2023-24 as Rs. 1.23 Crore based on the growth expected. The Petitioner has estimated the Interest on CSD as Rs. 3.06 Crore for FY 2023-24 based on the amount and period for which the CSD has been deposited.

Table 100: Interest on CSD (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Opening Consumer Security Deposit	31.89	39.97
Consumer Security Deposit Addition	0.68	1.23
Closing Consumer Security Deposit	32.57	41.20
<b>Average Security Deposit</b>	<b>32.23</b>	<b>40.59</b>
Interest Rate	7.54%	7.55%
<b>Interest on Consumer Security Deposit</b>	<b>2.43</b>	<b>3.06</b>



### Commission's Analysis

7.50 The Commission has gone through the petition and analysed the details submitted by the Petitioner and on prudent check approved the Interest on Consumer Security Deposit for FY 2023-24 as given below, subject to true-up on the basis of actual.

Table 101: Interest on CSD (Rs. Crore) as approved by the Commission

Particulars	MYT	Petition	Approved
Opening Consumer Security Deposit	31.89	39.97	39.97
Consumer Security Deposit Addition	0.68	1.23	1.23
Closing Consumer Security Deposit	32.57	41.20	41.20
<b>Average Security Deposit</b>	<b>32.23</b>	<b>40.59</b>	<b>40.58</b>
Interest Rate	7.54%	7.55%	10.10%
<b>Interest on Consumer Security Deposit</b>	<b>2.43</b>	<b>3.06</b>	<b>4.10</b>

### Return on Equity

#### Petitioner's Submission

7.51 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%}."*

7.52 In accordance with clause 10.19 of JSERC Distribution Tariff Regulations, 2020 the Petitioner has projected the rate of Return on Equity (RoE) as 14.50%, the Petitioner also submits that the Return on Equity has been grossed with the applicable income tax rate applicable for FY 2023-24 which stands at 25.17%, is given below:

Table 102: Return on Equity (Rs Crore) as submitted by the Petitioner.

Particulars	MYT	Petition
Opening Equity (Normative)	173.40	160.09
Equity Addition (Normative)	8.25	14.20





Closing Equity (Normative)	181.64	174.29
Average Equity	177.53	167.19
Rate of Return	14.50%	14.50%
<b>Return on Equity</b>	<b>25.74</b>	<b>24.24</b>
Income Tax Rate	25.17%	25.17%
Income Tax	<b>8.66</b>	<b>8.15</b>
<b>Return on Equity including Income Tax</b>	<b>34.40</b>	<b>32.40</b>

### **Commission's Analysis**

- 7.53 In accordance with the Distribution Tariff Regulations, 2020, the Opening Equity base for FY 2023-24 as the Closing Equity base approved for FY 2022-23 by the Commission earlier in this order and normative Equity addition during the financial year as 30% of the approved capitalization, after deducting assets funded out of CC received.
- 7.54 In accordance with clause 10.19 of Distribution Tariff Regulation 2020 the Commission has allowed a rate of return of 14.50% on equity.
- 7.55 The income tax amount approved by the Commission for FY 2023-24 is Rs. 8.12 Crore, being 25.17% of Rs. 32.27 Crore of total Return on Equity including income tax.
- 7.56 Based on the facts & circumstance submitted by the Petitioner, the Commission has approved the Return on Equity along with Income Tax for FY 2023-24, is given below.

Table 103: Return on Equity (Rs Crore) as approved by the Commission.

<b>Particulars</b>	<b>MYT</b>	<b>Petition</b>	<b>Approved</b>
Opening Equity (Normative)	173.40	160.09	159.43
Equity Addition	8.25	14.20	14.20
Closing Equity (Normative)	181.64	174.29	173.63
Average Equity	177.53	167.19	166.53
Rate of Return	14.50%	14.50%	14.50%
<b>Return on Equity</b>	<b>25.74</b>	<b>24.24</b>	<b>24.15</b>
Income Tax Rate	25.17%	25.17%	25.17%
<b>Income Tax</b>	<b>8.66</b>	<b>8.15</b>	<b>8.12</b>
<b>Return on Equity including Income Tax</b>	<b>34.40</b>	<b>32.40</b>	<b>32.27</b>

### **Interest on Working Capital**

#### **Petitioner's Submission**



7.57 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 104: Interest on Working Capital (Rs Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	6.50	6.04
Revenue from Wheeling and Retail Supply Charges-2 month	259.91	311.23
Less: Power Purchase Cost for One Month Retail Business	115.70	141.53
Less: Average Security Deposit	32.23	39.97
<b>Total Working Capital Requirement</b>	<b>118.48</b>	<b>135.77</b>
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	10.50%	11.20%
<b>Total Interest on Working capital</b>	<b>12.44</b>	<b>15.21</b>

### **Commission's Analysis**

7.58 In accordance with clause 10.30 to clause 10.32 of JSERC Distribution Tariff Regulation 2020, the Commission has calculated the Interest on Working Capital (IoWC) for FY 2022-23 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.”

7.59 On the basis of facts & circumstances the Commission has approved the Interest on working capital for FY 2023-24 on normative basis is given below:

Table 105: Interest on Working Capital (in Rs. Crore) as approved by the Commission

Particulars	Approved
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	6.03
Revenue from Wheeling and Retail Supply Charges-2 month	310.99
Less: Power Purchase Cost for One Month Retail Business	130.06
Less: Average Security Deposit	40.58
<b>Total Working Capital Requirement</b>	<b>146.37</b>
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	11.20%
<b>Total Interest on Working capital</b>	<b>16.39</b>

### **Non-Tariff Income**

#### ***Petitioner's Submission***



7.60 The Petitioner has projected Rs. 7.28 Crore towards Non-Tariff Income (NTI) for FY 2023-24, same as approved in the MYT Order dated November 24, 2022 as shown below:

Table 106: Non-Tariff Income (Rs Crore) as submitted by the Petitioner

Particulars	MYT	Petition
Non-Tariff Income	7.28	7.28

### **Commission's Analysis**

7.61 The Commission has scrutinized the detail submitted by the Petitioner along with the Petition and has provisionally approved the NTI as Rs 7.28 Crore for FY 2023-24 subjected to truing up on the actual basis.

Table 107: Non-Tariff Income (Rs Crore) as approved by the Commission

Particulars	MYT	Petition	Approved
Non-Tariff Income	7.28	7.28	7.28

## **Revenue**

### **Petitioner's Submission**

7.62 The Petitioner has submitted that the Revenue from Sale of Power is Rs 1,872.56 Crore for FY 2023-24 as shown below, subjected to final true-up based on audited accounts.

Table 108: Revenue (Rs Crore) as submitted by the Petitioner

Particulars	Petition
Revenue	<b>1,872.56</b>

### **Commission's Analysis**

7.63 On scrutinizing and analysis of the submission along with the Petition. Accordingly, the Commission has taken into consideration the income from Sale of Power as a revenue after subtracting the sale of surplus power under power purchase, deducted from revenue, to arrive at the Revenue from Sale of Power as summarised below, subject to true-up as per actual.



Table 109: Revenue (Rs Crore) as approved by the Commission for FY 2023-24

Particulars	Petition	Approved
Revenue	<b>1,872.56</b>	<b>1,865.95</b>

### Summary of Annual Revenue Requirement and Gap/(Surplus)

#### **Petitioner's Submission**

7.64 The Petitioner has projected a Surplus of Rs. (5.17) Crore for FY 2023-24 based on projection sales, consumer, and connected load.

#### **Commission's Analysis**

7.65 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 below:

Table 110: Summary of ARR (Rs Crore) as approved by the Commission for FY 2023-24.

Particulars	MYT	Petition	Approved
Power Purchase Cost	1,388.43	1,698.32	1,560.76
O&M Expenses	101.42	105.04	98.12
Interest on Loan	3.28	2.20	2.24
Interest on Working Capital	12.44	15.21	16.39
Financing Cost of DPS FY 2022-23	-	0.00	-
Interest on Security Deposit	2.43	3.06	4.10
Depreciation	24.33	18.45	18.23
Return on Equity	34.40	32.40	32.27
<b>Gross Aggregate Revenue Requirement</b>	<b>1,566.73</b>	<b>1,874.67</b>	<b>1,732.11</b>
Less: Non-Tariff Income	7.28	7.28	7.28
<b>Aggregate Revenue Requirement</b>	<b>1,559.45</b>	<b>1,867.39</b>	<b>1,724.83</b>
<b>Revenue from sale of Power @ Existing Tariff</b>		<b>1,872.56</b>	<b>1,865.95</b>
<b>Net Revenue Gap/(Surplus)</b>	<b>1,559.45</b>	<b>(5.17)</b>	<b>(141.12)</b>

7.66 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 2023-24

### Revenue Gap/(Surplus)

#### *Petitioner's Submission*

- 8.1 The Petitioner has considered the Revenue Gap/(Surplus) till FY 2015-16 as approved by the Commission in Tariff Order dated May 18, 2018 as base for the subsequent years.
- 8.2 The carrying cost is assumed based on methodology adopted and approved by the Commission in previous Tariff Orders, i.e., Interest equivalent to prevailing SBI Base rate as on April 01 of the respective FY, plus 350 basis points.
- 8.3 The Petitioner has expected that the revenue Gap at the end FY 2022-23 as per the petition filed for true-up of FY 2021-22 and APR of FY 2022-23 comes out to Rs. 796.37 Cr
- 8.4 Later, the Petitioner has submitted that this does not include the carrying cost & few other costs of FY2016-17 and FY2017-18 (approximately RS 330 Cr. for both years) for which the petitioner has filed an appeal in Hon'ble APTEL. The Petitioner request the Hon'ble Commission to kindly consider the impact of APTEL order whenever the same is decided by Hon'ble APTEL.
- 8.5 Based on the submission in this Petition, the cumulative Revenue Gap/(Surplus) till FY 2023-24 as projected by the Petitioner at tariff proposed for FY 2020-21 in the previous Tariff Petition, is shown below:

Table 111: 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 <sup>st</sup> April of FY	1,269.38	1,156.22	814.31	788.14	760.64	642.51	641.95
Revenue Gap/(Surplus) created during the year	-106.35	-321.65	-118.30	-118.95	-188.12	-68.68	78.14
Rate of Interest	12.80%	12.60%	12.20%	12.55%	10.50%	11.20%	11.20%



Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Carrying Cost on Opening Gap/(Surplus)	-	-	99.35	98.91	79.87	71.96	71.90
Carrying Cost on Gap/(Surplus) during the FY	-6.81	-20.26	-7.22	-7.46	-9.88	-3.85	4.38
<b>Total Gap/(Surplus) including Carrying Cost</b>	<b>1,156.22</b>	<b>814.31</b>	<b>788.14</b>	<b>760.64</b>	<b>642.51</b>	<b>641.95</b>	<b>796.37</b>

8.6 The Petitioner has prayed the Commission to approve a cumulative Revenue Gap of Rs. 796.37 Crore till FY 2023-24. In order to liquidate this Revenue Gap, the Petitioner has proposed an increase in the Fixed Charge as well as the Energy Charge, which will enable liquidation of Revenue Gap in the upcoming years.

### **Commission's Analysis**

8.7 The Commission has taken the Revenue Gap as Rs. 645.39 Crore till Truing up for FY 2020-21 as approved in true-up Tariff Order for FY 2020-21.

8.8 Based on the approved value of Truing up for FY 2021-22 and APR for FY 2022-23 the cumulative Revenue Gap/(Surplus) approved by the Commission till FY 2022-23 is given below:

Table 112: Cumulative Gap/(Surplus) ( in Rs Crore) as approved by the Commission

Particulars	FY 2021-22	FY 2022-23
Opening Gap/(Surplus)	645.39	646.09
Revenue Gap/(Surplus) during FY	(63.71)	22.06
Rate of Carrying Cost (%)	10.50%	11.20%
Carrying Cost on Opening Revenue Gap/(Surplus)	67.77	72.36
Carrying Cost on Revenue Gap/(Surplus) during FY	(3.35)	1.24
<b>Closing Revenue Gap/(Surplus)</b>	<b>646.09</b>	<b>741.76</b>

8.9 Based on the approved ARR and revenue from existing tariff, the Commission has approved the Revenue Gap/(Surplus) for FY 2023-24 as shown below:

Table 113: Revenue Gap/(Surplus) ( in Rs Crore) as approved by the Commission

Particulars	FY 2023-24
ARR for FY 2023-24	<b>1,724.83</b>





<b>Particulars</b>	<b>FY 2023-24</b>
Revenue from sale of existing Tariff	<b>1,865.95</b>
<b>Revenue Gap/(Surplus) during FY 2023-24</b>	<b>(141.12)</b>

8.10 Further, taking into account the Trued-up value for FY 2021-22, APR for FY 2022-23 and above surplus for FY 2023-24, the Commission hereby approves the Cumulative closing gap for FY 2023-24 is given below:

Table 114: Cumulative Gap/(Surplus) ( in Rs Crore) as approved by the Commission

<b>Particulars</b>	<b>Approved</b>
Opening Gap/(Surplus) FY 2022-23	741.76
Revenue Gap/(Surplus) during FY 2023-24	(141.12)
Rate of Carrying Cost (%)	11.20%
Carrying Cost on Opening Revenue Gap/(Surplus)	79.13
Carrying Cost on Revenue Gap/(Surplus) during FY 2023-24	(15.80)
<b>Closing Revenue Gap/(Surplus)</b>	<b>663.96</b>

8.11 The Commission has observed that Cumulative Revenue Gap till 2023-24 stands at Rs 663.69 Crore.

8.12 The Tariff Schedule approved by the Commission for FY 2023-24 is detailed in **Chapter 12** of this Order.



## Chapter 9: OPEN ACCESS CHARGES

9.1 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;”

9.2 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.

9.3 The Petitioner has submitted its proposal for the determination of Wheeling Charge, Cross Subsidy Surcharge and Additional Surcharge for FY 2023-24. The following Sections summarize the Petitioner’s submission and Commission’s analysis thereof:

### Wheeling Charges

#### ***Petitioner’s Submission***

9.4 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 2023-24 is reproduced below:



Table 115: Segregation of ARR and Wheeling Charges as submitted by the Petitioner for FY 2023-24.

Particulars	Retail ARR (%)	Wheeling ARR (%)	Revised Projections of Retail ARR for FY 2023-24 (Rs. Cr.)	Revised Projections of Wheeling ARR for FY 2023-24 (Rs. Cr.)
Power Purchase Cost	100%	0%	1,698.32	-
O&M Expenses			-	-
<i>Employee Expenses</i>	40%	60%	13.72	20.59
<i>A&amp;G Expenses</i>	50%	50%	18.95	18.95
<i>R&amp;M Expenses</i>	10%	90%	3.28	29.55
<i>Petition Filing Fees</i>	50%	50%	-	-
<i>CGRF Expenses</i>	50%	50%	-	-
Depreciation	10%	90%	1.85	16.61
Interest on Long Term Loan	10%	90%	0.22	1.98
Interest on Working Capital Loan	90%	10%	12.93	2.28
Interest on Consumer Security Deposit	100%	0%	3.06	-
Return on Equity	10%	90%	3.24	29.16
<b>Total Expenditure</b>			<b>1,755.57</b>	<b>119.11</b>
Less: Non-Tariff Income	90%	10%	6.55	0.73
<b>Aggregate Revenue Requirement</b>			<b>1,749.02</b>	<b>118.38</b>

### **Commission Analysis**

9.5 According to Clause 6.5 to Clause 6.8 of the Tariff Regulations, 2020, the Petitioner is required to segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business. 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. The relevant extract of the Regulations has been reproduced hereunder:

*“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;”

9.6 The segregation of ARR into Wires and Supply Business as approved by the Commission for FY 2023-24 is shown below:

Table 116: Segregation of ARR and Wheeling Charges as approved by the Commission for FY 2023-24.

Particulars	Share of Wheeling Business (%)	Share of Retail Business (%)	ARR (Rs Cr.)	Retail Business ARR (Rs. Cr.)	Wheeling Business ARR (Rs. Cr.)
Power Purchase Cost	0%	100%	1,560.76	1,560.76	-
Employee Expenses	60%	40%	30.12	12.05	18.07
A&G Expenses	50%	50%	35.01	17.51	17.51
R&M Expenses	90%	10%	32.47	3.25	29.22
Petition Filing Charges & CGRF Expenses	50%	50%	0.52	0.26	0.26
Interest on Loan	90%	10%	2.24	0.22	2.01
Interest on Working Capital	10%	90%	16.39	14.75	1.64
Financing Cost of DPS FY 2023-24	10%	90%	-	-	-
Interest on Security Deposit	0%	100%	4.10	4.10	-



Particulars	Share of Wheeling Business (%)	Share of Retail Business (%)	ARR (Rs Cr.)	Retail Business ARR (Rs. Cr.)	Wheeling Business ARR (Rs. Cr.)
Depreciation	90%	10%	18.23	1.82	16.41
Return on Equity	90%	10%	32.27	3.23	29.04
<b>Gross Aggregate Revenue Requirement</b>			<b>1,732.11</b>	<b>1,617.95</b>	<b>114.16</b>
Less: Non-Tariff Income	10%	90%	7.28	6.55	0.73
<b>Aggregate Revenue Requirement</b>			<b>1,724.83</b>	<b>1,611.40</b>	<b>113.44</b>
<b>Less: Revenue from sale of Power @ Existing Tariff</b>	<b>6.59%</b>	<b>93.41%</b>	<b>1865.95</b>	<b>1,743.23</b>	<b>122.72</b>

9.7 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 2023-24.

Table 117: Segregation of ARR and Wheeling Charges for FY 2023-24 as approved by the Commission

Voltage Level	Asset Segregation	Asset Segregation (%)	Segregation of ARR	Sale (%)
LT	107.17	18.09%	20.52	10.65%
HT (upto 11kV)	104.28	17.60%	19.97	14.50%
HT (above 11kV)	380.99	64.31%	72.95	74.86%
<b>Total</b>	<b>592.44</b>		<b>113.44</b>	

9.8 Based on the above, the Voltage-wise Wheeling Charges for FY 2023-24 as approved by the Commission has been tabulated below:



Table 118: Cost as approved by the Commission for FY 2023-24.

Voltage level	Voltage-wise ARR Allocation	Cost on the basis of energy sales		
		LT	HT (upto 11kV)	HT (above 11kV)
LT	20.52	20.52		
HT (upto 11kV)	19.97	8.46	11.51	
HT (above 11kV)	72.95	7.77	10.57	54.61
<b>Total</b>	<b>113.44</b>	<b>36.74</b>	<b>22.09</b>	<b>54.61</b>

Table 119: Wheeling Tariff as approved by the Commission for FY 2023-24.

Voltage Level	ARR (Rs. Cr.)	Sales (MUs)	Wheeling Tariff (Rs./kWh)
LT	36.74	295.20	1.24
HT (upto 11kV)	22.09	401.87	0.55
HT (above 11kV)	54.61	2075.15	0.26
<b>Total</b>	<b>113.44</b>	<b>2772.22</b>	<b>0.41</b>

### Cross Subsidy Surcharge

9.9 The Petitioner has determined the Cross-Subsidy Surcharge as per the methodology outlined in National Tariff Policy 2016. 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.

*“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.”*

9.10 In accordance with the above formula and methodology adopted by the Hon’ble Commission in previous tariff order, CSS for consumers connected to TSL is calculated as per the table below based on proposed tariffs:

Table 120: Cross Subsidy Surcharges as submitted by the Petitioner for FY 2023-24

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)
Domestic	LT	4.96	5.72	11.00%	1.32	0.25	-
Commercial	LT	7.42	5.72	11.00%	1.32	0.25	0.12
Domestic – HT	HT	6.25	5.72	2.20%	0.59	0.25	-
Industrial- this	6.6 KV HT	8.44	5.72	2.20%	0.59	0.25	1.87
	33 KV HT	8.44	5.72	1.95%	0.29	0.25	2.17
	132 KV HT	8.44	5.72	0.70%	0.17	0.25	2.29
Street Light	LT	7.46	5.72	11.00%	1.32	0.25	-
Railway Traction Services,	132kV HT	8.44	5.72	2.20%	0.17	0.25	2.29
Military Engineering Service	6.6 KV HT	8.81	5.72	2.20%	0.59	0.25	2.24
LTIS	LT	7.76	5.72	11%	1.32	0.25	0.46





### **Commission Analysis**

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

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

9.12 The Commission has considered the JSERC (Terms and Conditions for Intra-State Open Access) Regulations, 2016, Tariff, and clause 10.62 JSERC Distribution Tariff Regulation 2020 while approving the Cross-Subsidy Surcharge (CSS). The Commission has also taken into account that the CSS shall not exceed 20% of the tariff applicable to the category of consumers seeking Open Access.

9.13 Weighted average purchase cost for CSS computation works out to Rs 5.43 per unit by considering the Power Purchase Cost of Rs. 1,560.76 Crore and Power Purchase Quantum of 2,876.79 MU as approved by the Commission for FY 2023.24.

9.14 The Tariff Policy suggests that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking Open Access. Accordingly, the CSS approved by the Commission for FY 2023-24 is as follows:

Table 121: Cross Subsidy Surcharges as approved by the Commission for FY 2023-24

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)
Domestic	LT	3.13	5.43	11.00%	1.24	0.29	
Commercial	LT	6.50	5.43	11.00%	1.24	0.29	
Domestic - HT	HT	5.87	5.43	2.20%	0.55	0.29	



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)
Industrial- HTIS	6.6 KV HT	7.36	5.43	2.20%	1.24	0.29	0.40
	33 KV HT	7.36	5.43	1.95%	0.26	0.29	1.38
	132 KV HT	7.36	5.43	0.70%	0.26	0.29	1.39
Street Light	LT	6.75	5.43	11.00%	1.24	0.29	
Railway Traction Services,	132kV HT	7.36	5.43	2.20%	0.26	0.29	1.38
Military Engineering Service	6.6 KV HT	7.66	5.43	2.20%	0.55	0.29	1.39
LTIS	LT	6.36	5.43	11.00%	1.24	0.29	

### Additional Surcharges

#### Petitioner's Submission

9.15 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.”*

9.16 The Petitioner has requested for determination of Additional Surcharge on case-to-case basis and requested permission to approach the Commission for the same at appropriate time within the given provisions of applicable Regulations.

#### Commission Analysis



9.17 Scrutinizing the plea of the Petitioner, the Commission has not approved any Additional Surcharge and directs the Petitioner to approach this Commission separately in this matter, if required.

### **Regulatory Surcharge for Open Access Consumers**

#### ***Petitioner's Submission***

9.18 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.

9.19 Petitioner has estimated a cumulative Gap of Rs 796.37 Cr. at the end of FY 2022-23. With the proposed tariff a surplus of Rs 308.92 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. 796.37 Cr during FY 2023-24. Category Wise Regulatory Asset Surcharge is given in the Table below.

Table 122: Regulatory Asset Surcharge as Submitted by the Petitioner for FY 2023-24

<b>Consumer Categories</b>	<b>Energy Charges for FY 2023-24 (Rs. Cr.) at proposed tariff</b>	<b>% of Total</b>	<b>Regulatory Charge ( Rs. Cr.) liquidation allocation for FY2023-24</b>	<b>Sales MU</b>	<b>Regulatory Asset Surcharge (Rs/kWhr)</b>	<b>Regulatory Asset Surcharge / kVAH</b>
Domestic	92.94	5%	16.20	187.65	0.86	
Commercial	65.82	4%	11.48	99.73	1.15	
Domestic - HT	53.73	3%	9.37	92.16	1.02	1.20
Industrial- HTIS	1,523.24	87%	265.56	1,973.75	1.35	1.58
Street Light	4.54	0%	0.79	6.58	1.20	
LTIS	0.16	0%	0.03	0.23	1.25	1.47
Military Engineering Service	0.84	0%	0.15	1.11	1.32	
Temporary	1.00	0%	0.17	1.01	1.73	
<b>Total</b>	<b>1742.27</b>		<b>303.75</b>	<b>2362.22</b>	<b>1.29</b>	



### ***Commission Analysis***

9.20 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: APPROVED RETAIL TARIFF FOR FY 2023-24

### Petitioner Submission

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

Table 123: Summary of Tariff Proposed by the Petitioner for FY 2023-24

Consumer Category	Existing Tariff w.e.f.1.12.2022				Tariff Proposed Now			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
<b>DOMESTIC SERVICE</b>								
<b>DS-LT</b>								
0-100 Units	Rs./Conn/Month	20	Rs/kWh	2.80	Rs./Conn/Month	25	Rs/kWh	3.30
Above 100 Units	Rs./Conn/Month	55	Rs/kWh	4.95	Rs./Conn/Month	65	Rs/kWh	5.70
<b>DS-HT</b>	Rs./kVA/Month	65	Rs/kVAh	4.55	Rs./kVA/Month	75	Rs/kVAh	5.30
<b>IRRIGATION &amp; AGRICULTURE SERVICE (IAS)</b>	Rs./HP/Month	20	Rs/kWh	5.00	Rs./HP/Month	25	Rs/kWh	5.70
<b>COMMERCIAL SERVICES (CS)</b>					-		-	
All Units	Rs./kW/Month	105	Rs/kWh	5.55	Rs./kW/Month	125	Rs/kWh	6.60
<b>INDUSTRIAL SERVICES</b>					-		-	
Low Tension Industrial Service	Rs./kVA/Month	135	Rs/kVAh	5.25	Rs./kVA/Month	165	Rs/kVAh	6.50
High Tension Industrial Service	Rs./kVA/Month	360	Rs/kVAh	6.20	Rs./kVA/Month	440	Rs/kVAh	7.35
<b>INSTITUTIONAL SERVICE</b>					-		-	
Street Light	Rs./kW/Month	110	Rs/kWh	5.85	Rs./kW/Month	125	Rs/kWh	6.90
Railway Traction Services, Military Engineering Services and Other Distribution Licensees* (Excluding JUSCO)	Rs./kVA/Month	360	Rs/kVAh	6.05	Rs./kVA/Month	440	Rs/kVAh	7.20



### Commission Analysis

10.2 Based on the above discussions, the summary of Tariff approved by the Commission for FY 2023-24 is given below:

Table 124: Summary of Tariff Approved by the Commission for FY 2023-24.

Consumer Category	Existing Tariff				Approved Tariff			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
<b>DOMESTIC SERVICE</b>								
<b>DS-LT</b>								
0-100 Units	Rs./Conn/Month	20	Rs/kWh	2.80	Rs./Conn/Month	30	Rs/kWh	3.00
Above 100 Units	Rs./Conn/Month	55	Rs/kWh	4.95	Rs./Conn/Month	65	Rs/kWh	5.15
<b>DS-HT</b>	Rs./kVA/Month	65	Rs/kVAh	4.55	Rs./kVA/Month	85	Rs/kVAh	5.10
<b>IRRIGATION &amp; AGRICULTURE SERVICE (IAS)</b>	Rs./HP/Month	20	Rs/kWh	5.00	Rs./HP/Month	20	Rs/kWh	5.00
<b>COMMERCIAL SERVICES (CS)</b>					-		-	
All Units	Rs./kW/Month	105	Rs/kWh	5.55	Rs./kW/Month	120	Rs/kWh	5.75
<b>INDUSTRIAL SERVICES</b>					-		-	
Low Tension Industrial Service	Rs./kVA/Month	135	Rs/kVAh	5.25	Rs./kVA/Month	150	Rs/kVAh	5.50
High Tension Industrial Service	Rs./kVA/Month	360	Rs/kVAh	6.20	Rs./kVA/Month	385	Rs/kVAh	6.30
<b>INSTITUTIONAL SERVICE</b>					-		-	
Street Light	Rs./kW/Month	110	Rs/kWh	5.85	Rs./kW/Month	120	Rs/kWh	6.20
Railway Traction Services, Military Engineering Services and Other Distribution Licensees* (Excluding JUSCO)	Rs./kVA/Month	360	Rs/kVAh	6.05	Rs./kVA/Month	380	Rs/kVAh	6.25



## Chapter 11: SCHEDULE OF CHARGES FOR FY 2023-24

### Petitioner Submission

11.1 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 125: Miscellaneous Charges as proposed by the Petitioner for FY 2023-24

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





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

11.2 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 has approved the Miscellaneous Charges in the Tariff Order dated November 24, 2022, the Commission



has not approved any change in Miscellaneous Charges in this Order as reiterated in **Chapter 12** of this Order and any changes in the Charges shall be revised in the amendment of the Supply Code Regulations.



## **Chapter 12: TARIFF SCHEDULE**

**APPLICABLE FROM 01.10.2023**

### **Consumer Tariff**

#### **Ceiling 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.



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 13** 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 13** of this Tariff Order



## **Domestic Service- HT**

### ***Applicability:***

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc 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 13** of this Tariff Order.



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



## **Irrigation & Agriculture Service (IAS)**

### ***Applicability:***

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

### ***Service Character:***

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

### ***Tariff:***

Category	Fixed 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 13** 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 13** 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.



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

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

**Installation of Shunt Capacitors:** In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Chapter 13** 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 13** 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 13** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

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

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

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

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

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

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



**Street Light:**

This tariff schedule shall apply for use of Street Lighting system.

***Applicability:***

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

***Service Character:***

Street Light Service (SS): AC, 50 cycles, Single phase at 230 Volts or Three phase at 400 Volts

***Tariff:***

Category	Fixed 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 13** 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 13** 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 13** of this Tariff Order.





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

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

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

**TOD Tariff:** In accordance with **Clause VII: ToD Tariff** as provided in **Chapter 13** of this Tariff Order.

**RPO Compliance:** RPO Compliance for Sale to Other Licensees, RTS and MES shall be made by the first Licensee which sells the power viz., in case TSL 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



### **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 126: Miscellaneous Charges as approved by the Commission

No	Purpose	Scale of Charges	Payment Realisation
1	<b>Application fee</b>		
	LT categories	100	Payable with Energy Bill
	HT Connection	500	
2	<b>Revision of Estimate on Consumer Request based on Revision in Original Application</b>		
	LT Categories	100	Payable with energy bill
	HT Connection	500	
3	<b>Testing of consumers Installation <sup>(1)</sup></b>		
	LT Supply	100	Payable with energy bill
	HT Supply	500	
4	<b>Meter test when accuracy disputed by consumer <sup>(2)</sup></b>		
	Single/ Three Phase	100	Payable with energy bill
	Trivector/Special Type Meter, HT, EHT Metering Equipment	1000	
5	<b>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.</b>		
	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	<b>Fuse call- Replacement /RCBO Tripping Call- Replacement.</b>		



No	Purpose	Scale of Charges	Payment Realisation
	Consumer fuse/ RCBO attending	100	Payable with energy bill
8	<b>Disconnection / Reconnection</b>		
	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	<b>Replacement of Burnt Meter/ MCCB/ RCBO/ Catenary/Switches or any other items</b>	Cost of meter or other items replaced	Payable with Energy Bill
10	<b>Security Deposit</b>	As per JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time	
11	<b>Transformer Rent <sup>(3)</sup></b>		
	Up to 200 kVA	5500/Month	Payable with energy bill
	Above 200 kVA	7500/Month	
12	<b>Shutdown on Consumer Request -</b>		
	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 13: 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%



<b>Consumer Category</b>	<b>Voltage Rebate*</b>
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



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.



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:

<b>Consumer Category</b>	<b>Load Factor</b>
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.

### **Conversion Factors**

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

1 kilo Watt (kW) = 1.176 kilo Volt Ampere (kVA)

1 kilo Watt (kW) = 1/0.746 Horse Power (HP)

1 Horse Power (HP) = 0.878 kilo Volt Ampere (kVA)

### **Fuel & Power Purchase Cost Adjustment (FPPCA)**

Applicable as per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and as amended by the Commission from time to time.



## 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
<b>RPO Obligation</b>		
<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>
<b>Wheeling Tariff</b>		
<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>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>
<b>Expansion of Distribution Infrastructure</b>		
<p>The Commission directs the Petitioner to take steps to connect to upstream transmission network to improve its grid connectivity.</p>	<p>The petitioner would like to submit that, it's power network is connected to upstream transmission network of DVC</p>	<p>The Commission has noted the submissions of the Petitioner.</p>



Directives	Status	Views of the Commission
<p>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>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><b>Raw Water Charges Recovered</b></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 an Appeal in APTEL to consider water business as a separate business and not consider any income from water business as nontariff 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 income of the power business.</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>
<p><b>Submission of ToD Data</b></p>		
<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</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>

**True-up for FY 2021-22, APR for FY 2022-23, and ARR & Tariff for FY 2023-24**



<b>Directives</b>	<b>Status</b>	<b>Views of the Commission</b>
while submitting the Business Plan and MYT Petition for FY 2021-22 to FY 2025-26.		



## **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 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 16: ANNEXURE

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

Sr. No.	Name	Address/Organization
<b>Date &amp; Time: July 7, 2023</b>		
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
<b>Date &amp; Time: July 7, 2023</b>		
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



<b>Sr. No.</b>	<b>Name</b>	<b>Address/Organization</b>
<b>Date &amp; Time: July 7, 2023</b>		
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