

Jharkhand State Electricity Regulatory Commission



Order on
True-up for FY 2023-24,
Annual Performance Review for FY 2024-25, and
Aggregate Revenue Requirement & Tariff for FY
2025-26
for
Tata Steel Limited (TSL)

Ranchi,
March 28, 2025



Contents

List of Abbreviations.....	5
List of Table	7
Chapter 1: INTRODUCTION	12
Jharkhand State Electricity Regulatory Commission.....	12
The Petitioner-Tata Steel Limited	15
The Petitioner’s Prayers.....	15
Chapter 2: PROCEDURAL HISTORY	17
Background	17
Information Gaps in the Petition	18
Inviting Public Comments/Suggestions.....	18
Submission of Comments/Suggestions and Conduct of Public Hearing ...	19
Chapter 3: BRIEF FACTS OF THE PETITION	20
True-up for FY 2023-24:	20
Annual Performance Review for FY 2024-25:.....	23
Aggregate Revenue Requirement for FY 2025-26:	25
Chapter 4: PUBLIC CONSULTATION PROCESS	30
Chapter 5: TRUE-UP FOR FY 2023-24	34
Consumers, Connected Load and Energy Sales.....	34
Energy Balance	36
Power Purchase Cost.....	39
Operation and Maintenance Expenses (O&M)	46
Capital Work in Progress (CWIP) and Gross Fixed Assets (GFA).....	64
Consumer Contribution	66
Depreciation	67
Interest on Loan.....	69
Interest on Security Deposits	74
Return on Equity	75
Interest on Working Capital	77
Funding Cost of Delayed Payment Surcharge (DPS)	80
Non-Tariff Income	80
Revenue from sale of Power.....	81
Collection Efficiency.....	82
Summary of Annual Revenue Requirement and Gap/(Surplus).....	83
Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2024-25.....	86



Consumers, Connected Load and Energy Sales.....	86
Energy Balance	87
Power Purchase Cost	91
Operation and Maintenance Expenses (O&M)	98
Capital Work in Progress (CWIP) and Gross Fixed Assets (GFA).....	101
Consumer Contribution	102
Depreciation	103
Interest on Loan.....	106
Interest on Security Deposits	108
Return on Equity	110
Interest on Working Capital	111
Non-Tariff Income	114
Revenue from sale of power.....	114
Summary of Annual Revenue Requirement and Gap/(Surplus).....	115
Chapter 7: AGGREGATE REVENUE REQUIREMENT FOR FY 2025-26. 118	
Consumers, Connected Load and Energy Sales.....	118
Energy Balance	119
Power Purchase Cost	123
Operation and Maintenance Expenses (O&M)	130
Capital Work in Progress (CWIP) and Gross Fixed Assets (GFA).....	133
Consumer Contribution	135
Depreciation	136
Interest on Loan.....	138
Interest on Security Deposits	140
Return on Equity	141
Interest on Working Capital	143
Non-Tariff Income	146
Revenue from sale of Power.....	146
Summary of Annual Revenue Requirement and Gap/(Surplus).....	147
Chapter 8: Cumulative Revenue Gap/(Surplus) till FY 2025-26.....	149
Revenue Gap/(Surplus).....	149
Chapter 9: OPEN ACCESS CHARGES	152
Wheeling Charges	154
Cross Subsidy Surcharge.....	158
Additional Surcharges.....	161
Regulatory Surcharge for Open Access Consumers	162



Chapter 11: Proposal for Green Tariff for FY 2025-26	164
Chapter 12: APPROVED RETAIL TARIFF FOR FY 2025-26	168
Chapter 13: SCHEDULE OF CHARGES FOR FY 2025-26.....	170
Chapter 14: TARIFF SCHEDULE	173
Domestic Service- Rural and Urban	173
Domestic Service- HT.....	175
Irrigation & Agriculture Service (IAS).....	177
Commercial Service:.....	178
Low Tension Industrial Service:	180
HT Service:	182
Street Light:	183
HT Institutional Service:	184
Temporary Connection:.....	186
Tariff to be paid by the Licensee for Gross/Net Metering of rooftop Solar PV project	187
Chapter 15: TERMS AND CONDITION OF SUPPLY	189
Clause I: Penalty for exceeding Billing/Contract Demand	189
Clause II: Jharkhand Electricity Duty	189
Clause III: Delayed Payment Surcharge.....	189
Clause IV: Voltage Rebate	189
Clause V: Load Factor Rebate	190
Clause VI: Installation of Shunt Capacitors.....	190
Clause VII: ToD Tariff.....	191
Clause VIII: Prompt Payment Rebate.....	191
Clause IX: Rebate for Prepaid Metering	191
Clause X: Rebate for Delayed Billing	192
Clause XI: Other Terms and Conditions	192
Chapter 16: STATUS OF EARLIER DIRECTIVES	195
Chapter 17: List of Participant	197



List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
ACS/ACoS	Average Cost of Supply
APR	Annual Performance Review
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BG	Bank Guarantee
CC	Consumer Contribution
CGRF	Consumer Grievance Redressal Forum
CSD	Consumer Security Deposit
CWIP	Capital Works in Progress
DVC	Damodar Valley Corporation
FPA	Fuel Purchase Adjustment
FY	Financial Year
GFA	Gross Fixed Assets
GoJ	Government of Jharkhand
HP	Horse Power
HT	High Tension
IAS	Irrigation and Agriculture Services
IEX	Indian Energy Exchange
IFC	Interest & Finance Charge
IoWC	Interest on Working Capital
kW	kilo Watt
kWh	kilo Watt hour
kVA	kilo Volt Ampere
kVAh	kilo Volt-Ampere hour
MD	Maximum Demand
MES	Military and Engineering Services
MOD	Merit Order Despatch
MU	Million Units
NTI	Non-Tariff Income



Abbreviation	Description
O&M	Operation and Maintenance
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
REC	Renewable Energy Certificates
RoE	Return on Equity
RPO	Renewable Purchase Obligation
RTS	Railway Traction Services
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SOP	Standard of Performance
SS	Street Light



List of Table

Table 1: List of newspapers and dates of publication of public notice by Petitioner	19
Table 2: List of newspapers and dates of publication of Public Notice by the Commission	19
Table 3: Energy Sales (in MUs) as submitted by the Petitioner for FY 2023-24.....	20
Table 4: Energy Balance as submitted by the Petitioner for FY 2023-24.....	21
Table 5: Summary of ARR (Rs Cr.) as submitted by the Petitioner for FY 2023-24.....	22
Table 6: Revenue Gap/(Surplus) in Rs Cr. as submitted by the Petitioner for FY 2023-24.....	22
Table 7: Energy Sales (in MUs) as submitted by the Petitioner for FY 2024-25.....	23
Table 8: Energy Balance (in MUs) as submitted by the Petitioner for FY 2024-25.....	23
Table 9: ARR (in Rs Cr.) as submitted by the Petitioner for FY 2024-25.....	25
Table 10: Revenue Gap/(Surplus) in (Rs Cr.) as submitted by the Petitioner for FY 2024-25..	25
Table 11: Energy Sales (in MUs) as submitted by the Petitioner for FY 2025-26.....	26
Table 12: Energy Balance (in MUs) as submitted by the Petitioner for FY 2025-26.....	26
Table 13: ARR (in Rs Cr.) as submitted by the Petitioner for FY 2025-26.....	27
Table 14: Revenue Gap/(Surplus) in (Rs Cr.) as submitted by the Petitioner for FY 2025-26..	28
Table 15: Purposed Tariff as submitted by the Petitioner for FY 2025-26.....	29
Table 16: Number of Consumers, Connected Load and Energy Sales as submitted by the Petitioner.....	35
Table 17: Number of Consumers, Connected Load and Energy Sales as submitted by the Petitioner and approved by the Commission.....	35
Table 18: Energy Balance (in MUs) as submitted by the Petitioner.....	36
Table 19: Energy Requirement (MUs) as approved by the Commission.....	38
Table 20: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner.....	40
Table 21: RPO as submitted by Petitioner for FY 2023-24	42
Table 22: Summary of RPO compliance as submitted by the Petitioner for FY 2023-24.....	42
Table 23: Rooftop Solar Capacity submitted by the Petitioner.....	43
Table 24: Power Procurement Cost (Rs Cr.) for as approved by the Commission FY 2023-24..	44
Table 25: O&M Cost submitted by the Petitioner as per Audited Accounts for FY 2023-24	47
Table 26: Employee expense claimed by the Petitioner for FY 2023-24.....	47
Table 27: A&G expense claimed by the Petitioner for FY 2023-24.....	48
Table 28: R&M expense claimed by the Petitioner for FY 2023-24.....	48
Table 29: Normative A&G expense claimed by the Petitioner for FY 2023-24.....	49
Table 30: R&M expenses for the control period as per approved K-Factor	52
Table 31: R&M expenses for the control period as per claimed K-Factor	54
Table 32: Normative R&M claimed by the Petitioner for FY 2023-24	54
Table 33: Additional R&M cost for FY 2023-24.....	55
Table 34: Additional R&M claimed by the Petitioner for FY 2023-24	56
Table 35: Additional R&M claimed by the Petitioner for Control Period	56
Table 36: Summary of claimed Normative R&M expenses for FY 2023-24	57
Table 37: Normative O&M Expenses (Rs Cr.) as submitted by the Petitioner for FY 2023-24 ..	57
Table 38: Net O&M Expenses including sharing of Gain/Loss (in Rs Cr.) as submitted by the Petitioner.....	58
Table 39: Normative Employee Expenses (Rs Cr.) as approved by the Commission.....	61
Table 40: Normative A&G Expenses (Rs Cr.) as approved by the Commission.....	61
Table 41: Normative R & M Expenses (Rs. Cr.) as approved by the Commission.....	62
Table 42: Normative O&M Expenses (Rs Cr.) as approved by the Commission	63
Table 43: Actual O&M Expense (in Rs Cr.) approved by the Commission.....	63
Table 44: Net O&M Expenses (Rs Cr.) for FY 2023-24 as approved by the Commission	63
Table 45: CWIP and GFA (in Rs Cr.) for FY 2023-24 as submitted by the Petitioner	65
Table 46: CWIP and GFA (in Rs Cr.) as approved by the Commission.....	66
Table 47: Details of Consumer contribution as submitted by the Petitioner	66
Table 48: Consumer Contribution (Rs Cr.) as approved by the Commission.....	67
Table 49: Depreciation (Rs Cr.) on assets as submitted by the Petitioner.....	68



Table 50: Depreciation (Rs Cr.) as approved by the Commission.....	69
Table 51: Normative Loan & Normative Equity added during the Year (Rs. Cr.).....	70
Table 52: Interest on Loan (Rs. Cr.) as submitted by the Petitioner.....	70
Table 53: Normative Loan and Normative Equity (Rs Cr.) added during FY 2023-24.....	73
Table 54: Interest on Normative Loan (in Rs Cr.) as approved by the Commission.....	73
Table 55: Interest on CSD (Rs Cr.) as submitted by the Petitioner.	74
Table 56: Interest on CSD (Rs. Cr.) as approved by the Commission.....	75
Table 57: Return on Equity (Rs Cr.) as submitted by the Petitioner.	76
Table 58: Return on Equity (Rs Cr.) as approved by the Commission.....	77
Table 59: Interest on Working Capital (Rs Cr.) as submitted by the Petitioner.....	77
Table 60: Interest on Working Capital (in Rs. Cr.) as approved by the Commission.	79
Table 61: Non-Tariff Income (Rs Cr.) as submitted by the Petitioner.....	81
Table 62: Non-Tariff Income (Rs Cr.) as approved by the Commission.....	81
Table 63: Revenue (Rs Cr.) as submitted by the Petitioner for FY 2023-24.	82
Table 64: Revenue (Rs Cr.) as approved by the Commission for FY 2023-24.....	82
Table 65: Collection Efficiency Revenue (Rs Cr.) as submitted by the Petitioner for FY 2023-24.....	82
Table 66: Collection Efficiency Revenue (Rs Cr.) as approved by the Commission for FY 2023-24.....	83
Table 67: Summary of ARR (Rs Cr.) as approved by the Commission.....	84
Table 68: Summary of ARR (Rs Cr.) as approved by the Commission.....	85
Table 69: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission for FY 2024-25.....	87
Table 70: Energy Balance (in MUs) as submitted by the Petitioner for FY 2024-25.....	88
Table 71: Energy Balance (MUs) as approved by the Commission.....	89
Table 72: Renewable Purchase Obligation as per RPO obligation Regulation.....	91
Table 73: RPO unit for FY 2024-25 as submitted by the Petitioner.	92
Table 74: RPO as submitted by Petitioner for FY 2024-25.....	92
Table 75: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner.....	93
Table 76: Power Procurement Cost (Rs. Cr.) as approved by the Commission for FY 2024-25.....	96
Table 77: Normative Employee Expenses as submitted by Petitioner.	98
Table 78: Normative A&G Expenses as submitted by Petitioner.	98
Table 79: Normative R&M Expenses as submitted by Petitioner for FY 2024-25 (Rs. Cr.).....	99
Table 80: Normative O&M Expenses (Rs Cr.) as submitted by the Petitioner.	100
Table 81: Normative O&M Expenses (Rs. Cr.) as approved by the Commission.....	101
Table 82: CWIP and GFA (in Rs Cr.) as submitted by the Petitioner for FY 2024-25.....	101
Table 83: CWIP and GFA (in Rs Cr.) as approved by the Commission.	102
Table 84: Consumer Contribution (Rs Cr.) Capitalised and Received as submitted by the Petitioner.....	103
Table 85: Consumer Contribution (Rs Cr.) as approved by the Commission.....	103
Table 86: Depreciation (Rs Cr.) on assets created out of CC as submitted by the Petitioner. .	104
Table 87: Depreciation (Rs Cr.) as approved by the Commission.....	105
Table 88: Normative Loan & Normative Equity (Rs. Cr.) added during the Year.....	106
Table 89: Interest on Normative Loan (Rs. Cr.) as submitted by the Petitioner.....	107
Table 90: Normative Loan and Normative Equity (in Rs Cr.) added during FY 2024-25.....	108
Table 91: Interest on normative Loan (in Rs Cr.) as approved by the Commission.....	108
Table 92: Interest on CSD (Rs Cr.) as submitted by the Petitioner.....	108
Table 93: Interest on CSD (Rs. Cr.) as approved by the Commission.....	109
Table 94: Return on Equity (Rs Cr.) as submitted by the Petitioner.....	110
Table 95: Return on Equity (Rs Cr.) as approved by the Commission.....	111
Table 96: Interest on Working Capital (Rs Cr.) as submitted by the Petitioner.....	112
Table 97: Interest on Working Capital (in Rs. Cr.) as approved by the Commission.....	113
Table 98: Non-Tariff Income (Rs Cr.) as submitted by the Petitioner.....	114
Table 99: Non-Tariff Income (Rs Cr.) as approved by the Commission.....	114
Table 100: Revenue (Rs Cr.) as submitted by the Petitioner.....	115



Table 101: Revenue (Rs Cr.) as approved by the Commission	115
Table 102: Summary of ARR (Rs Cr.) as approved by the Commission for FY 2024-25	115
Table 103: Summary of ARR (Rs Cr.) as approved by the Commission	116
Table 104: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission for FY 2025-26	119
Table 105: Energy Balance (in MUs) as submitted by the Petitioner for FY 2025-26	120
Table 106: Energy Requirement (MUs) as approved by the Commission for FY 2025-26	121
Table 107: Renewable Purchase Obligation as submitted by petitioner for FY 2025-26	123
Table 108: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner.....	125
Table 109: Renewable Purchase Obligation as per RPO Regulation for FY 2025-26	127
Table 110: Power Procurement Cost (Rs. Cr.) as approved by the Commission.....	128
Table 111: Normative Employee Cost as submitted by the Petitioner	130
Table 112: Normative A&G Cost as submitted by the Petitioner.....	130
Table 113: Normative R&M Expenses as submitted by the Petitioner.....	131
Table 114: Normative O&M Expenses (Rs Cr.) as submitted by the Petitioner	132
Table 115: Normative O&M Expenses (Rs. Cr.) as approved by the Commission.....	133
Table 116: CWIP and GFA (in Rs Cr.) as submitted by the Petitioner for FY 2025-26.....	134
Table 117: CWIP and GFA (in Rs Cr.) as approved by the Commission for FY 2025-26.....	134
Table 118: CC (Rs Cr.) Capitalised and Received as submitted by the Petitioner	135
Table 119: Consumer Contribution (Rs Cr.) as approved by the Commission.....	136
Table 120: Depreciation (Rs Cr.) on assets created out of CC as submitted by the Petitioner	137
Table 121: Depreciation (Rs Cr.) as approved by the Commission for FY 2025-26	137
Table 122: Normative Loan & Normative Equity (Rs. Cr.) added during the Year	138
Table 123: Interest on Loan (Rs. Cr.) as submitted by the Petitioner.....	138
Table 124: Normative Loan and Normative Equity (in Rs Cr.) added during FY 25-26.....	139
Table 125: Interest on Loan (in Rs Cr.) as approved by the Commission	140
Table 126: Interest on CSD (Rs Cr.) as submitted by the Petitioner.....	140
Table 127: Interest on CSD (Rs. Cr.) as approved by the Commission.....	141
Table 128: Return on Equity (Rs Cr.) as submitted by the Petitioner.....	142
Table 129: Return on Equity (Rs Cr.) as approved by the Commission.....	143
Table 130: Interest on Working Capital (Rs Cr.) as submitted by the Petitioner for FY 2025-26.	143
Table 131: Interest on Working Capital (Rs. Cr.) as approved by the Commission	145
Table 132: Non-Tariff Income (Rs Cr.) as submitted by the Petitioner.....	146
Table 133: Non-Tariff Income (Rs Cr.) as approved by the Commission.....	146
Table 134: Revenue (Rs Cr.) as submitted by the Petitioner for FY 2025-26	147
Table 135: Revenue (Rs Cr.) as approved by the Commission for FY 2025-26.	147
Table 136: Summary of ARR (Rs Cr.) as approved by the Commission.	147
Table 137: Cumulative Revenue Gap (Rs. Cr.) till FY 2025-26 as submitted by the Petitioner	149
Table 138: Cumulative Gap/(Surplus) (in Rs Cr.) as approved by the Commission.....	150
Table 139: Revenue Gap/(Surplus) (in Rs Cr.) as approved by the Commission	150
Table 140: Cumulative Gap/(Surplus) (in Rs Cr.) as approved by the Commission.....	151
Table 141: Segregation of ARR and Wheeling Charges as submitted by the Petitioner.	154
Table 142: Segregation of ARR and Wheeling Charges as approved by the Commission for FY 2025-26.....	156
Table 143: Segregation of ARR and Wheeling Charges for FY 2025-26 as approved by the Commission.....	157
Table 144: Cost stacking on the basis of energy sale as approved by the Commission.	158
Table 145: Wheeling Tariff as approved by the Commission for FY 2025-26.....	158
Table 146: Cross Subsidy Surcharges as submitted by the Petitioner for FY 2025-26.	159
Table 147: Cross Subsidy Surcharges as approved by the Commission for FY 2025-26.....	160
Table 148: Regulatory Asset Surcharge as Submitted by the Petitioner.....	162
Table 149: Analysis of cost from Renewable Energy as approved by the Commission.	166
Table 150: Analysis of Variable cost of power purchase from conventional Non-RE Sources as approved by the Commission.	166

True-up for FY 2023-24, APR for FY 2024-25, and ARR & Tariff for FY 2025-26



Table 151: Different between RE & Non-RE (A-B) in Rs/kWh as approved by the Commission.	166
Table 152: Summary of Tariff Proposed by the Petitioner for FY 2025-26.....	168
Table 153: Summary of Tariff Approved by the Commission for FY 2025-26	169
Table 154: Miscellaneous Charges as proposed by the Petitioner.....	170
Table 155: Miscellaneous Charges as approved by the Commission (in Rs.)	187
Table 156: List of participant who attend Public Hearing and submitted their Suggestions/Comments	197



BEFORE

**Jharkhand State Electricity Regulatory Commission,
Ranchi**

Case (Tariff) No.: 9 of 2024

In the matter of:

Petition for
True-up for FY 2023-24,
Annual Performance Review for FY 2024-25, and Annual Revenue
Requirement & Tariff for FY 2025-26

In the matter:

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

PRESENT

Shri Mahendra Prasad
Shri Atul Kumar

Member (Law)
Member (Technical)

Order dated March 28, 2025

Tata Steel Limited (hereinafter referred to as 'TSL' or the 'Petitioner') has filed the Petition dated November 28, 2024 for approval of True up of FY 2023-24, Annual Performance Review for FY 2024-25, and Annual Revenue Requirement & Tariff for FY 2025-26.



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;



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- (h) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
 - (i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
 - (j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
 - (k) discharge such other functions as may be assigned to it under this Act.
- 1.5 The Commission has to also advise the State Government as per sub section 2 of Section 86 of the Act, on all or any of the following matters, namely:
- (a) promotion of competition, efficiency and economy in activities of the electricity industry;
 - (b) promotion of investment in electricity industry;
 - (c) reorganization and restructuring of electricity industry in the State;
 - (d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.
- 1.6 The State Commission ensures transparency while exercising its powers and discharging its functions.
- 1.7 In discharge of its functions, the State Commission is also guided by the Tariff Policy notified by the Government of India under Section 3 of the Act. The objectives of the Tariff Policy are to:
- (a) ensure availability of electricity to consumers at reasonable and competitive rates;
 - (b) ensure financial viability of the sector and attract investments;
 - (c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
 - (d) promote competition, efficiency in operations and improvement in quality of supply.



The Petitioner-Tata Steel Limited

- 1.8 Tata Steel Limited (TSL), formerly known as Tata Iron and Steel Company Limited (TISCO), is a company incorporated under the provisions of the Companies Act, 1956. It has been distributing electricity in Jamshedpur under the licence granted u/s 14 of the Act.
- 1.9 The Petitioner has been distributing electricity in Jamshedpur township since 1923 through a sanction/licence granted u/s 28(1) of the erstwhile Indian Electricity Act, 1910. Post enactment of the EA, 2003, the Petitioner filed an application for a Distribution Licence for Jamshedpur township on December 24, 2003 u/s 15 of the Act. In the absence of the notified Regulations and in view of the first proviso of Section 14 and Section 172(b) of the Act, JSERC vide Order dated March 24, 2004 permitted TSL to continue operating under the provisions of the repealed Act till the time Regulations regarding the same were notified by the Commission.
- 1.10 After notification of the JSERC (Terms and Conditions for Distribution Tariff) Regulations, 2004, action for issue of licence for Jamshedpur town was initiated and subsequently the licence was issued to TSL on January 12, 2006 effective from March 24, 2004.
- 1.11 The area of the Petitioner is bounded as under: -
- North:** River Subarnarekha;
 - South:** Tracks of South Eastern Railways;
 - East:** Eastern boundaries of Mouza Jojobera and Nildhand;
 - West:** River Kharkai.

The Petitioner's Prayers

- 1.12 The Petitioner in instant Petition has made the following prayers before the Commission:
- a) Admit the Petition and examine the proposal submitted by the petitioner in the enclosed petition for a favourable dispensation.



- b) Pass suitable orders with respect to its claim based on regulations and audited accounts for the True-up of ARR of Rs. 1,773.33 Cr. for FY 2023-24, APR of Rs. 1,623.94 Cr. for FY 2024-25 and ARR of Rs. 1,783.06 Cr. for FY 2025-26.
- c) Pass suitable orders with respect to the cumulative revenue Gap of Rs. 702.91 Cr at the end of FY 2025-26 at existing tariff as presented in this petition.
- d) Pass suitable orders with respect to proposed tariff for FY 2025-26.
- e) Approve the procurement of additional Renewable Energy to meet upto 100% Green Energy requirement of consumers,
- f) To approve issue of Green Energy Certificate to consumers opting for Green Energy by Tata Steel Limited.
- g) Approve the “Green Energy Tariff” as proposed above or as deem fit by the Commission.
- h) Approve wheeling of discom solar/Green energy on monthly energy basis.
- i) Approve the revised capital expenditure cost as submitted
- j) Condone the delay if any in filing this petition.
- k) Condone any inadvertent omissions/errors/shortcomings and permit TSL to add/change/modify/alter this filing and make further submissions as may be required at a future date.
- l) Pass such further, as the Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.



Chapter 2: PROCEDURAL HISTORY

Background

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



- 2.9 The Commission had passed Order on True-up for FY 2020-21, FY 2021-22, Annual Performance Review for FY 2022-23 and ARR & Tariff for FY 2023-24 dated September 29, 2023.
- 2.10 On dated June 26, 2024 the Commission had passed Order on True-up for FY 2022-23 Annual Performance Review for FY 2023-24 and ARR & Tariff for FY 2024-25.
- 2.11 In the instant Petition, the Petitioner has sought Truing up for FY 2023-24, Annual Performance Review for FY 2024-25 and ARR & Tariff for FY 2025-26.

Information Gaps in the Petition

- 2.12 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.: 09 of 2024/461 dated December 17, 2024.
- 2.13 In response the Petitioner has furnished additional data/information to the Commission vide letter nos.: PBD/JSR/637/2024-25 dated December 27, 2024.
- 2.14 A second set of data gap was sent to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 09 of 2024/564 dated February 13, 2025.
- 2.15 In response the Petitioner has furnished additional data/information to the Commission vide letter nos.: PBD/JSR/799/25 dated February 19, 2025.
- 2.16 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

- 2.17 On scrutiny of the petition, the Commission has directed the Petitioner to publish a Public Notice inviting comments/suggestions from public



and to make available copies of the Petition to the members of general public on request.

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

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

Newspaper	Language	Date of Publication
Dainik Bhaskar	Hindi	06.01.2025 & 07.01.2025
Hindustan Times	English	06.01.2025 & 07.01.2025
Prabhat Khabhar	Hindi	06.01.2025 & 07.01.2025
The Times of India	English	06.01.2025 & 07.01.2025

- 2.19 The Commission has published a Public Notice on its website **www.jserc.org** and various newspapers giving time till January 28, 2025 to various Stakeholders to submit their comments/suggestions and also organized a Public Hearing on February 10, 2025 where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above Petition. The newspapers wherein the Notice was published by the Commission are mentioned below:

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

Newspaper	Language	Date of Publication
Prabhat Khabhar	Hindi	01.02.2025 & 09.02.2025
Dainik Bhaskar	Hindi	01.02.2025 & 09.02.2025
The Times Of India	English	01.02.2025 & 09.02.2025
The Hindustan Times	English	01.02.2025 & 09.02.2025

Submission of Comments/Suggestions and Conduct of Public Hearing

- 2.20 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 2023-24, Annual Performance Review for FY 2024-25, and Aggregate Revenue Requirement & Tariff for FY 2025-26 as filed by the Petitioner for the Commission's approval.

True-up for FY 2023-24:

Energy Sales

3.2 The table below summarizes the actual energy sales for FY 2023-24 as submitted by the Petitioner against the energy sales approved by the APR Order dated June 26, 2024.

Table 3: Energy Sales (in MUs) as submitted by the Petitioner for FY 2023-24.

Consumer Category	APR	Petition
Domestic	194.71	197.04
Domestic – DSHT	85.23	84.67
Commercial	90.44	84.34
LTIS	0.24	0.26
Total HT IS	2,126.91	1,998.22
Utilities/Street Light	6.58	6.48
Temporary Supply	1.01	1.82
Sale to Tata Steel USIL	462.76	446.00
MESRTODL	1.11	0.73
Sale in IEX-Power Market	0.00	156.90
Total Sales	2,968.99	2,976.46

Energy Balance

3.3 The Energy Balance as submitted by the Petitioner vis-à-vis as that approved by the Commission vide Order dated June 26, 2024 is hereunder:



Table 4: Energy Balance as submitted by the Petitioner for FY 2023-24.

Particulars	APR	Petition
Energy Requirement		
Sales to Other Licensee	462.76	446.00
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%
Distribution on Sales to Other Licensee	0.00	0.00
Energy Req. for Sales to Other Licensee	462.76	446.00
Sales to Steel Works	117.79	76.99
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	0.00	0.00
Energy Req. for Sales to Steel Works	117.79	76.99
Sale in IEX	0.00	156.90
Sales to LT consumers	292.98	289.93
Sales to Other HT consumers	2,095.45	2,006.64
Total Sales to Other Consumers	2,388.43	2,296.58
Dist. Losses on Sales to Other Consumers (%)	4.48%	4.10%
Dist. Losses on Sales to Other Consumers	107.12	98.22
Energy Req. for Sales to Other Consumers	2,281.31	2,394.79
Overall Sales	2,968.99	2,819.57
Overall Distribution Losses %	3.48%	3.37%
Overall Distribution Losses	107.12	98.22
Total Energy Requirement (excluding sales in IEX)	3,076.11	2917.78
Energy Available		
TPCL (Unit II and Unit III)	1,727.98	1,563.39
Damodar Valley Corporation 132kV	298.88	269.78
Damodar Valley Corporation 400kV	927.57	1,088.86
TSW – Captive	5.00	40.16
G-TAM	109.25	104.10



Particulars	APR	Petition
Open access/ other sources	7.43	8.39
Total Pooled Energy Availability	3,076.11	3,074.68
Less: Power Sold to IEX		156.90
Net Pooled Energy Availability for distribution (excl. sale to IEX)	3,076.11	2,917.78

Summary of Annual Revenue Requirement for FY 2023-24

3.4 The ARR for FY 2023-24 as submitted by the Petitioner vis-a-vis as approved by the Commission in Order dated June 26, 2024 is tabulated below:

Table 5: Summary of ARR (Rs Cr.) as submitted by the Petitioner for FY 2023-24.

Particulars	APR	Petition
Net Power Purchase Cost	1,632.48	1,593.76
<i>Power Purchase Cost</i>	1,632.48	1,700.36
<i>Less: Sale of Surplus power</i>		106.60
O&M Expenses after sharing of Gain/loss	99.44	100.92
Interest on Loan	0.59	1.73
Interest on Working Capital	15.40	16.86
Financing Cost of DPS FY 2020-21	-	2.62
Interest on Security Deposit	4.14	4.39
Depreciation	16.84	17.18
Return on Equity	30.57	31.48
Gross Aggregate Revenue Requirement	1,799.46	1,768.94
Less: Non-Tariff Income	2.50	2.92
Aggregate Revenue Requirement	1,796.96	1,766.02

3.5 Based on the ARR and Revenue as per the Audited Accounts, the Petitioner has computed the Revenue Gap/(Surplus) for FY 2023-24 which is summarized below:

Table 6: Revenue Gap/(Surplus) in Rs Cr. as submitted by the Petitioner for FY 2023-24.

Particulars	APR	Petition
Annual Revenue Requirement	1,796.96	1,766.02



Particulars	APR	Petition
Revenue from Sale of Power	1,956.94	1,898.20
Net Revenue Gap/(Surplus)	(159.98)	(132.18)

Annual Performance Review for FY 2024-25:

Energy Sales

3.6 The table below summarizes the energy sales estimated by the Petitioner for FY 2024-25 vis-à-vis that as approved by the Commission vide ARR Order dated June 26, 2024.

Table 7: Energy Sales (in MUs) as submitted by the Petitioner for FY 2024-25.

Consumer category	ARR	Petition
Domestic	200.40	222.79
Domestic Service - DSHT	86.94	88.32
Commercial Services	91.01	95.12
LTIS	0.24	0.24
HT Industrial Services (HTIS)	2,339.31	1,869.18
Streetlight	6.77	6.77
Temporary Supply	1.01	2.49
Sale to Tata Steel USIL	470.00	418.24
MESRTODL	1.11	1.11
Sale thru IEX - Power market		153.91
Total Sales	3,196.78	2,858.19

Energy Balance

3.7 The Energy Balance as submitted by the Petitioner vis-a-vis that as approved by the Commission in Order dated June 26, 2024 is tabulated below.

Table 8: Energy Balance (in MUs) as submitted by the Petitioner for FY 2024-25.

Particulars	ARR	Petition
Energy Requirement		
Sales to Other Licensee	470.00	418.24
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%

True-up for FY 2023-24, APR for FY 2024-25, and ARR & Tariff for FY 2025-26



Particulars	ARR	Petition
Distribution on Sales to Other Licensee	0.00	0.00
Energy Req. for Sales to Other Licensee	470.00	418.24
Sales to Steel Works	300.33	48.72
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	0.00	0.00
Energy Req. for Sales to Steel Works	300.33	48.72
Sale in IEX	0.00	153.91
Sales to LT consumers	299.42	327.41
Sales to Other HT consumers	2,127.02	1,909.90
Total Sales to Other Consumers	2,426.45	2,237.31
Dist. Losses on Sales to Other Consumers (%)	4.72%	4.15%
Dist. Losses on Sales to Other Consumers	114.47	96.92
Energy Req. for Sales to Other Consumers	2,311.97	2,334.23
Overall Sales	3,196.78	2,704.27
Overall Distribution Losses %	3.46%	3.46%
Overall Distribution Losses	114.47	96.92
Total Energy Requirement (excluding sales in IEX)	3,311.25	2801.19
Energy Available		
TPCL (Unit II and Unit III)	1,793.89	1,551.90
Damodar Valley Corporation 132kV	296.67	233.10
Damodar Valley Corporation 400kV	1,007.45	956.78
TSW – Captive	5.33	26.26
G-TAM	200.00	181.50
Open access/ other sources	7.91	5.58
Total Pooled Energy Availability	3,311.25	2,955.11
Less: Power Sold to IEX		153.91
Net Pooled Energy Availability (Excluding sales in IEX)	3,311.25	2,801.19



Annual Revenue Requirement for FY 2024-25

3.8 The ARR for FY 2024-25 as submitted by the Petitioner vis-a-vis that approved in the Order dated June 26, 2024 is tabulated below:

Table 9: ARR (in Rs Cr.) as submitted by the Petitioner for FY 2024-25.

Particulars	ARR	Petition
Net Power Purchase Cost	1,704.78	1,433.58
<i>Power Purchase Cost</i>	1,704.78	1,530.18
<i>Less: Sale of Surplus power</i>	-	96.60
O&M Expenses after sharing of Gain/loss	104.79	116.84
Interest on Loan	0.32	2.36
Interest on Working Capital	15.53	16.78
Interest on Security Deposit	4.79	4.78
Depreciation	17.51	18.65
Return on Equity	31.78	33.44
Gross Aggregate Revenue Requirement	1,879.49	1,626.44
Less: Non-Tariff Income	2.50	2.50
Aggregate Revenue Requirement	1,876.98	1,623.94

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

Table 10: Revenue Gap/(Surplus) in (Rs Cr.) as submitted by the Petitioner for FY 2024-25.

Particulars	ARR	Petition
Aggregate Revenue Requirement	1,876.98	1,623.94
Revenue from Sales	2,120.44	1,690.45
Revenue Gap/(Surplus)	(243.46)	(66.51)

Aggregate Revenue Requirement for FY 2025-26:

Energy Sales

3.10 The following table summarises the energy sales estimated by the Petitioner for FY 2025-26 vis-à-vis that approved by the Commission in the MYT Order dated November 24, 2022:



Table 11: Energy Sales (in MUs) as submitted by the Petitioner for FY 2025-26.

Consumer category	MYT	Petition
Domestic	220.31	228.89
Domestic Service - DSHT	90.65	90.07
Commercial Services	106.29	95.62
LTIS	0.23	0.24
HT Industrial Services (HTIS)	2,097.51	1,875.81
Streetlight	7.73	6.94
Temporary Supply	1.58	2.49
Sale to JUSCO	400.00	475.17
MESRTODL	0.00	1.11
Sale thru IEX - Power market		172.00
Total Sales	2,924.30	2,948.34

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 2025-26.

Particulars	MYT	Petition
Energy Requirement		
Sales to Other Licensee	400.00	475.17
Dist. Losses on Sales to Other Licensee (%)	0.00	0.00
Distribution on Sales to Other Licensee	0.00	0.00
Energy Req. for Sales to Other Licensee	400.00	475.17
Sales to Steel Works	176.32	291.00
Dist. Losses on Sales to Steel Works (%)	0.00	0.00
Dist. Losses on Sales to Steel Works	0.00	0.00
Energy Req. for Sales to Steel Works	176.32	291.00
Sale in IEX	0.00	172.00



Particulars	MYT	Petition
Sales to LT consumers	336.14	334.18
Sales to Other HT consumers	2,011.85	1,675.99
Total Sales to Other Consumers	2,347.99	2,010.17
Dist. Losses on Sales to Other Consumers (%)	4.69%	5.17%
Dist. Losses on Sales to Other Consumers	115.51	109.52
Energy Req. for Sales to Other Consumers	2,463.50	2,119.69
Overall Sales	2,924.31	2,776.34
Overall Distribution Losses %	3.80%	3.80%
Overall Distribution Losses	115.51	109.52
Total Energy Requirement (excluding sales in IEX)	3,039.82	2885.86
Energy Available		
TPCL (Unit II and Unit III)	1,608.34	1,515.54
Damodar Valley Corporation 132kV	351.68	227.63
Damodar Valley Corporation 400kV	1,106.88	1,106.36
TSW – Captive	27.08	25.64
G-TAM		177.25
Open access/ other sources	0.00	5.45
Total Pooled Energy Availability	3,093.98	3,057.86
Less: Power Sold to IEX	0.00	172.00
Net Pooled Energy Availability (excluding sale in IEX)	0.00	2,885.86

Aggregate Revenue Requirement

3.12 The ARR for FY 2025-26 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 Cr.) as submitted by the Petitioner for FY 2025-26.

Particulars	MYT	Petition
Net Power Purchase Cost	1,508.44	1,566.27
<i>Power Purchase Cost</i>	1,508.44	1,667.73
<i>Less: Sale of Surplus power</i>	-	101.47
O&M Expenses after sharing of Gain/loss	106.56	126.56
Interest on Loan	0.56	6.18



Particulars	MYT	Petition
Interest on Working Capital	13.47	15.39
Financing Cost of DPS FY 2020-21		0.00
Interest on Security Deposit	2.54	5.47
Depreciation	25.14	27.60
Return on Equity	35.55	38.34
Gross Aggregate Revenue Requirement	1,692.25	1,785.81
Less: Non-Tariff Income	7.65	2.75
Aggregate Revenue Requirement	1,684.60	1,783.06

3.13 Based on the ARR and revenue as per existing Tariff, the Petitioner has computed the Revenue Gap/(Surplus) for FY 2025-26 as summarized below:

Table 14: Revenue Gap/(Surplus) in (Rs Cr.) as submitted by the Petitioner for FY 2025-26.

Particulars	MYT	Petition
Annual Revenue Requirement	1,684.60	1,783.06
Revenue from Sales		1,772.40
Revenue Gap/(Surplus)		10.66



Proposed Tariff for FY 2025-26

3.14 The purposed tariff for FY 2025-25 as submitted by the Petitioner is tabulated below:

Table 15: Purposed Tariff as submitted by the Petitioner for FY 2025-26.

Consumer Category	Existing Tariff				Proposed Tariff			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
DOMESTIC SERVICE								
<i>DS-LT (0-100 Units)</i>	Rs./Conn/Month	30	Rs/kWh	3.00	Rs./Conn/Month	34	Rs/kWh	3.36
<i>DS-LT (Above 100 Units)</i>	Rs./Conn/Month	65	Rs/kWh	5.15	Rs./Conn/Month	73	Rs/kWh	5.77
<i>DS-HT</i>	Rs./kVA/Month	85	Rs/kVAh	5.10	Rs./kVA/Month	95	Rs/kVAh	5.71
<i>IRRIGATION & AGRICULTURE SERVICE (IAS)</i>	Rs./HP/Month	20	Rs/kWh	5.00	Rs./HP/Month	22	Rs/kWh	5.60
<i>COMMERCIAL SERVICES (CS)</i>	Rs./kW/Month	120	Rs/kWh	5.75	Rs./kW/Month	134	Rs/kWh	6.44
INDUSTRIAL SERVICES								
<i>Low Tension Industrial Service</i>	Rs./kVA/Month	150	Rs/kVAh	5.50	Rs./kVA/Month	168	Rs/kVAh	6.16
<i>High Tension Industrial Service</i>	Rs./kVA/Month	385	Rs/kVAh	6.30	Rs./kVA/Month	431	Rs/kVAh	7.06
INSTITUTIONAL SERVICE								
<i>Street Light</i>	Rs./kW/Month	120	Rs/kWh	6.20	Rs./kW/Month	134	Rs/kWh	6.94
<i>Railway Traction Services, Military Engineering Services and Other Distribution Licensees* (Excluding TSUISL)</i>	Rs./kVA/Month	380	Rs/kVAh	6.25	Rs./kVA/Month	426	Rs/kVAh	7.00
<i>Temporary Connection</i>	1.5 times of the applicable fixed charges		1.5 times of the applicable energy charges		1.5 times of the applicable fixed charges		1.5 times of the applicable energy charges	



Chapter 4: PUBLIC CONSULTATION PROCESS

- 4.1 On the Petitioner's plea several Stakeholders have responded. A Public Hearing was held by the Commission in February 10, 2025 for giving additional opportunity to all the stakeholders to submit their comments/suggestions on the said petition for ensuring maximum public participation and transparency. Accordingly, stakeholders voiced their comments and suggestions and the list of the attendees is attached as **Chapter-16** of this Order.
- 4.2 The comments and suggestions of the public along with the response of the Petitioner and the views of the Commission are summarized in this Chapter. The issues raised by the stakeholders, which do not have meaning to True-up, APR, and ARR & Tariff have not been discussed in this Chapter.

Objector: Bal Krishna Das Agarwal & Pankaj Kumar Jha

- 4.3 All retail consumers of TSL receive 220 V AC power in their residences from the same source. In some cases, high-tension (HT) power is stepped down by TSL to 220 volts before being distributed to retail residential consumers. In some other cases, it is supplied to housing societies, but with individual meter to each and every consumer.

In other case, it is supplied as Domestic HT power. In this case, cost of step down transformer, power distribution within colony, distribution power loss, maintenance and replacement, and street lighting cost are borne by the society. Because of these additional expenditures, it is expected that TSL should supply electrical power at a rate cheaper than other 2 categories, mentioned above.

- 4.4 The Objector submitted that in reality Domestic HT power consumers are paying more money as compared to retail consumers.
- 4.5 The Objector further submitted that the actual power rate for year 2022-23, for retail and Domestic HT consumer was as under:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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

4.6 Also, employees of Tata Steel who live in housing colonies, where Domestic HT power is Supplied, are charged for electricity, at the same rate as applicable to retail consumers and not as per Domestic HT rate. It was recommended that domestic HT rate should be around 100 paise less than retail consumer.

Petitioner Submission

For Tariff Category issue

4.7 The petitioner submitted that the Domestic Service - HT (DS-HT) is a Tariff category for Bulk supply to a housing colony. Ashiana Garden received supply of power at High tension under DS-HT category. The Petitioner submitted that other housing colonies such as Vijaya Heritage, Aastha Enclave, Adarsh Nagar, etc are also provided power supply at Domestic HT tariff as they opted for the same. Retail domestic tariff is applicable for power supply (upto 100 kVA) to retail domestic consumers.

4.8 Houses/Flats in such housing colonies where employees of M/s Tata Steel



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

stay are billed as retail domestic, because individual connection is provided to the each of houses/flats by TSL Distribution Business, and all common area and approach are also billed separately.

4.9 TSL employee housing is billed at applicable notified Retail tariff hike any other consumer

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

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

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

Objector: Vijendra Nath Singh

4.12 The Stakeholder is a domestic retail consumer and has claimed that the tariff in the said category has increased in recent years. The Stakeholder states that domestic consumers of JBVNL in their vicinity are receiving Government subsidy and it's the responsibility of Tata Steel (Petitioner) to avail the subsidy from the State Government. The stakeholder has also urged the Commission to treat all the consumers at par without considering the Distribution company the consumer avails its services. In absence of subsidy mechanism, the Stakeholder has requested the Commission to reduce the tariff for domestic category. Petitioner Submission

Petitioner's Submission

For tariff increase issue



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

4.13 The Petitioner submitted that there was no increase in tariff in the Tariff Order issues in September 2023. The average cost of supply is Jamshedpur is expected to be Rs. 5.74 per unit in FY 2025 and the domestic tariff does not cover the cost of electricity and therefore an appropriate tariff increase is required to recover full cost.

For subsidy issue

4.14 The electricity subsidy to retails domestic consumers is provided by State Government on which the distribution company has no control or decision authority. If State Government decides to provide subsidy, Tata Steel (Petitioner) will provide the related data and information to support the same.



Chapter 5: TRUE-UP FOR FY 2023-24

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

Consumers, Connected Load and Energy Sales

Petitioner's Submission

- 5.7 The Petitioner has submitted the actual details of number of consumers,
-
-



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

connected load and Energy sales for FY 2023-24 which is summarized in the table below:

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

Consumers, Connected Load & Sales - FY 2023-24 (Actual)						
Consumer Category	No. of Consumers	Sanctioned Load	Sanctioned Load-Unit	Conversion Factor	Connected Load (KVA)	Actual/Audited Sale
	(Nos)	(KW/ KVA /HP)				(MUs)
Domestic	39,688	2,13,514	kW	0.85	2,51,193	197.04
Domestic - DSHT	140	60,371	kVA	1.00	60,371	84.67
Commercial	10,725	71,692	kW	0.85	84,344	84.34
LTIS	1	90	kW	0.85	106	0.26
Total HT IS	169	4,22,945	kVA	1.00	4,22,945	1,998.22
Utilities/Street Light	401	1,588	kW	0.85	1,868	6.48
Temporary Supply	95	1,121	kW	0.85	1,319	1.82
Sale to TSUISL	1	70,000	kVA	1.00	70,000	446.00
MESRTODL	1	300	kVA	1.00	300	0.73
Sale thru IEX - Power market						156.90
Total	51,221	8,41,621			8,92,445	2,976.46

Commission's Analysis

5.8 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 2023-24 which is summarized in the table below:

Table 17: Number of Consumers, Connected Load and Energy Sales as submitted by the Petitioner and approved by the Commission.

Particulars	Petition			Approved		
	No. of Consumers	Connected Load (kVA)	Consumption (MU)	No. of Consumers	Connected Load (kVA)	Consumption (MU)
Domestic	39,688	2,51,193	197.04	39,688	2,51,193	197.04
Domestic - DSHT	140	60,371	84.67	140	60,371	84.67
Commercial	10,725	84,344	84.34	10,725	84,344	84.34



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Petition			Approved		
	No. of Consumers	Connected Load (kVA)	Consumption (MU)	No. of Consumers	Connected Load (kVA)	Consumption (MU)
LTIS	1	106	0.26	1	106	0.26
Total HTIS	169	4,22,945	1,998.23	169	4,22,945	1,998.23
Street Light	401	1,868	6.48	401	1,868	6.48
Temporary Supply	95	1,319	1.82	95	1,319	1.82
Sale to TSUISL	1	70,000	446.00	1	70,000	446.00
MESRTODL	1	300	0.73	1	300	0.73
Sale in IEX	0	0	156.90	0	0	156.90
Total Sales	51,221	8,92,445	2,976.46	51,221	8,92,445	2,976.46

Energy Balance

Petitioner's Submission

- 5.9 The Petitioner has submitted that, to meet the energy requirement it has procured power from different source.
- 5.10 The Petitioner has further submitted that in order to reduce the overall power purchase cost, petitioner sold daily surplus balance power (156.90 MUs) in exchange, whenever requirement of its consumers was low and realisation from exchange was higher than the incremental cost of generation.
- 5.11 Furthermore, the petitioner has highlighted that it has been able to sustain the T&D losses at lowest possible levels, which is among one of the best in the industry. The energy balance is tabulated below for FY 2023-24.

Table 18: Energy Balance (in MUs) as submitted by the Petitioner.

Particulars	APR	Petition
Energy Requirement		
Sales to Other Licensee	462.76	446.00
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%
Distribution on Sales to Other Licensee	0.00	0.00



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	APR	Petition
Energy Req. for Sales to Other Licensee	462.76	446.00
Sales to Steel Works	117.79	76.99
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	0.00	0.00
Energy Req. for Sales to Steel Works	117.79	76.99
Sale in IEX	0.00	156.90
Sales to LT consumers	292.98	289.93
Sales to Other HT consumers	2,095.45	2,006.64
Total Sales to Other Consumers	2,388.43	2,296.58
Dist. Losses on Sales to Other Consumers (%)	4.48%	4.10%
Dist. Losses on Sales to Other Consumers	107.12	98.22
Energy Req. for Sales to Other Consumers	2,281.31	2,394.79
Overall Sales	2,968.99	2,819.57
Overall Distribution Losses %	3.48%	3.37%
Overall Distribution Losses	107.12	98.22
Total Energy Requirement (excluding sales in IEX)	3,076.11	2917.78
Energy Available		
TPCL (Unit II and Unit III)	1,727.98	1,563.39
Damodar Valley Corporation 132kV	298.88	269.78
Damodar Valley Corporation 400kV	927.57	1,088.86
TSW – Captive	5.00	40.16
G-TAM	109.25	104.10
Open access/ other sources	7.43	8.39
Total Pooled Energy Availability	3,076.11	3,074.68
Less: Power Sold to IEX		156.90
Net Pooled Energy Availability for distribution (excl. sale to IEX)	3,076.11	2,917.78



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Commission's Analysis

- 5.12 The Commission has scrutinized the details submitted by the Petitioner and on prudent check approves the Energy Sales for FY 2023-24. 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.
- 5.13 It has observed that the actual overall Distribution Loss of 3.48% for FY 2023-24 as claimed by the Petitioner is well within the level of 3.48% as approved in the Tariff Order dated June 26, 2024. Accordingly, the Commission approves the actual overall Distribution Loss as 3.37% for FY 2023-24.
- 5.14 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 2023-24 is summarized herein below:

Table 19: Energy Requirement (MUs) as approved by the Commission.

Particulars	APR	Petition	Approved
Energy Requirement			
Sales to Other Licensee	462.76	446.00	446.00
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%	0.00%
Distribution on Sales to Other Licensee	0.00	0.00	0.00
Energy Req. for Sales to Other Licensee	462.76	446.00	446.00
Sales to Steel Works	117.79	76.99	76.99
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%	0.00%
Dist. Losses on Sales to Steel Works	0.00	0.00	0.00
Energy Req. for Sales to Steel Works	117.79	76.99	76.99
Sale in IEX	0.00	156.90	156.90
Sales to LT consumers	292.98	289.93	289.93
Sales to Other HT consumers	2,095.45	2,006.64	2,006.64
Total Sales to Other Consumers	2,388.43	2,296.58	2,296.58



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	APR	Petition	Approved
Dist. Losses on Sales to Other Consumers (%)	4.48%	4.10%	4.10%
Dist. Losses on Sales to Other Consumers	107.12	98.22	98.22
Energy Req. for Sales to Other Consumers	2,281.31	2,394.79	2,394.79
Overall Sales	2,968.99	2,819.57	2,976.46
Overall Distribution Losses %	3.48%	3.37%	3.37%
Overall Distribution Losses	107.12	98.22	98.22
Total Energy Requirement (including sales in IEX)	3,076.11	2917.78	2917.78
Energy Available			
TPCL (Unit II and Unit III)	1,727.98	1,563.39	1,563.39
Damodar Valley Corporation 132kV	298.88	269.78	269.78
Damodar Valley Corporation 400kV	927.57	1,088.86	1,088.86
TSW – Captive	5.00	40.16	40.16
G-TAM	109.25	104.10	104.10
Open access/ other sources	7.43	8.39	8.39
Total Pooled Energy Availability	3,076.11	3,074.68	3,074.68
Less: Power Sold to IEX		156.90	156.90
Net Pooled Energy Availability for distribution (excl. sale to IEX)	3,076.11	2,917.78	2,917.78

Power Purchase Cost

Petitioner's Submission

5.15 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.

5.16 The Petitioner has further submitted that it has been procured power from Open Market, as and when required for meeting the shortfall.

5.17 The Petitioner has submitted that it has procured power of 1563.39 MUs



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

at a total cost of Rs 682.65 Cr. after taking the impact of previous year's debit note totalling to Rs 20.23 Cr. from Tata Power Company Limited (TPCL).

- 5.18 The Petitioner has further submitted that it has procured power of 269.78 MUs from DVC at 132 kV level at a cost of Rs 160.87 Cr. and 1088.86 MUs at 400 kV level at a cost of Rs 684.54 Cr. exclusive of transmission & scheduling charges tuned to Rs 79.50 Cr.
- 5.19 The Petitioner has further submitted that power purchase from DVC 132 kV and TPCL units, there is no transmission charge because these units are directly connected to TSL distribution network.
- 5.20 Likewise, the Petitioner has procured power of 40.16 MUs from TSW captive at a cost of Rs 17.55 Cr.
- 5.21 Based on above submission the Petitioner has submitted the actual power purchase expenses based on the Audited Accounts and prayed to the Commission to consider the same for FY 2023-24:

Table 20: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner.

Particulars	APR	Petition
TPCL Unit 2		
Power Purchased (MU)	879.87	801.61
Rate of Power Purchased (Rs./kWh)	4.16	4.39
Power Purchase Cost (Rs. Cr.)	365.65	338.14
Prior Period Adjustments (Rs. Cr.)	-	13.77
Net Power Purchase Cost (Rs. Cr.)	365.65	351.91
TPCL Unit 3		
Power Purchased (MU)	848.11	761.78
Rate of Power Purchased (Rs./kWh)	4.00	4.34
Power Purchase Cost (Rs. Cr.)	339.34	324.29
Prior Period Adjustments (Rs. Cr.)	-	6.46
Net Power Purchase Cost (Rs. Cr.)	339.34	330.75



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	APR	Petition
DVC 132 kV		
Power Purchased (MU)	298.88	269.78
Rate of Power Purchased (Rs./kWh)	5.75	5.96
Power Purchase Cost (Rs. Cr.)	171.96	160.87
Prior Period Adjustments (Rs. Cr.)		
Net Power Purchase Cost (Rs. Cr.)	171.96	160.87
DVC 400 kV		
Power Purchased (MU)	927.57	1,088.86
Rate of Power Purchased (Rs./kWh)	5.35	6.29
Power Purchase Cost (Rs. Cr.)	496.30	684.54
Prior Period Adjustments (Rs. Cr.)		
Net Power Purchase Cost (Rs. Cr.)	496.30	684.54
TSW (Captive)		
Power Purchased (MU)	5.00	40.16
Rate of Power Purchased (Rs./kWh)	4.00	4.37
Power Purchase Cost (Rs. Cr.)	2.00	17.55
Prior Period Adjustments (Rs. Cr.)		
Net Power Purchase Cost (Rs. Cr.)	2.00	17.55
Others/Open Market		
Power Purchased (MU)	7.43	8.39
Rate of Power Purchased (Rs./kWh)	5.24	5.56
Power Purchase Cost (Rs. Cr.)	3.89	4.66
RPO Purchased (Rs. Cr.)	52.37	31.39
G-TAM (F)		
Power Purchased (MU)	109.25	104.10
Rate of Power Purchased (Rs./kWh)	3.98	3.76
Power Purchase Cost (Rs. Cr.)	43.45	39.19



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	APR	Petition
Sale-Surplus Power		
Power Purchased (MU)	-	156.90
Rate of Power Purchased (Rs./kWh)		6.79
Revenue from Surplus Sales (Rs. Cr.)		106.60
Disallowed Sales	-	-
Total Power Purchase		
Power Purchased (MU)	3,076.11	3,074.68
Power Purchase Cost (Rs. Cr.)	1,560.00	1,620.86
Transmission Charges	72.47	79.50
Net Power Purchase Cost (Rs. Cr.)	1,632.47	1,700.36

5.22 The Renewable Purchase Obligation for FY 2023-24 is as given below:

Table 21: RPO as submitted by Petitioner for FY 2023-24

Particulars	MUs
Power Purchase - MUs (A)	3,074.68
Less- DVC 132 kV Source MUs (B)	269.78
Less- Power Sold in exchange MUs (c)	156.90
Less- Power Purchase from G-TAM MUs (D)	104.10
Obligated units for FY 2023-24 MUs E=A-B-C-D	2,543.91

5.23 The details of Renewable Purchase Obligation (RPO) compliance submitted by the Petitioner for FY 2023-24 including the carry forward from previous Financial Year is outlined in the table below:

Table 22: Summary of RPO compliance as submitted by the Petitioner for FY 2023-24.

Sr. No.	Particulars	Formula	Solar RPO (in MU)	Non-Solar RPO (in MU)	Total RPO (in MU)
1	(Surplus) / Gap purchased REC of previous year i.e. FY2022-23	A	0.00	-0.72	-0.72



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Sr. No.	Particulars	Formula	Solar RPO (in MU)	Non-Solar RPO (in MU)	Total RPO (in MU)
	which is carried to next year (i.e. FY 2023-24)				
2	Obligated units for FY 2023-24 (excluding DVC 132 kV, GTAM)	B			2543.91
3	Standalone RPO Obligations for FY 2023-24 (%)	C	12.50%	12.50%	25.00%
4	Standalone RPO Obligations for FY 2023-24	$D = C * B$	317.99	317.99	635.98
5	Total RPO Obligations for FY 2023-24	$E = A + D$	317.99	317.26	635.25
6	Actual REC Purchased during FY 2023-24 (Equivalent MU)	F	256.38	262.45	518.83
7	RE generation under Net Metering in FY2023-24	G	17.38	-	17.38
8	RE Power purchased from Green Market (Power Exchange)	H	51.18	56.71	107.89
9	Gap/(Surplus) REC, by the end of in FY2023-24, Which needs to be purchased in FY 2024-25	$I = E - F - G - H$	(6.95)	(1.90)	(8.85)

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

5.24 The Petitioner has submitted that it has been trying its level best to meet the Renewable Purchase Obligation through the purchase of RE Power or RE Certificates through various sources. Further, it has procured Renewable Energy from power exchange through Green Term Ahead Market (GTAM) and REC for FY 2023-24. It has also pointed out that GTAM being a new product is being explored for procuring Renewable Power. Likewise, the Petitioner is also meeting a part of its renewable energy through generation of power from Roof Top Solar Plants. The Petitioner is promoting the installation of roof top systems in its license areas and as a result of the same, the roof top solar installed capacity in FY 2021-22, FY 2022-23 & FY 2023-24 stands as given below:

Table 23: Rooftop Solar Capacity submitted by the Petitioner

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Installed Capacity	10501 kW _p	14554 kW _p	15833 kW _p



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Solar Generation	9.60 MU	14.46 MU	17.38 MU

Commission’s Analysis

- 5.25 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.
- 5.26 On scrutinizing the Audited Accounts and monthly power procurement bills of TPCL and DVC as annexed in ‘**annexure 2, 3, 4, 5**’ of main petition, the Commission approves the power procurement cost for DVC and TPCL.
- 5.27 With regard to the power procured from TSW Captive, the Commission approves the per unit rate equal to the lowest among all other generators for FY 2023-24.
- 5.28 It is observed by the Commission that in case of breakdown/restriction in power supply, the Petitioner has procured power from Open Market via 400 kV Transmission line. Accordingly, the Commission approves the power procurement cost on the basis of the monthly bills as annexed in ‘**annexure 8**’.
- 5.29 With regard to the power procurement from REC to meet the Renewable Purchase Obligation (RPO), the Commission approves the cost on the basis of bills as annexed in ‘**annexure 7**’.
- 5.30 With regard to Sale of Surplus Power in IEX, the Commission approves the Sale of Surplus Power for FY 2023-24 and same has been deducted from total power purchase cost.

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

Particulars	APR	Petition	Approved
TPCL Unit 2			
Power Purchased (MU)	879.87	801.61	801.61
Rate of Power Purchased (Rs./kWh)	4.16	4.39	4.40



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	APR	Petition	Approved
Power Purchase Cost (Rs. Cr.)	365.65	338.14	338.14
Prior Period Adjustments (Rs. Cr.)	-	13.77	13.77
Net Power Purchase Cost (Rs. Cr.)	365.65	351.91	351.91
TPCL Unit 3			
Power Purchased (MU)	848.11	761.78	761.78
Rate of Power Purchased (Rs./kWh)	4.00	4.34	4.45
Power Purchase Cost (Rs. Cr.)	339.34	324.29	324.29
Prior Period Adjustments (Rs. Cr.)	-	6.46	6.46
Net Power Purchase Cost (Rs. Cr.)	339.34	330.75	330.75
DVC 132 kV			
Power Purchased (MU)	298.88	269.78	269.78
Rate of Power Purchased (Rs./kWh)	5.75	5.96	5.96
Power Purchase Cost (Rs. Cr.)	171.96	160.87	160.87
Prior Period Adjustments (Rs. Cr.)			
Net Power Purchase Cost (Rs. Cr.)	171.96	160.87	160.87
DVC 400 kV			
Power Purchased (MU)	927.57	1,088.86	1,088.86
Rate of Power Purchased (Rs./kWh)	5.35	6.29	6.29
Power Purchase Cost (Rs. Cr.)	496.30	684.54	684.54
Prior Period Adjustments (Rs. Cr.)			
Net Power Purchase Cost (Rs. Cr.)	496.30	684.54	684.54
TSW (Captive)			
Power Purchased (MU)	5.00	40.16	40.16
Rate of Power Purchased (Rs./kWh)	4.00	4.37	4.40
Power Purchase Cost (Rs. Cr.)	2.00	17.55	17.67
Prior Period Adjustments (Rs. Cr.)			
Net Power Purchase Cost (Rs. Cr.)	2.00	17.55	17.67



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	APR	Petition	Approved
Others/Open Market			
Power Purchased (MU)	7.43	8.39	8.39
Rate of Power Purchased (Rs./kWh)	5.24	5.56	5.56
Power Purchase Cost (Rs. Cr.)	3.89	4.66	4.66
RPO Purchased (Rs. Cr.)	52.37	31.39	31.39
G-TAM (F)			
Power Purchased (MU)	109.25	104.10	104.10
Rate of Power Purchased (Rs./kWh)	3.98	3.76	3.76
Power Purchase Cost (Rs. Cr.)	43.45	39.19	39.19
Sale-Surplus Power			
Power Purchased (MU)	-	156.90	156.90
Rate of Power Purchased (Rs./kWh)		6.79	6.79
Revenue from Surplus Sales (Rs. Cr.)		106.60	106.60
Disallowed Sales	-		-
Total Power Purchase			
Power Purchased (MU)	3,076.11	3,074.68	3,074.68
Power Purchase Cost (Rs. Cr.)	1,560.00	1,620.86	1,514.38
Transmission Charges	72.47	79.50	79.50
Net Power Purchase Cost (Rs. Cr.)	1,632.48	1,700.36	1,593.88

5.31 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 2023-24 for DVC, TPCL; it shall be dealt with separately by DVC –TSL, TPCL-TSL and the impact of the same shall be considered in the next truing-up.

Operation and Maintenance Expenses (O&M)

Petitioner's Submission



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

5.32 The Petitioner has submitted that it has claimed O&M expenses as per clauses 10.5 and 10.6 of JSERC (Terms and Condition for determination of Distribution Tariff) Regulation, 2020.

5.33 Further, the Petitioner has submitted the actual O&M expenses based on actual audit accounts which is tabulated hereunder:

Table 25: O&M Cost submitted by the Petitioner as per Audited Accounts for FY 2023-24

Sr. No.	Particulars	Formula	Actual Audited (in Rs. Cr.)
1	Employee Expenses	A	21.59
2	CGRF Expenses	B	0.79
3	R&M Component	C	33.74
4	Total Costs	D=A+B+C	56.12

5.34 **Actual Employee Expenses:** It has also submitted that the employee expenses as Rs 24.26 cr. (including outsourcing cost paid to Tata Steel UISL towards Employees Expenses) for FY 2023-24 as per audited account.

Table 26: Employee expense claimed by the Petitioner for FY 2023-24

Sr. No.	Particulars	Formula	Actual Audited (in Rs. Cr.)
1	Direct Employees expenses of TSL	A	2.67
2	Add: Outsourcing cost paid to Tata Steel UISL towards Employees Expenses	B	21.59
3	Total Employee Expenses to be claimed	C=A+B	24.26

5.35 **Actual A&G Expenses:** It has further submitted that the A&G expenses as per audited account is Rs 25.98 cr. (excluding CGRF expenses & Petition filing fees) for FY 2023-24 and mainly includes Rent, Travelling & Conveyance, Consultancy charges, Advertisement expenses, Security Charges, Vehicle hiring charges etc. After including the CGRF expenses of Rs. 0.79 Cr. & Petition filing fees of Rs. 0.31 Cr., Total A&G expenses incurred during FY 2023-24 is Rs. 27.07 Cr. as shown in table below:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 27: A&G expense claimed by the Petitioner for FY 2023-24

Sr. No.	Particulars	Formula	Actual Audited (in Rs. Cr.)
1	Gross A&G Expense Excluding Petition filing fees & CGRF Expenses	A	25.98
2	Add: Petition & other filing fees to JSERC	B	0.31
3	Add: CGRF Expenses	C	0.79
4	Total Actual A&G Expenses	D=A+B+C	27.07

5.36 **Actual R&M Expenses:** It has submitted that R&M expenses as per audited account is Rs. 35.95 cr. for FY 2023-24 and mainly includes Cost of Repairs, Consumption of stores & spare parts and repairs to machinery. The R&M Expenses in the account also include the outsourcing cost of Rs. 21.59 Cr. paid to Tata Steel UISL towards Employees Expenses (including Terminal Benefits) and CGRF Expenses:

Table 28: R&M expense claimed by the Petitioner for FY 2023-24

Sr. No.	Particulars	Formula	Actual Audited (in Rs. Cr.)
1	R&M expense as shown in Audited Accounts	A	56.12
2	Less: Outsourcing cost paid to TATA STEEL UISL towards Employees Expense	B	21.59
3	Less: Outsourcing cost paid to TATA Steel UISL towards CGRF Expense	C	0.79
4	Total R&M expenses shown in books of accounts	D=A-B-C	33.74
5	R&M expenses incurred directly by Tata Steel	E	2.21
6	Total R&M expenses	F=D+E	35.95

5.37 Furthermore, the Petitioner has submitted that it has segregated each component of Normative O&M Expenses for FY 2023-24 taking into account the Inflation factor of 3.72 %, Load factor of 2.15%.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

5.38 **Normative Employee Expenses:** The Petitioner has submitted that for computation of normative employee expenses it has considered base value of normative employee expenses for FY 2023-24 as Rs 28.89 cr. and same has been escalated with Inflation factor of 3.72 %, growth factor of 2.01%. The normative employee cost is computed in the table given below:

Sr. No.	Particulars	Formula	Normative Computation for FY2023-24 (in Rs. Cr.)
1	Employee Cost (n-1) Excluding Terminal Liabilities	A	28.89
2	Weighted Avg. Inflation factor (in %)	B	3.72%
3	Growth Factor-Gn (in %)	C	2.01%
4	Employee Cost as per normative basis	$D=A*\{(1+B)*(1+C)\}$	30.56
5	Terminal liabilities	E	0.43
6	Employee Cost as per normative basis Incl. Terminal Liabilities	$F=D+E$	31.00

5.39 **Normative A&G Expenses:** Likewise, the Petitioner has submitted that for computation of the normative A&G expenses it has considered inflationary adjustment of 3.72% and Load growth of 2.15%. Accordingly, The Normative A&G expenses comes out to be Rs. 36.12 Cr. (including expenses on account of CGRF and Petition Filing Fees) for FY 2023-24. Normative A&G expenses for FY 2023-24 is tabulated below:

Table 29: Normative A&G expense claimed by the Petitioner for FY 2023-24

Sr. No.	Particulars	Formula	Approved in T.O. 26.06.2024 (APR) (in Rs. Cr.)	Claimed (in Rs. Cr.)
1	Total A&G Expenses for (n-1) year	A		33.06
2	Add: Inflation factor (in %)	B		3.72%
3	Sub-total	$C=A*(1+B)$	35.04	34.29



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Sr. No.	Particulars	Formula	Approved in T.O. 26.06.2024 (APR) (in Rs. Cr.)	Claimed (in Rs. Cr.)
4	Add: Load Growth Factor (in %)	D		2.15%
5	Normative A&G Expenses	E=C*(1+D)	35.04	35.03
6	Add: CGRF Expenses	F	0.31	0.79
7	Add: Petition & other filing fees to JSERC	G	0.18	0.31
8	Normative A&G Expenses including CCGRF expenses and Petition & other filing expenses	H=E+F+G	35.53	36.12

5.40 The Petitioner has highlighted the approval of Normative Employee Costs and A&G Costs for FY 2022 to FY 2026 in the MYT Order dated November 24, 2022. In the said order, the Commission, while projecting the Normative Employee Expenses, considered the average of the past five years of actual audited employee expenses from FY 2015-16 to FY 2019-20. This average was then escalated twice with the inflation factor of the respective years to arrive at the Normative Employee Expenses for the base year, i.e., FY 2019-20.

5.41 The base year expenses, as calculated, were further escalated twice using the inflation factor of the respective years to determine the normative Employee Expenses for FY 2021-22. For the subsequent years, the normative Employee Expenses were escalated using an inflation factor of 3.47% (the average five-year inflation factor from FY 2015-16 to FY 2019-20) for each year of the control period. The Commission adopted this methodology for projecting Employee Expenses throughout the control period, as well as for projecting A&G Expenses, excluding Petition Filing Fees and CGRF Expenses.

5.42 Consequently, the Commission had approved the normative Employee and A&G Expenses for each year of the control period by adding the inflation factor to the previous year's normative value. Applying this



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

method iteratively for each year results in a cumulative inflation impact on later years' normative approvals.

5.43 Further, the Petitioner presents the same methodology as an example:

- The Employee or A&G Expenses for FY 2022-23 were approved as the normative value of FY 2021-22 plus the inflation for FY 2022-23.
- Similarly, the normative value for FY 2023-24 was calculated as the normative value of FY 2022-23 (which already includes the inflation of FY 2022-23 over FY 2021-22) plus the inflation for FY 2023-24, and so on.
- However, the approval of R&M Expenses has not been adjusted to account for this cumulative inflation factor.

5.44 The Petitioner also wishes to highlight the approval of normative R&M Costs for FY 2021-22 to FY 2025-26 in the aforementioned MYT Order before the Commission. In the MYT Order dated November 24, 2022, the Commission projected normative R&M Expenses by considering the actual R&M expenses and the opening GFA of FY 2019-20 (the year preceding the base year) to determine the applicable 'K' factor for the MYT period (FY 2021-22 to FY 2025-26). For Tata Steel Limited, this 'K' factor was calculated as 5.08%.

5.45 The R&M Expenses for FY 2021-22 were approved as the opening GFA of FY 2021-22 multiplied by the 'K' factor of 5.08%, further adjusted by an inflation factor of 8.67% (i.e., the inflation factor for FY 2021-22). Thereafter, an inflation factor of 3.47% (i.e., the average five-year inflation factor from FY 2015-16 to FY 2019-20) was applied for each year of the control period, subject to a prudence check during the APR/True-Up process. The calculation of the same approved R&M expenses is given in the table below.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 30: R&M expenses for the control period as per approved K-Factor

Particulars	Formula	FY 22	FY 23	FY 24	FY 25	FY 26
Projected Opening GFA-Rs. Cr.	A	596.43	602.95	650.35	679.85	686.85
Inflation Factor considered for FY22 to FY26	B	8.67%	3.47%	3.47%	3.47%	3.47%
K factor considered for FY22 to FY26	C	5.08%	5.08%	5.08%	5.08%	5.08%
R&M expenses approved (in Rs. Cr.)	D=A*C*(1+B)	32.93	31.69	34.18	35.73	36.10

5.46 It is pertinent to note that Clause 10.3 of the JSERC Distribution Tariff Regulations, 2020, does not differentiate between the treatment of different components of O&M expenses—namely Employee, A&G, and R&M expenses—when it comes to their normative calculation. Therefore, the same methodology should be adopted for determining the approved values of normative Employee, A&G, and R&M costs.

5.47 The approval of O&M expenses may be determined based on any factor deemed appropriate by the Commission, except for those specifically provided in this or other relevant regulations. However, for factors explicitly mentioned in the regulations, the approach for all three O&M components must remain consistent. One such factor is the escalation index used for estimating the Base Year expenses. The same escalation factor and methodology should be applied uniformly across Employee, A&G, and R&M expenses, as stipulated in Regulation 10.6(c) of the JSERC Distribution Tariff Regulations, 2020.

5.48 The Petitioner respectfully submits that the approval of R&M expenses for the five-year MYT control period (FY 2021-22 to FY 2025-26) did not account for inflationary impact in two key aspects:

- Inflation on the K factor
- Cumulative inflation factor for calculating normative R&M expenses

5.49 **Inflation on the K Factor:** The K factor was derived based on actual



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

R&M expenses and the opening GFA of FY 2019-20, yielding the K factor for FY 2019-20. However, this same K factor has been applied unchanged for projecting and approving R&M expenses from FY 2021-22 to FY 2025-26.

- 5.50 The Petitioner submits that the actual K factor for FY 2019-20 should have been adjusted for inflation for FY 2020-21 and FY 2021-22 to arrive at the K factor for FY 2021-22. This adjusted K factor for FY 2021-22 should then be used consistently for projecting R&M expenses for the control period from FY 2021-22 to FY 2025-26.
- 5.51 **Cumulative Inflation for Normative R&M Expenses Calculation:** The methodology adopted for approving normative R&M expenses is inconsistent with the methodology applied for Employee and A&G expenses. While the normative Employee and A&G expenses incorporate a cumulative inflation factor, the approved methodology for calculating normative R&M expenses does not. Therefore, the Petitioner humbly submits that a uniform approach should be applied by the Commission for projecting normative O&M expenses across all three components.
- 5.52 The inconsistency in the normative R&M expense methodology results in an underestimation of R&M costs over the control period. Given that cumulative inflation is already considered for Employee and A&G expenses, the same principle should apply to R&M expenses to maintain regulatory consistency.
- 5.53 The Petitioner respectfully submits that a correction is required in the methodology adopted by the Commission for approving R&M expenses for the control period FY 2021-22 to FY 2025-26.
- 5.54 The Petitioner further requests the Commission to consider inflationary adjustments while projecting normative R&M expenses. For instance, assuming no change in GFA during the next control period and assuming that R&M activities remain at the same level as in the base year, keeping the K factor unchanged would result in the same R&M expenses being approved for each year. This would be incorrect, as the cost of R&M activities is expected to increase due to inflation.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

5.55 In light of the above submissions, the Petitioner humbly requests the Commission to adopt a revised methodology for projecting R&M expenses for the control period FY 2021-22 to FY 2025-26. The computation details are provided in the table below

Table 31: R&M expenses for the control period as per claimed K-Factor

Particulars	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
Projected Opening GFA-Rs. Cr.	559.37	596.43	602.95	650.35	679.85	686.85
Inflation Factor considered for FY22 to FY26	4.14%	8.67%	3.47%	3.47%	3.47%	3.47%
Cumulative Escalation Inflation factor	1	1.09	1.12	1.16	1.20	1.25
K factor approved for FY22 to FY26	5.08%	5.08%	5.08%	5.08%	5.08%	5.08%
Corrected K Factor		5.75%	5.75%	5.75%	5.75%	5.75%
R&M approved-Rs. Cr.	-	37.26	38.98	43.50	47.05	49.18
Increase in approval of R&M expenses-Rs. Cr.		32.93	31.69	34.18	35.73	36.10
Additional R&M Expense approval required		4.34	7.28	9.31	11.31	13.08

5.56 Based on the aforementioned methodology the Petitioner hereby submits the normative R&M expenses for FY 2023-24 tabulated hereunder:

Table 32: Normative R&M claimed by the Petitioner for FY 2023-24

Sr. No.	Particulars	Formula	Approved in T.O. 26.06.2024 (APR) (in Rs. Cr.)	Claimed (in Rs. Cr.)
1	Opening GFA	A		595.05
2	K Factor as per MYT Order	B		5.08%
3	<i>Add: Inflation factor for FY 2020-21 T.O. dated 29.09.2023</i>	C		4.14%
4	<i>Add: Inflation factor for FY 2021-22 MYT BP dated 24.11.2024</i>	D		8.67%



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Sr. No.	Particulars	Formula	Approved in T.O. 26.06.2024 (APR) (in Rs. Cr.)	Claimed (in Rs. Cr.)
5	Corrected K factor for MYT period	$E=B*(1+C)*(1+D)$		5.75%
6	Opening GFA*K-Factor	F=A*E		34.21
7	Add: Inflation factor for FY 2021-22 T.O. dated 26.06.2024	G		6.93%
8	Add: Inflation factor for FY 2022-23 T.O. dated 26.06.2024	H		6.87%
9	Add: Inflation factor for FY 2023 -24 (Actual)	I		3.72%
10	Closing R&M Expense	K=F*(1+G) *(1+H)*(1+I)	32.01	40.55

5.57 Further, the Petitioner prays for the approval of additional R&M expenses amounting to ₹0.14 Cr., based on ₹45 lakhs of GFA that has not been considered from FY 2018 to date. The details are provided below.

Table 33: Additional R&M cost for FY 2023-24

Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
GFA not considered	Rs. Lakhs	45.00	45.00	45.00	45.00	45.00	45.00
K-Factor for the year	%	4.80%	4.80%	4.80%	4.80%	5.08%	5.08%
R&M Expenses	Rs. Lakhs	2.16	2.16	2.16	2.16	2.29	2.29
Inflation for the year	%	3.01%	4.92%	4.90%	4.14%	6.93%	6.87%
Additional Approval of R&M expenses required	Rs. Lakhs	2.23	2.27	2.27	2.25	2.44	2.44
Total additional R&M approval required	Rs. Lakhs						13.89

5.58 The Petitioner has considered the similar approach to calculate the additional R&M approval required FY 2022-23 and same is as follows:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 34: Additional R&M claimed by the Petitioner for FY 2023-24

Sr. No.	Particulars	Formula	Claimed (in Rs. Cr.)
1	Opening GFA	A	591.99
2	K Factor as per MYT Order	B	5.08%
3	Add: Inflation factor for FY 2020-21 T.O. dated 29.09.2023	C	4.14%
4	Add: Inflation factor for FY 2021-22 MYT BP dated 24.11.2024	D	8.67%
5	Corrected K factor for MYT period	$E=B*(1+C)*(1+D)$	5.75%
6	Opening GFA*K-Factor	F=A*E	34.21
7	Add: Inflation factor for FY 2021-22 T.O. dated 26.06.2024	H	6.93%
8	Add: Inflation factor for FY 2022-23 T.O. dated 26.06.2024	I	6.87%
9	Normative R&M Expense of FY 2022-23	K=F*(1+G)*(1+H)*(1+I)	38.89
10	Normative R&M Expense Approved for FY 2022-23	L	32.14
11	Additional claim	M	6.75

5.59 Further, the Petitioner has calculated the additional R&M expenses for prior period and same is mentioned below:

Table 35: Additional R&M claimed by the Petitioner for Control Period

Sr. No.	Particulars	Formula	Claimed (in Rs. Cr.)
1	Additional R&M expense for update in GFA from FY 2017-18 to FY 2022-23	A	0.14
2	Additional R&M expense after adjusting K factor with Inflation for FY 2022-23	B	6.75
3	Total	C=A+B	6.89

5.60 Based on the above-mentioned Table the Petitioner has submitted the R&M expenses as follows:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 36: Summary of claimed Normative R&M expenses for FY 2023-24

Sr. No.	Particulars	Formula	Claimed (in Rs. Cr.)
1	Normative R&M expense for FY 2023-24	A	40.55
2	Additional R&M expense for prior period adjustments	B	6.89
3	Total	C=A+B	47.44

5.61 The Summary of O&M expenses with respect to approval, actual audited and normative computation is given below:

Table 37: Normative O&M Expenses (Rs Cr.) as submitted by the Petitioner for FY 2023-24

Sr. No.	Particulars	Formula	Approved in T.O. 26.06.2024 (APR) (in Rs. Cr.)	Actual as per the accounts (in Rs. Cr.)	Normative Amount claimed now (in Rs. Cr.)
1	A&G Costs	A	35.04	25.98	35.03
2	R&M Expenses	B	32.01	35.95	47.44
3	Employee Cost	C	31.90	23.83	30.56
4	O&M expense excl. CGRF and Petition filing fees.	D=A+B+C	98.95	85.76	113.03
5	<i>Add: Terminal benefits</i>	E	0	0.43	0.43
6	<i>Add: Petition Filing Expenses</i>	F	0.31	0.79	0.79
7	<i>Add: CGRF Expenses (Rent & Remuneration)</i>	G	0.18	0.31	0.31
8	Total O&M Expenses	H=D+E+F+G	99.44	87.29	114.55

5.62 The Petitioner has submitted the sharing of Gain/Losses on account of controllable parameter as per provision of Tariff Regulations 2020 is given below:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 38: Net O&M Expenses including sharing of Gain/Loss (in Rs Cr.) as submitted by the Petitioner

Sr. No.	Particulars	Formula	Claimed (in Rs. Cr.)
1	Normative O&M Expenses	A	113.03
2	Actual O&M Expenses	B	85.76
3	Sharing of Gains/Losses	C=A-B	27.27
4	Sharing of Gains to be provided to consumers by Licensee	D=50% of C	13.63
5	Sharing of Gains to be retained by Licensee	E=50% of C	13.63
6	Add: Terminal Liabilities	G	0.43
7	Add: CGRF Expenses	H	0.79
8	Add: Petition & other filing fees to JSERC	I	0.31
9	Total O&M Claim	G=B+E+F+G+H	100.92

Commission’s Analysis

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

“Operation and Maintenance Expenses

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

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

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

10.5 The O&M expenses permissible towards ARR of each year of the Control Period shall be approved based on the formula shown below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) + \text{Terminal Liabilities}$$

Where,

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

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

$A\&G_n$ – Administrative and General Costs of the Licensee for the n th year.

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

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

Where,

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

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

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

Where,

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

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

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

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

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

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

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

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

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

5.64 Base on the above excerpt, the Commission has calculated the inflation factor for FY 2023-24 as tabulated hereunder.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

WPI for FY	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2023-24	151.10	149.60	149.00	152.10	152.40	151.50	152.10	153.10	151.80	151.20	151.20	151.80	151.41
FY 2022-23	152.30	155.00	155.40	154.00	153.20	151.90	152.90	152.50	150.50	150.70	150.90	151.00	152.53

CPI for FY	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average
FY 2023-24	386.50	387.94	392.83	402.34	400.90	396.00	398.59	400.61	399.74	400.03	400.90	400.03	397.20
FY 2022-23	367.78	371.52	372.10	374.11	374.98	378.14	381.60	381.60	381.02	382.46	382.18	383.90	377.62

Period	WPI	CPI	Total
Weightage	0.45	0.55	1.00
Avg Indexation for FY 23-24	151.41	397.20	
Avg Indexation n-1 (Index * Wt.)	68.13	218.46	286.59
Avg Indexation for FY22-23	152.53	377.62	
Avg Indexation n (Index * Wt.)	68.64	207.69	276.33
Combined Inflation (Indxn/Indxn-1)	3.72%		

5.65 **Normative Employee Expenses:** Based on the above computation the Commission considered the inflation factor of 3.72% while calculating the normative employee expenses.

5.66 Further, the Commission has observed that the Petitioner has submitted the Growth Factor as (2.01%). In this regard, the Commission, through the discrepancies note, directed the Petitioner to submit details of the sanctioned strength, the number of employees recruited, and provide documentary evidence. In reply to the same the Petition submitted that the number of employees in March 2023 was 149 while the same in March 2024 was 152. Hence, based on the above mentioned regulation the Commission has considered the growth factor as 2.01% for Computation of employee expenses.

5.67 Based on the facts & circumstances observes in the petition, the Commission approves the normative employee expenses for FY 2023-24 by taking the actual value of inflation factor (3.72%) and growth factor (2.01%).



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 39: Normative Employee Expenses (Rs Cr.) as approved by the Commission.

Particulars	UoM	Approved
Employee Cost of Previous Year	Rs. Cr.	28.89
Inflation Factor	%	3.72%
Growth Factor	%	2.01%
Normative Employee Expenses	Rs. Cr.	30.56

5.68 **Normative A&G Expenses:** The Commission has observed that the Petitioner, while computing the normative A&G expenses, has considered the Load Growth as 2.15%. However, this parameter is not included in A&G expenses under the JSERC (Terms and Conditions of Determination of Tariff) Regulations, 2020, and its amendments. Furthermore, the Petitioner did not raise this issue during the MYT proceedings. In this regard, the Petitioner is directed, via data gap communication, to submit proper justification for considering the same. In reply the Petitioner has submitted that load and area of operations is increasing year on year and hence Load growth factor should also be considered. In lieu of absence of Regulations for incorporating growth factor the Commission at this point does not allow any load growth factor for calculating the A&G Expenses.

5.69 Based on the above submission, the Commission approves the normative A&G expenses for FY 2023-24 by considering the base value of FY 2022-23 (excluding Petition Filing Fee and CGRF Expenses) and applying the actual inflation factor of 3.72%.

Table 40: Normative A&G Expenses (Rs Cr.) as approved by the Commission.

Particulars	UoM	Approved
A&G previous year	Rs. Cr.	33.06
Inflation Factor	%	3.72%
Load Growth	%	-
Normative A&G Expenses	Rs. Cr.	34.29

5.70 **Normative R&M Expenses:** The Commission, while determining the normative R&M (Repair & Maintenance) expenses, has noted that the Petitioner has raised concerns about the computation methodology of the K factor. However, the Commission observed that this issue was not



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

raised in the earlier MYT proceedings or during the Tariff Orders for FY 2021-22 and FY 2022-23. Since the matter has already been settled in previous tariff determinations, the Commission holds the view that it has attained finality and should not be reopened in the present case. Additionally, the Commission has directed the Petitioner to provide a valid justification for not raising this issue earlier during the respective proceedings. In the reply to this the Petitioner has requested inclusion of Rs. 0.45 Cr. in GFA and recalculating the K-factor.

- 5.71 The Commission, in its evaluation of normative R&M expenses, has considered the approved closing value of Gross Fixed Assets (GFA) for FY 2022-23 as the opening value for FY 2023-24, amounting to Rs. 594.61 Cr.
- 5.72 Further, the Commission after due diligence has considered the inflation factor as 6.93%, 6.87% and 3.72% for FY 2021-22, FY 2022-23 and FY 2023-24 respectively for computation of R&M expenses as tabulated hereunder:

Table 41: Normative R & M Expenses (Rs. Cr.) as approved by the Commission

Particulars	UoM	Approved
GFA	Rs. Cr.	591.99
K-Factor	%	5.08
Inflation Factor for FY 2021-22	%	6.93
Inflation Factor for FY 2022-23	%	6.87
Inflation Factor for FY 2023-24	%	3.72
Normative R&M Expense	Rs. Cr.	35.80

- 5.73 The Commission approves the Petition Filing Fee and CGRF Expenses based on actual as annexed in '**annexure 9, 10**' as the same are statutory expenses.
- 5.74 Based on the above discussion, the Commission approves the normative operational and maintenance expense for FY 2023-24 as given below.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 42: Normative O&M Expenses (Rs Cr.) as approved by the Commission

Particulars	Approved
Normative Employee Expense	30.56
Normative A&G Expenses	34.29
Normative R&M Expenses	35.80
Net Normative Operation & Maintenance Expenses	100.65

5.75 On scrutinizing and analysing the materials, information, data on record, the Commission approves the actual O&M Expenses for FY 2023-24 is given below:

Table 43: Actual O&M Expense (in Rs Cr.) approved by the Commission.

Particulars	Approved
Employee Expenses	23.83
A&G Expenses	25.98
R&M Expenses	35.95
Actual O&M Expenses (Excl. Petition filing & CGRF Expenses)	85.76

5.76 The Commission has observed that the Petitioner has considered the Terminal liabilities twice once in actual employee expenses as per audit account and another at individually.

5.77 The Commission has observed that the Petitioner has accounted for Terminal Liabilities twice—once under actual employee expenses as per audited accounts and again as a separate individual entry. This duplication may lead to an inflated cost projection, affecting the overall tariff calculations. Hence, this Commission approves Terminal Liabilities as per audit account annexure-9 and note-10 of audit account.

5.78 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 2023-24 is given below:

Table 44: Net O&M Expenses (Rs Cr.) for FY 2023-24 as approved by the Commission

Particulars	Petition	Approved
Normative O&M Expenses	113.03	100.65



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Petition	Approved
Actual O&M Expenses	85.76	85.76
Net Gain/(Loss)	27.27	14.89
Sharing of Gain/Loss	13.63	7.45
Terminal Expenses	0.43	0.00
Petition Filing Fee	0.31	0.31
CGRF Expenses (Rent & Remuneration)	0.79	0.79
O&M Expenses after sharing of Gain/(Loss)	100.92	94.30

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

Petitioner's Submission

- 5.79 The Petitioner has submitted that Commission did not account for the adjustment of Rs 0.45 cr and considered the approved closing GFA for FY 2017-18 as opening GFA for FY 2018-19.
- 5.80 Further, the Petitioner has submitted that it has reiterated the above mention issue in true-up for FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23.
- 5.81 In view of the above-mention detail the Petitioner pray to consider the adjustment of Rs 0.45 cr made during FY 2017-18 and accordingly approve the Opening and closing capital work in progress and asset transferred to Gross Fixed Asset (GFA) as per annual audit account of FY 2017-18 to FY 2022-23.
- 5.82 The Petitioner has submitted that it has considered the Opening and Closing Capital Work in Progress (CWIP) as per the Balance Sheet for FY 2023-24. The assets transferred to Gross Fixed Asset (GFA) are based on the Audited Accounts.
- 5.83 It was submitted that the capital expenditure and resultant capitalization is carried out as per the plan approved by the Commission in previous orders and the scheme-wise detail of capital expenditure and capitalization is annexed in '**annexure 12**' of the petition.
- 5.84 The Petitioner has prayed to review the Capital Expenditure and



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Capitalization for FY 2023-24 based on the Audited Accounts.

Table 45: CWIP and GFA (in Rs Cr.) for FY 2023-24 as submitted by the Petitioner

Particulars	APR	Petition
Opening CWIP	5.26	4.92
Additional Capex	42.86	48.70
Less: Capitalisation	13.91	39.10
Closing CWIP	34.20	14.53
Gross Fixed Assets		
Opening GFA	594.61	595.05
Add: Transferred from CWIP	13.91	39.10
Less: Asset Decapitalised	0.00	0.01
Closing GFA	608.52	634.15

Commission's Analysis

5.85 The Commission has observed that the Petitioner has prayed to consider Rs. 0.45 Cr. while truing up for FY 2023-24. In this regard, the Commission is of the opinion that this issue was thoroughly discussed and deliberated in the Commission's Tariff Order dated May 26, 2020. Furthermore, the Petitioner has not raised this matter with the Commission since then, and the same order has attained finality. In this regard, the Petitioner is required to submit proper justification for revisiting this issue. In reply to the same the Petitioner submitted that the GFA of Rs. 0.45 Cr. was inadvertently missed out and requests for its inclusion.

5.86 The Commission, after scrutinizing the material, data, and information on record, observes that the scheme-wise details of Capital Expenditure and Capitalization for FY 2023-24 exceed the approved value as per the Tariff Order dated June 26, 2024. In response to this deviation, the Commission, through a data gap notice, has raised concerns and directed the Petitioner to provide a proper justification for the excess expenditure beyond the approved limits. In reply to this the Petitioner has submitted that the schemes included are as per approval from the Commission, however, the discrepancy in expenditure is due to deferment of works or



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

delay in execution and payments.

5.87 Accordingly, the Commission on analysing the annual audit account, found capitalization tuned to amount of Rs 39.10 Cr. under '**note 3A**'. Hence, the Commission approves the capitalization of Rs 39.10 Cr. for FY 2023-24.

5.88 Based on the facts and circumstances of the petition, the Commission approves the GFA, CWIP and capital expenditure incurred during the year for FY 2023-24 as summarized below:

Table 46: CWIP and GFA (in Rs Cr.) as approved by the Commission.

Particulars	APR	Petition	Approved
Opening CWIP	5.26	4.92	5.26
Additional Capex	42.86	48.70	68.04
Less: Capitalisation	13.91	39.10	39.10
Closing CWIP	34.20	14.53	34.20
Gross Fixed Assets			
Opening GFA	594.61	595.05	594.61
Add: Transferred from CWIP	13.91	39.10	39.10
Less: Asset Decapitalised	0.00	0.01	0.01
Closing GFA	608.52	634.15	633.70

Consumer Contribution

Petitioner's Submission

5.89 The Petitioner has submitted the details of cumulative consumer contribution received and capitalized during the year including the opening & closing consumer contribution for FY 2023-24 is computed in table below:

Table 47: Details of Consumer contribution as submitted by the Petitioner

Sr. No.	Particulars	Formula	Petition
1	Opening Consumer Contribution received	A	73.12



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Sr. No.	Particulars	Formula	Petition
2	Add: Consumer contribution received during the year	B	8.00
3	Closing consumer contribution received	C=A+B	81.12
4	Opening consumer contribution capitalised	D	66.11
5	Add: Contribution energized during the year	E	1.54
6	Closing consumer contribution energised/capitalised	F=D+E	67.65
7	Balance amount of consumer contribution not capitalised as on last day of the year	G=C-F	13.47

Commission's Analysis

5.90 Based on facts, circumstance and methodology adopted in previous Tariff Order, the Commission approves the CC received during FY 2023-24, further the same CC received has been consider for calculation of Depreciation, Loan Addition and Equity Addition calculations.

Table 48: Consumer Contribution (Rs Cr.) as approved by the Commission.

Particulars	Petition	Approved
CC received during the Year	8.00	8.00

Depreciation

Petitioner's Submission

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

5.92 Further, it is submitted that the details of accumulated depreciation can be referred from the Audited Accounts of FY 2023-24 and depreciation charged during FY 2023-24 can be analysed from Profit and Loss (P&L) Statement as given below.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 49: Depreciation (Rs Cr.) on assets as submitted by the Petitioner.

Particulars	APR	Petition
Closing GFA (A)	601.56	634.15
Closing Consumer Contribution capitalised (B)	76.97	67.65
Gross Depreciation (C)	19.31	19.23
Depreciation on Consumer Contribution (D=C/A*B)	2.47	2.05
Net Depreciation (E) = C-D	16.84	17.18

Commission's Analysis

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

“Depreciation

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

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

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

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

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

10.38 The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing 90% of the



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

original cost of the asset. Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable;

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

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

5.94 On scrutinizing and analysing data, material, information on record, the Commission approves the Gross Depreciation tuned to Rs 19.23 Cr. as per **note 1(a)** of annual audit account.

5.95 Further, the Commission approves the net depreciation after deducting the depreciation on assets funded out of CC from the Gross Depreciation for FY 2023-24.

5.96 The table below summarizes the depreciation as submitted by the Petitioner and as approved by the Commission for FY 2023-24.

Table 50: Depreciation (Rs Cr.) as approved by the Commission.

Particulars	APR	Petition	Approved
Average Closing GFA (A)	601.56	634.15	614.15
Average Consumer Contribution Capitalised (B)	76.97	67.65	77.12
Gross Depreciation (C)	19.31	19.23	19.23
Depreciation on Consumer Contribution (D=C/A*B)	2.47	2.05	2.41
Net Deprecation (E=C-D)	16.84	17.18	16.82

Interest on Loan

Petitioner's Submission



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

5.97 The Petitioner has submitted that it has adopted the same methodology as approved by the Commission in its previous Orders for computing Interest on Loan. 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 capitalized during the year.

5.98 The table below shows the normative loan and normative equity added during the FY 2023-24 as methodology discussed above. The Normative loan is estimated based on actual capitalization and consumer contribution capitalized during the year as per audited account for FY 2023-24.

Table 51: Normative Loan & Normative Equity added during the Year (Rs. Cr.)

Particulars	APR	Petition
Assets added during the Year	13.91	39.10
Less: CC Capitalized during the FY	7.71	1.54
Normative Amount Added during the Year	6.20	37.56
Equity Addition during the Financial Year @ 30%	1.86	11.27
Debt Addition during the Financial Year @ 70%	4.34	26.29

5.99 Further, the Petitioner has considered the opening loan for FY 2023-24 equal to closing loan of FY 2022-23

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

5.101 Further, in accordance with **clause 10.26** of JSERC Distribution Tariff Regulations, 2020, the rate of interest on normative is considered as Marginal Cost Landing Rate (MCLR) of SBI prevailing as on April 01, 2023 plus 200 basis point i.e. 10.50%. The table below provide the calculation of Interest on Normative Loan for FY 2023-24.

Table 52: Interest on Loan (Rs. Cr.) as submitted by the Petitioner

Particulars	APR	Petition
Opening Loan (Normative)	11.89	11.89
Add: Deemed Addition during the FY	4.34	26.29



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	APR	Petition
Less: Deemed Repayment	16.84	17.18
Closing Loan (Normative)	-0.61	21.00
Average Loan	5.64	16.44
Interest Rate	10.50%	10.50%
Interest on loan	0.59	1.73

Commission's Analysis

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

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

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

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

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

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

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

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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

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

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

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

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

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

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

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

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

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

10.29 The Licensee shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

financing shall be borne by the users and the net savings shall be shared between the users and the Licensee, as the case may be, in the ratio of 50:50

- 5.103 In accordance with **clause 10.16** and **clause 10.17**, as mentioned above, the Commission has calculated the loan considering the debt-equity ratio. The loan arrived at in this manner is considered as gross normative loan for calculation of interest on loan.
- 5.104 In accordance with **clause 10.23** as mentioned above, the Commission approves the debt repayment equal to net depreciation for the same financial year.
- 5.105 In accordance with **clause 10.26 (proviso)** as mention above, the Commission approves the interest rate as 10.50% (Base rate of SBI as applicable on April 01, 2023 plus 200 basis points).
- 5.106 The table below shows the normative loan and normative equity added during the FY 2023-24 as methodology discussed above. The normative loan is estimated based on actual consumer contribution received during the year as per audited account for FY 2023-24.

Table 53: Normative Loan and Normative Equity (Rs Cr.) added during FY 2023-24.

Particulars	Approved
Assets added during the Year	39.10
Less: CC received during the year	8.00
Normative Amount Added during the Year	31.10
Equity Addition during the Financial Year @ 30%	9.33
Debt Addition during the Financial Year @ 70%	21.77

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

Table 54: Interest on Normative Loan (in Rs Cr.) as approved by the Commission.

Particulars	ARR	Petition	Approved
Opening Loan (Normative)	11.89	11.89	11.89
Add: Deemed Addition during the FY	4.34	26.29	21.77
Less: Deemed Repayment	16.84	17.18	16.82



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	ARR	Petition	Approved
Closing Loan (Normative)	-0.61	21.00	16.84
Average Loan	5.64	16.44	14.36
Interest Rate	10.50%	10.50%	10.50%
Interest on Loan	0.59	1.73	1.51

Interest on Security Deposits

Petitioner’s Submission

5.108 The Petitioner has furnished the details of Interest on Consumer’s Security Deposit (CSD) as per the Audited Accounts for FY 2023-24. It was further submitted that the actual outflow towards interest on security deposit paid to consumer is Rs 4.39 Cr..

Table 55: Interest on CSD (Rs Cr.) as submitted by the Petitioner.

Particulars	APR	Petition
Opening Consumer Security Deposit	38.42	38.42
Consumer Security Deposit Addition	5.22	3.33
Closing Consumer Security Deposit	43.64	41.75
Average Security Deposit	41.03	40.09
Interest Rate	10.10%	10.10%
Interest on Consumer Security Deposit	4.14	4.39

Commission’s Analysis

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

“Interest on Consumer Security Deposits

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

5.110 The Commission has observed that the Petitioner while calculating the interest on security deposits has deviated from the provision specified in



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020. In this regard, the Petitioner is directed to submit a proper justification. In reply to this the Petitioner has submitted the historic base rate over the years for SBI.

5.111 On scrutinizing and analysing the annual audit account for FY 2023-24, the Commission has observed that interest on consumer security deposit tuned to Rs 4.39 Cr., while calculating the interest on security deposit at a rate specified (10.10% interest payable at SBI Base Rate as on April 01 of the Financial Year) in the provision of JSERC Electricity Supply code regulation 2015 it would be Rs 4.05 Cr. Accordingly, the Commission approves the interest on consumer security deposit tuned to Rs 4.05 Cr. for FY 2023-24 as tabulated hereunder.

Table 56: Interest on CSD (Rs. Cr.) as approved by the Commission.

Particulars	APR	Petition	Approved
Opening Consumer Security Deposit	38.42	38.42	38.42
Consumer Security Deposit Addition	5.22	3.33	3.33
Closing Consumer Security Deposit	43.64	41.75	41.75
Average Security Deposit	41.03	40.09	40.08
Interest Rate	10.10%	10.10%	10.10%
Interest on Consumer Security Deposit	4.14	4.39	4.05

Return on Equity

Petitioner's Submission

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

5.113 The Petitioner has taken opening balance of equity for FY 2023-24 equal to the closing of FY 2022-23.

5.114 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

True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

up by corporate IT rate. The challan copy of Income Tax paid is annexed as '**annexure 13**' in the main petition.

5.115 The Petitioner has further submitted that according to section 115BAA introduced under Income Tax Act by the Government of India through Taxation (Amendment) Ordinance 2019 on September 20, 2019, the Petitioner had an option to pay Income Tax at a reduced rate of 25.168%. Accordingly, Petitioner opted for this scheme for FY 2023-24 as shown below.

Table 57: Return on Equity (Rs Cr.) as submitted by the Petitioner.

Particulars	APR	Petition
Opening Balance of Normative Equity	156.82	156.82
Equity Addition during Financial Year	1.86	11.27
Closing balance of Normative Equity	158.68	168.09
Average Balance of Equity	157.75	162.46
Rate of on Return	14.50%	14.50%
Normative Return on Equity	22.87	23.56
Income Tax Rate	25.17%	25.17%
Income Tax	7.69	7.92
Return on Equity including Income Tax	30.57	31.48

Commission's Analysis

5.116 On consideration of the Distribution Tariff Regulations, 2020, the Commission has considered the Opening Equity base for FY 2023-24 as the Closing Equity base for FY 2022-23. Further the Commission has considered the normative Equity addition during the financial year as 30% of the approved capitalization after deducting assets funded out of Consumer Contribution received.

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

5.118 The Commission approves the income tax amount for FY 2023-24 is Rs. 7.88 Cr., being 25.17% of Rs. 31.29 Cr. of total Return on Equity including income tax.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

5.119 Based on above discussion, the Commission approves the Return on Equity along with Income Tax for FY 2023-24 is tabulated hereunder.

Table 58: Return on Equity (Rs Cr.) as approved by the Commission.

Particulars	APR	Petition	Approved
Opening Balance of Normative Equity	156.82	156.82	156.82
Equity Addition during Financial Year	1.86	11.27	9.33
Closing balance of Normative Equity	158.68	168.09	166.15
Average Balance of Equity	157.75	162.46	161.49
Rate of on Return	14.50%	14.50%	14.50%
Normative Return on Equity	22.87	23.56	23.42
Income Tax Rate	25.17%	25.17%	25.17%
Income Tax	7.69	7.92	7.88
Return on Equity including Income Tax	30.57	31.48	31.29

Interest on Working Capital

Petitioner's Submission

5.120 It has submitted by the Petitioner that the Working Capital requirement has been considered on the basis of the JSERC Distribution Tariff Regulations, 2020 and the normative interest on working capital has been computed on prevailing SBI Bank rate as on April 01, 2023 plus 350 basis points.

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

Table 59: Interest on Working Capital (Rs Cr.) as submitted by the Petitioner

Sl. No.	Particulars	Formula	Approved in T.O. 26.06.2024 (APR) (in Rs. Cr.)	Total Normative Claim (in Rs. Cr.)
1	Receivables (2 months)	A	299.49	316.37
2	O&M Expenses (1 months)	B		



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Sl. No.	Particulars	Formula	Approved in T.O. 26.06.2024 (APR) (in Rs. Cr.)	Total Normative Claim (in Rs. Cr.)
3	Maintenance Spares (1% of Opening GFA)	C	5.95	5.95
4	Less: Security Deposit	D	41.03	40.09
5	Less: Power Purchase Cost (1 month)	E	136.04	141.70
6	Total Working Capital	F=A+B+C+D+E	128.37	140.53
7	Rate of Interest (SBI 1 yr MCLR plus 350 b.p) (in %)	G	12.00%	12.00%
8	Interest on Working Capital	H=F*G	15.40	16.86
9	Funding Cost of DPS	I	0	2.62
10	IoWC including Funding Cost of DPS	J=F+I	15.40	19.48

Commission's Analysis

5.122 The Commission has outlined the **clause 10.30 to clause 10.32** of JSERC Distribution Tariff Regulation 2020, for approval of Interest on working capital as reproduced below:

“10.30 Working capital for the Wheeling Business for the Control Period shall comprise:

- a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*
- b) Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*
- c) Amount, if any, held as security deposits.*

10.31 Working capital for the Retail Supply of Electricity for the Control Period shall comprise:

- a) Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus*



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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.”

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

Table 60: Interest on Working Capital (in Rs. Cr.) as approved by the Commission.

Particulars	APR	Wheeling Normative Approved	Retail Normative Approved	Total normative Approved
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	5.95	0.59	5.35	5.95
Revenue from Wheeling and Retail Supply Charges-2 month	299.49	19.7	296.67	316.37
Less: Power Purchase Cost for One Month Retail Business	136.04		132.82	132.82
Less: Average Security Deposit	41.03		40.08	40.08
Total Working Capital Requirement	128.37	20.29	129.11	149.41
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	11.20%	12.00%	12.00%	12.00%



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	APR	Wheeling Normative Approved	Retail Normative Approved	Total normative Approved
Total Interest on Working capital	15.40	2.44	15.49	17.93

Funding Cost of Delayed Payment Surcharge (DPS)

Petitioner’s Submission

5.124 The Petitioner has claimed the financing cost for corresponding receivable being grossed up by 1.50% per month i.e. 18% per annum on DPS amount and thereafter computing the interest @ SBI 1 Year MCLR rate plus 350 basis point for FY 2023-24.

Computation of Financing Cost of DPS		
Particulars	UoM	FY 2023-24
Delay Payment Surcharge (Rs. Cr.)	A	3.93
Principal Amount on which DPS was charged (18% p.a.) (Rs. Cr.)	B = A/18%	21.83
Interest Rate for funding of Principal of DPS (Rs. Cr.)	C	12.00%
Interest on funding of Principal amount of DPS (Rs. Cr.)	D = B x C	2.62

Commission Analysis

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

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

Non-Tariff Income

Petitioner’s Submission



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

5.127 The Petitioner has submitted that Non-Tariff Income (NTI) includes income from service charge for new LT connection, miscellaneous charge etc. for FY 2023-24 tuned to Rs. 2.92 Cr. as per the Audited Accounts.

Table 61: Non-Tariff Income (Rs Cr.) as submitted by the Petitioner

Particulars	APR	Petition
Non-Tariff Income	7.28	2.92

Commission's Analysis

5.128 On scrutinizing and analysing the annual audit account the Commission approves the NTI tuned to Rs 2.92 Cr. (which include service charge and others charge) as per '**note 10 A**' of annual audit account for FY 2023-24 as shown below:

Table 62: Non-Tariff Income (Rs Cr.) as approved by the Commission

Particulars	APR	Petition	Approved
Non-Tariff Income	7.28	2.92	2.92

Revenue from sale of Power

Petitioner's Submission

5.129 The Petitioner has submitted the revenue from Sale of Power as per '**note 9**' of audited accounts is Rs. 2004.80 Cr. including sale of power (other than Tata Steel UISL-Licensee), Sale of Power to Tata Steel UISL-licensee and sale of daily surplus balance in exchange is Rs 106.60 Cr. for FY 2023-24. Further, the Petitioner has adopted the same methodology as approved by the Commission in previous Tariff Order. Accordingly, the Petitioner has reduced the Power Purchase cost by an amount equivalent to revenue from sale of daily surplus balance in exchange. The break-up of revenue is given below.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 63: Revenue (Rs Cr.) as submitted by the Petitioner for FY 2023-24.

Sr. No.	Particulars	Formula	Petition (in Rs. Cr.)
1	Sale of power other than TATA Steel UISL Licensee	A	1644.36
2	Sale of power to TATA Steel UISL Licensee	B	253.84
3	Sub-total	C=A+B	1898.20
4	Sale of power DVC 400KV – Open access (Daily surplus balance in power exchange)	D	106.60
5	Total	E=C+D	2004.80

Commission’s Analysis

5.130 On scrutinizing and analysis of the Audited Accounts as mentioned in ‘**Note 9**’, the Commission has taken into consideration the sale of daily surplus balance in exchange Rs 106.60 Cr. as a Revenue. Accordingly, the Commission approves the revenue after deducting the sale of daily surplus balance in exchange which is summarized below:

Table 64: Revenue (Rs Cr.) as approved by the Commission for FY 2023-24

Particulars	Petition	Approved
Revenue	1898.20	1898.20

Collection Efficiency

Petitioner’s Submission

5.131 It is submitted by the Petitioner that they could achieve a collection efficiency of 100.23%. Accordingly, the Petitioner has computed the sharing of Gain/loss as per the provisions in the JSERC Distribution Tariff Regulation 2020. Total Gain on account of higher collection efficiency is Rs 7.31 cr. The Computation of the same is given in the table below.

Table 65: Collection Efficiency Revenue (Rs Cr.) as submitted by the Petitioner for FY 2023-24

Sr. No.	Particulars	Formula	Petition (in Rs. Cr.)
1	Opening amount of Debtors	A	155.34



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Sr. No.	Particulars	Formula	Petition (in Rs. Cr.)
2	Revenue Assessment during the year	B	2004.80
3	Revenue Collection during the year	C	2009.40
4	Closing amount of Debtors	D=A+B-C	150.74
5	Collection Efficiency	E=D/B	100.23%
6	Minimum Collection Efficiency Allowed (%)	F	99.50%
7	Gain/(Loss)	G=C-B	14.63
8	Collection Efficiency Claim of Tata Steel 50%	H = 50% *G	7.31

Commission's Analysis

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

Table 66: Collection Efficiency Revenue (Rs Cr.) as approved by the Commission for FY 2023-24

Particulars	Formula	Petition	Approved
Opening amount of Debtors (Rs. Cr.)	a	155.34	155.34
Revenue Assessment during the year (Rs. Cr.)	b	2004.80	2004.80
Revenue Collection during the year (Rs. Cr.)	c	2009.40	2009.40
Closing amount of Debtors (Rs. Cr.)	d=a+b-c	150.74	150.74
Collection Efficiency	e=c/b	100.23%	100.23%
Minimum Collection Efficiency allowed	f	99.50%	99.50%
Gain on sharing allowed (%)	g	0.73%	0.50%
Gain Value	h	14.63	10.02
Collection Efficiency Claim of Tata Steel Limited 50%		7.31	5.01

Summary of Annual Revenue Requirement and Gap/(Surplus)

Petitioner's Submission

5.133 The Petitioner has claimed a Surplus of Rs. (124.87) Cr. for FY 2023-24 based on audited and normative claimed in the Petition. The surplus so generated will be used to liquidate the previous year's outstanding



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

revenue gap, which has already reached to unsustainable level and explained in subsequent section.

Commission's Analysis

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

Table 67: Summary of ARR (Rs Cr.) as approved by the Commission.

Particulars	APR	Petition	Approved
Net Power Purchase Cost	1,632.72	1,593.76	1,593.88
Power Purchase Cost	1,632.72	1,700.36	1,593.88
Less: Sale of Surplus power		106.60	
O&M Expenses after sharing of Gain/loss	99.44	100.92	94.30
Interest on Loan	0.59	1.73	1.51
Interest on Working Capital	15.41	16.86	17.93
Financing Cost of DPS FY 2020-21	-	2.62	-
Interest on Security Deposit	4.14	4.39	4.05
Depreciation	16.84	17.18	16.82
Return on Equity	30.57	31.48	31.29
Gross Aggregate Revenue Requirement	1,799.71	1,768.94	1,759.77
Less: Non-Tariff Income	2.50	2.92	2.92
Aggregate Revenue Requirement	1,797.20	1,766.02	1,756.85
Revenue from sale of Power @ Existing Tariff	1,956.94	1,898.20	1,898.20
Net Revenue Gap/(Surplus)	(159.73)	(132.18)	(141.35)
Collection efficiency	-	7.31	5.01
Net Revenue Gap/(Surplus) after sharing of collection efficiency	(159.73)	(124.87)	(136.33)

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

5.136 The Commission also approves the summarised ARR for wheeling and



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Retail Business for FY 2023-24.

Table 68: Summary of ARR (Rs Cr.) as approved by the Commission.

Particulars	Wheeling %	Retail %	Wheeling ARR (Rs. Cr.)	Retail ARR (Rs. Cr.)	Total Audited / Normative Claim (Rs. Cr.)
Power Purchase Cost	0%	100%	-	1,593.88	1,593.88
Net O&M Expenses			63.24	31.06	94.30
Employee Expenses	60%	40%	18.34	12.23	30.56
A&G Expenses	50%	50%	17.14	17.14	34.29
R&M Expenses	90%	10%	32.22	3.58	35.80
Petition Filing Charges & CGRF Expenses	50%	50%	0.55	0.55	1.09
Less: Sharing of Gain			5.01	2.44	7.45
Interest on Loan	90%	10%	1.36	0.15	1.51
Interest on Working Capital	10%	90%	1.79	16.14	17.93
Financing Cost of DPS FY	10%	90%	-	-	-
Interest on Security Deposit	0%	100%	-	4.05	4.05
Depreciation	90%	10%	15.14	1.68	16.82
Return on Equity	90%	10%	28.16	3.13	31.29
Gross Aggregate Revenue Requirement			109.69	1,650.08	1,759.77
Less: Non-Tariff Income	10%	90%	0.29	2.63	2.92
Aggregate Revenue Requirement	6.23%	93.77%	109.40	1,647.46	1,756.85
Less: Revenue from sale of Power @ Existing Tariff	6.23%	93.77%	118.20	1,780.00	1,898.20
Net Gap/ (Surplus)			(8.80)	(132.54)	(141.35)



Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2024-25.

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

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

6.2 In the instant petition the Petitioner has now sought for Annual Performance Review (APR) for FY 2024-25 based on the actuals for first six months (H1) and estimated for the balance six months (H2).

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

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

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

Consumers, Connected Load and Energy Sales

Petitioner’s Submission

6.5 The Petitioner has submitted the details of the number of consumers, connected load and Energy sales for FY 2024-25 based on the first six month actuals (H₁) and balance six month projected (H₂).



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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 2024-25 which is summarized in the table below:

Table 69: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission for FY 2024-25

Particulars	Petition			Approved		
	No. of Consumers	Connected Load (kVA)	Consumption (MU)	No. of Consumers	Connected Load (kVA)	Consumption (MU)
Domestic	41,339	2,63,235	222.79	41,339	2,63,235	222.79
Domestic - DSHT	144	62,276	88.32	144	62,276	88.32
Commercial	11,058	91,363	95.12	11,058	91,363	95.12
LTIS	2	184	0.24	2	184	0.24
Total HTIS	174	4,23,003	1,869.18	174	4,23,003	1,869.18
Street Light	401	1,868	6.77	401	1,868	6.77
Temporary Supply	123	1,924	2.49	123	1,924	2.49
Sale to Tata Steel UISL	1	70,000	418.24	1	70,000	418.24
MESRTODL	1	300	1.11	1	300	1.11
Sale in IEX	0	0	0.00	0	0	0.00
Total Sales	53,243	9,14,153	2,704.27	53,243	9,14,153	2,704.27

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 2024-25. The power purchase quantum for H₂ is assumed in line with H₁ power purchase



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

from the same source. The Petitioner has projected the loss at 3.46% for FY 2024-25 and proposed the Energy Balance as summarised below:

Table 70: Energy Balance (in MUs) as submitted by the Petitioner for FY 2024-25

Particulars	ARR	Petition
Energy Requirement		
Sales to Other Licensee	470.00	418.24
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%
Distribution on Sales to Other Licensee	0.00	0.00
Energy Req. for Sales to Other Licensee	470.00	418.24
Sales to Steel Works	300.33	48.72
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%
Dist. Losses on Sales to Steel Works	0.00	0.00
Energy Req. for Sales to Steel Works	300.33	48.72
Sale in IEX	0.00	153.91
Sales to LT consumers	299.42	327.41
Sales to Other HT consumers	2,127.02	1,909.90
Total Sales to Other Consumers	2,426.45	2,237.31
Dist. Losses on Sales to Other Consumers (%)	4.72%	4.15%
Dist. Losses on Sales to Other Consumers	114.47	96.92
Energy Req. for Sales to Other Consumers	2,311.97	2,334.23
Overall Sales	3,196.78	2,704.27
Overall Distribution Losses %	3.46%	3.46%
Overall Distribution Losses	114.47	96.92
Total Energy Requirement (excluding sales in IEX)	3,311.25	2801.19
Energy Available		
TPCL (Unit II and Unit III)	1,793.89	1,551.90
Damodar Valley Corporation 132kV	296.67	233.10
Damodar Valley Corporation 400kV	1,007.45	956.78
TSW – Captive	5.33	26.26



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	ARR	Petition
G-TAM	200.00	181.50
Open access/ other sources	7.91	5.58
Total Pooled Energy Availability	3,311.25	2,955.11
Less: Power Sold to IEX		153.91
Net Pooled Energy Availability (excl. sale to IEX)	3,311.25	2,801.19

Commission's Analysis

- 6.9 On scrutinizing the bills for H₁ period raised by Damodar Valley Corporation (DVC), Tata Power Company Limited (TPCL), and other sources, the Commission approves the power purchase quantum and rate from each source. Likewise, the Commission consider the same quantum and rate for H₂ period projection.
- 6.10 The Commission has computed overall distribution loss 3.32% for FY 2024-25 against the approved value of 3.46% in Tariff Order dated September 29, 2023. Accordingly, the Commission approves the overall distribution loss of 3.32% for FY 2024-25.
- 6.11 The Commission has noted the petitioner's proposal to sell surplus power in the open market. However, the Commission considers Power Purchase Cost as one of the major cost components in the Annual Revenue Requirement. Therefore, the Commission does not permit the sale of any surplus power to the exchange during FY 2024-25.
- 6.12 Based on above excerpt, the Commission approves the Energy Balance for FY 2024-25 as tabulated hereunder.

Table 71: Energy Balance (MUs) as approved by the Commission

Particulars	ARR	Petition	Approved
Energy Requirement			
Sales to Other Licensee	470.00	418.24	418.24
Dist. Losses on Sales to Other Licensee (%)	0.00%	0.00%	0.00%
Distribution on Sales to Other Licensee	0.00	0.00	0.00
Energy Req. for Sales to Other Licensee	470.00	418.24	418.24



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	ARR	Petition	Approved
Sales to Steel Works	300.33	48.72	48.72
Dist. Losses on Sales to Steel Works (%)	0.00%	0.00%	0.00%
Dist. Losses on Sales to Steel Works	0.00	0.00	0.00
Energy Req. for Sales to Steel Works	300.33	48.72	48.72
Sale in IEX	0.00	153.91	0.00
Sales to LT consumers	299.42	327.41	327.41
Sales to Other HT consumers	2,127.02	1,909.90	1,909.90
Total Sales to Other Consumers	2,426.45	2,237.31	2,237.31
Dist. Losses on Sales to Other Consumers (%)	4.72%	4.15%	4.15%
Dist. Losses on Sales to Other Consumers	114.47	96.92	92.90
Energy Req. for Sales to Other Consumers	2,311.97	2,334.23	2,144.42
Overall Sales	3,196.78	2,704.27	2,704.27
Overall Distribution Losses %	3.46%	3.46%	3.32%
Overall Distribution Losses	114.47	96.92	92.90
Total Energy Requirement (excluding sales in IEX)	3,311.25	2801.19	2797.17
Energy Available			
TPCL (Unit II and Unit III)	1,793.89	1,551.90	1,551.90
Damodar Valley Corporation 132kV	296.67	233.10	233.10
Damodar Valley Corporation 400kV	1,007.45	956.78	798.84
TSW – Captive	5.33	26.26	26.26
G-TAM	200.00	181.50	181.50
Open access/ other sources	7.91	5.58	5.58
Total Pooled Energy Availability	3,311.25	2,955.11	2,797.17
Less: Power Sold to IEX		153.91	
Net Pooled Energy Availability (Excluding sales in IEX)	3,311.25	2,801.19	2,797.17



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 2024-September 2024 (H₁) and estimated for the balance six months, i.e., October 2024- March 2025 (H₂).
- 6.14 It has been estimated by the Petitioner that the energy requirement of 782.01 MU and 769.89 MU from Unit-2, Unit-3 at the rate of Rs 4.51/kWh & Rs 4.49/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 956.78 MU, 233.1 MU at the rate of Rs 5.69/kWh, Rs 5.55/kWh respectively from voltage level of 400kV, and 132 kV DVC. The Petitioner has further submitted that the said energy requirement includes the surplus power of 153.91 MU which is to be sold in the Power exchange.
- 6.16 In compliance with JSERC (Renewable Purchase Obligation and its Compliance) (Second Amendment) Regulations, 2024, the Petitioner has submitted that it has purchased Renewable Energy Certificates (RECs) 462.39 MUs. Based on the prevailing REC prices the Petitioner has estimated to incur Rs. 26.44 Cr. for procurement of RECs in FY 2024-25.
- 6.17 The Petitioner has also submitted that as per JSERC (Renewable Purchase Obligation and its Compliance) (2nd Amendment) Regulations, 2024, the Petitioner needs to purchase following quantum of power from Renewable Energy Sources.

Table 72: Renewable Purchase Obligation as per RPO obligation Regulation.

Financial Year	Wind Renewable Energy	Hydro Renewable Energy	Distributed Renewable Energy	Other Renewable Energy	Total
FY 2024-25	0.67%	0.38%	1.50%	27.35%	29.91%



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

6.18 The Petitioner has further submitted that RPO is applicable on all source other than DVC 132 kV source and daily surplus power sold to open market. Accordingly, the Petitioner has computed RPO on its energy requirement excluding DVC 132 kV source. Apart from the standalone RPO obligation to be met for FY 2023-24, the petitioner has carried forward surplus of RPO target which is to be met in FY 2024-25 is given below:

Table 73: RPO unit for FY 2024-25 as submitted by the Petitioner.

Sr. No.	Particulars	Formula	MU
1	Power Purchase	A	2,955.11
2	Less- DVC 132 kV Source	B	233.10
3	Less- Power Sold in exchange	C	153.91
4	Less- Power Purchase from G-TAM	D	181.50
5	Obligated units for FY 2024-25	E=A-B-C-D	2,386.60

Table 74: RPO as submitted by Petitioner for FY 2024-25

Particulars	Formula	Wind Renewable Energy	Hydro Renewable Energy	Distributed Renewable Energy	Other Renewable Energy	Total RPO
(Surplus) / Gap purchased REC of previous year i.e. FY2023-24 which is carried to next year (i.e. FY 2024-25)	A	0	0	0	-8.85	-8.85
Obligated units for FY 2024-25	B					2,386.60
Standalone RPO Obligations for FY 2024-25 (%)	C	0.67%	0.38%	1.50%	27.36%	29.91%
Standalone RPO Obligations for FY 2024-25 (MU)	D = C x B	16.11	9.19	35.80	652.73	713.83
Total RPO Obligations for FY 2024-25	E = A + D	16.11	9.19	35.80	643.88	704.97
RE Power purchased in H1 from Green Market (Power Exchange)	F	-	-		96.39	96.39
Actual REC Purchased in FY 2024-25 (H-1)	G				285.00	285.00
Sub-total of H1	H=F+G	-	-	-	381.39	381.39
Remaining RPO to be met in H2 from various sources	I=E-H	16.11	9.19	35.80	262.49	323.58
RE Power Expected to be purchased in H2 from Green Market (Power Exchange)	J	16.11	9.19	-	85.11	110.41
Expected RE generation under Net Metering in FY2024-25 H2	K	-	-	35.80	-	35.80
Shortfall in RPO (to be met through purchase of REC in H2)	L= I-J-K	-	-	-	177.39	177.39
Sub-total of H2	M= J+K+L	16.11	9.19	35.80	262.49	323.58
RPO obligation carried forward to FY 2025-26	N=E-(H+M)	-	-	-	-	-



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

6.19 In addition to the above power procurement, the Petitioner has also projected to procure power (5.58 MU) from Open Market at an average per unit rate of Rs. 5.67/kWh.

6.20 It is prayed by the Petitioner to approve the power purchase cost (excluding revenue from Sale of Surplus Power) for FY 2024-25 as summarized below:

Table 75: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner

Particulars	ARR	Petition
TPCL Unit 2		
Power Purchased (MU)	913.86	782.02
Rate of Power Purchased (Rs./kWh)	4.24	4.51
Power Purchase Cost (Rs. Cr.)	387.37	353.06
Prior Period Adjustments (Rs. Cr.)	-	-
Net Power Purchase Cost (Rs. Cr.)	387.37	353.06
TPCL Unit 3		
Power Purchased (MU)	880.03	769.89
Rate of Power Purchased (Rs./kWh)	4.08	4.49
Power Purchase Cost (Rs. Cr.)	359.15	345.61
Prior Period Adjustments (Rs. Cr.)	-	-
Net Power Purchase Cost (Rs. Cr.)	359.15	345.61
DVC 132 kV		
Power Purchased (MU)	296.67	233.10
Rate of Power Purchased (Rs./kWh)	5.87	5.69
Power Purchase Cost (Rs. Cr.)	174.11	132.66
Prior Period Adjustments (Rs. Cr.)		
Net Power Purchase Cost (Rs. Cr.)	174.11	132.66
DVC 400 kV		
Power Purchased (MU)	1,007.45	956.78
Rate of Power Purchased (Rs./kWh)	5.46	5.55



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	ARR	Petition
Power Purchase Cost (Rs. Cr.)	549.82	531.41
Prior Period Adjustments (Rs. Cr.)		
Net Power Purchase Cost (Rs. Cr.)	549.82	531.41
TSW (Captive)		
Power Purchased (MU)	5.33	26.26
Rate of Power Purchased (Rs./kWh)	4.08	4.40
Power Purchase Cost (Rs. Cr.)	2.17	11.55
Prior Period Adjustments (Rs. Cr.)		
Net Power Purchase Cost (Rs. Cr.)	2.17	11.55
Others/Open Market		
Power Purchased (MU)	7.91	5.57
Rate of Power Purchased (Rs./kWh)	5.34	5.80
Power Purchase Cost (Rs. Cr.)	4.23	3.23
RPO Purchased (Rs. Cr.)	70.05	26.44
G-TAM (F)		
Power Purchased (MU)	200.00	181.50
Rate of Power Purchased (Rs./kWh)	4.06	3.43
Power Purchase Cost (Rs. Cr.)	81.13	62.20
Sale-Surplus Power		
Power Purchased (MU)	-	153.91
Rate of Power Purchased (Rs./kWh)	-	6.28
Revenue from Surplus Sales (Rs. Cr.)	-	96.60
Disallowed Sales	-	
Difference AFC bill raised by 400 kV DVC source for the Period FY 2014 to FY 2023		



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	ARR	Petition
Total Power Purchase		
Power Purchased (MU)	3,311.25	2,955.11
Power Purchase Cost (Rs. Cr.)	1,628.03	1,466.15
Transmission Charges	76.75	64.03
Net Power Purchase Cost (Rs. Cr.)	1,704.78	1,530.18

Commission's Analysis

- 6.21 On scrutinizing the actual rate of power purchase for H₁ period and projected for H₂ period for DVC (400kV, 132kV) for FY 2024-25. In case of both the units of TPCL, the Commission has considered approved per unit cost as respective tariff order passed in the current fiscal. The approval shall be subject to prudent check at the time of truing up.
- 6.22 The Commission approves the short term power from open market as per bill annexed in '**annexure 18**' for H₁ period and considered the same rate for H₂ period for FY 2023-24, subject to prudence check at the time of truing up.
- 6.23 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.
- 6.24 Upon careful examination and analysis of the submitted Renewable Energy Certificates (RECs) and invoices by the Petitioner for the first half (H₁) period, the Commission has duly approved the REC cost for the mentioned period. Furthermore, the Commission has estimated the REC cost for the second half (H₂) period of the FY 2024-25 based on these findings. However, it is subject to prudent verification during the truing up process.
- 6.25 With regard to Transmission charge (PGCIL & ERLDC), the Commission approves the transmission charge after subtracting the IEX quantum of power transmission charge on pro-rata basis for FY 2024-25, subject to prudent check at the time of truing up.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

6.26 Based on the above discussion, the Power Procurement Cost from each source as submitted by the Petitioner and as approved by the Commission for FY 2024-25, is tabulated hereunder:

Table 76: Power Procurement Cost (Rs. Cr.) as approved by the Commission for FY 2024-25

Particulars	ARR	Petition	Approved
TPCL Unit 2			
Power Purchased (MU)	913.86	782.02	782.02
Rate of Power Purchased (Rs./kWh)	4.24	4.51	4.70
Power Purchase Cost (Rs. Cr.)	387.37	353.06	367.55
Prior Period Adjustments (Rs. Cr.)	-	-	-
Net Power Purchase Cost (Rs. Cr.)	387.37	353.06	367.55
TPCL Unit 3			
Power Purchased (MU)	880.03	769.89	769.89
Rate of Power Purchased (Rs./kWh)	4.08	4.49	4.45
Power Purchase Cost (Rs. Cr.)	359.15	345.61	342.60
Prior Period Adjustments (Rs. Cr.)	-	-	-
Net Power Purchase Cost (Rs. Cr.)	359.15	345.61	342.60
DVC 132 kV			
Power Purchased (MU)	296.67	233.10	233.10
Rate of Power Purchased (Rs./kWh)	5.87	5.69	5.69
Power Purchase Cost (Rs. Cr.)	174.11	132.66	132.66
Prior Period Adjustments (Rs. Cr.)			
Net Power Purchase Cost (Rs. Cr.)	174.11	132.66	132.66
DVC 400 kV			
Power Purchased (MU)	1,007.45	956.78	798.84
Rate of Power Purchased (Rs./kWh)	5.46	5.55	5.55
Power Purchase Cost (Rs. Cr.)	549.82	531.41	443.69
Prior Period Adjustments (Rs. Cr.)			
Net Power Purchase Cost (Rs. Cr.)	549.82	531.41	443.69



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	ARR	Petition	Approved
TSW (Captive)			
Power Purchased (MU)	5.33	26.26	26.26
Rate of Power Purchased (Rs./kWh)	4.08	4.40	4.45
Power Purchase Cost (Rs. Cr.)	2.17	11.55	11.68
Prior Period Adjustments (Rs. Cr.)			
Net Power Purchase Cost (Rs. Cr.)	2.17	11.55	11.68
Others/Open Market			
Power Purchased (MU)	7.91	5.58	5.58
Rate of Power Purchased (Rs./kWh)	5.34	5.78	5.67
Power Purchase Cost (Rs. Cr.)	4.23	3.22	3.16
RPO Purchased (Rs. Cr.)	70.05	26.44	26.44
G-TAM (F)			
Power Purchased (MU)	200.00	181.50	181.50
Rate of Power Purchased (Rs./kWh)	4.06	3.43	3.43
Power Purchase Cost (Rs. Cr.)	81.13	62.20	62.20
Sale-Surplus Power			
Power Purchased (MU)	-	153.91	-
Rate of Power Purchased (Rs./kWh)	-	6.28	-
Revenue from Surplus Sales (Rs. Cr.)	-	96.60	-
Disallowed Sales	-		-
Total Power Purchase			
Power Purchased (MU)	3,311.25	2,955.11	2,797.17
Power Purchase Cost (Rs. Cr.)	1,628.03	1,466.15	1,389.98
Transmission Charges	76.75	64.03	53.46
Net Power Purchase Cost (Rs. Cr.)	1,704.78	1,530.18	1,443.44



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Operation and Maintenance Expenses (O&M)

Petitioner’s Submission

6.27 **Normative O&M Expenses:** The Petitioner has submitted that it has segregated each component of O&M Expenses and claimed the normative Employee Expenses for FY 2024-25 considering the inflation of 3.72% and expected growth factor of 5.00%.

Table 77: Normative Employee Expenses as submitted by Petitioner.

Particulars	Units	APR	Petition
Employee Cost as per normative basis for FY 2024-25	Rs. Cr.	31.89	30.56
Inflation Factor	%	6.59%	3.72%
Growth factor (G _n)	%	0.00%	5.00%
Normative Employee Cost for FY 2024-25	Rs. Cr.	34.00	33.29
Terminal Benefits	Rs. Cr.	0.00	0.48
Total Normative Employee Cost for FY 2024-25	Rs. Cr.	34.00	33.76

6.28 **Normative A&G Expenses:** Likewise, the Petitioner has projected the normative A&G Expenses for FY 2024-25 based on the normative A&G Expenses for FY 2024-25, and inflation factor of 3.72%.

Table 78: Normative A&G Expenses as submitted by Petitioner.

Particulars	Units	ARR	Petition
A&G expenses as per normative basis for FY 2023-24 (Excluding Petition filing fees & CGRF Expenses)	Rs.Cr.	35.03	35.03
Inflation Factor	%	6.59%	3.72%
Total A&G without CGRF and petition filing fees	Rs Cr.	37.34	36.33
CGRF Expense	Rs Cr.	0.31	1.76
Petition Filing Fees	Rs Cr.	0.18	0.18
Normative A&G Expenses for FY 2023-24 (including Petition filing fees & CGRF Expenses)	Rs. Cr.	37.83	38.26



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

6.29 **Normative R&M Expenses:** The Petitioner has further projected the normative R&M Expenses considering the 'k' factor as 5.75% and the inflation factor for FY 2021-22 to FY 2024-25 as given below.

Table 79: Normative R&M Expenses as submitted by Petitioner for FY 2024-25 (Rs. Cr.)

Sr. No.	Particulars	Formula	Approved in T.O. 26.06.2024 (ARR)	R&M Expenses
1	Opening GFA	A	608.52	634.15
2	K Factor as per MYT Order	B	5.08%	5.08%
3	Add: Inflation factor for FY 2020-21 T.O. dated 29.09.2023	C		4.14%
4	Add: Inflation factor for FY 2021-22 MYT BP dated 24.11.2024	D		8.67%
5	Corrected K factor for MYT period	$E=B*(1+C)*(1+D)$	5.08%	5.75%
6	Opening GFA*K-Factor	$F=A*E$	30.91	36.46
7	Add: Inflation factor for FY 2021-22	G		6.93%
8	Add: Inflation factor for FY 2022-23	H		6.87%
9	Add: Inflation factor for FY 2023-24	I		3.72%
10	Add: Inflation factor for FY 2024-25	J	6.59%	3.72%
11	Normative R&M Expenses for FY 2024-25	$K=F*(1+G)*(1+H)*(1+I)*(1+J)$	32.95	44.82

6.30 Based on the above submission the summary of operation & maintenance with respect to approved value by the Commission vide its ARR order dated June 26, 2024 vis-à-vis normative amount for FY 2024-25 is given below.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 80: Normative O&M Expenses (Rs Cr.) as submitted by the Petitioner.

Particulars	ARR	Petition
Normative A&G Costs	37.83	38.26
Normative R&M Expenses	32.95	44.82
Normative Employee Cost	33.99	33.76
Total Normative O&M expenses (without Petition filing fee & CGRF Expenses)	104.77	116.84

Commission's Analysis

- 6.31 The Commission in True-up chapter of this Order has already outlined the provision of JSERC (Distribution Tariff Regulation), 2020, for approval of the operation & maintenance expenses.
- 6.32 **Normative Employee Expenses:** On analysis and scrutinizing the material on record, the Commission approves the normative employee expenses for FY 2024-25 by taking inflation factor as 5.84% (average of last 3-year inflation) and growth factor as NIL.
- 6.33 **Normative A&G Expenses:** Likewise, the Commission approves the normative A&G Expenses (excluding Petition Filing Fees and CGRF Expenses) for FY 2024-25, based on the normative approved value of A&G Expenses (excluding Petition Filing Fee and CGRF Expenses) for FY 2023-24 by multiplying the inflation factor of 5.84%.
- 6.34 Additionally, the Commission approves the Petition Filing Fee and CGRF Expenses for FY 2024-25 at the same level as approved in TRUE-UP chapter of this order for FY 2023-24, subject to truing up based on actual.
- 6.35 **Normative R&M Expenses:** For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of GFA for FY 2024-25, multiplied it with the “k” factor of 5.08% as approved in the MYT Order dated November 24, 2022 and also considered Inflation factor from FY 2021-22 to FY 2025-26. The table below summarizes the Normative O&M Expenses for FY 2024-25:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 81: Normative O&M Expenses (Rs. Cr.) as approved by the Commission

Particulars	Approved
Normative Employee Expenses	32.35
Normative A&G Expenses (excluding filing & CGRF Expenses)	36.29
Normative R&M Expenses	40.38
Normative O&M Expenses	109.02
Petition Filing Fee	0.31
CGRF Expenses (Rent & Remuneration)	0.79
Terminal Benefit	0.00
Normative O&M Expenses including Filing Fee and CGRF Expenses	110.12

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

Petitioner's Submission

- 6.36 The Petitioner has considered the Opening and Closing Capital Work in Progress (CWIP) as per the Balance Sheet for FY 2023-24. The assets transferred to Gross Fixed Asset (GFA) for FY 2024-25 are considered based as per actual performance for first six months (H₁ period) and projected for the remaining six months (H₂ period).
- 6.37 The Petitioner also submitted that the entity TCIL was merged to Tata Steel Limited w.e.f. September 22, 2022. Subsequently, the distribution assets of the Colonies & Bustees in and around the colony was handed over to power business of TSL. The same has been considered for the closing GFA of TSL.
- 6.38 It was also submitted that the capital expenditure and resultant capitalization for FY 2024-25 as per H₁ performance and capex planning for H₂ as presented in table below for the purpose of Annual Performance Review subject to final true-up.

Table 82: CWIP and GFA (in Rs Cr.) as submitted by the Petitioner for FY 2024-25.

Particulars	ARR	Petition
Opening CWIP	34.20	14.53
Additional Capex	156.61	40.29



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	ARR	Petition
Less: Capitalisation	44.03	34.50
Closing CWIP	146.78	20.32
Gross Fixed Assets		
Opening GFA	608.52	634.15
Add: Transferred from CWIP	44.03	34.50
Less: Asset Decapitalised	0.00	0.00
Closing GFA	652.55	668.65

Commission's Analysis

6.39 The Commission has observed that the Petitioner has estimated a decrease in capex and capitalization. In this regard the Commission had directed the Petitioner to submit the proper reason for such deviation. The Petitioner submitted that schemes were either deferred or completed at a lower cost than estimation.

6.40 Based on the facts and circumstance as discuss above, the Commission approves the capital expenditure and capitalization for FY 2024-25 is tabulated hereunder.

Table 83: CWIP and GFA (in Rs Cr.) as approved by the Commission.

Particulars	ARR	Petition	Approved
Opening CWIP	34.20	14.53	34.20
Additional Capex	156.61	40.29	40.29
Less: Capitalisation	44.03	34.50	34.50
Closing CWIP	146.78	20.32	40.00
Gross Fixed Assets			
Opening GFA	608.52	634.15	633.70
Add: Transferred from CWIP	44.03	34.50	34.50
Less: Asset Decapitalised	0.00	0.00	0.00
Closing GFA	652.55	668.65	668.20

Consumer Contribution

Petitioner's Submission



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

6.41 The Petitioner has adopted a similar approach as adopted in the previous Year, the consumer contribution received in H₁ and expected to be received in H₂ is added to arrive at the total consumer contribution for FY 2024-25 is given below:

Table 84: Consumer Contribution (Rs Cr.) Capitalised and Received as submitted by the Petitioner.

Particulars	ARR	Petition
Opening Consumer Contribution received		81.12
Add - Consumer contribution received during the year	8.68	2.31
Closing consumer contribution received		83.42
Opening Consumer Contribution capitalized		67.65
Add -Consumer contribution capitalized during the year		4.45
Closing consumer contribution energized / capitalized		72.10
Balance amount of consumer contribution not capitalized as on last day of year		11.32

Commission's Analysis

6.42 On scrutinizing and analysing the data, material, information available on record and based on the previous methodology, the Commission approves the Consumer Contribution received during FY 2024-25 as Rs 2.31 Cr. Furthermore, the Commission has taken the same for calculation of Depreciation, Loan Addition and Equity Addition calculations as per the methodology adopted in the previous orders, subjected to prudent check at the time of truing-up.

Table 85: Consumer Contribution (Rs Cr.) as approved by the Commission

Particulars	Petition	Approved
CC Received during the Year	4.45	2.31

Depreciation

Petitioner's Submission



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

- 6.43 The Petitioner has computed depreciation year on year on average Gross Fixed Asset base of the Licensee for the control period. Accordingly, the Petitioner has considered an average depreciation rate of 3.21% (which is average depreciation rate for FY 2024-25) to arrive at the year-on-year depreciation.
- 6.44 Furthermore, the Petitioner has submitted that it is entitled to avail the depreciation on assets which have been commissioned from its own resources. It is therefore necessary to remove depreciation on assets funded by consumers. Accordingly, the Petitioner has subtracted the depreciation against consumer contribution from the total depreciation on the asset base to arrive at the net depreciation to be claimed in the ARR. Hence, the Petitioner projected the net depreciation to be charged for FY 2023-24 after subtracting the depreciation on assets created on account of consumer contribution to be Rs 18.65 Cr.
- 6.45 Based on the above submission, the Petitioner prayed to approve the net Depreciation for the purpose of APR subject to final true-up as tabulated hereunder.

Table 86: Depreciation (Rs Cr.) on assets created out of CC as submitted by the Petitioner.

Particulars	Formula	Estimates Approved in T.O 26.06.2024 (in Rs. Cr.)	Revised Estimates for FY 2024-25 (in Rs. Cr.)
Opening GFA	A	608.52	634.15
Closing GFA	B	652.55	668.65
Average GFA	$C = \frac{A+B}{2}$	630.54	651.40
Gross Depreciation for the year	D	20.24	20.91
Average Gross Depreciation Rate (in %)	$E = D/C$	3.21%	3.21%
Consumer Contribution towards closing GFA	F	88.01	72.10
Depreciation on account of Consumer Contribution	$G = (F/B)*D$	2.73	2.25



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Formula	Estimates Approved in T.O 26.06.2024 (in Rs. Cr.)	Revised Estimates for FY 2024-25 (in Rs. Cr.)
Net Depreciation	H=D-G	17.51	18.65

Commission's Analysis

- 6.46 The Commission in true-up chapter of this order had already outlined the JSERC (Distribution Tariff Regulation) 2020 for the approval of depreciation.
- 6.47 The Commission has observed that the depreciation on assets created out of Consumer Contribution (CC) is calculated in proportion to gross depreciation and in the ratio of closing CC capitalized out of total Closing GFA for FY 2023-24.
- 6.48 The Commission has considered the average value of GFA and CC instead of closing values of GFA and CC as considered by the Petitioner. Furthermore, the depreciation rate has been considered at the same rate of Depreciation rate as approved in the true-up for FY 2023-24.
- 6.49 The Commission has computed the net depreciation after deducting the depreciation on assets funded out of CC from the Gross Depreciation for FY 2024-25.
- 6.50 Based on the above excerpt, the Net Depreciation approves by the Commission as Rs 18.25 Cr. for FY 2024-25 as summarizes in table hereunder.

Table 87: Depreciation (Rs Cr.) as approved by the Commission

Particulars	Approved
Average GFA (A)	650.95
Average Consumer Contribution Received(B)	82.27
Average Gross Depreciation Rate	3.21%
Gross Depreciation (C)	20.89



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Approved
Depreciation on Consumer Contribution (D=C/A*B)	2.64
Net Depreciation (E=C-D)	18.25

Interest on Loan

Petitioner's Submission

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

Table 88: Normative Loan & Normative Equity (Rs. Cr.) added during the Year

Particulars	Petition
Assets added during the Year	34.50
Less: Capitalized from Consumer Contribution	4.45
Normative Amount Added during the Year	30.05
Equity Addition during the Financial Year @ 30%	9.01
Debt Addition during the Financial Year @ 70%	21.03

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

6.53 In accordance with **Clause 10.26** of the JSERC (Distribution Tariff Regulations), 2020, the interest on normative loan for the year has been considered as Marginal Cost of Lending Rate of SBI prevailing as on 01st April 2024 plus 200 basis points i.e., 10.65%. Accordingly, the normative interest comes to Rs. 2.36 Cr. The table below provides calculation of Interest on Normative Loan for FY 2024-25.

6.54 Based on above submission the summarizes interest on normative loan is computed hereunder for FY 2024-25.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 89: Interest on Normative Loan (Rs. Cr.) as submitted by the Petitioner

Particulars	ARR	Petition
Opening Loan (Normative)	-0.61	21.00
Add: Deemed Addition during the FY	24.75	21.03
Less: Deemed Repayment	17.51	18.65
Closing Loan (Normative)	6.63	23.38
Average Loan	3.01	22.19
Interest Rate	10.50%	10.65%
Interest on Loan	0.32	2.36

Commission's Analysis

- 6.55 The Commission in True-up chapter of this order has already outlined the provision of JSERC (Distribution Tariff Regulation), 2020 for the approval of interest on loan.
- 6.56 The Commission has considered the opening value of normative loan for FY 2024-25 equal to the closing value of normative loan for FY 2023-24.
- 6.57 In accordance with **clause 10.16** and **clause 10.17**, as mentioned in true-up chapter of this order, the Commission has calculated the loan considering the debt-equity ratio. The loan arrived at in this manner is considered as gross normative loan for calculation of interest on loan.
- 6.58 In accordance with **clause 10.23** as mentioned above, the Commission approves the debt repayment equal to net depreciation for the same financial year.
- 6.59 In accordance with **clause 10.26 (proviso)** as mention above, the Commission approves the interest rate as 10.65% (Base rate of SBI as applicable on April 01, 2024 plus 200 basis points).
- 6.60 The table below shows the normative loan and normative equity added during the FY 2024-25 as methodology discussed above. The Normative loan & equity is estimated based on estimated consumer contribution received during the year i.e. for FY 2024-25.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 90: Normative Loan and Normative Equity (in Rs Cr.) added during FY 2024-25

Particulars	Approved
Assets added during the Year	34.50
Less: Consumer Contribution Received for FY	2.31
Normative Amount Added during the Year	32.19
Equity Addition during the Financial Year @ 30%	9.66
Debt Addition during the Financial Year @ 70%	22.54

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

Table 91: Interest on normative Loan (in Rs Cr.) as approved by the Commission

Particulars	ARR	Petition	Approved
Normative Opening Loan	-0.61	21.00	16.84
Add: Deemed Addition during the FY	24.75	21.03	22.54
Less: Deemed Repayment	17.51	18.65	18.25
Normative Closing Loan	6.63	23.38	21.12
Average Loan	3.01	22.19	18.98
Interest Rate	10.50%	10.65%	10.65%
Interest on Loan	0.32	2.36	2.02

Interest on Security Deposits

Petitioner's Submission

6.62 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 2024-25.

6.63 It is estimated that the average security deposit amount as on year-end of FY 2024-25 will be Rs. 51.47 Cr. and the corresponding interest on security deposit will be Rs. 4.78 Cr.

Table 92: Interest on CSD (Rs Cr.) as submitted by the Petitioner

Particulars	ARR	Petition
Opening Consumer Security Deposit	43.64	41.75
Consumer Security Deposit Addition	7.59	9.72



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	ARR	Petition
Closing Consumer Security Deposit	51.23	51.47
Average Security Deposit	47.44	46.61
Interest Rate	10.10%	10.25%
Interest on Consumer Security Deposit	4.79	4.78

Commission’s Analysis

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

“Interest on Consumer Security Deposits

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

6.65 On scrutinizing and analysing the submission available on record for FY 2024-25, the Commission has observed that interest on consumer security deposit tuned to Rs 4.78 Cr., while calculating the interest on security deposit at a rate specified (10.25% interest payable at SBI Base Rate as on April 01 of the Financial Year) in the provision of JSERC Electricity Supply code regulation 2015 it would be Rs 4.78 Cr. Accordingly, the Commission approves the interest on consumer security deposit tuned to Rs 4.78 Cr.:

Table 93: Interest on CSD (Rs. Cr.) as approved by the Commission

Particulars	ARR	Petition	Approved
Opening Consumer Security Deposit	43.64	41.75	41.75
Consumer Security Deposit Addition	7.59	9.72	9.72
Closing Consumer Security Deposit	51.23	51.47	51.47
Average Security Deposit	47.44	46.61	46.61
Interest Rate	10.10%	10.25%	10.25%
Interest on Consumer Security Deposit	4.79	4.78	4.78



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Return on Equity

Petitioner's Submission

- 6.66 The deemed addition to the equity has been considered @30% of total GFA addition after reducing asset addition from CC amount capitalized during the year.
- 6.67 The Petitioner has considered the opening balance of normative equity for FY 2024-25 as per the closing balance for the FY 2023-24.
- 6.68 Further, the Petitioner has submitted that the rate of Return on Equity (RoE) has considered as 14.50% as per **clause 10.19** of JSERC Distribution Tariff Regulations, 2020. It was also submitting that the Return on Equity has been grossed with the applicable income tax rate for FY 2024-25, which stands at 25.17% as shown below:

Table 94: Return on Equity (Rs Cr.) as submitted by the Petitioner

Particulars	ARR	Petition
Normative Opening Equity	158.68	168.09
Normative Equity Addition	10.61	9.01
Normative Closing Equity	169.29	177.10
Average Equity	163.99	172.60
Rate of Return	14.50%	14.50%
Return on Equity	23.78	25.03
Income Tax Rate	25.17%	25.17%
Income Tax	8.00	8.42
Return on Equity including Income Tax	31.78	33.44

Commission's Analysis

- 6.69 On consideration of the Distribution Tariff Regulations, 2020, the Commission has considered the Opening Equity base for FY 2024-25 as the Closing Equity base approved for FY 2023-24. Furthermore, the Commission has considered the normative Equity addition during the financial year as 30% of the approved capitalization after deducting assets funded out of Consumer Contribution received.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

- 6.70 In accordance with **clause 10.19** of Distribution Tariff Regulation 2020 the Commission has allowed a rate of return of 14.50% on equity.
- 6.71 The Commission approves the income tax amount for FY 2024-25 is Rs. 8.34 Cr., being 25.17% of Rs. 24.79 Cr. of total Return on Equity including income tax.
- 6.72 Based on above discussion, the Commission approves the Return on Equity along with Income Tax for FY 2024-25 is tabulated hereunder.

Table 95: Return on Equity (Rs Cr.) as approved by the Commission

Particulars	ARR	Petition	Approved
Opening Equity (Normative)	158.68	168.09	166.15
Equity Addition	10.61	9.01	9.66
Closing Equity (Normative)	169.29	177.10	175.81
Average Equity	163.99	172.60	170.98
Rate of Return	14.50%	14.50%	14.50%
Return on Equity	23.78	25.03	24.79
Income Tax Rate	25.17%	25.17%	25.17%
Income Tax	8.00	8.42	8.34
Return on Equity including Income Tax	31.78	33.44	33.13

Interest on Working Capital

Petitioner's Submission

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 96: Interest on Working Capital (Rs Cr.) as submitted by the Petitioner

Particulars	Formula	ARR	Wheeling Business	Retail Business	Total Revised Projections for FY 2024-25
Maintenance Spares @1% of Opening GFA	A	6.09	0.64	5.71	6.34
Expected Revenue from Wheeling/ Retail Supply Charges - 2 Months	B	312.83	29.79	268.06	297.84
Sub-Total	C=A+B	318.92	30.42	273.76	304.18
Less: Power Purchase Cost for one month	D	142.07	0.00	119.47	119.47
Less: Security Deposit	E	47.44	0.00	46.61	46.61
Total Working Capital Requirement	F=C-D-E	129.42	30.42	107.69	138.11
Rate of Interest (SBI 1 yr MCLR plus 350 b.p.)	G	12.00%	12.15%	12.15%	12.15%
Total Interest on Working Capital	H=F*G	15.53	3.70	13.08	16.78

Commission's Analysis

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

“10.30 Working capital for the Wheeling Business for the Control Period shall comprise:

- a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*
- b) Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*
- c) Amount, if any, held as security deposits.*

10.31 Working capital for the Retail Supply of Electricity for the Control Period shall comprise:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

- 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.”

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

Table 97: Interest on Working Capital (in Rs. Cr.) as approved by the Commission

Particulars	APR	Wheeling Normative Approved	Retail Normative Approved	Total normative Approved
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	6.09	0.63	5.70	6.34
Revenue from Wheeling and Retail Supply Charges-2 month	312.83	21.46	260.28	281.74
Less: Power Purchase Cost for One Month Retail Business	142.07		120.29	120.29
Less: Average Security Deposit	47.44		46.61	46.61
Total Working Capital Requirement	129.42	22.10	99.08	121.18



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	APR	Wheeling Normative Approved	Retail Normative Approved	Total normative Approved
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	12.00%	12.15%	12.15%	12.15%
Total Interest on Working capital	15.53	2.68	12.04	14.72

Non-Tariff Income

Petitioner's Submission

6.76 The Petitioner has estimated Rs. 2.50 Cr. towards Non-Tariff Income (NTI) for FY 2023-24 as approved in the Tariff Order dated June 26, 2024 as shown below:

Table 98: Non-Tariff Income (Rs Cr.) as submitted by the Petitioner

Particulars	ARR	Petition
Non-Tariff Income	7.46	2.50

Commission's Analysis

6.77 On scrutinizing and analysing the data, material, information available on record, the Commission provisionally approves the NTI as Rs 2.92 Cr. for FY 2024-25 as approved in true-up for FY 2023-24 in this order, subjected to truing up on the actual basis.

Table 99: Non-Tariff Income (Rs Cr.) as approved by the Commission

Particulars	ARR	Petition	Approved
Non-Tariff Income	7.46	2.50	2.92

Revenue from sale of power

Petitioner's Submission

6.78 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 2024-25.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

6.79 The Petitioner has further submitted that the Revenue from sale of Power in H2 during Oct 2024 and March 2025 is considered on the basis of prevailing tariff for FY 2024-25.

6.80 Based on the above submission, the Petitioner has submitted the revenue from sale of power for FY 2024-25 as shown in the table below.

Table 100: Revenue (Rs Cr.) as submitted by the Petitioner

Particulars	Petition
Revenue from sale of Power	1,690.45

Commission’s Analysis

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

Table 101: Revenue (Rs Cr.) as approved by the Commission

Particulars	Petition	Approved
Revenue from sale of Power	1,690.45	1,690.45

Summary of Annual Revenue Requirement and Gap/(Surplus)

Petitioner’s Submission

6.82 The Petitioner has estimated a Revenue surplus of Rs. (66.51) Cr. for FY 2024-25 based on actual for H₁ period and projected for H₂ period.

Commission’s Analysis

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

Table 102: Summary of ARR (Rs Cr.) as approved by the Commission for FY 2024-25

Particulars	ARR	Petition	Approved
Net Power Purchase Cost	1,704.78	1,433.58	1,443.44
Power Purchase Cost	1,704.78	1,530.18	1,443.44



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	ARR	Petition	Approved
<i>Less: Sale of Surplus power</i>	-	96.60	-
O&M Expenses after sharing of Gain/loss	104.79	116.84	110.12
Interest on Loan	0.32	2.36	2.02
Interest on Working Capital	15.53	16.78	14.72
Financing Cost of DPS FY 2020-21	-	0.00	-
Interest on Security Deposit	4.79	4.78	4.78
Depreciation	17.51	18.65	18.25
Return on Equity	31.78	33.44	33.13
Gross Aggregate Revenue Requirement	1,879.49	1,626.44	1,626.46
Less: Non-Tariff Income	2.50	2.50	2.92
Aggregate Revenue Requirement	1,876.98	1,623.94	1,623.55
Revenue from sale of Power @ Existing Tariff	1,981.04	1,690.45	1,690.45
Net Revenue Gap/(Surplus)	(104.05)	(66.51)	(66.90)

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

6.85 The Commission also approves the summarised ARR for wheeling and Retail Business for FY 2024-25.

Table 103: Summary of ARR (Rs Cr.) as approved by the Commission

Particulars	Wheeling %	Retail %	Wheeling ARR (Rs. Cr.)	Retail ARR (Rs. Cr.)	Total Audited / Normative Claim (Rs. Cr.)
Power Purchase Cost	0%	100%	-	1,443.44	1,443.44
Net O&M Expenses			74.45	35.67	110.12
<i>Employee Expenses</i>	60%	40%	19.41	12.94	32.35
<i>A&G Expenses</i>	50%	50%	18.14	18.14	36.28
<i>R&M Expenses</i>	90%	10%	36.35	4.04	40.39
<i>Petition Filing Charges & CGRF Expenses</i>	50%	50%	0.55	0.55	1.10



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Wheeling %	Retail %	Wheeling ARR (Rs. Cr.)	Retail ARR (Rs. Cr.)	Total Audited / Normative Claim (Rs. Cr.)
<i>Less: Sharing of Gain</i>			-	-	-
Interest on Loan	90%	10%	1.82	0.20	2.02
Interest on Working Capital	10%	90%	1.47	13.25	14.72
Financing Cost of DPS FY	10%	90%	-	-	0
Interest on Security Deposit	0%	100%	-	4.78	4.78
Depreciation	90%	10%	16.43	1.83	18.25
Return on Equity	90%	10%	29.82	3.31	33.13
Gross Aggregate Revenue Requirement			123.98	1,502.48	1626.46
Less: Non-Tariff Income	10%	90%	0.29	2.63	2.92
Aggregate Revenue Requirement	7.62%	92.38%	123.69	1,499.85	1623.55
Less: Revenue from sale of Power @ Existing Tariff	7.62%	92.38%	128.79	1,561.66	1690.45
Net Gap/ (Surplus)			(5.10)	(61.81)	(66.90)



Chapter 7: AGGREGATE REVENUE REQUIREMENT FOR FY 2025-26.

- 7.1 The Petitioner has submitted the Aggregate Revenue Requirement for FY 2025-26 as per clause A24 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.
- 7.2 The Petitioner has revised the ARR for FY 2025-26 based on the true-up of ARR for FY 2023-24 and APR for FY 2024-25. A comparison of figures approved in MYT Business Plan & Tariff order dated November 24, 2022 vis-à-vis estimated figures for FY 2025-26 are shown under relevant section discussed herewith.

Consumers, Connected Load and Energy Sales

Petitioner's Submission

- 7.3 The Petitioner has factored in the increase in consumers and connected load for FY 2025-26 compared to FY 2024-25, consistent with the numbers submitted as part of the Business Plan for the control period FY 2021-22 to FY 2025-26. This projection also accounts for the expected application, consumers, and connected load based on past trends and anticipated developments.
- 7.4 The Petitioner has also submitted that the energy sale to Tata Steel UISL has been considered based on projection received from the Tata Steel UISL.
- 7.5 Based on the above submission the Petitioner has submitted the details of number of consumers, connected load and energy sales for FY 2025-26 based on projection.

Commission's Analysis

- 7.6 On scrutinizing the information submitted by the Petitioner and after performing a prudent check, the Commission is of the view that the Petitioner has projected minimal increase in the aforesaid parameter as compare to true-up value of FY 2023-24.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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

Table 104: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission for FY 2025-26

Particulars	Petition			Approved		
	No. of Consumers	Connected Load (kVA)	Consumption (MU)	No. of Consumers	Connected Load (kVA)	Consumption (MU)
Domestic	43,395	2,77,649	228.89	43,395	2,77,649	228.89
Domestic - DSHT	150	64,734	90.07	150	64,734	90.07
Commercial	11,193	92,316	95.62	11,193	92,316	95.62
LTIS	2	184	0.24	2	184	0.24
Total HTIS	176	4,26,003	1,875.81	176	4,26,003	1,875.81
Street Light	408	1,962	6.94	408	1,962	6.94
Temporary Supply	123	1,924	2.49	123	1,924	2.49
Sale to JUSCO	1	70,000	475.17	1	70,000	475.17
MESRTODL	1	300	1.11	1	300	1.11
Sale in IEX	0	0	0.00	0	0	0.00
Total Sales	55,449	9,35,072	2,776.34	55,449	9,35,072	2,776.34

Energy Balance

Petitioner's Submission

7.8 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.

7.9 In the Instant Petition, the Petitioner has considered Distribution Losses of 3.80% for FY 2025-26 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 2024-25 vis-à-vis as approved by the Commission in its MYT Order dated November 24, 2022. The computation of Energy Balance is tabulated hereunder:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 105: Energy Balance (in MUs) as submitted by the Petitioner for FY 2025-26

Particulars	MYT	Petition
Energy Requirement		
Sales to Other Licensee	400.00	475.17
Dist. Losses on Sales to Other Licensee (%)	0.00	0.00
Distribution on Sales to Other Licensee	0.00	0.00
Energy Req. for Sales to Other Licensee	400.00	475.17
Sales to Steel Works	176.32	291.00
Dist. Losses on Sales to Steel Works (%)	0.00	0.00
Dist. Losses on Sales to Steel Works	0.00	0.00
Energy Req. for Sales to Steel Works	176.32	291.00
Sale in IEX	0.00	172.00
Sales to LT consumers	336.14	334.18
Sales to Other HT consumers	2,011.85	1,675.99
Total Sales to Other Consumers	2,347.99	2,010.17
Dist. Losses on Sales to Other Consumers (%)	4.69%	5.17%
Dist. Losses on Sales to Other Consumers	115.51	109.52
Energy Req. for Sales to Other Consumers	2,463.50	2,119.69
Overall Sales	2,924.31	2,776.34
Overall Distribution Losses %	3.80%	3.80%
Overall Distribution Losses	115.51	109.52
Total Energy Requirement (excluding sales in IEX)	3,039.82	2885.86
Energy Available		
TPCL (Unit II and Unit III)	1,608.34	1,515.54
Damodar Valley Corporation 132kV	351.68	227.63
Damodar Valley Corporation 400kV	1,106.88	1,106.36
TSW – Captive	27.08	25.64
G-TAM		177.25
Open access/ other sources	0.00	5.45



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Petition
Total Pooled Energy Availability	3,093.98	3,057.86
Less: Power Sold to IEX	0.00	172.00
Net Pooled Energy Availability (excluding sale in IEX)	0.00	2,885.86

Commission's Analysis

- 7.10 On scrutinizing and analysing the details submitted by the Petitioner, the Commission has observed that the projected Energy Sales for FY 2025-26 is well within the approved in the MYT Order dated November 24, 2022.
- 7.11 At this stage, the Commission has recalculated the distribution loss as 3.28%, compared to the approved distribution loss of 3.80% in the Multi-Year Tariff (MYT) Order dated November 24, 2023, for FY 2025-26. Therefore, the Commission approves the overall distribution loss of 3.28% for FY 2025-26.
- 7.12 The Commission has noted that the Petitioner proposed to sell surplus power in the open market. However, considering that Power Purchase Cost is a significant component of the Aggregate Revenue Requirement (ARR), the Commission has decided not to approve the sale of any surplus power for the ARR. Consequently, the Commission has proportionally reduced the quantum purchased from the costliest source.
- 7.13 Based on the above excerpt the Commission approves the energy Balance as submitted by the Petitioner and as approved by the Commission for FY 2025-26, is summarized hereunder below:

Table 106: Energy Requirement (MUs) as approved by the Commission for FY 2025-26

Particulars	MYT	Petition	Approved
Energy Requirement			
Sales to Other Licensee	400.00	475.17	475.17
Dist. Losses on Sales to Other Licensee (%)	0.00	0.00	0.00%
Distribution on Sales to Other Licensee	0.00	0.00	0.00
Energy Req. for Sales to Other Licensee	400.00	475.17	475.17



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Petition	Approved
Sales to Steel Works	176.32	291.00	291.00
Dist. Losses on Sales to Steel Works (%)	0.00	0.00	0.00%
Dist. Losses on Sales to Steel Works	0.00	0.00	0.00
Energy Req. for Sales to Steel Works	176.32	291.00	291.00
Sale in IEX	0.00	172.00	0.00
Sales to LT consumers	336.14	334.18	334.18
Sales to Other HT consumers	2,011.85	1,675.99	1,675.99
Total Sales to Other Consumers	2,347.99	2,010.17	2,010.17
Dist. Losses on Sales to Other Consumers (%)	4.69%	5.17%	4.69%
Dist. Losses on Sales to Other Consumers	115.51	109.52	94.28
Energy Req. for Sales to Other Consumers	2,463.50	2,119.69	1,915.89
Overall Sales	2,924.31	2,776.34	2,776.34
Overall Distribution Losses %	3.80%	3.80%	3.28%
Overall Distribution Losses	115.51	109.52	94.28
Total Energy Requirement (excluding sales in IEX)	3,039.82	2885.86	2870.61
Energy Available			
TPCL (Unit II and Unit III)	1,608.34	1,515.54	1,515.54
Damodar Valley Corporation 132kV	351.68	227.63	227.63
Damodar Valley Corporation 400kV	1,106.88	1,106.36	919.11
TSW – Captive	27.08	25.64	25.64
G-TAM		177.25	177.25
Open access/ other sources	0.00	5.45	5.45
Total Pooled Energy Availability	3,093.98	3,057.86	2,870.61
Less: Power Sold to IEX	0.00	172.00	
Net Pooled Energy Availability (excluding sales in IEX)	0.00	2,885.86	2,870.61



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Power Purchase Cost

Petitioner’s Submission

7.14 The Petitioner has submitted that, for projecting the power purchase cost from TPCL Unit-2 and Unit-3, DVC 400 kV, short-term open access power, and power from G-TAM/G-DAM, they have considered an increase of 2% over and above the respective source-wise per unit power purchase cost of FY 2024-25. This 2% increase is consistent with the projection made by the Petitioner in its business plan petition dated November 29, 2022.

7.15 Further, the Petitioner has projected the power purchase cost from DVC 132 kV has considered an increase of 2% over and above the per unit power purchase cost of FY 2024-25. The Petitioner has considered such an increase in order to cater the implication of increased power purchase cost due to differential bill that will be raised by DVC to TSL based on the then revised order issued by the Commission.

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

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

Table 107: Renewable Purchase Obligation as submitted by petitioner for FY 2025-26

Particulars	Formula	Wind Renewable Energy	Hydro Renewable Energy	Distributed Renewable Energy	Other Renewable Energy	Total RPO
(Surplus) / Gap purchased REC of previous year i.e. FY2024-25 which is carried to next year (i.e. FY 2025-26)	A	0	0	0	0	0
Obligated units for FY 2025-26 (excluding DVC 132 kV, GTAM)	B	2,480.98				
Standalone RPO Obligations for FY 2025-26 (%)	C	1.45%	1.22%	2.10%	28.24%	33.01%
Standalone RPO Obligations for FY 2025-26 (MU)	D = C x B	35.97	30.27	52.10	700.63	818.97
Total RPO Obligations for FY 2025-26	E = A + D	35.97	30.27	52.10	700.63	818.97



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Formula	Wind Renewable Energy	Hydro Renewable Energy	Distributed Renewable Energy	Other Renewable Energy	Total RPO
RE Power purchased from Green Market (Power Exchange)	F			-		-
RE Power expected to be purchased in from Green Market (Power Exchange)	G	35.97	30.27	-	111.01	177.25
RE generation under Net Metering in FY2025-26	H		-	52.10		52.10
Actual REC to be Purchased in FY 2025-26	I	-	-	-	589.62	589.62
Shortfall of RPO to be met through purchase of REC	J = E-F-G-H-I	-	-	-	-	-
REC projected to be purchased during FY 2025-26	K=J	-	-	-	-	-
RPO obligation carried forward to FY 2025-26	L=J-K	-	-	-	-	-

7.18 In compliance with JSERC (Renewable Purchase Obligation and its Compliance) (2nd Amendment) Regulations, 2022, the Petitioner would like to bring to the notice of the 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 was stated that Jharkhand Energy Cess will create a fund which will be utilised for (1) promoting the generation of electricity through renewable energy source. (2) Purchase of non-conventional energy and purchase of REC & (3) taking initiatives for protecting environment in the state; which is also the intent for Renewable Purchase Obligation given to distribution 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 Commission to review the RPO Targets for waiver or fixing at appropriate lower levels.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

7.19 In addition to the above power procurement, the Petitioner has also projected to procure power (5.45 MU) from Open Market at an average per unit rate of Rs. 5.78/kWh.

7.20 Based on the above submission, the Petitioner has prayed to the Commission to approve Rs. 1566.27 Cr. for 2885.86 MUs for FY 2024-25 is given below:

Table 108: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner

Particulars	MYT	Petition
TPCL Unit 2		
Power Purchased (MU)	804.17	763.69
Rate of Power Purchased (Rs./kWh)	3.74	4.61
Power Purchase Cost (Rs. Cr.)	302.53	351.68
Prior Period Adjustments (Rs. Cr.)	-	-
Net Power Purchase Cost (Rs. Cr.)	302.53	351.68
TPCL Unit 3		
Power Purchased (MU)	804.17	751.85
Rate of Power Purchased (Rs./kWh)	3.79	4.58
Power Purchase Cost (Rs. Cr.)	306.79	344.26
Prior Period Adjustments (Rs. Cr.)	-	-
Net Power Purchase Cost (Rs. Cr.)	306.79	344.26
DVC 132 kV		
Power Purchased (MU)	351.68	227.63
Rate of Power Purchased (Rs./kWh)	4.40	5.81
Power Purchase Cost (Rs. Cr.)	153.72	132.14
Prior Period Adjustments (Rs. Cr.)	-	-
Net Power Purchase Cost (Rs. Cr.)	153.72	132.14
DVC 400 kV		
Power Purchased (MU)	1,106.88	1,106.36
Rate of Power Purchased (Rs./kWh)	5.83	5.67



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Petition
Power Purchase Cost (Rs. Cr.)	658.60	626.78
Prior Period Adjustments (Rs. Cr.)	-	
Net Power Purchase Cost (Rs. Cr.)	658.60	626.78
TSW (Captive)		
Power Purchased (MU)	27.08	25.64
Rate of Power Purchased (Rs./kWh)	3.74	4.59
Power Purchase Cost (Rs. Cr.)	10.19	11.77
Prior Period Adjustments (Rs. Cr.)		
Net Power Purchase Cost (Rs. Cr.)	10.19	11.77
Others/Open Market		
Power Purchased (MU)	-	5.45
Rate of Power Purchased (Rs./kWh)	4.40	5.90
Power Purchase Cost (Rs. Cr.)	-	3.21
RPO Purchased (Rs. Cr.)	76.61	70.62
G-TAM (F)		
Power Purchased (MU)	-	177.25
Rate of Power Purchased (Rs./kWh)		3.50
Power Purchase Cost (Rs. Cr.)	-	61.96
Sale-Surplus Power		
Power Purchased (MU)		172.00
Rate of Power Purchased (Rs./kWh)	-	5.90
Revenue from Surplus Sales (Rs. Cr.)		101.47
Disallowed Sales	-	
Total Power Purchase		
Power Purchased (MU)	3,093.98	3,057.86



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Petition
Power Purchase Cost (Rs. Cr.)	1,508.44	1,602.43
Transmission Charges	-	65.31
Net Power Purchase Cost (Rs. Cr.)	1,508.44	1,667.73

Commission's Analysis

- 7.21 On scrutinizing the details submitted by the Petitioner, the Commission approves the power procurement rate for TPCL Jojobera Plant (Unit-II & Unit-III), DVC 132 kV, 400kV, and open market source at escalation of 2.00% over last year for FY 2024-25, subject to prudent check at the time of true up based on actuals.
- 7.22 The Commission approves the power procurement rate for TSW captive at the lowest among all approved generating sources.
- 7.23 As per JSERC (Renewable Purchase Obligation and its Compliance) (2nd Amendment) Regulation, 2024, the Petitioner needs to purchase following quantum of power from renewable energy sources.

Table 109: Renewable Purchase Obligation as per RPO Regulation for FY 2025-26

Particulars	Wind	Hydro	Distributed Renewable Energy	Other Renewable Energy	Total
RPO Obligation	1.45%	1.22%	2.10%	28.24%	33.01%

- 7.24 With regard to the power procurement of RECs to meet the Renewable Purchase Obligation, the Commission approves at estimation of 2.00% for FY 2025-26, subject to prudence check at the time of truing up.
- 7.25 With regard to the Petitioner's proposal to sell the surplus power, the Commission has denied any surplus power for FY 2025-26 and reduced proportionally the Energy Purchase from the costliest source, in line with the Energy Requirement.
- 7.26 With regard to Transmission charge (PGCIL & ERLDC), the Commission approves the transmission charge after subtracting the IEX quantum of



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

power transmission charge for FY 2025-26, subject to prudent check at the time of truing up.

7.27 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 2025-26 is tabulated below:

Table 110: Power Procurement Cost (Rs. Cr.) as approved by the Commission

Particulars	MYT	Petition	Approved
TPCL Unit 2			
Power Purchased (MU)	804.17	763.69	763.69
Rate of Power Purchased (Rs./kWh)	3.74	4.61	4.79
Power Purchase Cost (Rs. Cr.)	302.53	351.68	366.11
Prior Period Adjustments (Rs. Cr.)	-	-	-
Net Power Purchase Cost (Rs. Cr.)	302.53	351.68	366.11
TPCL Unit 3			
Power Purchased (MU)	804.17	751.85	751.85
Rate of Power Purchased (Rs./kWh)	3.79	4.58	4.54
Power Purchase Cost (Rs. Cr.)	306.79	344.26	341.26
Prior Period Adjustments (Rs. Cr.)	-	-	-
Net Power Purchase Cost (Rs. Cr.)	306.79	344.26	341.26
DVC 132 kV			
Power Purchased (MU)	351.68	227.63	227.63
Rate of Power Purchased (Rs./kWh)	4.40	5.81	5.81
Power Purchase Cost (Rs. Cr.)	153.72	132.14	132.14
Prior Period Adjustments (Rs. Cr.)	-	-	-
Net Power Purchase Cost (Rs. Cr.)	153.72	132.14	132.14
DVC 400 kV			
Power Purchased (MU)	1,106.88	1,106.36	919.11
Rate of Power Purchased (Rs./kWh)	5.83	5.67	5.67
Power Purchase Cost (Rs. Cr.)	658.60	626.78	520.70



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Petition	Approved
Prior Period Adjustments (Rs. Cr.)	-		
Net Power Purchase Cost (Rs. Cr.)	658.60	626.78	520.70
TSW (Captive)			
Power Purchased (MU)	27.08	25.64	25.64
Rate of Power Purchased (Rs./kWh)	3.74	4.59	4.54
Power Purchase Cost (Rs. Cr.)	10.19	11.77	11.64
Prior Period Adjustments (Rs. Cr.)			
Net Power Purchase Cost (Rs. Cr.)	10.19	11.77	11.64
Others/Open Market			
Power Purchased (MU)	-	5.45	5.45
Rate of Power Purchased (Rs./kWh)	4.40	5.90	5.78
Power Purchase Cost (Rs. Cr.)	-	3.21	3.15
RPO Purchased (Rs. Cr.)	76.61	70.62	70.62
G-TAM (F)			
Power Purchased (MU)	-	177.25	177.25
Rate of Power Purchased (Rs./kWh)		3.50	3.50
Power Purchase Cost (Rs. Cr.)	-	61.96	61.96
Sale-Surplus Power			
Power Purchased (MU)		172.00	-
Rate of Power Purchased (Rs./kWh)	-	5.90	-
Revenue from Surplus Sales (Rs. Cr.)		101.47	-
Disallowed Sales	-		-
Total Power Purchase			
Power Purchased (MU)	3,093.98	3,057.86	2,870.61
Power Purchase Cost (Rs. Cr.)	1,508.44	1,602.43	1,507.58



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Petition	Approved
Transmission Charges	-	65.31	54.25
Net Power Purchase Cost (Rs. Cr.)	1,508.44	1,667.73	1,561.84

Operation and Maintenance Expenses (O&M)

Petitioner's Submission

7.28 The Petitioner has submitted that it has segregated each component of O&M Expenses and claimed the normative Employee Expenses for FY 2024-25 taking into account the inflation of from FY 2021-22 to FY 2025-26 and projected growth factor 6.00%.

Table 111: Normative Employee Cost as submitted by the Petitioner

Particulars	Units	MYT	Petition
Employee Cost as per normative basis for FY 2024-25	Rs.Cr.	32.35	33.29
Inflation Factor	%	3.47%	3.72%
Growth factor (Gn)	%	1.44%	6.00%
Normative Employee Cost for FY 2025-26	Rs. Cr.	33.95	36.59
Terminal Benefits (TB)			0.48
Normative Employee Cost incl. TB		33.95	37.07

7.29 Likewise, the Petitioner has projected the normative A&G Expenses for FY 2025-26 based on the normative A&G Expenses for FY 2024-25, and inflation factor of 3.72%.

Table 112: Normative A&G Cost as submitted by the Petitioner

Particulars	Units	MYT	Petition
A&G expenses as per normative basis for FY 2024-25 (Excluding Petition filing fees & CGRF Expenses)	Rs.Cr.	35.33	36.33
Inflation Factor	%	3.47%	3.72%
Load Growth Factor		-1.44%	2.29%
Total A&G without CGRF and petition filing fees	Rs Cr.	36.03	38.54
CGRF Expense	Rs Cr.	0.28	1.76
Petition Filing Fees	Rs Cr.	0.20	0.18



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Units	MYT	Petition
Normative A&G Expenses for FY 2025-26 (including Petition filing fees & CGRF Expenses)	Rs. Cr.	36.51	40.48

7.30 The Petitioner has further calculated the normative R&M Expenses considering the 'k' factor as 5.08% and inflation factor of from FY 2021-22 to FY 2025-26 as approved by the Commission in the MYT Order dated November 24, 2022 as tabulated hereunder.

Table 113: Normative R&M Expenses as submitted by the Petitioner

Particulars	Formula	Normative Estimates Approved in T.O 24.11.2022 (in Rs. Cr.)	R&M Expenses for FY 2025-26 (Normative)
Opening GFA	A	686.85	668.65
K Factor as per MYT BP order dated 24.11.2022	B	5.08%	5.08%
Add: Inflation factor for FY 2020-21 T.O. dated 29.09.2023	C		4.14%
Add: Inflation factor for FY 2021-22 MYT BP dated 24.11.2022	D		8.67%
Corrected K factor for MYT period	$E=B*(1+C)*(1+D)$	5.08%	5.75%
Opening GFA*K-Factor	F=A*E	34.89	38.44
Add: Inflation factor for FY 2021-22 T.O. dated 26.06.2024	H		6.93%
Add: Inflation factor for FY 2022-23 T.O. dated 26.06.2024	I		6.87%
Add: Inflation factor for FY 2023 -24	J		3.72%
Add: Inflation factor for FY 2024-25	K		3.72%
Add: Inflation factor for FY 2025-26	L	3.47%	3.72%



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Formula	Normative Estimates Approved in T.O 24.11.2022 (in Rs. Cr.)	R&M Expenses for FY 2025-26 (Normative)
Closing R&M Expense	$M=F*(1+H)*(1+I)*(1+J)*(1+K)*(1+L)$	36.10	49.01

7.31 Based on the above submission, the summary of operation & maintenance with respect to approved value by the Commission vide its MYT order dated November 24, 2022 vis-à-vis normative amount for FY 2025-26 is given below.

Table 114: Normative O&M Expenses (Rs Cr.) as submitted by the Petitioner

Particulars	MYT	Petition
A&G Costs	33.95	36.59
R&M Expenses	36.03	38.54
Employee Cost	36.09	49.01
Total Normative O&M expenses (without Petition Filing & CGRF Expenses)	106.07	124.15

Commission's Analysis

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

7.33 On analysis and scrutinizing of the material on record, the Commission approves the normative employee expenses for FY 2024-25 by taking inflation factor as 5.84% (average of last 3 years) and growth factor as zero.

7.34 Likewise, the Commission approves the normative A&G Expenses (excluding Petition Filing Fees and CGRF Expenses) for FY 2025-26 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 from FY 2021-22 FY 2025-26



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

- 7.35 Additionally, the Commission approves the Petition Filing Fee and CGRF Expenses for FY 2025-26 at the same level as approved for FY 2024-25 earlier in this order, subject to prudent check at the time of truing up.
- 7.36 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of GFA for FY 2025-26 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 2025-26:

Table 115: Normative O&M Expenses (Rs. Cr.) as approved by the Commission

Particulars	MYT	Petition	Approved
Employee Expenses	33.95	36.59	34.24
A&G Expenses (excluding filing & CGRF Expenses)	36.03	38.54	38.41
R&M Expenses	36.09	49.01	45.07
Normative O&M Expenses	106.07	124.15	117.71
Petition Filing Fee	0.20	0.18	0.31
CGRF Expenses (Rent & Remuneration)	0.28	1.76	0.79
Terminal Benefit		0.48	0.00
Net Normative O&M Expenses	106.56	126.56	118.81

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

Petitioner’s Submission

- 7.37 The Petitioner has submitted that the higher value of estimated capex and capitalisation is primarily because of following reasons.
- Delay in Approval of Business Plan & MYT petition; due to unavailability of Quorum in the Commission. As the Business plan approval was delayed execution of some of the schemes got delayed and shifted to subsequent years of Control Period.
 - Execution of a Scheme namely “Capacity augmentation of 400/132 KV Bulk Power Receiving Substation (BPRS) at Jamshedpur” value Rs. 226.77 Cr. which was approved during the Control period post approval of MYT Business Plan.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

7.38 Based on the above submission, the Petitioner has projected the Capital Work in progress (CWIP), Capital Investment and Gross Fixed Assets (GFA) for FY 2025-26 vis-à-vis as approved by the Commission in MYT Order dated November 24, 2022 is provided in the given table:

Table 116: CWIP and GFA (in Rs Cr.) as submitted by the Petitioner for FY 2025-26

Particulars	MYT	Petition
Opening CWIP	3.24	20.32
Additional Capex	4.00	133.89
Less: Capitalisation	4.00	140.52
Closing CWIP	3.24	13.69
Gross Fixed Assets		
Opening GFA	686.85	668.65
Add: Transferred from CWIP	0.00	140.52
Less: Asset Decapitalised	690.85	0.00
Closing GFA	0.00	809.17

Commission's Analysis

7.39 On scrutinizing and analysing the data, material, information as annexed in '**annexure 10**', the Commission has observed that capital expenditure cost of Rs 46.61 Cr. scheme is already approved in Business Plan date November 24, 2022, Tariff Order dated September 29, 2023 and June 26 2024.

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

7.41 Based on the facts and circumstances as discuss above, the Commission approves the capital expenditure and capitalization for FY 2025-26 is tabulated hereunder:

Table 117: CWIP and GFA (in Rs Cr.) as approved by the Commission for FY 2025-26

Particulars	MYT	Petition	Approved
Opening CWIP	3.24	20.32	40.00



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Petition	Approved
Additional Capex	4.00	133.89	133.89
Less: Capitalisation	4.00	140.52	140.52
Closing CWIP	3.24	13.69	33.37
Gross Fixed Assets			
Opening GFA	686.85	668.65	668.20
Add: Transferred from CWIP	0.00	140.52	140.52
Less: Asset Decapitalised	690.85	0.00	0.00
Closing GFA	0.00	809.17	808.72

Consumer Contribution

Petitioner's Submission

7.42 The Petitioner has estimated consumer contribution for FY 2024-25 based on the projection of both the receipt and capitalization of consumer contribution at Rs 2.00 Cr. for FY 2025-26. The details of estimation of consumer contribution for FY 2025-26 is given in the table below:

Table 118: CC (Rs Cr.) Capitalised and Received as submitted by the Petitioner

Particulars	MYT	Petition
Opening Consumer Contribution received		83.42
Add - Consumer contribution received during the year		2.00
Closing consumer contribution received	2.00	85.42
Opening Consumer Contribution capitalized		84.42
Add -Consumer contribution capitalized during the year		72.10
Closing consumer contribution energized / capitalized	2.00	2.00
Balance amount of consumer contribution not capitalized as on last day of year		74.10

Commission's Analysis



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

7.43 On scrutinizing and analysing the data, material, information available on record and based on the previous methodology, the Commission approves the Consumer Contribution received during FY 2025-26 as Rs 2.00 Cr. Furthermore, the Commission has taken the same for calculation of Depreciation, Loan Addition and Equity Addition calculations as per the methodology adopted in the previous orders, subjected to prudent check at the time of trueing-up.

Table 119: Consumer Contribution (Rs Cr.) as approved by the Commission

Particulars	Petition	Approved
CC Received during the Year	2.00	2.00

Depreciation

Petitioner's Submission

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

7.45 Furthermore, the Petitioner has submitted that it has entitled to avail the depreciation on assets which have been commissioned from its own resources. It is therefore necessary to remove depreciation on assets funded by consumers. Accordingly, the Petitioner has subtracted the depreciation against consumer contribution from the total depreciation on the asset base to arrive at the net depreciation to be claimed in the ARR. Hence, the Petitioner projected the net depreciation to be charged for FY 2025-26 after subtracting the depreciation on assets created on account of consumer contribution to be Rs 27.60 Cr.

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 120: Depreciation (Rs Cr.) on assets created out of CC as submitted by the Petitioner

Particulars	MYT	Petition
Opening GFA	686.85	668.65
Closing GFA	690.85	809.17
Average GFA	688.85	738.91
Gross Depreciation for the year	28.32	30.38
Average Gross Depreciation Rate	4.11%	4.11%
Consumer Contribution towards closing GFA	-	74.10
Depreciation on account of Consumer Contribution	3.18	2.78
Net Depreciation	25.14	27.60

Commission's Analysis

- 7.47 The Commission in true-up chapter of this order had already outlined the JSERC (Distribution Tariff Regulation) 2020 for the approval of depreciation.
- 7.48 The Commission has observed that the depreciation on assets created out of Consumer Contribution (CC) is calculated in proportion to gross depreciation and in the ratio of closing CC capitalized out of total Closing GFA for FY 2025-26.
- 7.49 The Commission has considered the average value of GFA and CC instead of closing values of GFA and CC as considered by the Petitioner. Furthermore, the depreciation rate has been considered at the same rate of depreciation rate as approved in true-up for FY 2023-24.
- 7.50 Base on above excerpt, the net depreciation approves by the Commission for FY 2025-26 is tabulated hereunder:

Table 121: Depreciation (Rs Cr.) as approved by the Commission for FY 2025-26

Particulars	MYT	Petition	Approved
Average GFA (A)		809.17	738.46
Average Consumer Contribution Received(B)		74.10	84.42
Gross Depreciation (C)		30.38	23.70



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Petition	Approved
Depreciation on Consumer Contribution (D=C/A*B)		2.78	2.71
Net Deprecation (E=C-D)	25.14	27.60	20.99

Interest on Loan

Petitioner's Submission

7.51 The Petitioner has submitted that it has considered opening balance of normative loan for FY 2025-26 equal to approved closing value for FY 2024-25.

7.52 In accordance with the '**clause 10.23**' of JSERC (Distribution Tariff Regulation) 2020, the repayment of loan for FY 2025-26 has been considered equal to net Depreciation as calculated above.

Table 122: Normative Loan & Normative Equity (Rs. Cr.) added during the Year

Particulars	Petition
Assets added during the Year	140.52
Less: Capitalized from Consumer Contribution	2.00
Normative Amount Added during the Year	138.52
Equity Addition during the Financial Year @ 30%	41.56
Debt Addition during the Financial Year @ 70%	96.96

7.53 In accordance with '**clause 10.26**' of the JSERC (Distribution Tariff Regulations), 2020, the interest on normative loan for the year has been considered as Marginal Cost of Lending Rate of SBI prevailing as on 01st April 2024 plus 200 basis points i.e., 10.65%. Accordingly, the normative interest comes to Rs. 6.18 Cr. The table below provides calculation of Interest on Normative Loan for FY 2025-26.

Table 123: Interest on Loan (Rs. Cr.) as submitted by the Petitioner

Particulars	MYT	Petition
Opening Loan (Normative)	12.45	23.38
Add: Deemed Addition during the FY	1.40	96.96
Less: Deemed Repayment	25.14	27.60



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Petition
Closing Loan (Normative)		92.75
Average Loan	6.22	58.06
Interest Rate	9.00%	10.65%
Interest on Loan	0.56	6.18

Commission's Analysis

- 7.54 The Commission in True-up chapter of this order has already outlined the provision of JSERC (Distribution Tariff Regulation), 2020 for the approval of interest on loan.
- 7.55 The Commission has considered the opening value of normative loan for FY 2025-26 equal to the closing value of normative loan for FY 2024-25.
- 7.56 In accordance with '**clause 10.16 and clause 10.17**', as mentioned in true-up chapter of this order, the Commission has calculated the loan considering the debt-equity ratio. The loan arrived at in this manner is considered as gross normative loan for calculation of interest on loan.
- 7.57 In accordance with **clause 10.23** as mentioned above, the Commission approves the debt repayment equal to net depreciation for the same financial year.
- 7.58 In accordance with **clause 10.26 (proviso)** as mention above, the Commission approves the interest rate as 10.65% (Base rate of SBI as applicable on April 01, 2024 plus 200 basis points).
- 7.59 The table below shows the normative loan and normative equity added during the FY 2025-26 as methodology discussed above. The Normative loan is estimated based on projected consumer contribution received during the year i.e. for FY 2025-26.

Table 124: Normative Loan and Normative Equity (in Rs Cr.) added during FY 25-26

Particulars	Approved
Assets added during the Year	140.52
Less: Consumer Contribution received for FY	2.00



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Approved
Normative Amount Added during the Year	138.52
Equity Addition during the Financial Year @ 30%	41.56
Debt Addition during the Financial Year @ 70%	96.96

7.60 The table summarises the Interest on loan as submitted by the Petitioner and as approved by the Commission for FY 2025-26:

Table 125: Interest on Loan (in Rs Cr.) as approved by the Commission

Particulars	MYT	Petition	Approved
Normative Opening Loan	12.45	23.38	21.12
Add: Deemed Addition during the FY	1.40	96.96	96.96
Less: Deemed Repayment	25.14	27.60	20.99
Normative Closing Loan		92.75	97.10
Average Loan	6.22	58.06	59.11
Interest Rate	9.00%	10.65%	10.65%
Interest on Loan	0.56	6.18	6.30

Interest on Security Deposits

Petitioner’s Submission

7.61 The Petitioner has projected the addition to CSD for FY 2025-26 as Rs. 3.71 Cr. based on the growth expected. The Petitioner has estimated the Interest on CSD as Rs. 5.47 Cr. for FY 2025-26 based on the amount and period for which the CSD has been deposited.

Table 126: Interest on CSD (Rs Cr.) as submitted by the Petitioner

Particulars	MYT	Petition
Opening Consumer Security Deposit	33.28	51.47
Consumer Security Deposit Addition	0.73	3.71
Closing Consumer Security Deposit	34.01	55.19
Average Security Deposit	33.65	53.33
Interest Rate	7.55%	10.25%
Interest on Consumer Security Deposit	2.54	5.47



Commission’s Analysis

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

“Interest on Consumer Security Deposits

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

7.63 On scrutinizing and analysing the submission available on record for FY 2025-26, the Commission has observed that interest on consumer security deposit tuned to Rs 3.71 Cr., while calculating the interest on security deposit at a rate specified (10.25% interest payable at SBI Base Rate as on April 01 of the Financial Year) in the provision of JSERC Electricity Supply code regulation 2015 it would be Rs 5.47 Cr. Accordingly, the Commission approves the interest on consumer security deposit tuned to Rs 5.47 Cr.

Table 127: Interest on CSD (Rs. Cr.) as approved by the Commission

Particulars	MYT	Petition	Approved
Opening Consumer Security Deposit	33.28	51.47	51.47
Consumer Security Deposit Addition	0.73	3.71	3.71
Closing Consumer Security Deposit	34.01	55.18	55.18
Average Security Deposit	33.65	53.33	53.33
Interest Rate	7.55%	10.25%	10.25%
Interest on Consumer Security Deposit	2.54	5.47	5.47

Return on Equity

Petitioner’s Submission

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

- 7.65 The Petitioner has considered the opening balance of normative equity for FY 2025-26 as per the closing balance for the FY 2024-25.
- 7.66 Further, the Petitioner has submitted that the rate of Return on Equity (RoE) has considered as 14.50% as per '**clause 10.19**' of JSERC Distribution Tariff Regulations, 2020. It was also submitting that the Return on Equity has been grossed with the applicable income tax rate for FY 2025-26, which stands at 25.17% as shown below:

Table 128: Return on Equity (Rs Cr.) as submitted by the Petitioner

Particulars	MYT	Petition
Normative Opening Equity	183.15	177.10
Normative Equity Addition	0.60	41.56
Normative Closing Equity	183.75	218.66
Average Equity	183.45	197.88
Rate of Return	14.50%	14.50%
Return on Equity	26.60	28.69
Income Tax Rate	25.17%	25.17%
Income Tax	8.95	9.65
Return on Equity including Income Tax	35.55	38.34

Commission's Analysis

- 7.67 On consideration of Distribution Tariff Regulations, 2020, the Commission has considered the Opening Equity base for FY 2025-26 as the Closing Equity base approved for FY 2024-25. Furthermore, the Commission has considered the normative Equity addition during the financial year as 30% of the approved capitalization, after deducting assets funded out of CC received.
- 7.68 In accordance with '**clause 10.19**' of Distribution Tariff Regulation 2020 the Commission has allowed a rate of return of 14.50% on equity.
- 7.69 The income tax amount approved by the Commission for FY 2025-26 is Rs. 9.59 Cr., being 25.17% of Rs. 28.51 Cr. of total Return on Equity including income tax.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

7.70 Based on above discussion, the Commission approves the Return on Equity along with Income Tax for FY 2025-26 is tabulated hereunder.

Table 129: Return on Equity (Rs Cr.) as approved by the Commission.

Particulars	MYT	Petition	Approved
Opening Equity (Normative)	183.15	177.10	175.81
Equity Addition	0.60	41.56	41.56
Closing Equity (Normative)	183.75	218.66	217.37
Average Equity	183.45	197.88	196.59
Rate of Return	14.50%	14.50%	14.50%
Return on Equity	26.60	28.69	28.51
Income Tax Rate	25.17%	25.17%	25.17%
Income Tax	8.95	9.65	9.59
Return on Equity including Income Tax	35.55	38.34	38.09

Interest on Working Capital

Petitioner's Submission

7.71 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 130: Interest on Working Capital (Rs Cr.) as submitted by the Petitioner for FY 2025-26.

Particulars	Wheeling Business		Retail Business	
	MYT	Revised Projections for FY 2024-25 (Rs.Cr.)	MYT	Revised Projections for FY 2024-25 (Rs.Cr.)
Maintenance Spares @1% of Opening GFA	0.69	0.67	6.18	6.02
Expected Revenue from Wheeling/ Retail Supply Charges - 2 Months	28.08	31.23	252.69	281.08



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Wheeling Business		Retail Business	
	MYT	Revised Projections for FY 2024-25 (Rs.Cr.)	MYT	Revised Projections for FY 2024-25 (Rs.Cr.)
Less: Power Purchase Cost for one month	0.00	0.00	125.70	138.98
Less: Security Deposit for Wheeling	0.00	0.00	33.65	53.33
Total Working Capital Requirement	28.77	31.90	99.52	94.79
Rate of Interest (SBI 1 yr MCLR plus 350 b.p.)	10.50%	12.15%	10.50%	12.15%
Total Interest on Working Capital for Wheeling Business	3.02	3.88	10.45	11.52

Commission's Analysis

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

"10.30 Working capital for the Wheeling Business for the Control Period shall comprise:

- a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*
- b) Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*
- c) Amount, if any, held as security deposits.*

10.31 Working capital for the Retail Supply of Electricity for the Control Period shall comprise:

- a) Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus*
- b) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus*



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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

7.73 Based on the above excerpt, the Commission approves the Interest on working capital for FY 2025-26 on normative basis is computed hereunder:

Table 131: Interest on Working Capital (Rs. Cr.) as approved by the Commission

Particulars	MYT	Wheeling Normative Approved	Retail Normative Approved	Total Normative Approved
Maintenance Spares @1% of Opening GFA of Wheeling and Retail Business	6.87	0.67	6.01	6.68
Revenue from Wheeling and Retail Supply Charges-2 month	280.77	23.47	270.33	293.80
Less: Power Purchase Cost for One Month Retail Business	125.70		130.15	130.15
Less: Average Security Deposit	33.65		53.33	53.33
Total Working Capital Requirement	128.29	24.14	92.86	117.00
Rate of Interest (SBI 1 yr MCLR plus 350 b.p)	10.50%	12.15%	12.15%	12.15%



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Wheeling Normative Approved	Retail Normative Approved	Total Normative Approved
Total Interest on Working capital	13.47	2.93	11.28	14.22

Non-Tariff Income

Petitioner's Submission

7.74 The Petitioner has projected Rs. 2.75 Cr. towards Non-Tariff Income (NTI) for FY 2025-26, same as approved in the MYT Order dated November 24, 2022 as shown below:

Table 132: Non-Tariff Income (Rs Cr.) as submitted by the Petitioner

Particulars	MYT	Petition
Non-Tariff Income	7.65	2.75

Commission's Analysis

7.75 On scrutinizing and analysing the data, material, information available on record, the Commission provisionally approves the NTI as Rs 2.92 Cr. for FY 2025-26 as approved in true-up for earlier in this order, subjected to truing up on the actual basis.

Table 133: Non-Tariff Income (Rs Cr.) as approved by the Commission

Particulars	MYT	Petition	Approved
Non-Tariff Income	7.65	2.75	2.92

Revenue from sale of Power

Petitioner's Submission

7.76 The Petitioner has submitted that the Revenue from Sale of Power is Rs 1772.40 Cr. for FY 2025-26 as shown below, subjected to prudent check at the time of true-up based on actual.

**True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26****Table 134: Revenue (Rs Cr.) as submitted by the Petitioner for FY 2025-26**

Particulars	Petition
Revenue	1772.40

Commission's Analysis

7.77 On scrutinizing and analysis information available on record, the Commission has computed the Revenue from Sale of Power as Rs 1838.74 Cr., subject to prudent check at the time of true-up on actuals basis.

Table 135: Revenue (Rs Cr.) as approved by the Commission for FY 2025-26.

Particulars	Petition	Approved
Revenue	1,772.40	1,838.74

Summary of Annual Revenue Requirement and Gap/(Surplus)**Petitioner's Submission**

7.78 The Petitioner has projected a Revenue Gap of Rs. 10.66 Cr. for FY 2025-26 based on projected energy sales, consumer, and connected load.

Commission's Analysis

7.79 On consideration of the submission and details furnished by the Petitioner, the Commission approves the ARR and Gap/(Surplus) for FY 2025-26 which is summarized below:

Table 136: Summary of ARR (Rs Cr.) as approved by the Commission.

Particulars	MYT	Petition	Approved
Net Power Purchase Cost	1,508.44	1,566.27	1,561.84
Power Purchase Cost	1,508.44	1,667.73	1,561.84
Less: Sale of Surplus power	-	101.47	-
O&M Expenses after sharing of Gain/loss	106.56	126.56	118.81
Interest on Loan	0.56	6.18	6.30
Interest on Working Capital	13.47	15.39	14.22
Financing Cost of DPS FY 2020-21		0.00	-
Interest on Security Deposit	2.54	5.47	5.47



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	MYT	Petition	Approved
Depreciation	25.14	27.60	20.99
Return on Equity	35.55	38.34	38.09
Gross Aggregate Revenue Requirement	1,692.25	1,785.81	1,765.71
Less: Non-Tariff Income	7.65	2.75	2.92
Aggregate Revenue Requirement	1,684.60	1,783.06	1,762.79
Revenue from sale of Power @ Existing Tariff		1,772.40	1,838.74
Net Revenue Gap/(Surplus)		10.66	(75.95)

7.80 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 2025-26

Revenue Gap/(Surplus)

Petitioner’s Submission

- 8.1 The Petitioner has considered the Revenue Gap/(Surplus) of Rs 760.64 Cr. till FY 2019-20 as approved by the Commission in Tariff Order dated November 24, 2022. This however does not include the carrying cost for the Year FY 2016-17 and FY 2017-18 for which the petitioner has made an appeal.
- 8.2 Further, the Petitioner has submitted the Revenue Gap/(Surplus) of Rs 665.29 Cr. till FY 2022-23 as approved by the Commission in Tariff Order dated June 26, 2024. This however does not include the carrying cost & few other costs of FY 2016-17 and FY 2017-18 (approximately Rs 330 Cr. for both the years) for which the petitioner has filed an appeal in the Hon’ble APTEL. The Petitioner prayed to kindly consider the impact of APTEL order whenever the same is decided by Hon’ble APTEL.
- 8.3 Based on the above submission, the Petitioner has submitted the projected cumulative Revenue Gap/(Surplus) till FY 2025-26 at existing Tariff, is tabulated below:

Table 137: Cumulative Revenue Gap (Rs. Cr.) till FY 2025-26 as submitted by the Petitioner

Cumulative revenue gap till FY 2025-26				
Cumulative revenue gap till FY 2025-26 (in Rs. Cr.)				
Particulars (All figures in Rs. Cr.)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
	Trued-up	True-Up	APR	ARR
Opening revenue gap/(surplus) as on 1st April of FY	646.10	665.29	612.77	616.68
Revenue gap/(surplus) created during the year	(46.22)	(124.87)	(66.51)	10.66
Closing revenue gap/(surplus) at the end of the year	599.88	540.43	546.27	627.33
Rate of interest	10.50%	12.00%	12.15%	12.15%
Carrying cost on opening gap/(surplus)	67.84	79.84	74.45	74.93
Carrying cost on gap/(surplus) created during the FY	(2.43)	(7.49)	(4.04)	0.65
Total gap/(surplus) including carrying cost	665.29	612.77	616.68	702.91

- 8.4 The Petitioner has further submitted that at existing tariff the cumulative revenue Gap at the end of FY 2025-26 is expected to be at Rs 702.91 Cr.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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

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

Commission's Analysis

- 8.6 The Commission has taken the Revenue Gap as Rs. 667.36 Cr. till Truing up for FY 2022-23 as approved in Tariff Order June 26, 2024.

- 8.7 Based on the approved value of Truing up for FY 2023-24 and APR for FY 2024-25 the cumulative Revenue Gap/(Surplus) approves by the Commission till FY 2024-25 is given below:

Table 138: Cumulative Gap/(Surplus) (in Rs Cr.) as approved by the Commission

Particulars	FY 2023-24	FY 2024-25
Opening Gap/(Surplus)	667.36	602.93
Revenue Gap/(Surplus) during FY	(136.33)	(66.90)
Rate of Carrying Cost (%)	12.00%	12.15%
Carrying Cost on Opening Revenue Gap/(Surplus)	80.08	73.26
Carrying Cost on Revenue Gap/(Surplus) during FY	(8.18)	(4.06)
Closing Revenue Gap/(Surplus)	602.93	605.22

- 8.8 Based on the approved ARR and revenue from existing tariff, the Commission has approved the Revenue Gap/(Surplus) for FY 2025-26 as shown below:

Table 139: Revenue Gap/(Surplus) (in Rs Cr.) as approved by the Commission

Particulars	FY 2025-26
ARR for FY 2025-26	1,762.79
Revenue from sale at existing Tariff	1,838.74
Revenue Gap/(Surplus) during FY 2025-26	(75.95)

- 8.9 Further, taking into account of Trued-up for FY 2023-24, APR for FY 2024-25 and above surplus for FY 2025-26, the Commission hereby



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

approves the Cumulative Closing Revenue gap/(Surplus) for FY 2025-26 is given below:

Table 140: Cumulative Gap/(Surplus) (in Rs Cr.) as approved by the Commission

Particulars	Approved
Opening Gap/(Surplus) FY 2025-26	605.22
Revenue Gap/(Surplus) during FY 2025-26	(75.95)
Rate of Carrying Cost (%)	12.15%
Carrying Cost on Opening Revenue Gap/(Surplus)	73.53
Carrying Cost on Revenue Gap/(Surplus) during FY 2025-26	(4.61)
Closing Revenue Gap/(Surplus)	598.19

- 8.10 The Commission has observed that Cumulative Revenue Gap till 2025-26 stands at Rs 598.19 Cr.
- 8.11 In order to mitigate the outstanding cumulative gap. the Commission is inclined to revise the tariff for FY 2025-26
- 8.12 The revised Tariff Schedule approved by the Commission for FY 2025-26 is detailed in **Chapter 13** of this Order.



Chapter 9: OPEN ACCESS CHARGES

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

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

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

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

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

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

“to provide non-discriminatory open access to its transmission system for use by- (i)



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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

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

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

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

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

“86. (1) The State Commission shall discharge the following functions, namely: (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;”

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

“2.2

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

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

9.8 The Petitioner has submitted its proposal for the determination of Wheeling Charge, Cross Subsidy Surcharge and Additional Surcharge for FY 2025-26. The following Sections summarize the Petitioner’s submission and Commission’s analysis thereof:

Wheeling Charges

Petitioner’s Submission

9.9 The Petitioner has submitted that it has considered the allocation ratio for Wheeling and Retail Supply business in accordance with Clause 6.8 of the Tariff Regulations, 2020. Accordingly, the allocation for wire and supply business for each ARR component for FY 2025-26 is reproduced below:

Table 141: Segregation of ARR and Wheeling Charges as submitted by the Petitioner.

S. No.	Particulars	Retail ARR (%)	Wheeling ARR (%)	Revised Estimates of Retail ARR (Rs. Cr.)	Revised Estimates of Wheeling ARR (Rs. Cr.)
1	Power Purchase Cost	100%	0%	1,566.27	-
2	O&M Expenses				-
(a)	Employee Expenses	40%	60%	14.83	22.24
(b)	A&G Expenses	50%	50%	19.27	19.27
(c)	R&M Expenses	10%	90%	4.90	44.11
(e)	Petition Filing Fees	50%	50%	0.09	0.09
(f)	CGRF Expenses	50%	50%	0.88	0.88
3	Depreciation	10%	90%	2.76	24.84
4	Interest on Long Term Loan	10%	90%	0.62	5.57
5	Interest on Working Capital Loan	90%	10%	13.85	1.54
6	Interest on Consumer	100%	0%	5.47	-



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

S. No.	Particulars	Retail ARR (%)	Wheeling ARR (%)	Revised Estimates of Retail ARR (Rs. Cr.)	Revised Estimates of Wheeling ARR (Rs. Cr.)
	Security Deposit				
7	Return on Equity	10%	90%	3.83	34.51
8	Total Expenditure			1,632.77	152.04
9	Less: Non-Tariff Income	90%	10%	2.48	0.28
10	Aggregate Revenue Requirement			1,630.29	152.77

Commission Analysis

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

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

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

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

6.8 In case clear and reasoned methodology for allocation is not submitted by the Distribution Licensee, the Commission may consider the segregation as approved for the previous Control



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Period as specified below or may decide on the manner in which such allocation can be done;”

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

9.12 Based on above discussion the Commission approves the segregation of ARR into Wheeling (wire) and Retail (supply) Business for FY 2025-26 is tabulated hereunder:

Table 142: Segregation of ARR and Wheeling Charges as approved by the Commission for FY 2025-26.

Particulars	Share of Wheeling Business (%)	Share of Retail Business (%)	Wheeling Business ARR (Rs. Cr.)	Retail Business ARR (Rs. Cr.)	ARR (Rs Cr.)
Power Purchase Cost	0%	100%	-	1,561.84	1,561.84
Net O&M Expenses			80.86	37.95	118.81
<i>Employee Expenses</i>	60%	40%	20.54	13.69	34.23
<i>A&G Expenses</i>	50%	50%	19.20	19.20	38.40
<i>R&M Expenses</i>	90%	10%	40.56	4.51	45.07
<i>Petition Filing Charges & CGRF Expenses</i>	50%	50%	0.55	0.55	1.10
<i>Less: Sharing of Gain</i>				-	0.00
Interest on Loan	90%	10%	5.67	0.63	6.30
Interest on Working Capital	10%	90%	1.42	12.79	14.22
Financing Cost of DPS FY	10%	90%	-	-	0.00
Interest on Security Deposit	0%	100%	-	5.47	5.47
Depreciation	90%	10%	18.89	2.10	20.99



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Particulars	Share of Wheeling Business (%)	Share of Retail Business (%)	Wheeling Business ARR (Rs. Cr.)	Retail Business ARR (Rs. Cr.)	ARR (Rs Cr.)
Return on Equity	90%	10%	34.28	3.81	38.09
Gross Aggregate Revenue Requirement			141.12	1,624.59	1,765.71
Less: Non-Tariff Income	10%	90%	0.29	2.63	2.92
Aggregate Revenue Requirement	7.99%	92.01%	140.83	1,621.96	1,762.79

9.13 In the absence of asset register, to estimate the ratio of fixed assets at various voltage levels, the Commission has considered the network details of the Petitioner as submitted along with the Petition. The 400 kV asset and common assets are distributed among the other voltage level assets based on the estimated sales for FY 2025-26.

Table 143: Segregation of ARR and Wheeling Charges for FY 2025-26 as approved by the Commission

Voltage Level	Asset Segregation	Asset Segregation (%)	Segregation of ARR	Sale (%)
415V / 220V	86.14	13.59%	19.14	12.04%
6.6kV	80.67	12.73%	17.93	12.38%
33kV	93.23	14.71%	20.72	47.98%
132kV	214.31	33.82%	47.63	27.60%
400kV	150.86	23.81%	33.53	0.00%
Common Asset	8.49	1.34%	1.89	0.00%
Total	633.70	100.00%	140.83	

9.14 Based on the above, the Voltage-wise Wheeling Charges for FY 2025-26 as approved by the Commission has been tabulated below:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 144: Cost stacking on the basis of energy sale as approved by the Commission.

Voltage level	Voltage-wise ARR Allocation	Cost stacking on the basis of energy sales				
		415v / 220v	6.6kV	33kV	132 kV	400 kV
415V/ 220V	19.14	19.14				
6.6kV	17.93	8.84	9.09			
33kV	20.72	3.44	3.54	13.73		
132kV	47.63	5.73	5.90	22.85	13.14	
400kV	33.53	4.04	4.15	16.09	9.25	0.00
Common Asset	1.89	0.23	0.23	0.91	0.52	0
Total	140.83	41.42	22.92	53.58	22.92	0.00

Table 145: Wheeling Tariff as approved by the Commission for FY 2025-26.

Voltage Level	ARR (Rs. Cr.)	Sales (MUs)	Wheeling Tariff (Rs./kWh)
LT	41.42	334.18	1.24
6.6kV	22.92	343.81	0.67
33kV	53.58	1332.18	0.40
132 kV	22.92	766.17	0.30
Total	140.83	2776.34	

Cross Subsidy Surcharge

Petitioner's Submission

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

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 146: Cross Subsidy Surcharges as submitted by the Petitioner for FY 2025-26.

Consumer Categories	Voltage Level	T-Tariff Payable ABR (Rs/kWh)	C-Power Purchase Cost (Rs/kWh)	L-System losses for applicable voltage (%)	D- Wheeling Charges (Rs/kWh)	R- per unit cost of carrying Regulatory assets	Cross Subsidy Surcharge (Rs/kWh)	Cross Subsidy Surcharge considering 20% limit (Rs/kWh)
Domestic	LT	5.39	5.45	11.00%	1.21	0.25	0.00	-
Commercial	LT	8.04	5.45	11.00%	1.21	0.25	1.11	1.11
Domestic - HT	HT	6.73	5.45	2.20%	0.62	0.25	0.00	-
Industrial- HTIS	6.6 KV HT	7.94	5.45	2.20%	0.62	0.25	1.61	1.59
	33 KV HT	7.94	5.45	1.95%	0.34	0.25	1.89	1.59
	132 KV HT	7.94	5.45	0.70%	0.18	0.25	2.05	1.59
Street Light	LT	7.40	5.45	11.00%	1.21	0.25	0.00	-
Railway Traction Services,	132kv HT	7.94	5.45	2.20%	0.18	0.25	2.05	1.59
Military Engineering	6.6 KV HT	9.63	5.45	2.20%	0.62	0.25	3.31	1.93
LTIS	LT	8.70	5.45	11%	1.21	0.25	1.78	1.74

Commission’s Analysis

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

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

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

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

Where,

S is the surcharge;

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

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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

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

R is the per unit cost of carrying regulatory assets:

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

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

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

Table 147: Cross Subsidy Surcharges as approved by the Commission for FY 2025-26.

Category	Voltage Level	T-Tariff Payable ABR (Rs/kWh)	C-Power Purchase Cost (Rs/kWh)	L-System losses for applicable voltage (%)	D- Wheeling Charges (Rs/kWh)	R- per unit cost of carrying Regulatory assets	Cross Subsidy Surcharge (Rs/kWh)	Cross Subsidy Surcharge considering 20% limit (Rs/kWh)
Domestic	LT	3.15	5.44	11.00%	1.24	0.26	0.00	
Commercial	LT	5.38	5.44	11.00%	1.24	0.26	0.00	
Domestic - HT	HT	6.53	5.44	2.20%	0.67	0.26	0.16	0.16
Industrial-HTIS	6.6 KV HT	6.91	5.44	2.20%	1.24	0.26	-0.03	-0.03
	33 KV HT	6.91	5.44	1.95%	0.40	0.26	0.81	0.81
	132 KV HT	6.91	5.44	0.70%	0.40	0.26	0.81	0.81
Street Light	LT	6.82	5.44	11.00%	1.24	0.26	-0.14	



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Category	Voltage Level	T-Tariff Payable ABR (Rs/kWh)	C-Power Purchase Cost (Rs/kWh)	L-System losses for applicable voltage (%)	D-Wheeling Charges (Rs/kWh)	R- per unit cost of carrying Regulatory assets	Cross Subsidy Surcharge (Rs/kWh)	Cross Subsidy Surcharge considering 20% limit (Rs/kWh)
Railway Traction Services,	132kV HT	8.34	5.44	2.20%	0.40	0.26	2.23	1.67
Military Engineering Service	6.6 KV HT	8.34	5.44	2.20%	0.67	0.26	1.97	0.00
LTIS	LT	7.61	5.44	11.00%	1.24	0.26	0.66	0.66

Additional Surcharges

Petitioner’s Submission

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

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

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

Commission Analysis

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



Regulatory Surcharge for Open Access Consumers

Petitioner’s Submission

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

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

Table 148: Regulatory Asset Surcharge as Submitted by the Petitioner.

Consumer Categories	Energy Charges for FY 2025-26 (Rs. Cr.) at proposed tariff	% of Total	Regulatory Charge (Rs. Cr.) liquidation allocation for FY2025-26	Sales MU	Regulatory Asset Surcharge (Rs/kWhr)	Regulatory Asset Surcharge / kVAH
Domestic	119.90	7%	21.52	228.89	0.94	
Commercial	61.58	4%	11.05	95.62	1.16	
Domestic - HT	53.59	3%	9.62	90.07	1.07	1.26
Industrial- HTIS	1408.06	85%	252.66	1875.81	1.35	1.58
Street Light	4.82	0.29%	0.86	6.94	1.25	
LTIS	0.17	0.01%	0.03	0.24	1.29	1.51
Military Engineering Service	0.80	0.05%	0.14	1.11	1.29	
Temporary	2.41	0.15%	0.43	2.49	1.73	
Total	1651.33		296.31	2301.17	1.29	

Commission Analysis

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

approach the Commission with the aforementioned details for determination of Regulatory Surcharge, if required.



Chapter 11: Proposal for Green Tariff for FY 2025-26

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

Petitioner Submission

10.2 The Petitioner submitted that in the previous tariff order dated 26.06.2024, the Commission had introduced Green Energy Tariff of Rs. 0.43 /kWh as an optional/voluntary arrangement for the consumers who are willing to procure RE Power from DISCOMs for the purpose of reducing their carbon footprint and seeking certification to this effect. The extract of the same is provided below:

“10.10 In accordance with the Section 86(1)(e) of the Electricity Act, 2003, the Commission is mandated to promote adoption of Renewable Energy (RE). Therefore, the Commission has introduced Green Energy Tariff in this Order as an optional/voluntary arrangement for the consumers who are willing to procure RE Power from DISCOMs for the purpose of reducing their carbon footprint and seeking certification to this effect.

...

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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

10.3 The Petitioner submitted that while some of the consumers are continuously planning & discussing the procurement of Green energy but till date the Petitioner has not received any firm requisition from its consumers regarding the same.

10.4 The Petitioner has requested to continue with the same green energy tariff.

Commission Analysis

10.5 In accordance with the Section 86(1)(e) of the Electricity Act, 2003, the Commission is mandated to promote adoption of Renewable Energy (RE). Therefore, the Commission has introduced Green Energy Tariff in this Order as an optional/voluntary arrangement for the consumers who are willing to procure RE Power from DISCOMs for the purpose of reducing their carbon footprint and seeking certification to this effect.

10.6 Such Green Tariff would be in addition to regular tariff approved in this Tariff Order. The Commission observes that the concept of Green Tariff has been well appreciated by many stakeholders across the state as it provides opportunity for consumers willing to meet their power requirement through green energy sources, however, the concept is still at nascent stage with limited participation.

10.7 For the calculation of the Green Energy Tariff, the Commission has introduced a formula that considers the difference between the weighted average rate of renewable energy (RE) power and the weighted average rate of the energy charge (variable charge) of non-renewable energy (Non-RE) sources.

10.8 Based on the above discussion the weighted average rate of renewable energy (RE) Power and the weighted average rate of energy charge (Variable Charge) of non-renewable (Non-RE) sources as tabulated hereunder:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Table 149: Analysis of cost from Renewable Energy as approved by the Commission.

Source	FY 23	FY24	FY25	FY26
	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
Green Market (GTAM/GDAM) (A)	4.73	3.76	3.43	3.50

Table 150: Analysis of Variable cost of power purchase from conventional Non-RE Sources as approved by the Commission.

Source	FY 23	FY24	FY25	FY26
	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
TPCL, Jojobera Unit 2	2.95	2.90	2.90	2.90
TPCL, Jojobera Unit 3	2.92	2.88	2.88	2.88
DVC 132 kV	4.19	4.05	4.21	4.13
DVC-400 kV DSTPS Unit 1 & 2	3.82	3.31	3.31	3.31
DVC-400 kV MTPS Unit 7 & 8	3.49	3.20	3.20	3.20
STOA	4.17	5.56	5.67	5.61
Captive TSL	2.92	2.88	3.76	3.32
Weighted Average Rs/kWh (B)	3.32	3.14	3.14	3.14

Table 151: Different between RE & Non-RE (A-B) in Rs/kWh as approved by the Commission.

Source	FY 23	FY24	FY25	FY26 (Projected)	Average
	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
Difference between RE & Non-RE Power (Variable Cost) (A-B) Rs/kWh	1.41	0.63	0.29	0.36	0.67

10.9 Furthermore, the Commission decides to levy only 50% of charges determined above i.e. **(0.67*50%= Rs 0.33/kWh)** as Green Tariff to the Consumer opting for meeting its power requirement through RE Sources. Such Green Energy Tariff would be in addition to regular tariff approved in this Order.

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

10.11 The Consumer will have option to select the quantum of green power to be purchased in the step of 10% and going up to 100% of the consumption.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

- 10.12 The Distribution Licensee will levy Green Power Tariff only for percentage of consumption opted by the Consumer.
- 10.13 The Distribution License shall issue Annual Certificate to consumers stating percentage of power requirement of such consumer has been sourced through RE Sources.
- 10.14 The total tariff earned under “Green Energy Tariff” will be considered as a part of the revenue/tariff income of the Petitioner. Further, the Petitioner must file all details along with each ARR/Tariff filings with a list of consumers opting for it. Also, the Petitioner to ensure that the total consumption of these consumers must be met by renewable energy source.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Chapter 12: APPROVED RETAIL TARIFF FOR FY 2025-26

Petitioner Submission

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

Table 152: Summary of Tariff Proposed by the Petitioner for FY 2025-26

Consumer Category	Existing Tariff				Proposed Tariff			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
DOMESTIC SERVICE								
<i>DS-LT (0-100 Units)</i>	Rs./Conn/Month	30	Rs/kWh	3.00	Rs./Conn/Month	34	Rs/kWh	3.36
<i>DS-LT (Above 100 Units)</i>	Rs./Conn/Month	65	Rs/kWh	5.15	Rs./Conn/Month	73	Rs/kWh	5.77
<i>DS-HT</i>	Rs./kVA/Month	85	Rs/kVAh	5.10	Rs./kVA/Month	95	Rs/kVAh	5.71
<i>IRRIGATION & AGRICULTURE SERVICE (IAS)</i>	Rs./HP/Month	20	Rs/kWh	5.00	Rs./HP/Month	22	Rs/kWh	5.60
<i>COMMERCIAL SERVICES (CS)</i>	Rs./kW/Month	120	Rs/kWh	5.75	Rs./kW/Month	134	Rs/kWh	6.44
INDUSTRIAL SERVICES								
<i>Low Tension Industrial Service</i>	Rs./kVA/Month	150	Rs/kVAh	5.50	Rs./kVA/Month	168	Rs/kVAh	6.16
<i>High Tension Industrial Service</i>	Rs./kVA/Month	385	Rs/kVAh	6.30	Rs./kVA/Month	431	Rs/kVAh	7.06
INSTITUTIONAL SERVICE								
<i>Street Light</i>	Rs./kW/Month	120	Rs/kWh	6.20	Rs./kW/Month	134	Rs/kWh	6.94
<i>Railway Traction Services, Military Engineering Services and Other Distribution Licensees* (Excluding TSUISL)</i>	Rs./kVA/Month	380	Rs/kVAh	6.25	Rs./kVA/Month	426	Rs/kVAh	7.00
<i>Temporary Connection</i>	1.5 times of the applicable fixed charges		1.5 times of the applicable energy charges		1.5 times of the applicable fixed charges		1.5 times of the applicable energy charges	



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Commission Analysis

11.2 Based on the above discussions, the summary of Tariff approved by the Commission for FY 2025-26 is given below:

Table 153: Summary of Tariff Approved by the Commission for FY 2025-26

Consumer Category	Existing Tariff				Approved Tariff			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
DOMESTIC SERVICE								
<i>DS-LT (0-100 Units)</i>	Rs./Conn/Month	30	Rs/kWh	3.00	Rs./Conn/Month	34	Rs/kWh	3.10
<i>DS-LT (Above 100 Units)</i>	Rs./Conn/Month	65	Rs/kWh	5.15	Rs./Conn/Month	70	Rs/kWh	5.30
<i>DS-HT</i>	Rs./kVA/Month	85	Rs/kVAh	5.10	Rs./kVA/Month	95	Rs/kVAh	5.25
<i>IRRIGATION & AGRICULTURE SERVICE (IAS)</i>	Rs./HP/Month	20	Rs/kWh	5.00	Rs./HP/Month	22	Rs/kWh	5.60
<i>COMMERCIAL SERVICES (CS)</i>	Rs./kW/Month	120	Rs/kWh	5.75	Rs./kW/Month	130	Rs/kWh	6.00
INDUSTRIAL SERVICES								
<i>Low Tension Industrial Service</i>	Rs./kVA/Month	150	Rs/kVAh	5.50	Rs./kVA/Month	150	Rs/kVAh	5.75
<i>High Tension Industrial Service</i>	Rs./kVA/Month	385	Rs/kVAh	6.30	Rs./kVA/Month	400	Rs/kVAh	6.30
INSTITUTIONAL SERVICE								
<i>Street Light</i>	Rs./kW/Month	120	Rs/kWh	6.20	Rs./kW/Month	134	Rs/kWh	6.50
<i>Railway Traction Services, Military Engineering Services and Other Distribution Licensees* (Excluding TSUISL)</i>	Rs./kVA/Month	380	Rs/kVAh	6.25	Rs./kVA/Month	400	Rs/kVAh	6.40
<i>Temporary Connection</i>	1.5 times of the applicable fixed charges		1.5 times of the applicable energy charges		1.5 times of the applicable fixed charges		1.5 times of the applicable energy charges	



Chapter 13: SCHEDULE OF CHARGES FOR FY 2025-26.

Petitioner Submission

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

Table 154: Miscellaneous Charges as proposed by the Petitioner.

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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

- (1) First test & Inspection free of charge, but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection.
- (2) If the meter is found defective within the meaning of the Indian Electricity Rules 1956, no charge shall be levied. If it is proved to be correct within the permissible limits laid down in the Rules, the amount will be charged in the next energy bill.
- (3) Applicable for 6-month duration from the date of taking the transformer on rent, thereafter monthly escalation of 10% would be applicable.

Commission Analysis

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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



Chapter 14: TARIFF SCHEDULE

APPLICABLE FROM 01.04.2025

Consumer Tariff

Celling Tariff

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

Domestic Service- Rural and Urban

Applicability:

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

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

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:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

- (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	34.00	Rs./kWh	3.10
LT-Rural/Urban (>100) Units	Rs./Conn./month	70.00	Rs./kWh	5.30

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

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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, 11kV or 33kV 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	95.00	Rs./kVAh	5.25

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 Billing Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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	22.00	Rs./kWh	5.60

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

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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 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 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.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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	130.00	Rs./kWh	6.00

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I:**

Penalty for exceeding

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

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

Installation of Shunt Capacitors: In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Low Tension Industrial Service:

Applicability:

Low Tension Industrial Service (LTIS): This schedule shall apply to all industrial / processing units or agro industrial processes having a contracted load 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	5.75

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

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

Installation of Shunt Capacitors: In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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	400	Rs./kVAh	6.30

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Voltage Rebate: In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

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

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

TOD Tariff: In accordance with **Clause VII: ToD Tariff** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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	134	Rs./kWh	6.50

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

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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	400	Rs./kVAh	6.40

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** will be as per Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

Voltage Rebate: In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

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

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

TOD Tariff: In accordance with **Clause VII: ToD Tariff** as provided in **Chapter** on Terms & Conditions of Supply as provided in **Chapter 14** of this Tariff Order.

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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 155: Miscellaneous Charges as approved by the Commission (in Rs.)

No	Purpose	Scale of Charges	Payment Realisation
1	Application fee		
	LT categories	100	Payable with Energy Bill
	HT Connection	500	
2	Revision of Estimate on Consumer Request based on Revision in Original Application		
	LT Categories	100	Payable with energy bill
	HT Connection	500	
3	Testing of consumers Installation ⁽¹⁾		
	LT Supply	100	Payable with energy bill
	HT Supply	500	
4	Meter test when accuracy disputed by consumer ⁽²⁾		
	Single/ Three Phase	100	Payable with energy bill
	Trivector/Special Type Meter, HT, EHT Metering Equipment	1000	
5	Removing/Re-fixing of meter/ Changing of meter/meter equipment/fixing of sub meter on the request of the customer/fixing of sub meter/ Resealing of Meter when meter seals are found broken.		
	Single / Three Phase	200	Payable with energy bill
	Trivector/Special type meter/ HT / EHT Meter/Metering equipment	1000	
6	Replacement of meter card, if lost or damaged by Consumer	100	Payable with Energy Bill
7	Fuse call- Replacement /RCBO Tripping Call- Replacement.		



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

No	Purpose	Scale of Charges	Payment Realisation
	Consumer fuse/ RCBO attending	100	Payable with energy bill
8	Disconnection / Reconnection		
	LT Connection	200	Payable in advance along with the consumer request. In case, the same consumer is reconnected or disconnected within 12 months, 50% will be charges extra.
	HT Connection	1500	
9	Replacement of Burnt Meter/ MCCB/ RCBO/ Catenary/Switches or any other items	Cost of meter or other items replaced	Payable with Energy Bill
10	Security Deposit	As per JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time	
11	Transformer Rent ⁽³⁾		
	Up to 200 kVA	5500/Month	Payable with energy bill
	Above 200 kVA	7500/Month	
12	Shutdown on Consumer Request -		
	LT Connection	NA	-
	LT Industrial	NA	-
	HT Industrial	NA	-

(1) First test & Inspection free of charge, but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection.

(2) If the meter is found defective within the meaning of the Indian Electricity Rules 1956, no charge shall be levied. If it is proved to be correct within the permissible limits laid down in the Rules, the amount will be charged in the next energy bill.

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



Chapter 15: 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:



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Consumer Category	Voltage Rebate*
HTS/HT Institutional -33 kV	3.00%
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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

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

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 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



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

The Commission has introduced rebate to prepaid meters at 3% of the Energy Charges for the respective Consumer Category. For such consumers, the Licensee 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.



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

The Commission directs the Petitioner to submit a report on implementation of the above, within 30 days of issuance of this Order and implement the same from the subsequent billing cycle following the issuance of this Order.

Point of Supply

The Power supply shall normally be provided at a single point for the entire premises. In certain categories like coal mines power may be supplied at more than one point on request of consumer subject to technical feasibility. But in such cases metering and billing shall be done separately for each point.

Dishonoured Cheques

In terms of Clause 10.10.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time, in the event of dishonoured cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs. 300 or 0.5% of the billed amount, whichever is higher. In addition to the same, the Delayed Payment Surcharge shall be levied extra as per the applicable terms and conditions of Delayed Payment Surcharge.

Stopped/Defective Meters

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued as per Clause 10.3.1 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of Sanctioned Load/Contract Load on following load factor applicable to respective categories:

Consumer Category	Load Factor
Domestic	0.15
Non-Domestic	0.20
LTIS	0.20
DS-HT	0.15
HT Consumer-<132kV	0.30
HT Consumer- >132kV	0.50



True-up for FY 2023-24, APR for FY 2024-25, and ARR & tariff for FY 2025-26

Sale of Energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/entity. In case of DS-HT consumers, who supply power to individual households, the average per unit charges billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Release of New Connections

No new connections shall be provided without appropriate meter.

Fuel & Power Purchase Cost Adjustment (FPPCA)

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



Chapter 16: STATUS OF EARLIER DIRECTIVES

14.1 The directives issued by the Commission in its earlier Orders, its compliance by the Petitioner and further view of the Commission on compliance is tabulated below:

Directives	Status	Views of the Commission
Submission of Fixed Asset Register		
<p>The Commission directs the Petitioner to maintain the Fixed Assets Register (FAR) considering the depreciation rates as specified in JSERC Distribution Tariff Regulations, 2020 and submit the status report to the Commission along with FAR in next tariff filing. Further, the Commission directs that the Petitioner should specifically comply with observations of statutory authorities/auditors on the matter of Verification & Monitoring of Fixed Assets/CAPEX/Inventory and Maintenance of proper records preferably in digital form for observance of statutory provisions. The Petitioner should also put in place a robust Integrated Accounts & Financial Management System to minimize the time for preparation of Annual Accounts & filing of Petitions/Business Plans/APR's. in time.</p>	<p>The petitioner submits that Fixed Asset Register (FAR) is maintained as per the depreciation rates as specified in JSERC Distribution Tariff Regulations, 2020. The soft copy of the same is being provided along with this petition. The petitioner would like to inform the Commission that a robust integrated Accounts & Financial Management System in the form of SAP-ERP is already in place. (For Billing and Collection: SAP-IS Utility and for Financial Management: SAP S/4 HANA)</p>	<p>The Commission has noted the submission of the Petitioner.</p>
Stores and Scraps		
<p>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.</p>	<p>The Petitioner hereby appraises the Commission that the power distribution operation of Tata Steel Limited is outsourced to Tata Steel UISL. Tata Steel UISL maintains necessary stores required for day-to-day operation. Cost is charged as and when used. Scraps are collected and auctioned in lot. During the year FY 2023-24, scraps of value is Rs. 12.17 Lacs.</p>	<p>The Commission has noted the submissions of the Petitioner.</p>



Directives	Status	Views of the Commission
	which includes scrap energy meters (Rs.1.32 Lacs), scrap ACSR conductor (Rs. 0.8 Lacs), scrap CT & PT (Rs. 1.15 Lacs), rejected drums (0.8 lacs), Cables (Rs.8.10 Lacs) respectively were auctioned.	

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on March 28, 2025

Date: 28.03.2025

Place: Ranchi

Sd/-
Atul Kumar
MEMBER (Technical)

Sd/-
Mahendra Prasad
MEMBER (Law)



Chapter 17: List of Participant

Table 156: List of participant who attend Public Hearing and submitted their Suggestions/Comments

Sr. No.	Name	Address/Organization
1.	Shoeb Ahmad	Tata Steel
2.	Charan Das	Tata Steel
3.	Manish Vaishkhiyar	TSUISL
4.	M Gauri Shankar Dev	TSUISL
5.	MP Verma	Kadim
6.	JP Pallav	TSUISL
7.	Anil Kumar	TSUISL
8.	Suman Deuri	TSUISL
9.	Miraj	Dhatkishi
10.	Bhupender Singh	Shiv singh Bagan Agrico
11.	Christo Sarkar	Baldev Basti
12.	Brajesh Singh	Prabhat Kahabar
13.	Ram Chandra Karyal	TSUISL
14.	Mani Pandey	TSUISL
15.	Somenath Mitra	TSUISL
16.	Rahul Kumar Ash	TSUISL
17.	Abdul Basit Khan	TSUISL
18.	Kamrun Nisha	Radio Maidan
19.	Junaid Khan	Radio Maidan
20.	Tarat nisha	Radio Maidan
21.	Samarjit Singh Chawla	Golmuri
22.	N Balaji	Banidih
23.	KM Pandey	Jamshedpur
24.	Bijan Roy	Jamshedpur
25.	Subhashish Ghosh	Kadma
26.	SR Sinha	Sidhogra
27.	Sudipta	Kadma
28.	Bishal Kumar	TELCO
29.	Tufan Kr. Mishra	Golmuri



Sr. No.	Name	Address/Organization
30.	SC Jha	Sakshi
31.	NS Walia	Kadma
32.	Sunish Pandey	Kadma
33.	Dipesh Kumar	TSUISL
34.	Sharad Kumar	CGRF Jamshedpur
35.	Sharat Kumar	CGRF Seraikela
36.	A Shubh Prasad	Tata Steel
37.	SK Monsob	TSUISL
38.	Diksha Utsav Krido	TSUISL
39.	Samiksha Rai	TSUISL
40.	Sunil Kumar Singh	TSUISL
41.	Ritesh Gupta	TSUISL
42.	Subhendu Kr. Mohanta	TSUISL
43.	Harpreet Kaur Bhamra	TSUISL
44.	Kush Kumar	TSUISL
45.	Ajay Kumar	TSUISL
46.	AN Chaudhary	TSUISL
47.	Suman Dutta	TSUISL
48.	AK Tripathi	TSUISL
49.	S. Pandey	TSUISL
50.	Nirmal Karmakar	TSUISL
51.	Adit Raj	TSUISL
52.	VP Singh	TSISL
53.	DK Singh	Sakchi Jail Chowk
54.	SK Mathur	Tata Steel
55.	VP Tiwari	Namda Basti, Anandnagar
56.	Rajesh Kumar	Somar
57.	Sharda Mitra	Sonari
58.	Miesh Kumar	Sakchi Jail Chowk, Peon Colony
59.	Jitendra singh	Sakchi Jail Chowk, Peon Colony
60.	Nirmal Prasad	Dainik Jagran
61.	Manmohan Lal	Baridhi



Sr. No.	Name	Address/Organization
62.	Himanshu Kumar	Sidhgora
63.	Alok Parixit	Tata Steel
64.	Suman Mandal	Tata Steel
65.	Tanmoy Chaterjee	Deloitte
66.	N Leena	TSUISL
67.	Raju Singh	Beldih Basti
68.	Diwakar Sarkar	Beldih Basti
69.	Raghunath Sahai	Beldih Basti
70.	Raju Bose	Jamshedpur
71.	BK Singh	Bandeh JSR
72.	Rohit Tirkey	TSUISL
73.	MD Rasheed	Radio Maidan
74.	MK Panda	TSUISL
75.	Vibha Srivastava	TSUISL
76.	ND Sarkar	TSL
77.	PK Mohanta	TSL
78.	Vinay Sharma	TSL
79.	Ruchi Bansal	TSL
80.	Kaustav Banerjee	TSUISL
81.	Anand	Beldih Basti
82.	Mukul Sarkar	Beldih Basti
83.	Ravi	Beldih Basti
84.	Ranabir Mullick	TSUISL