

# **Jharkhand State Electricity Regulatory Commission**



Order on  
True-up for FY 2024-25, Annual Performance Review for FY  
2025-26,  
Business Plan and MYT Petition  
for the  
Control Period from FY 2026-27 to FY 2030-31  
and  
Tariff Determination for FY 2026-27  
for  
Tata Steel Utilities and Infrastructure Services Limited

Ranchi  
March 23, 2026



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## **Contents**

<b>List of Abbreviations.....</b>	<b>6</b>
<b>List of Tables.....</b>	<b>8</b>
<b>Chapter 1: INTRODUCTION.....</b>	<b>15</b>
Jharkhand State Electricity Regulatory Commission .....	15
Tata Steel Utilities and Infrastructure Services Limited (TSUISL) .....	17
The Petitioner’s Prayers.....	18
<b>Chapter 2: PROCEDURAL HISTORY.....</b>	<b>21</b>
Background.....	21
Information Gaps in the Petition .....	21
Inviting Public Comments/Suggestions .....	22
Submission of Comments/Suggestions and Conduct of Public Hearing.....	23
<b>Chapter 3: BRIEF FACTS OF THE PETITION.....</b>	<b>25</b>
True-up for FY 2024-25 .....	25
Annual Performance Review for FY 2025-26:.....	26
Annual Revenue Requirement for FY 2026-27 to FY 2030-31:.....	28
<b>Chapter 4: PUBLIC CONSULTATION PROCESS.....</b>	<b>32</b>
<b>Chapter 5: TRUE-UP FOR FY 2024-25.....</b>	<b>42</b>
Consumers, Connected Load and Energy Sales .....	43
Energy Balance.....	45
Power Purchase Cost .....	47
Capital Work in Progress (CWIP) & Gross Fixed Asset (GFA).....	49
Consumer Contribution (CC) .....	50
Depreciation.....	51
Interest on Loan .....	54
Interest on Security Deposits .....	57
Return on Equity.....	59
Interest on Working Capital .....	60
Operation and Maintenance Expenses (O&M) .....	60
Non-Tariff Income.....	67
Revenue from Sale of Power .....	68



Collection Efficiency .....	68
Summary of Annual Revenue Requirement and Revenue Gap/(Surplus).....	69
<b>Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2025-26.....</b>	<b>73</b>
Consumers, Connected Load and Energy Sales .....	73
Energy Balance.....	75
Power Purchase Cost .....	77
Renewable Purchase Obligation.....	80
Capital Work in Progress (CWIP) & Gross Fixed Asset (GFA).....	85
Consumer Contribution .....	86
Depreciation.....	87
Interest on Loan .....	88
Interest on Security Deposits .....	90
Return on Equity.....	91
Interest on Working Capital .....	92
Operation and Maintenance Expenses (O&M) .....	92
Non-Tariff Income.....	98
Revenue from Sale of Power .....	98
Summary of Annual Revenue Requirement and Revenue Gap/(Surplus).....	99
<b>Chapter 7: APPROVAL OF BUSINESS PLAN FOR FY 2026-27 TO FY 2030-31</b>	<b>102</b>
Demand and Sales Forecast.....	103
Distribution Loss.....	118
Energy Balance.....	119
Power Purchase Plan .....	120
Power Procurement Source .....	120
Power Purchase Expenses.....	122
Capital Investment Plan .....	132
Financing of Capital Expenditure Plan .....	142
Human Resource Plan.....	143
<b>Chapter 8: MYT for FY 2026-27 TO FY 2030-31 and Aggregate Revenue Requirement &amp; Tariff for FY 2026-27 .....</b>	<b>153</b>
Consumers, Connected Load and Energy Sales .....	153
Distribution Loss .....	154
Energy Balance.....	154
Renewable Purchase Obligation.....	155



Power Purchase Cost .....	157
Capital Work in Progress (CWIP) & Gross Fixed Asset (GFA).....	157
Consumer Contribution (CC) .....	158
Depreciation.....	159
Interest and Finance Charges.....	161
Interest on Consumer Security Deposits.....	164
Return on Equity.....	167
Interest on Working Capital .....	173
Operation and Maintenance Expenses (O&M) .....	177
Non-Tariff Income.....	185
Expenses towards energy saving & electrical safety initiatives for consumers .....	187
Summary of ARR for the MYT Control Period from FY 2026-27 to FY 2030-31 .....	188
Tariff.....	189
Gap/(Surplus) at Existing Tariff.....	190
<b>Chapter 9: REVENUE GAP AND ITS TREATMENT.....</b>	<b>192</b>
Revenue Gap/(Surplus).....	192
<b>Chapter 10: OPEN ACCESS CHARGES.....</b>	<b>196</b>
Wheeling Charges.....	196
Additional Surcharges .....	201
<b>Chapter 11: GREEN ENERGY TARIFF .....</b>	<b>204</b>
<b>Chapter 12: APPROVED RETAIL TARIFF FOR FY 2026-27.....</b>	<b>211</b>
<b>Chapter 13: SCHEDULE OF CHARGES FOR FY 2026-27 .....</b>	<b>215</b>
<b>Chapter 14: TARIFF SCHEDULE .....</b>	<b>219</b>
Domestic Service- Rural and Urban.....	219
Domestic Service- HT .....	220
Irrigation & Agriculture Service (IAS) .....	221
Commercial Service: .....	221
Low Tension Industrial Service:.....	223
HT Service:.....	224
Street Light: .....	225
HT Institutional Service: .....	225
Temporary Connection:.....	226
Tariff to be paid by the Licensee for Gross/Net Metering of rooftop Solar PV project .....	227



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<b>Chapter 15: TERMS AND CONDITION OF SUPPLY .....</b>	<b>229</b>
Clause I: Penalty for exceeding Billing/Contract Demand .....	229
Clause II: Jharkhand Electricity Duty .....	229
Clause III: Delayed Payment Surcharge.....	229
Clause IV: Voltage Rebate .....	229
Clause V: Load Factor Rebate.....	230
Clause VI: Installation of Shunt Capacitors .....	230
Clause VII: ToD Tariff .....	230
Clause VIII: Prompt Payment Rebate .....	230
Clause IX: Rebate for Prepaid Metering .....	231
Clause X: Rebate for Delayed Billing .....	231
Clause XI: Rebate for Online Payment .....	231
Clause XII: Electricity Supply Code .....	231
Clause XIII: Other Terms and Conditions.....	231
<b>Chapter 16: Directives .....</b>	<b>235</b>
<b>Chapter 17: List of Participants .....</b>	<b>238</b>



## List of Abbreviations

Abbreviation	Description
<b>ABR</b>	Average Billing Rate
<b>ACS/ACoS</b>	Average Cost of Supply
<b>A&amp;G</b>	Administration and General
<b>CAGR</b>	Compound Annual Growth Rate
<b>CAPEX</b>	Capital Expenditure
<b>CGRF</b>	Consumer Grievance Redressal Forum
<b>CWIP</b>	Capital Works In Progress
<b>DS</b>	Domestic Service
<b>DS HT</b>	Domestic Service High Tension
<b>DVC</b>	Damodar Valley Corporation
<b>FY</b>	Financial Year
<b>GFA</b>	Gross Fixed Assets
<b>HP</b>	Horse Power
<b>HT</b>	High Tension
<b>HTS</b>	High Tension Service
<b>HTSS</b>	High Tension Special Service
<b>IAS</b>	Irrigation & Agriculture Service
<b>JUSCO</b>	Jamshedpur Utilities and Service Company Limited
<b>KV</b>	Kilo Volt
<b>KVA</b>	Kilo Volt Ampere
<b>KW</b>	Kilo Watt
<b>KWh</b>	Kilo Watt Hours
<b>LF</b>	Load Factor
<b>LT</b>	Low Tension
<b>MD</b>	Maximum Demand
<b>MU</b>	Million Units
<b>MVA</b>	Mega Volt Ampere
<b>MW</b>	Megawatt
<b>MYT</b>	Multi-Year Tariff
<b>NDS</b>	Non-Domestic Service



<b>Abbreviation</b>	<b>Description</b>
<b>O&amp;M</b>	Operation and Maintenance
<b>PPA</b>	Power Purchase Agreement
<b>PSD</b>	Power Services Division
<b>RBI</b>	Reserve Bank of India
<b>REC</b>	Renewable energy Certificate
<b>R&amp;M</b>	Repairs and Maintenance
<b>RoE</b>	Return on Equity
<b>RPO</b>	Renewable Purchase Obligation
<b>SBI</b>	State Bank of India
<b>STU</b>	State Transmission Utility
<b>T&amp;D</b>	Transmission & Distribution
<b>TSL</b>	Tata Steel Limited
<b>WPI</b>	Wholesale Price Index



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## List of Tables

Table 1: List of newspapers and dates of publication of public notice by the Petitioner	22
Table 2: List of newspapers and dates of publication of Public Notice by the Commission	22
Table 3: Number of Consumers, Connected Load & Energy Sales as submitted by the Petitioner for FY 2024-25	25
Table 4: Energy Balance (in MUs) as submitted by the Petitioner for FY 2024-25	25
Table 5: ARR (Rs. Cr.) as submitted by the Petitioner for FY 2024-25	26
Table 6: Number of Consumers, Connected Load & Energy Sales as submitted by the Petitioner for FY 2025-26	27
Table 7: Energy Balance (in MU) as submitted by the Petitioner for FY 2025-26.	27
Table 8: ARR (Rs. Cr.) as submitted by the Petitioner for Control Period	28
Table 9: Capital Expenditure schemes proposed for the MYT Period FY 2026-27 to FY 2030-31	28
Table 10: Capitalization proposed for the MYT Period FY 2026-27 to FY 2030-31	29
Table 11: Proposed Tariff as submitted by the Petitioner for FY 2026-27	30
Table 12: Number of Consumers, Connected Load and Sales as submitted by the Petitioner for FY 2024-25	43
Table 13: Number of Consumers, Connected Load and Sales as approved by the Commission for FY 2024-25	44
Table 14: Energy Balance (in MU) as submitted by the Petitioner for FY 2024-25	45
Table 15: Energy Balance (MU) as approved by the Commission for FY 2024-25	46
Table 16: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner for FY 2024-25	48
Table 17: Power Procurement Cost (Rs. Cr.) as approved by the Commission for FY 2024-25	49
Table 18: CWIP & GFA (Rs. Cr.) as submitted by the Petitioner for FY 2024-25	49
Table 19: CWIP & GFA (Rs. Cr.) as approved by the Commission for FY 2024-25	50
Table 20: Consumer Contribution Capitalized and Received (Rs. Cr.) as submitted by the Petitioner for FY 2024-25	51
Table 21: Consumer Contribution (Rs. Cr.) as approved by the Commission for FY 2024-25	51
Table 22: Overall Depreciation (Rs. Cr.) as submitted by the Petitioner for FY 2024-25	52
Table 23: Net Depreciation (Rs. Cr.) claimed by the Petitioner for FY 2024-25	52
Table 24: Depreciation (Rs. Cr.) as approved by the Commission for FY 2024-25	54
Table 25: Normative Loan & Normative Equity (Rs. Cr.) added during Year as submitted by the Petitioner for FY 2024-25	54
Table 26: Interest on Loan (Rs. Cr.) as submitted by the Petitioner for FY 2024-25	55
Table 27: Normative Loan & Normative Equity (Rs. Cr.) added during Year for FY 2024-25	57
Table 28: Interest and Finance Charges (Rs. Cr.) as approved by the Commission for FY 2024-25	57
Table 29: Consumer Security Deposit (Rs. Cr.) as submitted by the Petitioner for FY 2024-25	58
Table 30: Consumer Security Deposit (Rs. Cr.) as approved by the Commission for FY 2024-25	58
Table 31: Return on Equity (Rs. Cr.) as submitted by the Petitioner for FY 2024-25	59
Table 32: Return on Equity (Rs. Cr.) as approved by the Commission for FY 2024-25	60
Table 33: A&G expenses (Rs. Cr.) as claimed by the Petitioner for FY 2024-25	61
Table 34: R&M expenses (Rs. Cr.) submitted by the Petitioner for FY 2024-25	62



Table 35: Employee Expenses (Rs. Cr.) claimed by the Petitioner for FY 2024-25	63
Table 36: O&M expenses (Rs. Cr.) claimed by the Petitioner for FY 2024-25	63
Table 37: Sharing of Gain/Loss on O&M expenses and final O&M claim (Rs. Cr.) for FY 2024-25	64
Table 38: Normative Employee Expenses (Rs. Cr.) as approved by the Commission for FY 2024-25	66
Table 39: Normative A&G Expenses (Rs. Cr.) as approved by the Commission for FY 2024-25	66
Table 40: Normative R&M Expenses (Rs. Cr.) as approved by the Commission for FY 2024-25	66
Table 41: Normative O&M Expenses (Rs Cr.) as approved by the Commission for FY 2024-25	67
Table 42: Sharing of Gain/Loss (Rs. Cr.) on account of O&M Expenses as approved by the Commission for FY 2024-25	67
Table 43: Non-Tariff Income (Rs. Cr.) as submitted by the Petitioner for FY 2024-25	67
Table 44: Non-Tariff Income (Rs. Cr.) as approved by the Commission	68
Table 45: Revenue from sale of Power (Rs. Cr.) as approved by the Commission for FY 2024-25	68
Table 46: Collection Efficiency Revenue (Rs. Cr.) as submitted by the Petitioner for FY 2024-25	68
Table 47: Collection Efficiency Revenue (Rs. Cr.) as approved by the Commission for FY 2024-25	69
Table 48: Summary of ARR (Rs. Cr.) as approved by the Commission for FY 2024-25	70
Table 49: Wheeling and Retail ARR (Rs. Cr.) as approved by the Commission for FY 2024-25	70
Table 50: Number of Consumers, Connected Load and Sales as submitted by the Petitioner for FY 2025-26	73
Table 51: Number of Consumers, Connected Load and Sales as approved by the Commission for FY 2025-26	74
Table 52: Energy Balance (in MU) as submitted by the Petitioner for FY 2025-26	75
Table 53: Energy Balance (MU) as approved by the Commission for FY 2025-26	77
Table 54: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner for FY 2025-26	79
Table 55: Power Procurement Cost (Rs. Cr.) as approved by the Commission for FY 2025-26	80
Table 56 RPO Units (in MUs) for FY 2025-26 as submitted by the Petitioner	81
Table 57 Detailed Calculation of RPO for FY 2025-26	81
Table 58 Renewable Purchase Obligation Cost in Rs. Cr.	83
Table 59 RPO Trajectory from FY 2024-25 to FY 2029-30 (in %)	83
Table 60 RPO Computation from FY 2025-26	85
Table 61: CWIP & GFA (Rs. Cr.) as submitted by the Petitioner for FY 2025-26	86
Table 62: CWIP & GFA (Rs. Cr.) as approved by the Commission for FY 2025-26	86
Table 63: CC Capitalized and Received (Rs. Cr.) as submitted by the Petitioner for FY 2025-26.	87
Table 64: Consumer Contribution (Rs. Cr.) as approved by the Commission for FY 2025-26	87
Table 65: Depreciation (Rs. Cr.) as submitted by the Petitioner for FY 2025-26	87
Table 66: Depreciation (Rs Cr.) as approved by the Commission for FY 2025-26	88
Table 67: Normative Loan & Normative Equity (Rs. Cr.) added during FY 2025-26	88
Table 68: Interest on Loan (Rs. Cr.) as submitted by the Petitioner for FY 2025-26	89



Table 69: Normative Loan & Normative Equity (Rs. Cr.) added during FY 2025-26	89
Table 70: Interest on Loan (Rs. Cr.) as approved by the Commission for FY 2025-26	90
Table 71: Consumer Security Deposit (Rs. Cr.) as submitted by the Petitioner for FY 2025-26	90
Table 72: Consumer Security Deposit (Rs. Cr.) as approved by the Commission for FY 2025-26	91
Table 73: Return on Equity (Rs. Cr.) as submitted by the Petitioner for FY 2025-26	91
Table 74: Return on Equity (Rs. Cr.) as approved by the Commission for FY 2025-26	92
Table 75 Calculation of Inflation Factor as per Petitioner for FY 2025-26	93
Table 76: Computation of Normative Employee Expenses (in Rs. Cr.) for FY 2025-26 as submitted by the Petitioner	94
Table 77: Computation of Normative A&G expenses for FY 2025-26 as submitted by the Petitioner	94
Table 78: R&M cost proposed by Petitioner for FY 2025-26	95
Table 79 Normative O&M Expenses (Rs. Cr.) as submitted by the Petitioner	96
Table 80: Normative Employee Expenses (Rs. Cr.) as approved by the Commission for FY 2025-26	96
Table 81: Normative A&G Expenses (Rs. Cr.) as approved by the Commission for FY 2025-26.	96
Table 82: Normative R&M Expenses (Rs. Cr.) as approved by the Commission.	97
Table 83: Normative O&M Expenses (Rs. Cr.) as approved by the Commission for FY 2025-26	98
Table 84: Non-Tariff Income (Rs. Cr.) as approved by the Commission for FY 2025-26	98
Table 85: Revenue (Rs. Cr.) as submitted by the Commission for FY 2025-26	99
Table 86: Revenue (Rs. Cr.) as approved by the Commission for FY 2025-26	99
Table 87: Summary of ARR (Rs. Cr.) as approved by the Commission for FY 2025-26.	99
Table 88: Number of Consumers as submitted by the Petitioner for the Control Period (Nos)	104
Table 89 Connected Load as submitted by the Petitioner for the Control Period (kVA)	105
Table 90 Sales as submitted by the Petitioner for the Control Period (MUs)	106
Table 91 CAGR for different consumer categories considered by the Petitioner for upcoming control period	107
Table 92 CAGR for different consumer categories calculated by the Commission for past control period	107
Table 93 Approach for Projection of No. of Consumers for Control Period	108
Table 94 CAGR for connected load in different consumer categories considered by the Petitioner	110
Table 95 CAGR for connected load in different consumer categories considered by the Commission	110
Table 96 Approach for Projection for Connected Load	111
Table 97 CAGR for Sales in MUs under different consumer categories considered by the Petitioner	113
Table 98 CAGR for Sales in MUs under different consumer categories considered by the Commission	114
Table 99 Approach for Projection of Sales for Control Period	114
Table 100 Number of Consumers as approved by the Commission for the Control Period (Nos)	116
Table 101 Connected Load as approved by the Commission for the Control Period (kVA)	117



Table 102 Sales as approved by the Commission for the Control Period (MUs)	118
Table 103: Energy Balance as submitted by the Petitioner (MU)	119
Table 104: Energy Balance as approved by the Commission (MU)	120
Table 105 Power Purchase Plan as submitted by the Petitioner (MU)	121
Table 106 Power Purchase Plan as approved by the Commission (MU)	122
Table 107: Power Purchase Cost – Tata Steel Limited as submitted by the Petitioner	123
Table 108: Components of Capacity Charges of DVC Source for Control Period (in Rs. Cr.) as submitted by the Petitioner	123
Table 109 Power Allocation from DVC	125
Table 110: Per unit derived rate for Power Purchase from DVC submitted by the Petitioner	126
Table 111: Source wise Per Unit Charges for Control Period (in Rs. /Unit)	126
Table 112: Total Power Purchase Cost in Rs. Cr.	126
Table 113 RPO Trajectory from FY 2024-25 to FY 2029-30 (in %)	127
Table 114 RPO Computation from FY 2026-27 to FY 2030-31 as submitted by the Petitioner	129
Table 115: RPO Computation from FY 27 to FY31	131
Table 116 Power Purchase Expenses as approved by the Commission (Rs. Cr.)	132
Table 117 Identified Capital Expenditure schemes for the MYT Period FY 27 to FY 31	134
Table 118: Capital Expenditure Plan as submitted by the Petitioner for the Control Period (Rs. Cr.)	135
Table 119 Capitalisation Plan as submitted by the Petitioner for the Control Period (Rs. Cr.)	135
Table 120 Scheme wise Capitalization for the MYT Period FY 27 to FY 31	137
Table 121 Capital Expenditure Plan as approved by the Commission (Rs. Cr.)	140
Table 122 Capitalisation Plan as approved by the Commission (Rs. Cr.)	141
Table 123 Financing of Capital Expenditure Plan as submitted by the Petitioner (Rs. Cr.)	142
Table 124 Financing of Capital Expenditure Plan as approved by the Commission (Rs. Cr.)	143
Table 125 Total Additional Manpower Requirement	150
Table 126 Manpower approved by the Commission for Control Period (Nos.)	151
Table 127 RPO Computation from FY 2026-27 to FY 2030-31	156
Table 128 Capital Work in Progress (CWIP) as submitted by the Petitioner (Rs. Cr.)	157
Table 129 Gross Fixed Assets (GFA) as submitted by the Petitioner (Rs. Cr.)	157
Table 130 Capital Work in Progress (CWIP) as approved by the Commission (Rs. Cr.)	158
Table 131 Gross Fixed Assets (GFA) as approved by the Commission (Rs. Cr.)	158
Table 132 CC Capitalisation as submitted by the Petitioner (Rs. Cr.)	159
Table 133 CC Capitalisation as submitted by the Petitioner (Rs. Cr.)	159
Table 134 Net Depreciation as submitted by the Petitioner (Rs. Cr.)	159
Table 135: Depreciation (Rs. Cr.) as approved by the Commission	161
Table 136: Interest and Finance Charges as submitted by the Petitioner (Rs. Cr.)	161
Table 137: Interest and Finance Charges as approved by the Commission for Control Period (Rs. Cr.)	164
Table 138: Interest on CSD as submitted by the Petitioner (Rs. Cr.)	165
Table 139: Interest on CSD as approved by the Commission for Control Period (Rs. Cr.)	167
Table 140: Operation Parameters as submitted by the Petitioner	168
Table 141: Return on Equity as submitted by the Petitioner (Rs. Cr.)	169
Table 142: Operation Parameters as approved by the Commission	171
Table 143: Return on Equity as approved by the Commission for Control Period (Rs. Cr.)	172
Table 144: IoWC-Wheeling Business as submitted by the Petitioner (Rs. Cr.)	174



Table 145 IoWC-Retail Business as submitted by the Petitioner (Rs. Cr.)	175
Table 146 Interest on Working Capital – Wheeling Business as approved by the Commission for Control Period (Rs. Cr.)	176
Table 147 Interest on Working Capital – Retail Business as approved by the Commission for Control Period (Rs. Cr.)	177
Table 148 Inflation Factor for WPI & CPI	178
Table 149 Employee Expenses as submitted by the Petitioner (Rs. Cr.)	178
Table 150 A&G Expenses as submitted by the Petitioner (Rs. Cr.)	179
Table 151 R&M Expenses as submitted by the Petitioner (Rs. Cr.)	180
Table 152 O&M Expenses as submitted by the Petitioner (Rs. Cr.)	180
Table 153 Growth Factor as approved by the Commission for Control Period (Rs. Cr.)	184
Table 154 O&M Expenses as approved by the Commission (Rs. Cr.)	185
Table 155 Non-Tariff Income as submitted by the Petitioner (Rs. Cr.)	185
Table 156 Non-Tariff Income as approved by the Commission (Rs. Cr.)	187
Table 157 Summary of ARR for the MYT Period as submitted by the Petitioner (Rs. Cr.)	188
Table 158 Summary of ARR for the MYT Period as approved by the Commission (Rs. Cr.)	189
Table 159: Revenue (Rs. Cr.) at existing tariff as approved by the Commission	189
Table 160 Gap/(Surplus) at existing tariff as approved by the Commission (Rs. Crore)	190
Table 161: Cumulative Revenue Gap (Rs. Cr.) as submitted by the Petitioner till FY 2026-27	192
Table 162: Cumulative Gap/(Surplus) (Rs. Cr.) as approved by the Commission till FY 2025-26.	193
Table 163: Cumulative Gap/(Surplus) (in Rs Cr.) as approved by the Commission for FY 2026-27	193
Table 164: Segregation of ARR and Wheeling Charges as submitted by the Petitioner for FY 2026-27	196
Table 165: Segregation of ARR and Wheeling Charges as approved by the Commission for FY 2026-27	198
Table 166: Segregation of ARR and Wheeling Charges as approved by the Commission for FY 2026-27	198
Table 167: Cost stacking as approved by the Commission for FY 2026-27.	199
Table 168: Wheeling Tariff as approved by the Commission for FY 2026-27.	199
Table 169: Cross Subsidy Surcharges as submitted by the Petitioner for FY 2026-27	200
Table 170: Cross Subsidy Surcharges as approved by the Commission for FY 2026-27	201
Table 171: Summary of Tariff Proposed by the Petitioner for FY 2026-27	211
Table 172: Summary of Approved Tariff by the Commission for FY 2026-27	212
Table 173: Miscellaneous Charges as proposed by the Petitioner for FY 2026-27	215
Table 174: List of participants who attend Public Hearing and submitted their Suggestions/Comments	238



**BEFORE**

**Jharkhand State Electricity Regulatory Commission,  
Ranchi**

**Case (Tariff) No.: 08 of 2025**

**In the matter of:**

Petition for  
True-up for FY 2024-25,  
Annual Performance Review for FY 2025-26 and  
Business Plan and MYT Petition for the Control Period from FY  
2026-27 to FY 2030-31

and

Tariff Determination for FY 2026-27

**In the matter:**

Tata Steel Utilities and Infrastructure  
Services Limited, Sakchi Boulevard  
Road, Northern Town, Bistupur,

Jamshedpur- 831001.....**Petitioner**

**PRESENT**

Hon'ble Justice Navneet Kumar

Chairperson

Hon'ble Mahendra Prasad

Member (Law)

**Order dated March 23, 2026**

Tata Steel Utilities and Infrastructure Services Limited (hereinafter referred to as 'TSUISL' or 'the Petitioner') has filed the Petition dated November 28, 2025 for approval of Truing-up for FY 2024-25, Annual Performance Review for FY 2025-26, Business Plan and MYT Petition for the Control Period from FY 2026-27 to FY 2030-31, and Tariff Determination for FY 2026-27.



# **Chapter 1: Introduction**



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## **Chapter 1: INTRODUCTION**

### **Jharkhand State Electricity Regulatory Commission**

- 1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as the 'JSERC' or 'the Commission') was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commission Act, 1998 on August 22, 2002. The Commission became operational with effect from April 24, 2003.
- 1.2 The Government of Jharkhand vide its notification dated August 22, 2002 had defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commission Act, 1998 to be the following, namely:
- (a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case 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 stands repealed and the functions of SERCs are now defined under Section 86 of the Act.
- 1.4 In accordance with Section 86 (1) of the Act, the JSERC discharges the following functions:
- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:  
  
Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
  - (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;



- (c) facilitate intra-State transmission and wheeling of electricity;
  - (d) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
  - (e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
  - (f) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
  - (g) levy fee for the purposes of this Act;
  - (h) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
  - (i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
  - (j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
  - (k) discharge such other functions as may be assigned to it under this Act.
- 1.5 The Commission has to also advise the State Government as per sub section 2 of Section 86 of the Act, on all or any of the following matters, namely:
- (a) promotion of competition, efficiency and economy in activities of the electricity industry;
  - (b) promotion of investment in electricity industry;
  - (c) reorganization and restructuring of electricity industry in the State;
  - (d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.
- 1.6 The State Commission ensures transparency while exercising its powers and discharging its functions.
- 1.7 In discharge of its functions, the State Commission is also guided by the Tariff Policy notified by the Government of India under Section 3 of the Act. The objectives of the Tariff Policy are to:
- (a) ensure availability of electricity to consumers at reasonable and competitive rates;



- (b) ensure financial viability of the sector and attract investments;
- (c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
- (d) promote competition, efficiency in operations and improvement in quality of supply.

## **Tata Steel Utilities and Infrastructure Services Limited (TSUISL)**

- 1.8 Tata Steel Utilities and Infrastructure Services Limited formerly Jamshedpur Utilities and Services Company Limited is a company incorporated in August 2003, under the provisions of the Companies Act, 1956. TSUISL was incorporated primarily to cater to the infrastructure and power distribution services in the city of Jamshedpur. In addition to Power services, the company's services encompass of water and waste management, public health & horticulture services and planning, engineering & construction.
- 1.9 The Electricity Act, 2003 opened up power distribution to the private sector and permitted more than one power distributor in a revenue region, vide proviso 6 of Section 14 of the said Act which states:
- “Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements [relating to the capital adequacy, credit-worthiness, or code of conduct] as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose.”*
- 1.10 In accordance with the above provision and in reference to the Commission's communication to the Petitioner with regard to filing a Petition for distribution license for one or more revenue districts (letter no. JSERC/06/2004-05/64), the Petitioner applied for a Second Distribution License vide application no.: PBD/176/69/06 dated May 05, 2006, for the revenue district of Saraikela-Kharsawan. The Saraikela-Kharsawan district is contiguous to the Petitioner's service area of Jamshedpur.
- 1.11 The Commission granted the Power Distribution License (No.: 03 of FY 2006-07) to the Petitioner on December 01, 2006, for the aforementioned revenue district.



1.12 Consequently, the Petitioner began its power distribution services in revenue district of Saraikela-Kharsawan in September 2007 as a second Distribution Licensee.

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

1.13 The Petitioner in the instant Petition Truing-up for FY 2024-25, Annual Performance Review for FY 2025-26 and 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 true up of ARR of Rs. 597.74 Cr., actual revenue from operation of Rs. 627.99 Cr. and resultant surplus of Rs. 30.25 Cr. for FY 2024-25.
- c. Pass suitable orders with respect to its projected claim of ARR of Rs. 739.07 Cr., projected revenue from operation of Rs. 678.49 Cr. and resultant gap of Rs. 65.97 Cr. for FY 2025-26.
- d. Approve the revised capital expenditure and capitalisation as submitted in the petition.
- e. Condone the delay if any in filling this petition.
- f. Condone any inadvertent omission/errors/shortcomings and permit TATA Steel UISL to add/change/modify/alter this filing and make further submissions as may be required at future date.
- g. Pass such further, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.

1.14 The Petitioner in the instant Petition of Business Plan and MYT Petition for the Control Period from FY 2026-27 to FY 2030-31, and Tariff Determination for FY 2026-27 for has made the following prayers before the Commission:

- a. Admit the Petition and examine the proposal submitted by the Petitioner for a favourable dispensation.
- b. Pass suitable orders with respect to its projections of the ARR in the Business Plan and MYT Petition for Control Period FY 2026-27 to FY 2030-31 as Rs. 829.43 Cr. for FY 2026-27, Rs. 841.01 Cr. for FY 2027-28, Rs. 865.08 Cr. for FY 2028-29, Rs. 890.43 Cr. for FY 2029-30 and Rs. 935.21 Cr. for FY 2030-31 derived based on regulations.
- c. Pass suitable orders with respect to the standalone revenue gap of Rs. 160.61 Cr. for FY 2026-27 and proposed tariff hike of 17% for FY 2026-27 to recover the gap.



***True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27***

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- d. Pass suitable order to approve the proposed 25 nos. of new capital scheme with total capital expenditure and capitalization of Rs. 150 Cr. for the control period as provided in this petition.
- e. Pass suitable orders with respect to Capex of Rs. 681 Cr. on Long-Term infra development for next ten to fifteen years (CTU Connectivity, substation and 132 kV/33 kV lines) and allow the Petitioner to submit financial modalities and detailed proposal during the control period for approval.
- f. Pass suitable orders for Open Access charges and Green Energy Tariff as proposed in this petition.
- g. Condone the delay, if any in filing this petition.
- h. Condone any inadvertent omissions/errors/shortcomings and permit Tata Steel UISL to add/change/modify/alter this filing and make further submissions as may be required at a future date.
- i. Pass such further, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.



## **Chapter 2: Procedural History**



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## **Chapter 2: PROCEDURAL HISTORY**

### **Background**

- 2.1 The Commission had passed Order on Truing-up for FY 2014-15, APR for FY 2015-16, Business Plan for FY 2016-17 to FY 2020-21 and ARR for the MYT Control Period for Tata Steel Utilities and Infrastructure Services Limited and Tariff for FY 2016-17 dated February 28, 2017.
- 2.2 On June 07, 2018, the Commission had passed Order for Tata Steel Utilities and Infrastructure Services Limited on Truing-up for FY 2015-16, APR for FY 2016-17 and ARR & Tariff for FY 2017-18.
- 2.3 The Petitioner had filed review petition against the Commission's Order dated June 07, 2018 which was disposed by the Commission dated September 25, 2018.
- 2.4 The Commission had passed order on trued-up ARR for FY 2016-17 and FY 2017-18 dated June 19, 2020.
- 2.5 The Commission had passed the trued-up for FY 2018-19, APR for FY 2019-20, ARR for FY 2020-21 vide Order dated September 29, 2020.
- 2.6 The Commission had passed order on the True-up for FY 2019-20 and APR for FY 2020-21 on Order dated November 24, 2022.
- 2.7 On November 24, 2022, the Commission had passed order on MYT for FY 2021-22 to FY 2025-26.
- 2.8 The Commission had passed the order on true-up for FY 2020-21, APR for FY 2021-22, and ARR for FY 2022-23 dated September 29, 2023.
- 2.9 The Commission had passed Order on true-up for FY 2021-22, APR for FY 2022-23, and ARR & Tariff for FY 2023-24 dated September 29, 2023.
- 2.10 The Commission had passed Order on true-up for FY 2022-23, APR for FY 2023-24, and ARR & Tariff for FY 2024-25 dated June 26, 2024.
- 2.11 The Commission had passed Order on true-up for FY 2023-24, APR for FY 2024-25, and ARR & Tariff for FY 2025-26 dated March 28, 2025.
- 2.12 The current Petition has been filed for true-up of FY 2024-25, APR of FY 2025-26 and Approval of Business Plan & MYT Petition for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27.

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

- 2.13 In exercise of Tariff determination process, several deficiencies/information gaps were found in the Petition submitted by the Petitioner and the same was communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 08 of 2025/580 dated December 24, 2025.



- 2.14 In response, the Petitioner furnished additional data/information to the Commission vide letter nos.: PSD/1375/2026 dated January 09, 2026.
- 2.15 The Commission has scrutinized the Petition and the additional data/information furnished by the Petitioner with respect to its discrepancies identified and has considered the same while passing this Order.
- 2.16 In order to provide adequate opportunities to all stakeholders and general public, as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulations framed by the Commission and in order to ensure transparency in the process of tariff determination, the Commission decided to hold Public Hearing on February 16, 2026.

### **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 the Petitioner**

<b>Newspaper</b>	<b>Language</b>	<b>Date of Publication</b>
Dainik Bhaskar	Hindi	20.12.2025 & 21.12.2025
The Times of India	English	20.12.2025 & 21.12.2025
Hindustan	Hindi	20.12.2025 & 21.12.2025
Hindustan Times	English	20.12.2025 & 21.12.2025

- 2.19 The Commission published a Public Notice on its website [www.jserc.org](http://www.jserc.org) and various newspapers giving time till January 10, 2026 to various Stakeholders to submit their comments/suggestions. Further, the Commission also organized a Public Hearing on February 16, 2026 where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above said Petition. The details of newspapers wherein the Notice was published by the Commission are as under:

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

<b>Newspaper</b>	<b>Language</b>	<b>Date of Publication</b>
Prabhat Khabar	Hindi	08.02.2026
Danik Bhaskar	Hindi	08.02.2026
The Times of India	English	08.02.2026
The Pioneer	English	08.02.2026



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

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



## **Chapter 3: Brief Facts of the Petition**



## **Chapter 3: BRIEF FACTS OF THE PETITION**

3.1 The following chapter summarizes the Petition of FY 2024-25 and Annual Performance Review for FY 2025-26 as filed by the Petitioner for the Commission’s approval.

### **True-up for FY 2024-25**

#### **Number of Consumers, Connected Load & Energy Sales**

3.2 The actual number of Consumers, Connected Load and Energy Sales for FY 2024-25 as submitted by the Petitioner is given below.

**Table 3: Number of Consumers, Connected Load & Energy Sales as submitted by the Petitioner for FY 2024-25**

<b>Particulars</b>	<b>No. of Consumers</b>	<b>Connected Load (kVA)</b>	<b>Sales (MU)</b>
<b>Domestic Services (DS)</b>	<b>7,608</b>	<b>61,710</b>	<b>51</b>
<i>Domestic Services - Rural</i>	919	2,885	2.14
<i>Domestic Services - Urban</i>	6,653	49,886	33.92
<i>Domestic Services - HT</i>	36	8,939	14.46
<b>Commercial Services (Non-Domestic)</b>	<b>1342</b>	<b>13485</b>	<b>14.56</b>
<i>Commercial Services - Rural</i>	119	898	0.75
<i>Commercial Services - Urban</i>	1,223	12,587	13.81
<b>Low Tension Industrial Services (LTIS)</b>	<b>330</b>	<b>17,744</b>	<b>21.87</b>
<b>High Tension Services (HTS)</b>	<b>346</b>	<b>2,65,363</b>	<b>1,031</b>
<i>HTS-11 KV</i>	287	98,993	283.88
<i>HTS-33 KV</i>	59	1,66,370	746.52
<i>Streetlight</i>	2	14	0.01
<i>Temporary</i>	30	338	0.11
<b>GRAND TOTAL</b>	<b>9658</b>	<b>358653</b>	<b>1117.46</b>

### **Energy Balance**

3.3 The Energy Balance as submitted by the Petitioner vis-a-vis as approved by the Commission in Order dated March 28, 2025, is tabulated hereunder:

**Table 4: Energy Balance (in MUs) as submitted by the Petitioner for FY 2024-25**

<b>Particulars</b>	<b>APR</b>	<b>Petition</b>
	<b>(in MU)</b>	<b>(in MU)</b>
<b>Energy Requirement</b>		



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

Particulars	APR	Petition
	(in MU)	(in MU)
Total Energy Sales	1,122.48	1,117.46
Overall distribution losses (in %)	3.42%	1.68%
Overall distribution losses	39.75	19.05
<b>Total Energy Requirement</b>	<b>1,162.23</b>	<b>1,136.51</b>
<b>Energy Availability</b>		
From Tata Steel Limited	418.24	417.82
From DVC at 33kV	150.69	139.1
From DVC at 132kV	583.29	579.58
From Open Access/Other Sources	10.00	
Solar rooftop net meter surplus		0.005
<b>Total Pooled Energy Availability</b>	<b>1,162.23</b>	<b>1,136.51</b>

**Annual Revenue Requirement**

3.4 The ARR for FY 2024-25 as submitted by the Petitioner vis-a-vis as approved by the Commission in Tariff Order dated March 28, 2025 is tabulated hereunder:

**Table 5: ARR (Rs. Cr.) as submitted by the Petitioner for FY 2024-25**

Particulars	APR	Petition
Power Purchase Cost	540.68	517.13
O&M Expenses	37.11	40.50
Depreciation	7.95	8.42
Interest on loan	8.14	7.80
Interest on Consumer Security Deposit	9.48	9.07
Interest on Working Capital	0	0
Return on Equity	14.39	14.15
Less: Non-Tariff Income	(0.98)	(0.89)
<b>Annual Revenue Requirement</b>	<b>616.77</b>	<b>596.18</b>
<b>Revenue from sale of power</b>	<b>635.59</b>	<b>627.99</b>
Add/ Less: Impact of Sharing of Gains/ Loss on Collection Efficiency		1.57
<b>Revenue Gap/(Surplus) after sharing of Gain/loss</b>		(30.25)

**Annual Performance Review for FY 2025-26:**

**Number of Consumers, Connected Load & Energy Sales**



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

- 3.5 The number of Consumers,  
3.6 Connected Load and Energy Sales estimated by the Petitioner for FY 2025-26 is given below.

**Table 6: Number of Consumers, Connected Load & Energy Sales as submitted by the Petitioner for FY 2025-26**

Particulars	No. of Consumers	Connected Load (kVA)	Sales (MU)
<b>Domestic Services (DS)</b>	<b>8,452</b>	<b>68,140</b>	<b>53.61</b>
Domestic Services - Rural	1,016	3,427	2.48
Domestic Services - Urban	7,401	55,854	36.00
Domestic Services - HT	35	8,859	15.14
<b>Commercial Services (Non-Domestic)</b>	<b>1,490</b>	<b>15,451</b>	<b>15.25</b>
Commercial Services-Rural>5 kW	49	732	0.66
Commercial Services-Rural<5 kW	90	352	0.26
Commercial Services-Urban>5 kW	484	11,765	12.38
Commercial Services-Urban<5 kW	867	2,602	1.95
<b>Low Tension Industrial Services (LTIS)</b>	<b>338</b>	<b>18,602</b>	<b>23.47</b>
<b>High Tension Services (HTS)</b>	<b>359</b>	<b>2,81,628</b>	<b>1081.16</b>
HTS-11 KV	298	1,07,158	306.07
HTS-33 KV	61	1,74,470	775.09
Street Light	2	85	0.12
<b>Temporary Services</b>	<b>30</b>	<b>334</b>	<b>0.12</b>
<b>Sales to Exchange</b>			<b>3.87</b>
<b>Total</b>	<b>10,671</b>	<b>3,84,240</b>	<b>1177.60</b>

**Energy Balance**

- 3.7 The Energy Balance as submitted by the Petitioner vis-a-vis as approved by the Commission in Order dated March 28, 2025, is tabulated hereunder:

**Table 7: Energy Balance (in MU) as submitted by the Petitioner for FY 2025-26.**

Particulars	ARR	Petition
<b>Energy Requirement</b>		
Sales (MU)	1,161.27	1,177.61
Overall Distribution Losses %	3.80%	3.80%
Overall Distribution Losses (MU)	44.13	46.52
<b>Energy Requirement (MU)</b>	<b>1,207.14</b>	<b>1,224.13</b>
<b>Energy Availability</b>		
From Tata Steel Limited (CD Mode)	475.17	494.07



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

Particulars	ARR	Petition
From DVC at 33kV (CD Mode)	165.68	57.57
From DVC at 132kV (CD Mode)	556.29	232.04
DVC Schedule w.e.f 01.09.2025	-	366.22
Power Exchange	-	73.23
From Open Access/Other Sources	10.00	1.00
<b>Total Pooled Energy Availability</b>	<b>1,207.14</b>	<b>1,224.13</b>

**Annual Revenue Requirement for FY 2026-27 to FY 2030-31:**

3.8 The ARR for FY 2026-27 to FY 2030-31 as submitted by the Petitioner is computed below:

**Table 8: ARR (Rs. Cr.) as submitted by the Petitioner for Control Period**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
	Projected	Projected	Projected	Projected	Projected
Total Power Purchase Expense	723.23	726.50	739.91	753.99	785.93
O&M Expenses	48.39	53.31	59.52	66.04	74.48
Employee cost	21.72	24.69	28.47	32.32	36.56
A&G Expense	10.17	10.71	11.32	11.91	13.89
R&M Cost	16.50	17.91	19.73	21.82	24.02
Depreciation	12.56	13.51	14.76	16.09	17.34
Interest on Long Term Loan	13.06	13.54	14.47	15.44	16.09
Interest on Consumer Security Deposit	11.24	11.53	11.70	11.87	12.27
Interest on Working Capital	1.65	1.74	1.79	1.85	1.92
Return on Equity	19.80	21.35	23.37	25.55	27.57
<b>Energy efficiency &amp; safety initiatives for customers</b>	0.50	0.55	0.60	0.65	0.70
<b>Total Expenditure</b>	<b>830.43</b>	<b>842.03</b>	<b>866.12</b>	<b>891.49</b>	<b>936.29</b>
Less: Non-Tariff Income	1.00	1.02	1.04	1.06	1.08
<b>Net: Aggregate Revenue Requirement</b>	<b>829.43</b>	<b>841.01</b>	<b>865.08</b>	<b>890.43</b>	<b>935.21</b>

3.9 Furthermore, the Petitioner has proposed Capital Expenditure schemes under various categories tabulated as follows:

**Table 9: Capital Expenditure schemes proposed for the MYT Period FY 2026-27 to FY 2030-31**

Schemes	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Carry forward Schemes	18.0	5.0	4.0	2.5	2.5



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

Schemes	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
New Schemes (25 Nos.)	14.6	48.5	48.7	41.9	34.5
<b>Total Expenditure Plan</b>	<b>32.6</b>	<b>53.5</b>	<b>52.7</b>	<b>44.4</b>	<b>37</b>
Capex considering various issues & constraints related to consent/approvals, Land and RoW	30	30	30	30	30
Long Term Infra-Development for next 10-15 years (CTU Connectivity, substations and 132 kV and 33 kV Lines)	-	100	300	281	-
<b>Total</b>	<b>30</b>	<b>130</b>	<b>330</b>	<b>311</b>	<b>30</b>

In accordance with the above listed capital expenditure, the Petitioner has proposed the below listed capitalization schedule:

**Table 10: Capitalization proposed for the MYT Period FY 2026-27 to FY 2030-31**

Schemes	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Carry over schemes	18	5	4	2.5	2.5
New schemes	2	25	31	32.5	27.5
<b>Sub-total</b>	<b>20</b>	<b>30</b>	<b>35</b>	<b>35</b>	<b>30</b>
Consumer contribution during the year	7	7	7	7	7
<b>Total Expenditure Plan (Rs. Cr.)</b>	<b>27</b>	<b>37</b>	<b>42</b>	<b>42</b>	<b>37</b>

**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**



**Table 11: Proposed Tariff as submitted by the Petitioner for FY 2026-27**

Consumer Category	Existing Tariff				Proposed Tariff			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
<b>Domestic Services (DS)</b>								
Domestic Services - Rural	Rs./Conn/month	45	Rs./kWh	3.06	Rs./Conn/month	60	Rs./kWh	3.60
Domestic Services - Urban	Rs./Conn/month	80	Rs./kWh	3.32	Rs./Conn/month	100	Rs./kWh	3.90
Domestic Services - HT	Rs./kVA/month	80	Rs./kVAh	3.16	Rs./kVA/month	100	Rs./kVAh	3.70
<b>Irrigation &amp; Agriculture Services (IAS)</b>	Rs./HP/month	25	Rs./kWh	4.06	Rs./HP/month	30	Rs./kWh	4.80
<b>Commercial Services (Non-Domestic)</b>								
Commercial Services - Rural	Rs./kW/month	80	Rs./kWh	3.06	Rs./kW/month	100	Rs./kWh	3.60
DSRU-CS5KW	Rs./Conn/month	80	Rs./kWh	3.06	Rs./Conn/month	100	Rs./kWh	3.60
Commercial Services - Urban	Rs./kW/month	155	Rs./kWh	4.23	Rs./kW/month	190	Rs./kWh	4.95
DSUR-CS5KW	Rs./Conn/month	155	Rs./kWh	4.23	Rs./Conn/month	190	Rs./kWh	4.95
<b>Low Tension Industrial Services (LTIS)</b>	<b>Rs./kVA/month</b>	<b>155</b>	<b>Rs./kVAh</b>	<b>5.00</b>	<b>Rs./kVA/month</b>	<b>190</b>	<b>Rs./kVAh</b>	<b>5.40</b>
<b>High Tension Services (HTS)</b>								
HTS-11 KV	Rs./kVA/month	355	Rs./kVAh	5.00	Rs./kVA/month	420	Rs./kVAh	5.85
HTS-33 KV	Rs./kVA/month	355	Rs./kVAh	5.00	Rs./kVA/month	420	Rs./kVAh	5.85
<b>Institutional Services</b>								
Street Light	Rs./kW/month	65	Rs./kWh	5.36	Rs./kW/month	80	Rs./kWh	6.30
Railway traction services, Military Engineering Services and Other Distribution Licensees	Rs./kVA/month	195	Rs./kVAh	4.90	Rs./kVA/month	230	Rs./kVAh	5.75
<b>Temporary Services</b>	<b>1.5 times of the applicable fixed charges</b>		<b>1.5 times of the applicable energy charge</b>		<b>1.5 times of the applicable fixed charges</b>		<b>1.5 times of the applicable energy charge</b>	



# **Chapter 4: PUBLIC CONSULTATION PROCESS**



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## **Chapter 4: PUBLIC CONSULTATION PROCESS**

- 4.1 As per the submitted Petition, a number of stakeholders had responded. A Public Hearing was held by the Commission on February 16, 2026 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 expressed suggestions and the list thereof is attached as **Chapter-17** 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 relate to True-up, APR and ARR or electricity have not been discussed in this Chapter.

### **Electricity Duty**

#### **Stakeholders Objection**

- 4.3 The stakeholder highlighted the judgement of Hon'ble High Court of Jharkhand at Ranchi on January 05, 2026, in the matter of M/s Pali Hill Breweries Pvt. Ltd. Vs State of Jharkhand. The Hon'ble Court has declared the 1<sup>st</sup> Amendment Act, 2021, and its associated rules-which levied Duty as a percentage (8% to 15%) of net energy charges - as ultra vires and illegal.
- 4.4 Following this order, the basis of charging of Electricity Duty must immediately revert from the value-based percentage system back to the original unit-based rate of 0.05 Rs. per unit. The Petitioner has started unit based duty as per High Court's directive from the bill raised for the month of January 2026.
- 4.5 The Hon'ble High Court has explicitly ordered that all excess electricity duty collected under the invalidated rules since July 2021 must be refunded to consumers with interest. For MSMEs in Adityapur, this represents a massive financial overcharge (over 150 Crores) that has severely impacted operation viability.
- 4.6 The stakeholder prays to the Commission to order a time-bound audit and subsequent refund or adjustment of the excess Duty collected from July 2021 to January 2026 in the ensuing billing cycles and stay ant proposed tariff revision until the financial impact of these mandatory refunds is correctly reflected in the Petitioner's ARR.

#### **Petitioner Submission**

- 4.7 The Petitioner submitted that in pursuance to the order dated 5th January 2026 passed by the Hon'ble High Court of Jharkhand with respect to the electricity duty, the electricity duty liability for the month of December 2025 was discharged after re-computation as per 'Unit-rate' method. The differential amount was credited to the respective



consumers. Billing for the subsequent months is also being done as per the order of Hon'ble High Court.

- 4.8 The Petitioner further submitted that Electricity Duty levied and collected from the Electricity Consumers in the past as per "Jharkhand Electricity Duty (Amendment) Rules 2021 published in Gazette by the Government of Jharkhand on 07.07.2021" was duly discharged and deposited to the State Government and as on date, no amount towards Electricity Duty is lying/kept with the Petitioner. Further, in compliance of the said order, Petitioner has submitted claim letter dated 30.01.2026 to the State Government for refund of excess Electricity Duty collected and deposited to the State Government. The response of the same is awaited.
- 4.9 The Petitioner submitted that as the Electricity Duty collected from Consumers has already been deposited to the State Government, the Petitioner has taken up the matter with State Government for refund and filed an CMP (Civil Miscellaneous Petition) for modification of the said order.
- 4.10 The Petitioner requested for support to ensure operations and continuity of power supply until such time the payment of Electricity Duty is received from the State Government.
- 4.11 The Petitioner submitted that the collected amount of electricity duty is already deposited with State Government and therefore this does not have any bearing on the petition under reference. Thus, requesting of stay on this ground is not reasonable and not justified.

#### **Commission Analysis**

- 4.12 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.

#### **ToD Tariff**

##### **Stakeholders Objection**

- 4.13 Implementation of Optional Time-of-Day (ToD) Tariffs: Leverage the planned smart metering rollout to introduce ToD tariffs for low-tension domestic and sub-5 kW commercial consumers. Providing off-peak incentives of 10-15% would encourage shifting discretionary loads (like EV charging or water heating) away from high-cost peak windows, reducing the overall Annual Revenue Requirement (ARR).

##### **Petitioner Submission**

- 4.14 The design of ToD tariff is primarily meant to flatten the load curve for the licensee to have better utilisation of power generating units. ToD tariff is already available as option for High Tension consumers, but its adoption has not yet started due to inherent complexity in shifting the timing of use by industrial consumers.



- 4.15 Tata Steel UISL will pursue with some industries to get this implemented.
- 4.16 Implementing ToD for retail consumers will require changing the metering and billing system; both of which will require cost involving one time and recurring cost.
- 4.17 Tata Steel UISL will work out the cost benefit analysis and approach the Hon'ble Commission once smart metering implementation progresses further.

### **Commission Analysis**

- 4.18 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.

### **Roof-top Solar**

#### **Stakeholders Objection**

- 4.19 It was submitted that the Commission should aggressively promote rooftop solar for households and small businesses to offset rising Renewable Purchase Obligation (RPO) costs. This includes simplifying the approval process for systems up to 10 kW and streamlining net-metering to reduce average consumer bills.

#### **Petitioner Submission**

- 4.20 The Petitioner submitted that Commission promotes the rooftop solar adoptions. Following regulatory provisions have been adopted by the Hon'ble Commission, as well as the licensee Tata Steel UISL, to streamline and accelerate the net metering process for consumers.
- 4.21 The JSERC Third Amendment Regulations, 2023 specify that for domestic category consumers, the installed capacity of a grid-connected rooftop solar PV system is independent of the consumer's sanctioned load or contract demand
- 4.22 Also, there is a waiver of Technical Feasibility Study for Small Systems (10 kW) - As per the JSERC Fourth Amendment Regulations, 2024, technical feasibility studies and related sanctioned load enhancement requirements have been waived for rooftop solar PV systems with capacities up to 10 kW.
- 4.23 Waiver of Application and Registration Fees under PM Surya Ghar - As per the JSERC (Rooftop Solar PV Grid Interactive System and Net/Gross Metering) Sixth Amendment Regulations, 2025, no application fee or registration fee is applicable when consumers apply through the National Portal under the PM Surya Ghar: Muft Billi Yoljana.
- 4.24 Furthermore, an exemption from Physical Interconnection Agreement - Under the same sixth Amendment Regulations (2025), applicants applying through the PM Surya Ghar National Portal are not required to execute the physical interconnection agreement specified a Annexure-



V(B), since the agreement is already processed digitally through the portal.

- 4.25 Tata Steel UISL will welcome any other sustainable and balanced promotional initiative

**Commission Analysis**

- 4.26 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.

**Distribution Loss Targets**

**Stakeholders Objection**

- 4.27 Enhanced Distribution Loss Targets: While the proposed 3% target is strong, a calibrated glide path toward 2.5% by the end of the control period is recommended. Even a 0.5% improvement could save millions of units annually, helping to moderate tariff increases necessitated by power purchase costs.

**Petitioner Submission**

- 4.28 The Petitioner submitted that it has been managing the distribution loss at one of the lowest levels in the country and would continue to do so. Our efforts in keeping distribution loss levels have helped keeping a reasonable tariff for the consumers.
- 4.29 Distribution loss are of two types viz-a-viz Technical Losses and Non-Technical Losses and that there are no non-technical losses in the system.
- 4.30 Several network addition has been planned in the next control period including Power Transformer and distribution transformers. The loading on these transformers will happen progressively and therefore these transformers will reach optimum efficient loading over a period and therefore will impact overall distribution loss. This is bound to happen in any system design. The details rationale for 3% distribution loss for the Business Planning purpose is already given in the petition. Gist of the same is given below-
- a) The Petitioner has been able to sustain low loss levels through the rigorous implementation of a robust metering system and by ensuring that there is no theft, leakage, or pilferage from its distribution network. However, with continuous expansion of the network into both dense urban and remote rural areas, (TATA STEEL UISL has undertaken significant capacity augmentation works, including addition of new power transformers and replacement of existing lower-capacity units with higher-rated transformers at its substations) loss level is expected to go-up in future years.



- b) During the upcoming control period, some newly commissioned transformers may not be optimally loaded, temporarily resulting in relatively higher technical losses. Strengthening works for major substations and two 33/11 kV substations are currently underway and is expected to be completed during FY 2026-27 and FY 2027-28. Furthermore, two new substations are planned, where initial load levels are expected to be low, contributing to slightly elevated loss percentages during the initial phase.
- c) The Petitioner reiterates that there are no non-technical losses in its system. Accordingly, TATA STEEL UIS humbly requests the Hon'ble Commission to approve the technical loss levels as indicated in this petition.
- d) It may also be noted that the regulatory provisions for gain/pain sharing mechanisms are designed for licensees with substantially higher loss levels than purely technical losses. Hence, an appropriate incentive mechanism for the Licensees operating and maintaining lower losses also need to be considered appropriately.
- 4.31 The Petitioner further submits that the overall distribution loss in its network typically varies between 2.6% & 3.2%.
- 4.32 For the purpose of this Business Plan and considering network expansion plans, a distribution loss level of 3.00% has been considered. The Petitioner assures the Hon'ble Commission that sustained efforts will continue to maintain and further reduce the loss levels in subsequent years.
- 4.33 Having any values lower than 3% in Business Plan may lead to penalising the Licensee due to its better and efficient past performance; whereas if we consider 3% levels, Licensee is also reasonably protected and the benefit of any performance better than 3% is passed on to consumers in any way.
- 4.34 In view of the same, the Petitioner request the Hon'ble Commission to consider 3% Distribution loss levels for the purpose of Business Plan.

### **Commission Analysis**

- 4.35 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.

### **Capex Phasing**

#### **Stakeholders Objection**

- 4.36 Demand-Linked CAPEX Phasing: The proposed Rs. 150 crore capital expenditure should be phased based on realized demand rather than being front-loaded. Linking capital recovery to measurable reliability improvements (SAIDI and SAIFI benchmarks) would prevent early- period tariff shocks.



***Petitioner Submission***

- 4.37 The Petitioner submits that the proposed capital expenditure has been planned based on realized and projected demand requirements and is not front-loaded. Different capital schemes have been carefully identified across key operational pillars -Safety, Sustenance, Reliability, Process Improvement, Technology Adoption, and Growth-to ensure that the distribution network remains robust, compliant, and capable of meeting consumer expectations. Licensee gets only a reasonable return as per applicable regulations in the State a part of wish also linked to operational parameters.

***Commission Analysis***

- 4.38 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.

**Protection for Micro-Enterprises and Small Commercial Consumers**

***Stakeholders Objection***

- 4.39 Specific attention should be given to the sub-5 kW commercial category (e.g., kirana stores, small clinics). The petition suggests formalizing this category and offering temporary fixed- charge moderation during economic slowdowns to sustain local employment.

***Petitioner Submission***

- 4.40 Sub-5kW small commercial consumers are already charged at tariff applicable for domestic consumers.

***Commission Analysis***

- 4.41 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.

**Demand-Side Management (DSM) and Procurement Optimization**

***Stakeholders Objection***

- 4.42 Introduce on-bill financing for energy efficient appliances to reduce aggregate consumption.
- 4.43 Diversify power procurement through power exchanges and competitive renewable bilateral contracts to lower the weighted average cost of power.

***Petitioner Submission***

- 4.44 On-Bill Financing for Energy-Efficient Appliances:
- a) The suggestion to introduce on-bill financing (OBF) is noted. However, OBF is not presently feasible for Tata Steel UISL, primarily due to the following reasons:
  - b) Tata Steel UISL operates strictly under the regulated framework prescribed by the Hon'ble JSERC, and does not have the mandate,



financing structure flexibility to extend credit or undertake appliance-financing activities.

- c) OBF models require substantial capital, long-term consumer financing risk management, and dedicated recovery mechanisms, which are outside the scope of a distribution licensee as per the SERC (Distribution Tariff) Regulations, 2025.
- d) Additionally, such schemes typically operate under specialized national-level programs.
- e) Accordingly, while the intention of DSM is acknowledged, on-bill financing cannot be operationalized within the present regulatory and financial structure of Tata Steel UISL.

4.45 Diversification of Power Procurement:

- a) Tata Steel UIS is already actively optimizing and diversifying its power procurement portfolio, fully in line with regulatory provisions and cost-efficiency objectives.
- b) Power is procured from a mix of long-term contracted sources, and additional power is purchased from power exchanges whenever cheaper real-time or day-ahead-market power is available, ensuring that the weighted average power procurement cost remains minimized.
- c) For Renewable Purchase Obligation (RPO) compliance, Tata Steel UIS is consistently procuring green power through power exchanges and other approved mechanisms, thereby meeting its statutory obligations while optimizing cost.
- d) Thus, Tata Steel UISL confirms that power procurement diversification is already practiced in an economically efficient and fully compliant manner.

**Commission Analysis**

- 4.46 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.

**Battery Storage and Tech Integration**

**Stakeholders Objection**

- 4.47 Implement limited-scale battery storage pilots to smooth peak demand and better integrate rooftop solar, which can enhance supply reliability and reduce reliance on expensive peak power.

**Petitioner Submission**

- 4.48 Tata Steel UIS acknowledges the emerging role of battery energy storage systems (BESS) in peak-load management and renewable energy



integration. We also understand that this technology is under initial stage of development by various utilities and BESS operators.

- 4.49 Battery storage requires substantial upfront capital investment, long-term financing support, and specific regulatory mechanisms for cost recovery. These provisions are not included under the JERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.
- 4.50 Once these provisions are discussed and included in the Regulations, Tata Steel UISL may evaluate options and decide accordingly.

**Commission Analysis**

- 4.51 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.

**Tariff Stability via FCA Smoothing**

**Stakeholders Objection**

- 4.52 To protect consumers from monthly bill volatility, a quarterly smoothing mechanism or "cap-and- carry-forward" framework for Fuel and Power Purchase Cost Adjustments (FCA) should be established.

**Petitioner Submission**

- 4.53 Tata Steel UISL would like to submit that the Fuel and Power Purchase Adjustment (FPPAS) is being levied strictly in accordance with the applicable provisions of the SERC (Terms and Conditions for Determination of Distribution Tariff) Regulations.
- 4.54 The methodology, periodicity, and recovery mechanism for FPPAS are fully governed by these regulations, and Tata Steel UISL follows the notified regulations regarding the same.

**Commission Analysis**

- 4.55 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.

**Targeted Relief for Vulnerable Consumers**

**Stakeholders Objection**

- 4.56 The tariff design should continue to protect lifeline slabs and freeze fixed charges for economically weaker households. Additionally, small incentives for adopting prepaid smart meters can help prevent energy poverty while maintaining a cost-reflective structure.

**Petitioner Submission**

- 4.57 Tata Steel UISL respectfully submits that matters relating to tariff design-including protection of lifeline consumer slabs, fixation or freezing of fixed charges for economically weaker sections, and introduction of any



incentives such as for prepaid smart meter adoption, fall within the exclusive domain and prudence of the Hon'ble Commission.

**Commission Analysis**

- 4.58 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.

**Abnormal Hike of FPPAS charges**

**Stakeholders Objection**

- 4.59 The stakeholder noted it that has been brought to their notice by many of members that there has been an abnormal hike in FPPAS charges by Tata Steel Utilities, & Infrastructure Services Ltd. from January, 2026. Earlier, the trend for last 2-3 years suggests a 3-4% FPPAS charges but in January, 2026, this has been hiked to more than 11%.

**Petitioner Submission**

- 4.60 The Petitioner submitted that as per Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) (First Amendment) Regulations, 2023, Clause 10.67 - Fuel and Power Purchase Adjustment Surcharge (FPPAS) shall be computed and charged by the distribution licensee in (n+2) th month, on the basis of actual variation, in cost of fuel and power purchase and inter-state transmission charges for the power procured during the nth month.
- 4.61 From April'25 to July 25, FPPAS were negative and were charges accordingly in subsequent months.
- 4.62 It may be noted that, FPPPA Charges from Apr25 to Feb.26 has varied from (-6.00) % to 11.75%. Highest FPPPA was charged in month of Feb25 (n+2) on the units billed during Dec25 (n) based on FPPPA charges computed from power purchase bills of Dec25 (n).
- 4.63 The upward increase in FPPPA is primarily attributed to revision in DVC electricity tariff in Jharkhand w.e.t. 1 June'25. From Sep 25, Tata Steel UISL is purchasing power directly from DVC Generating units. Charges against these purchases are paid as per the CERC approved tariff. The variation in subsequent month is primarily due to increase in power purchase cost from DVC Generating Units because of increase in Fuel cost at their end.

**Commission Analysis**

- 4.64 The Commission has noted the Stakeholder's Objection and Petitioner's response on the above mention issue.



# **Chapter 5: TRUE-UP FOR FY 2024-25**



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## **Chapter 5: TRUE-UP FOR FY 2024-25**

- 5.1 The Commission had passed the MYT Order for the 2nd Control Period i.e., FY 2016-17 to FY 2020-21 and determined the Tariff for FY 2016-17 vide its Order dated February 28, 2017, based on the principles specified in the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015
- 5.2 On June 07, 2018, the Commission had passed Order on Truing-up for FY 2015-16, Annual Performance Review for FY 2016-17, Annual Revenue Requirement and Tariff for FY 2017-18.
- 5.3 The Commission had passed the Truing up for FY 2016-17 and FY 2017-18 vide its Order dated June 19, 2020 and vide Order dated September 29, 2020 approved the True up for FY 2018-19, APR for FY 2019-20 and ARR & Tariff for FY 2020-21.
- 5.4 The Commission had passed the order on Truing-up for FY 2019-20, Annual Performance Review for FY 2020-21 dated November 24, 2022.
- 5.5 The Commission had passed the MYT Order for the 3rd Control Period i.e., FY 2021-22 to FY 2025-26 and Tariff for FY 2021-22 vide Order dated November 24, 2022, based on the principles specified in the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 (JSERC Distribution Tariff Regulations, 2020).
- 5.6 The Commission had passed order on True-up for FY 2020-21, APR for FY 2021-22, and ARR for FY 2022-23 vide its Order dated September 29, 2023.
- 5.7 The Commission had passed order on True-up for FY 2021-22, APR for FY 2022-23, and ARR for FY 2023-24 vide its Order dated September 29, 2023.
- 5.8 The Commission had passed Order on True-up for FY 2022-23, APR for FY 2023-24, and ARR for FY 2024-25 vide Order dated June 26, 2024.
- 5.9 The Commission had passed Order on True-up for FY 2023-24, APR for FY 2024-25, and ARR & Tariff for FY 2025-26 vide Order dated March 28, 2025.
- 5.10 In the instant petition the Petitioner has now sought approval for True-up for FY 2024-25, Annual Performance Review for FY 2025-26, and Aggregate Revenue Requirement & Tariff for FY 2026-27 and approval for MYT and capital expenditure plan of FY 2026-27 to FY 2030-31 based on the Audited Accounts taking into consideration the provisions of the JSERC Distribution Tariff Regulations, 2020 and JSERC Distribution Tariff Regulations, 2025 and the methodology adopted by the Commission in the previous Orders.



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

- 5.11 The Commission has scrutinized the instant petition on the basis of the provisions of the JSERC Distribution Tariff Regulations, 2020, and on consideration of:
- (a) Audited accounts for FY 2024-25;
  - (b) Materials placed before the Commission;
  - (c) Methodology adopted by the Commission in its previous Orders.
- 5.12 The component-wise details filed by the Petitioner and the Commission's analysis and discussion is made in the upcoming paragraph.

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

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

- 5.13 The Petitioner has submitted the actual details of number of consumers, connected load and energy sales for FY 2024-25. Furthermore, the Petitioner has submitted the same as approved in APR tabulated as follows:

**Table 12: Number of Consumers, Connected Load and Sales as submitted by the Petitioner for FY 2024-25**

Particulars	No of Consumers		Connected Load (KVA)		Consumption (MU)	
	APR	Petition	APR	Petition	APR	Petition
<b>Domestic</b>	<b>7,712</b>	<b>7,608</b>	<b>61,140</b>	<b>61,710</b>	<b>51.42</b>	<b>50.51</b>
LT-Rural	917	919	2,841	2,885	2.20	2.14
LT-Urban	6,759	6,653	49,760	49,886	34.61	33.92
DS HT	36	36	8,539	8,939	14.61	14.46
<b>Non Domestic</b>	<b>1,426</b>	<b>1,342</b>	<b>14,492</b>	<b>13,485</b>	<b>14.74</b>	<b>14.56</b>
Rural-Commercial	31	38	519	581	0.57	0.54
DSRU-CS5KW	90	81	349	316	0.22	0.22
Urban-Commercial	499	435	11308	10,311	12.18	11.96
DSUR-CS5KW	806	788	2316	2,276	1.77	1.85
<b>Low Tension Industrial Service (LTIS)</b>	<b>326</b>	<b>330</b>	<b>17,548</b>	<b>17,744</b>	<b>22.13</b>	<b>21.87</b>
<b>HT Services</b>	<b>350</b>	<b>346</b>	<b>2,70,583</b>	<b>2,65,363</b>	<b>1,034.08</b>	<b>1,030.39</b>
<b>High Tension Service (HTS)</b>	<b>350</b>	<b>346</b>	<b>2,70,583</b>	<b>2,65,363</b>	<b>1,034.08</b>	<b>1,030.39</b>
HTS 11 KV	290	287	1,00,013	98,993	284.78	283.88
HTS 33 KV	60	59	1,70,570	1,66,370	749.30	746.52
HTS 132 KV	0	0	0	0	0.00	0.00



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

Particulars	No of Consumers		Connected Load (KVA)		Consumption (MU)	
	APR	Petition	APR	Petition	APR	Petition
<b>HT Special Service (HTSS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
HTSS 11 KV	0	0	0	0	0.00	0.00
HTSS 33 KV	0	0	0	0	0.00	0.00
Street Light	0	2	0	14	0.00	0.01
Temporary Services	37	29	296	338	0.10	0.11
<b>Total</b>	<b>9,851</b>	<b>9,657</b>	<b>3,64,059</b>	<b>3,58,653</b>	<b>1,122.47</b>	<b>1,117.46</b>

**Commission's Analysis**

5.14 On scrutinizing and analyzing the material, information, actual figure and of the Annual Audit account for FY 2024-25, the Commission had further sought documentary evidence regarding number of consumers and their connected load. In this regards, the Petitioner has provided the category-wise consumers, their loads (in kVA) and consumption during FY 2024-25 duly certified by Auditor vide '**Annexure 1**' of **Letter No. PSD/1375/2026 dated February 19, 2025**. On conducting a prudent check of the data submitted, the Commission approves the actual number of consumers, connected load, and sales for FY 2024-25 is given below:

**Table 13: Number of Consumers, Connected Load and Sales as approved by the Commission for FY 2024-25**

Particulars	No of Consumers		Connected Load (KVA)		Consumption (MU)	
	Petition	Approved	Petition	Approved	Petition	Approved
<b>Domestic</b>	<b>7,608</b>	<b>7,608</b>	<b>61,710</b>	<b>61,710</b>	<b>50.51</b>	<b>50.51</b>
LT-Rural	919	919	2,885	2,885	2.14	2.14
LT-Urban	6,653	6,653	49,886	49,886	33.92	33.92
DS HT	36	36	8,939	8,939	14.46	14.46
<b>Non Domestic</b>	<b>1,342</b>	<b>1,342</b>	<b>13,485</b>	<b>13,485</b>	<b>14.56</b>	<b>14.56</b>
Rural-Commercial	38	38	581	898	0.54	0.54
DSRU-CS5KW	81	81	316	0	0.22	0.22
Urban-Commercial	435	435	10,311	12,587	11.96	11.96
DSUR-CS5KW	788	788	2,276	0	1.85	1.85
<b>Low Tension Industrial Service (LTIS)</b>	<b>330</b>	<b>330</b>	<b>17,744</b>	<b>17,744</b>	<b>21.87</b>	<b>21.87</b>



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

Particulars	No of Consumers		Connected Load (KVA)		Consumption (MU)	
	Petition	Approved	Petition	Approved	Petition	Approved
<b>High Tension Service (HTS)</b>	<b>346</b>	<b>346</b>	<b>2,65,363</b>	<b>2,65,363</b>	<b>1,030.39</b>	<b>1,030.39</b>
HTS 11 KV	287	287	98,993	98,993	283.88	283.88
HTS 33 KV	59	59	1,66,370	1,66,370	746.52	746.52
HTS 132 KV	0	0	0	0	0.00	0.00
<b>HT Special Service (HTSS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
HTSS 11 KV	0	0	0	0	0.00	0.00
HTSS 33 KV	0	0	0	0	0.00	0.00
Street Light	2	2	14	14	0.01	0.01
Temporary Services	29	29	338	338	0.11	0.11
<b>Total</b>	<b>9,657</b>	<b>9,657</b>	<b>3,58,653</b>	<b>3,58,652</b>	<b>1,117.46</b>	<b>1,117.46</b>

## Energy Balance

### Petitioner's Submission

5.15 It has been submitted that in order to meet the energy requirement, the Petitioner has procured power from two sources i.e., Damodar Valley Corporation (DVC) at 33 kV and 132 kV and Tata Steel Limited (TSL). The Petitioner has also been able to sustain the T&D losses at lowest possible levels at 1.68%. The energy balance submitted is tabulated as follows:

**Table 14: Energy Balance (in MU) as submitted by the Petitioner for FY 2024-25**

Particulars	FY 2024-25	
	APR	Petition
<b>Energy Requirement</b>		
Sales (MU)	1122.48	1117.46
Overall Distribution Losses %	3.42%	1.68%
Overall Distribution Losses (MU)	39.75	19.05
<b>Total Energy Requirement (MU)</b>	<b>1162.23</b>	<b>1136.51</b>
<b>Energy Availability</b>		
Tata Steel Ltd.	418.24	417.82
DVC at 33 kV	150.69	139.10
DVC at 132 kV	583.29	579.58
Schedule		
Solar Rooftop Net Meter Surplus		0.005



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

Particulars	FY 2024-25	
	APR	Petition
Others/Traders	10	
<b>Total Energy Availability (MU)</b>	<b>1162.22</b>	<b>1136.51</b>

5.16 The energy sales were in line with the approved estimated. To meet the sales of 1,117.46 MU in FY 2024-25, Tata Steel UISL purchased 1,136.51 MU. Distribution loss for FY 2024-25 was 19.05 MU which amounts to 1.68%. The Petitioner thus requests the Hon'ble Commission to kindly approve the same as per actuals.

**Commission's Analysis**

5.17 On scrutinizing and analyzing the data, material, information annexed in '**Annexure 2**' of the petition, the Commission approves power purchase cost of Tata Steel Limited for FY 2024-25.

5.18 Further, on scrutinizing and analyzing, the data, material, information annexed in '**Annexure-3**' of the petition, the Commission approves the power purchase cost for DVC Sources (33 kV and 132 kV) for FY 2024-25.

5.19 It is observed that power purchased from Solar Rooftop Net Meter Surplus is 0.005 MU. In reply to query No. 8 of the first data gap, the Petitioner has provided the IT based record of injection from the solar rooftop sources.

5.20 It is observed that the distribution loss claimed by the Petitioner is 1.68%. Furthermore, the Petitioner has also submitted Energy Audit Report in reply to Query No. 9 of the Data Gap reaffirming the Distribution loss at 1.68%.

5.21 Based on above discussion, the Commission approves the energy sales, distribution losses and power purchase quantum as summarized below:

**Table 15: Energy Balance (MU) as approved by the Commission for FY 2024-25**

Particulars	FY 2024-25		
	APR	Petition	Approved
<b>Energy Requirement</b>			
Sales (MU)	1122.48	1117.46	1117.46
Overall Distribution Losses %	3.42%	1.68%	1.68%
Overall Distribution Losses (MU)	39.75	19.05	19.05
<b>Total Energy Requirement (MU)</b>	<b>1162.23</b>	<b>1136.51</b>	<b>1136.51</b>
<b>Energy Availability</b>			
Tata Steel Ltd.	418.24	417.82	417.82



Particulars	FY 2024-25		
	APR	Petition	Approved
DVC at 33 kV	150.69	139.10	139.10
DVC at 132 kV	583.29	579.58	579.58
Schedule			
Solar Rooftop Net Meter Surplus		0.005	0.005
Others/Traders	10		0.00
<b>Total Energy Availability (MU)</b>	<b>1162.22</b>	<b>1136.51</b>	<b>1136.51</b>

## Power Purchase Cost

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

5.22 The Petitioner has submitted that it has sourced its power requirement from Tata Steel Limited (TSL) and Damodar Valley Corporation (DVC). The total power procurement cost claimed by the Petitioner is Rs. 517.13 Cr. The Petitioner further submitted that the total landed power purchase cost of Tata Steel USISL for FY 2024-25 is Rs. 4.55 per unit inclusive of transmission losses and other transmission related charges.

5.23 The power procurement cost from Tata Steel Limited is Rs. 207.24 Cr. for 417.82 MUs at a rate of Rs. 4.96 per unit. The total power procurement cost from DVC claimed by the Petitioner is Rs. 309.82 Cr. for 718.68 MUs. As per submission, 139.09 MUs are purchased at 33 kV at the rate of Rs. 4.51 per unit while 579.58 MUs have been purchased at 132 kV at rate of Rs. 4.26 per unit. The power purchase cost from the JBVNL is Rs. 0.07 Cr.

5.24 With regard to the Renewable Power Obligation, the Petitioner has submitted that it has purchased power from two sources viz (i) DVC and (ii) Tata Steel Limited in consumer mode. Thus, the RPO compliance for the units purchased from DVC and Tata Steel rests with the selling entity, TSL and DVC, and therefore RPO compliance on units purchased from Tata Steel and DVC are not considered for Tata Steel USIL. The Same has already been approved by the Commission in the Tariff Order dated September 29, 2020.:

*“...7.17 The Commission is of the view that since the Petitioner is procuring power from Distribution Licensees i.e. TSL and DVC and hence, the responsibility to meet the RPO doesn't lies with the Petitioner....”*

5.25 The Petitioner also submitted that the Commission had approved similar methodology in subsequent Tariff Order of TSL. Relevant part of TSL tariff order dated May 31, 2015 is represented below:

*“With respect to the computation of RPO for the Petitioner, the Commission accepts the methodology proposed by the Petitioner which is in line with*



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

*the methodology followed by the Commission in case of power sold to Tata Steel UISL from TSL and accordingly, have estimated the RPO on total energy requirement estimated now for FY 2013-14 net of power purchase from DVC at 132 kV. ....”*

5.26 Thus, the Petitioner has sought approval for the below listed power purchase cost for FY 2024-25:

**Table 16: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner for FY 2024-25**

Particulars	APR	Petition
Tata Steel Ltd.	215.81	207.24
DVC at 33 kV	70.9	62.68
DVC at 132 kV	249.32	247.14
other	4.65	0.07
Solar rooftop net meter surplus		0.002
<b>Net-Power Purchase Cost</b>	<b>540.68</b>	<b>517.13</b>

**Commission’s Analysis**

5.27 On scrutinizing and analysing the submissions, the Commission has considered the power procurement rate for TSL as approved for FY 2024-25 in Tariff Order dated March 28, 2025. The Commission sought the power procurement cost based on the monthly power purchase bills of TSL source for the year FY 2024-25 as enclosed at **Annexure 2 - TSL source wise Summary with Power Purchase bills for FY 2024-25** of the petition.

5.28 With regard to power procured from DVC, the Commission approves the power procurement cost based on the Audited Accounts and monthly bills raised by the DVC as annexed in **‘Annexure 3 - DVC source wise Summary with Power Purchase bills for FY 2024-25’**.

5.29 Upon scrutinizing and analyzing the details submitted by the Petitioner, the Commission holds the view that since the Petitioner is procuring power from Distribution Licensees, namely TSL and DVC, in Consumer Mode, the Renewable Purchase Obligation (RPO) compliance for the units sold to the Petitioner must be met by the Distribution Licensees selling power to the Petitioner. In reply to first data gap, the Petitioner has submitted power purchase cost from TSL and DVC duly certified by an Auditor.

5.30 The Commission has taken into account the power purchase cost from Tata Steel Limited based on the per unit charge approved in True up by the Commission. In regards to DVC, the power purchase charges shall be included as and when the Commission passes its true up order, till then the Commission has relied on the submissions made by the Petitioner.



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

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

Particulars	APR	Petition	Approved
Tata Steel Ltd.	215.81	207.24	167.84
DVC at 33 kV	70.9	62.68	62.68
DVC at 132 kV	249.32	247.14	247.14
other	4.65	0.07	0.07
Solar rooftop net meter surplus		0.002	0.002
<b>Power Purchase Cost</b>	<b>540.68</b>	<b>517.13</b>	<b>477.66</b>

5.31 The Commission in the instant petition approves the Power purchases from DVC based on actual bills submitted by the Petitioner. Further, the Commission approves the power purchase from TSL based on the average power purchase rate as approved by this Commission on Order dated March 28, 2025. Furthermore, if any reconciliation is required in future based on the true-up for FY 2024-25 for DVC and TSL it shall be dealt with separately by DVC-TSUISL, TSL-TSUISL, and the impact of the same shall be considered in the next truing-up.

**Capital Work in Progress (CWIP) & Gross Fixed Asset (GFA)**

**Petitioner's Submission**

5.32 It is submitted by the Petitioner that it has considered the Opening & Closing Capital Work in Progress (CWIP), assets transferred to Gross Fixed Asset (GFA) based on the Audited Accounts Statement.

5.33 With regards to Capital Expenditure, the Petitioner has submitted that it has incurred Rs. 75.26 Cr. as Capital Expenditure including Consumer Contribution against the approved value of Rs. 11.30 Cr.

5.34 Accordingly, the CWIP and GFA for FY 2024-25 as submitted by the Petitioner is given below:

**Table 18: CWIP & GFA (Rs. Cr.) as submitted by the Petitioner for FY 2024-25**

Particulars	APR Order	Petition
<b>Capital Work in Progress</b>		
Opening CWIP	29.83	29.83
Add Capex during the year	80.19	75.52
Capitalisation	67.5	59.72



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

Particulars	APR Order	Petition
Closing CWIP	42.52	45.37
<b>Gross Fixed Asset</b>		
Opening GFA	383.03	383.04
GFA Additions	67.5	59.72
Closing GFA	450.53	442.76

**Commission's Analysis**

5.35 The Commission has scrutinized and analyzed the scheme-wise details submitted by the Petitioner along with audited account for approval of CWIP and GFA for FY 2024-25. The Commission observes that the CAPEX during the year as per Pt. 2 of the Cash flow statement of annual audit accounts is Rs. 75.39 Cr. However, as per reply to Query No. 10 of the data gap, the Petitioner has submitted the correction in CAPEX amounting to Rs.75.52 Cr. and also explained that the difference in amount (Rs. 0.13 Cr.) is on account of **Capital Creditors**.

5.36 As per Note 02A and 02 B of the Audited Accounts, it is observed that the Capitalization during the year is Rs. 59.72 Cr.

5.37 Based on above discussion, the CWIP and GFA as approved by the Commission for FY 2024-25 is given below.

**Table 19: CWIP & GFA (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	APR Order	Petition	Approved
<b>Capital Work in Progress</b>			
Opening CWIP	29.83	29.83	29.83
Add Capex during the year	80.19	75.52	75.52
Capitalisation	67.50	59.72	59.72
Closing CWIP	42.52	45.37	45.63
<b>Gross Fixed Asset</b>			
Opening GFA	383.03	383.04	383.03
GFA Additions	67.50	59.72	59.72
<b>Closing GFA</b>	<b>450.53</b>	<b>442.76</b>	<b>442.75</b>

**Consumer Contribution (CC)**

**Petitioner's Submission**



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

5.38 The Petitioner has submitted details of cumulative consumer contribution received and capitalized during the year including the opening & closing consumer contribution for FY 2024-25 is computed in the table below.

**Table 20: Consumer Contribution Capitalized and Received (Rs. Cr.) as submitted by the Petitioner for FY 2024-25**

Particulars	Petition
Opening Consumer Contribution received	174.95
Add: Consumer contribution received during the year	11.3
Closing consumer contribution received	186.25
Opening consumer contribution capitalized	170.04
Add: Contribution energized during the year	8.51
Closing consumer contribution energised/capitalised	178.55
Balance amount of consumer contribution not capitalized as on last day of the year	7.70

**Commission’s Analysis**

5.39 Based on facts, circumstance and methodology adopted in previous Tariff Order, the Commission approves the CC received as per ‘**Note 17E**’ of annual audit statement for FY 2024-25, further the same CC received has been considered for calculation of Depreciation, Loan Addition and Return on Equity computation.

**Table 21: Consumer Contribution (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars		Petition	Approved
Opening CC (Received)	<b>A</b>	174.95	174.95
Addition (Received)	<b>B</b>	11.30	11.30
Closing CC (Received)	<b>C=A+B</b>	186.25	186.25
Opening CC (Capitalized)	<b>D</b>	170.04	170.04
Addition CC (Capitalized)	<b>E</b>	8.51	8.51
Closing CC (Capitalized)	<b>F=D+E</b>	178.55	178.55
Un-Capitalized CC	<b>G=C-F</b>	7.70	7.70

**Depreciation**

**Petitioner’s Submission**

5.40 It is submitted by the Petitioner that the depreciation proportionate to the extent of fixed assets being funded through Consumer Contribution have



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

been deducted from the total depreciation in order to arrive at the net Depreciation.

5.41 The Petitioner, further submits that the details of accumulated depreciation can be referred in Notes to Audited Accounts for FY 2024-25 (Annexure-1) and Depreciation charged during the year can be referred from Profit and Loss Statement for FY 2024-25 (Annexure-1)

**Table 22: Overall Depreciation (Rs. Cr.) as submitted by the Petitioner for FY 2024-25**

Particulars	Accumul ated Deprecia tion as on 01.04.20 24	Depreciat ion/ amortisat ion during FY 2024-25	Deprecia tion on assets disposed FY 2024-25	Deprecia tion on assets disposed FY 2024-25
	(in Rs. Cr.)	(in Rs. Cr.)	(in Rs. Cr.)	(in Rs. Cr.)
Land	0.00	0.00	0.00	0.00
Buildings	1.48	0.11	0.00	1.59
Plant & Machinery	148.90	15.53	0.00	164.43
Furniture, Fixtures and Office equipment	0.20	0.03	0.00	0.23
Vehicle	0.07	0.00	0.00	0.07
License	0.70	0.07	0.00	0.77
Software cost	0.64	0.05	0.00	0.69
Total	151.99	15.79	0.00	167.78

5.42 The depreciation net of Consumer contribution capitalized as submitted by the Petitioner is as follows:

**Table 23: Net Depreciation (Rs. Cr.) claimed by the Petitioner for FY 2024-25**

Particulars	APR	Petition
Depreciation for the FY 2024-25	14.01	15.79
Less: Depreciation on Asset created out of Consumer Contribution	6.06	7.37
Net Depreciation	7.95	8.42

**Commission’s Analysis**

5.43 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**



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

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- 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 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.
- 5.44 On Scrutinizing and analyzing data, material, information on record, the Commission approves the Gross Depreciation as Rs. 15.79 Cr. as per **'note 2A & note 2B'** of annual audit statement.
- 5.45 Further, the Commission approves the net depreciation after deducting the depreciation on assets funded out of Consumer Contribution from the Gross Depreciation for FY 2024-25. While the Petitioner has considered closing GFA for depreciation, the Commission has considered average of Opening and Closing GFA for the financial year.
- 5.46 The table below summarizes the depreciation as submitted by the Petitioner and as approved by the Commission for FY 2024-25.



**Table 24: Depreciation (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	FY 2024-25		
	APR Order	Petition	Approved
Opening GFA	383.03	383.04	383.04
Addition to GFA	67.50	59.72	59.72
Closing GFA	450.53	442.76	442.76
GFA Considered (A) (Average of Opening and Closing GFA)	416.78	412.90	412.90
Average Consumer Contribution Received (B)	179.21	180.60	180.60
Gross Depreciation (C)	14.01	15.79	15.79
Depreciation on Consumer Contribution (D=(C/A)*B)	0.00	7.37	6.91
<b>Net Depreciation (E=C-D)</b>	<b>14.01</b>	<b>8.42</b>	<b>8.88</b>

## Interest on Loan

### Petitioner's Submission

- 5.47 The Petitioner has submitted that it has adopted the same methodology as approved by the Commission in its previous Orders for computing Interest and Finance Charges. The debt-to-equity ratio has been maintained at 70:30. The deemed additions to the loan have been considered at 70% of GFA addition during FY 2024-25 net of Consumer Contribution capitalized during the year and reduced by the accumulated depreciation on own assets. The deemed repayment has been considered equivalent of the net depreciation cost for the financial year.
- 5.48 The table below shows the normative loan and normative equity added during the FY 2024-25 as methodology discussed above. The Normative loan is estimated based on actual capitalization and consumer contribution capitalized during the year as per audited account for FY 2024-25.

**Table 25: Normative Loan & Normative Equity (Rs. Cr.) added during Year as submitted by the Petitioner for FY 2024-25**

Particulars	FY 2024-25	
	APR Order	Petition
Assets added during the Financial Year	67.50	59.72
Less: CC capitalized during the Financial Year	10.72	11.30
Normative Amount added during the FY	56.78	48.42
Normative Equity (Addition) <b>(30%)</b>	17.03	14.53
Normative Loan (Addition) <b>(70%)</b>	39.75	33.89



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

5.49 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, 2024 plus 200 basis point i.e. 8.65%. The table below illustrates the Interest on Normative Loan for FY 2024-25.

**Table 26: Interest on Loan (Rs. Cr.) as submitted by the Petitioner for FY 2024-25**

Particulars	FY 2024-25	
	APR	Petition
Opening Loan	60.49	60.49
Normative Addition	39.74	33.89
Normative Repayment	7.95	8.42
Closing Loan	92.28	85.97
Average Loan	76.39	73.23
Rate of Interest	10.65%	10.65%
<b>Interest on Loan</b>	<b>8.14</b>	<b>7.80</b>

**Commission’s Analysis**

5.50 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 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

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*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-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”*

5.51 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.

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



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

- 5.53 In accordance with **clause 10.26 (proviso)** as mention above, the Commission approves the interest rate as 8.65% (Base rate of SBI as applicable on April 01, 2024 plus 200 basis points).
- 5.54 The table below shows the normative loan and normative equity added during the FY 2024-25 as methodology discussed above. The Normative loan is estimated based on actual consumer contribution received during the year as per audited account for FY 2024-25.

**Table 27: Normative Loan & Normative Equity (Rs. Cr.) added during Year for FY 2024-25**

Particulars	Approved
Assets added during the Financial Year	59.72
Less: CC capitalized during the Financial Year	11.30
Normative Amount added during the FY	48.42
Equity Addition <b>(30%)</b>	<b>14.53</b>
Debt Addition <b>(70%)</b>	<b>33.89</b>

- 5.55 Based on the above discussion and findings the Commission approves the Interest on Loan for FY 2024-25.

**Table 28: Interest and Finance Charges (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	FY 2024-25		
	APR	Petition	Approved
Opening Loan	60.49	60.49	60.49
Normative Addition	39.74	33.89	33.89
Normative Repayment	7.95	8.42	8.88
Closing Loan	92.28	85.97	85.50
Average Loan	76.39	73.23	72.99
Rate of Interest	10.65%	10.65%	10.65%
<b>Interest on Loan</b>	<b>8.14</b>	<b>7.80</b>	<b>7.77</b>

## Interest on Security Deposits

### Petitioner's Submission

- 5.56 The Petitioner has furnished the details of security deposit as per Audited figures for FY 2024-25. In FY 2024-25, the actual outflow towards interest on security deposit paid to consumers is Rs. 9.07 Cr. Considering the actual security deposits, period of security deposits held and applicable interest rate, the interest on security deposit is paid. The Interest on Consumer Security Deposit submitted by the Petitioner is tabulated as follows:



**Table 29: Consumer Security Deposit (Rs. Cr.) as submitted by the Petitioner for FY 2024-25**

Particulars	FY 2024-25	
	APR	Petition
Opening Consumer Security Deposit	88.36	88.36
CSD Addition	8.31	8.45
Closing CSD	96.67	96.81
Average CSD	92.52	92.59
Interest Rate	10.25%	10.25%
<b>Int. on CSD</b>	<b>9.48</b>	<b>9.07</b>

**Commission’s Analysis**

5.57 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**

*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.”*

5.58 On scrutinizing and analyzing the annual audit account for FY 2024-25, the Commission has observed that interest on consumer security deposit amounting to Rs. 9.07 Cr. as per **note 14** of annual audit statement, 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. 9.07 Cr. Accordingly, the Commission approves the interest on consumer security deposit of Rs. 9.07 Cr. based on audited account and Petitioner claim.

**Table 30: Consumer Security Deposit (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	FY 2024-25		
	APR	Petition	Approved
Opening Consumer Security Deposit	88.36	88.36	88.36
CSD Addition	8.31	8.45	8.45
Closing CSD	96.67	96.81	96.81
Average CSD	92.52	92.59	92.59
Interest Rate	10.25%	10.25%	10.25%
<b>Int. on CSD</b>	<b>9.48</b>	<b>9.07</b>	<b>9.07</b>



## Return on Equity

### Petitioner's Submission

- 5.59 The Petitioner has submitted that the deemed addition to the normative equity has been taken at 30% of Closing GFA for FY 2024-25 net of Consumer Contribution capitalized. It was also submitted that the normative return on equity is claimed 14.50% as per the provisions of Regulation 10.19 of JSERC Distribution Tariff Regulations, 2020.
- 5.60 The Petitioner has taken opening balance of equity for FY 2024-25 equal to the closing of FY 2023-24 (as approved in true-up of tariff order of FY 2023-24 dated 28th March 2025).
- 5.61 The Petitioner has submitted that it has paid the Income Tax (IT) as per normal IT rate and accordingly Return on Equity (RoE) has been grossed up by corporate IT rate. The challan copy of Income Tax paid is annexed as **Annexure-8** in the main petition.
- 5.62 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 2024-25.

**Table 31: Return on Equity (Rs. Cr.) as submitted by the Petitioner for FY 2024-25**

Particulars	FY 2024-25	
	APR	Petition
Opening Equity	65.77	65.77
Deemed Addition	17.03	14.53
Closing Equity	82.80	80.30
Average	74.29	73.04
Rate of ROE	14.50%	14.50%
<b>Return on Equity</b>	<b>10.77</b>	<b>10.59</b>
<b>Total RoE</b>		
Tax Rate	25.17%	25.17%
Tax on ROE	3.62	3.56
<b>ROE including Tax</b>	<b>14.39</b>	<b>14.15</b>

### Commission's Analysis

- 5.63 On consideration of the JSERC Distribution Tariff Regulations, 2020, the Commission has considered the Opening Equity base for FY 2024-25 as the Closing Equity base for FY 2023-24. Further the Commission has considered the normative Equity addition during the financial year as



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

30% of the approved capitalization after deducting assets funded out of Consumer Contribution received.

- 5.64 In accordance with **clause 10.19** of Distribution Tariff Regulation 2020 the Commission has allowed a rate of return of 14.50% on equity.
- 5.65 The Commission approves the income tax on return on equity amount for FY 2024-25 is Rs. 3.56 Cr., being 25.17% of Rs. 10.59 Cr. of total Return on Equity including income tax.
- 5.66 Based on above discussion, the Commission approves the Return on Equity along with Income Tax for FY 2024-25 is tabulated hereunder:

**Table 32: Return on Equity (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	FY 2024-25		
	APR	Petition	Approved
Opening Equity	65.77	65.77	65.77
Deemed Addition	17.03	14.53	14.53
Closing Equity	82.80	80.30	80.30
Average	74.29	73.04	73.03
Rate of ROE (upto 31.3.2026)	14.50%	14.50%	14.50%
<b>Return on Equity (for Assets upto 31.3.2026)</b>	<b>10.77</b>	<b>10.59</b>	<b>10.59</b>
<b>Total RoE</b>			
Tax Rate	25.17%	25.17%	25.17%
Tax on ROE	3.62	3.56	3.56
<b>ROE including Tax</b>	<b>14.39</b>	<b>14.15</b>	<b>14.15</b>

## Interest on Working Capital

### **Petitioner's Submission**

- 5.67 The Petitioner has not claimed any Interest on Working Capital (IoWC) for FY 2024-25.

### **Commission's Analysis**

- 5.68 The Commission also doesn't approve any Interest on Working Capital (IoWC) during the Truing up FY 2024-25.

## Operation and Maintenance Expenses (O&M)

### **Petitioner's Submission**

- 5.69 The Petitioner has submitted the Operation and Maintenance (O&M) Expenses includes Employee Cost, R&M Expenses and A&G Expenses as



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

per provisions 10.5 and 10.6 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

- 5.70 The combined inflation factor proposed by the Petitioner is 3.12% for weighted average of CPI and WPI indices for FY 2023-24 and 2024-25. The Petitioner has provided a growth factor of 4.84% based on the increase in Load (in kVA).
- 5.71 As per the actual accounts, the Petitioner has submitted Employees expenses of Rs. 16.00 Cr. inclusive of Terminal Benefits of Rs. 0.89 Cr. The A&G expenses claimed is Rs. 8.03 Cr. inclusive of CGRF expenses and Petition filing expenses (as per Annexure -4) of Rs. 0.75 Cr and Rs. 0.26 Cr. respectively.
- 5.72 The A&G expenses submitted by the Petitioner mainly includes Rent, Travelling & Conveyance, Software charges, Consultancy charges, Advertisement expenses, Security Charges, Vehicle hiring charges etc. The actual A&G expense for FY 2024-25 as per the Audited Accounts is Rs. 8.03 Cr. It is also submitted that the A&G Expenses are inclusive of CGRF Expenses of Rs. 0.75 Cr. and Petition & other filing fees (as per Annexure -4) to the Commission amounting to Rs. 0.26 Cr. The A&G expense claimed is tabulated below:

**Table 33: A&G expenses (Rs. Cr.) as claimed by the Petitioner for FY 2024-25**

Particulars	Formula	APR	Petition
A&G Expense excluding Petition filing fees & CGRF Expenses	A	3.57	7.03
Add: Petition & other filing fees to JSERC	B	0.15	0.26
Add: CGRF Expenses	C	0.27	0.75
<b>Total Actual A&amp;G Expenses</b>	<b>D=A+B+C</b>	<b>3.99</b>	<b>8.03</b>

- 5.73 The Petitioner further submitted that the computation of Normative A&G expense needs to be revised to bring it to the reality by allowing A&G expense for the new areas which Petitioner is serving after FY 2017-18. The Normative estimates approved for A&G expenses for FY 2024-25 in last tariff order has been arrived with only providing inflationary adjustment on the A&G expenditure of FY 2017-18 comes out to be Rs. 3.99 Cr. only, as compared to the actual A&G expenditure in meeting the expenses incurred for new areas covered as well as old areas which is Rs. 8.03 Cr.
- 5.74 In regards to approval of R&M expenses, it was submitted that for 5 year's MYT control period FY 2021-22 to FY 2025-26 should be done by considering the inflation factor on two aspects, (1) Inflation on K factor and (2) Cumulative Inflation factor for calculation of normative R&M expenses for future years. Petitioner submitted that the normative method of approval of R&M expenses is not consistent with the method



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

applied for Employee and A&G cost. Normative expenses of approval of Employee expenses and A&G expenses have been derived with cumulative inflation factor; but the approval of Normative R&M expenses calculation method does not capture the Cumulative inflation factor.

- 5.75 The reasoning provided by Petitioner for using cumulative inflation for calculating R&M expense is due to the fact that Normative R&M value is lower than what it is expected to be. Furthermore, since cumulative inflation is considered for Employee and A&G expense, the same treatment should be given to R&M expense.
- 5.76 The Petitioner has provided a case wherein, if there is no addition to GFA, with K-factor being constant, there shall be no increase in R&M expenses. Although, in practice, the R&M expense shall increase based on inflation. Therefore, the Petitioner has requested for change in methodology.
- 5.77 As per the above submitted methodology, the Petitioner has claimed R&M expenses as follows:

**Table 34: R&M expenses (Rs. Cr.) submitted by the Petitioner for FY 2024-25**

Particulars	Formula	APR	Claimed
Opening GFA	A	383.03	383.04
K Factor as per MYT Order	B	3.30%	3.30%
Add: Inflation factor for FY 2020-21	C		4.14%
Add: Inflation factor for FY 2021-22	D		6.93%
Corrected K-Factor	$E=B*(1+C)*(1+D)$		3.67%
<b>Opening GFA*K-Factor</b>	<b><math>F=B*E</math></b>	<b>12.64</b>	<b>14.08</b>
Add: Inflation factor for FY 2021-22	G	6.93%	6.93%
Add: Inflation factor for FY 2022-23	H	6.87%	6.87%
Add: Inflation factor for FY 2023-24	I	3.72%	3.72%
Add: Inflation factor for FY 2024-25	J	5.84%	3.12%
<b>R&amp;M Expense</b>	<b><math>K=F*(1+G)*(1+H)*(1+I)*(1+J)</math></b>	<b>15.86</b>	<b>17.20</b>

- 5.78 The Petitioner has claimed revision in R&M expenses approved for FY 2024-25 as per above methodology and claimed an additional expense of Rs. 1.34 Cr. totalling the R&M expense to Rs. 17.20 Cr.
- 5.79 In regards to the Employee expenses, the Petitioner has computed normative Employee Expenses for FY 2024-25 exclusive of Terminal Liability considering Inflation of 3.12% (for FY 2024-25) and Employee Growth Factor of 12.38% based on employees as per the letter no PSD/PSK/266/2025 dated 05.11.2025 given to JSERC (Considering MOR for FY 2023-24 and FY 2024-25). The Petitioner has also submitted that to arrive at the final normative employee expense, it has added the



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

actual terminal liabilities of Rs. 0.89 Cr. or FY 2024-25 as per the audited annual accounts to normative employee expense (excluding terminal liabilities) to arrive at the total Normative Employee Expense for FY 2024-25 as follows:

**Table 35: Employee Expenses (Rs. Cr.) claimed by the Petitioner for FY 2024-25**

Particulars	Formula	APR	Petition
Normative Employee Cost (n-1) Excluding Terminal Liabilities	A	15.84	15.84
Weighted Avg. Inflation factor (in %)	B	5.84%	3.12%
Growth Factor-Gn (in %)	C	3.02%	12.38%
<b>Employee Cost as per normative basis (Excl. Terminal Liabilities)</b>	<b><math>D=A*\{(1+B)*(1+C)\}</math></b>	<b>17.27</b>	<b>18.36</b>
Terminal Liabilities	E	0.00	0.89
<b>Employee Cost as per normative basis (Incl. Terminal Liabilities)</b>	<b><math>F=D+E</math></b>	<b>17.27</b>	<b>19.24</b>

5.80 In line with above discussion, the Petitioner has claimed the following O&M expenses:

**Table 36: O&M expenses (Rs. Cr.) claimed by the Petitioner for FY 2024-25**

Particulars	Formula	APR	Audited	Normative Amount
A&G Costs excl. Petition Filing Fees and CGRF Expenses	A	3.57	7.03	7.60
R&M Expenses	B	15.86	11.90	17.20
Employee Cost excluding Terminal Liabilities	C	17.27	15.12	18.36
<b>Total O&amp;M Expenses for the purpose of sharing of Gains/Losses</b>	<b><math>D=A+B+C</math></b>	<b>36.70</b>	<b>34.04</b>	<b>43.16</b>
Terminal Liabilities/ Additional Manpower	E	0.00	0.89	0.89
CGRF Expenses	F	0.27	0.75	0.75
Petition & other filing fees to JSERC	G	0.15	0.26	0.26
<b>Total O&amp;M Expenses</b>	<b><math>H= D+E+F+G</math></b>	<b>37.12</b>	<b>35.94</b>	<b>43.89</b>

5.81 Further, for calculation of sharing of gains/(loss) on O&M Expenses, the Petitioner has considered the actual value of Employee Expenses, A&G Expenses and R&M Expenses for FY 2024-25 as per the Audited Accounts as shown below:



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

**Table 37: Sharing of Gain/Loss on O&M expenses and final O&M claim (Rs. Cr.) for FY 2024-25**

Particulars	Formula	Claimed
Normative O&M Expenses	A	43.16
Actual O&M Expenses	B	34.04
Sharing of Gains/Losses	C=A-B	9.12
<b>Sharing of Gains to be retained by Licensee</b>	<b>D=50% of C</b>	<b>4.56</b>
Terminal Liabilities	E	0.89
CGRF Expenses	F	0.75
Petition & other filing fees to JSERC	G	0.26
<b>Total O&amp;M Claim of TATA Steel UISL</b>	<b>H=B+D+E+F+G</b>	<b>40.50</b>

**Commission's Analysis**

5.82 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<sub>n</sub> – Repair and Maintenance Costs of the Licensee for the nth year;

EMP<sub>n</sub> – Employee Costs of the Licensee for the nth year excluding terminal liabilities;

A&G<sub>n</sub> – Administrative and General Costs of the Licensee for the nth year.

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

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

Where,

‘K’ is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and shall be calculated based on the % of



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

R&M to GFA of the preceding year of the Base Year in the MYT Order after normalising any abnormal expenses;

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

$$b) EMPn + A\&Gn = [(EMPn-1)*(1+Gn) + (A\&Gn-1)]*(INDXn/ INDXn-1)$$

Where,

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

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

INDXn – 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;

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

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

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

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

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

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

- 5.83 Base on the above excerpt, the Commission had calculated the inflation factor as 3.12% for FY 2024-25.
- 5.84 Further, the Commission has observed that the Petitioner has submitted the Growth factor of 12.38% based on increase in kVA load. Hence, based on the above mentioned regulation the Commission has considered the growth factor as 12.38% for Computation of employee expenses.
- 5.85 Based on the facts & circumstances observes in the petition, the Commission approves the normative employee expenses (excluding



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

Terminal benefits) for FY 2024-25 by taking the actual value of inflation factor of 3.12% and growth factor of 12.38%.

**Table 38: Normative Employee Expenses (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	UoM	Approved
Employee Cost of Previous Year	Rs. Cr.	13.51
Inflation Factor	%	3.12%
Growth Factor	%	12.38%
<b>Normative Employee Expenses</b>	<b>Rs. Cr.</b>	<b>18.36</b>

5.86 The Commission approves the normative A&G Expenses for FY 2024-25, based on the approved normative A&G Expenses for FY 2023-24 (excluding Petition Filing Fee and CGRF Expenses) and the actual inflation factor as 3.12% for FY 2024-25.

**Table 39: Normative A&G Expenses (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	UoM	Approved
A&G previous year	Rs. Cr.	3.37
Inflation Factor	%	3.12%
<b>Normative A&amp;G Expenses</b>	<b>Rs. Cr.</b>	<b>3.48</b>

5.87 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the approved opening value of Gross Fixed Assets for FY 2024-25 and by multiplying the 'k' factor of 3.30% as approved in the MYT Order dated November 24, 2022 and inflation factor 3.12%.

**Table 40: Normative R&M Expenses (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	UoM	Approved
GFA	Rs. Cr.	383.03
K-Factor	%	3.30%
<i>Inflation Factor FY 2021-22</i>	%	6.93%
<i>Inflation Factor FY 2022-23</i>	%	6.87%
<i>Inflation Factor FY 2023-24</i>	%	3.72%
<i>Inflation Factor FY 2024-25</i>	%	3.12%
<b>Normative R&amp;M Expense</b>	<b>Rs. Cr.</b>	<b>15.45</b>

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



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

**Table 41: Normative O&M Expenses (Rs Cr.) as approved by the Commission for FY 2024-25**

Particulars	Approved
Normative Employee Expense	18.36
Normative A&G Expenses	3.48
Normative R&M Expenses	15.45
<b>Net Normative Operation &amp; Maintenance Expenses</b>	<b>37.28</b>

5.89 The Commission approves the Terminal liabilities, Petition Filing Fee and CGRF Expenses based on actual as per **note 13** and **note 16**.

5.90 In view of the above, the O&M Expenses claimed by the Petitioner and approved by the Commission including sharing of Gain/(Loss) for FY 2024-25 as given below:

**Table 42: Sharing of Gain/Loss (Rs. Cr.) on account of O&M Expenses as approved by the Commission for FY 2024-25**

Particulars	Petition	Approved
Normative O&M Expenses	43.16	37.28
Actual O&M Expenses	34.04	34.04
Gain/(Loss)	9.12	3.24
<b>Sharing of Gain/Loss</b>	<b>4.56</b>	<b>1.62</b>
Terminal Liabilities	0.89	0.89
Petition Filing Fee	0.26	0.26
CGRF Expenses (Rent & Remuneration)	0.75	0.75
<b>Net O&amp;M Expenses</b>	<b>40.50</b>	<b>37.55</b>

## Non-Tariff Income

### Petitioner's Submission

5.91 The Petitioner has claimed Rs. 0.89 Cr. towards Non-Tariff Income for FY 2024-25 based on audited account.

**Table 43: Non-Tariff Income (Rs. Cr.) as submitted by the Petitioner for FY 2024-25**

Particulars	APR	Petition
Non-Tariff Income	<b>0.98</b>	<b>0.89</b>

### Commission's Analysis

5.92 On scrutinizing and analyzing the annual audit account, the Commission approves the NTI tuned to Rs. 0.89 Cr. which include income from Delayed Payment Surcharge, income from Sale of Scrap and Income from



Miscellaneous Sources as per '**note 17A**' of Annual Audit statement for FY 2024-25 as shown below:

**Table 44: Non-Tariff Income (Rs. Cr.) as approved by the Commission**

Particulars	APR	Petition	Approved
Non-Tariff Income	0.98	0.89	0.89

## Revenue from Sale of Power

### Petitioner's Submission

5.93 The Petitioner has submitted that the revenue from sales of power as per audited accounts for Reconciliation of Revenue/ Income is Rs. 627.99 Cr. for FY 2024-25.

### Commission's Analysis

5.94 On scrutinizing and analyzing, the audited accounts as mentioned in **Note 17A**. The Commission approves the Revenue from Sale of Power as Rs. 627.99 Cr. on the basis of Audited Accounts for FY 2024-25.

**Table 45: Revenue from sale of Power (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	Petition	Approved
Revenue from Tariff Income	627.99	627.99

## Collection Efficiency

### Petitioner's Submission

5.95 The Petitioner has claimed to have achieved a collection efficiency of 100.18 % in FY 2024-25. Accordingly, the Petitioner has computed the sharing of Gain/loss as per the provisions in the JSERC Distribution Tariff Regulation 2020. Total Gain on account of higher collection efficiency is Rs. 3.14 Cr. The Computation of the same is given in the table below.

**Table 46: Collection Efficiency Revenue (Rs. Cr.) as submitted by the Petitioner for FY 2024-25**

Particulars	Formula	Petition
Opening amount of Debtors	a	53.11
Revenue Billed during the year	b	627.99
Revenue Collection during the year	c	629.14
Closing amount of Debtors	d=a+b-c	51.96
Collection Efficiency (in %)	e=c/b	100.00%
Collection Efficiency target	f	99.50%
Gain (%)	g = e-f	0.50%



Particulars	Formula	Petition
Gain Value	$h = g * b$	3.14
<b>Collection Efficiency to be shared with TSUISL</b>	<b><math>i = 50% * h</math></b>	<b>1.57</b>

5.96 The Petitioner is claiming a gain on collection efficiency gain of 1.57 Rs. Cr.

### **Commission's Analysis**

5.97 The Commission had sought the Billing system based proof to support the Collection for FY 2024-25. The Petitioner vide Letter No. PSD/1375/2026 dated January 9, 2026 submitted the detailed collection information from IT based billing system for the year. Based on the facts & circumstance, the Commission approve the collection efficiency as per **clause 6.38 to 6.53** of JSERC Distribution Tariff Regulation 2020 as computed below:

**Table 47: Collection Efficiency Revenue (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	Formula	Petition	Approved
Opening amount of Debtors	a	53.11	53.11
Revenue Billed during the year	b	627.99	627.99
Revenue Collection during the year	c	629.14	629.14
Closing amount of Debtors	$d = a + b - c$	51.96	51.96
Collection Efficiency (in %)	$e = c / b$	100.00%	100.00%
Collection Efficiency target	f	99.50%	99.50%
Gain (%)	$g = e - f$	0.50%	0.50%
Gain Value	$h = g * b$	3.14	3.14
<b>Collection Efficiency to be shared with TSUISL</b>	<b><math>i = 50% * h</math></b>	<b>1.57</b>	<b>1.57</b>

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

### **Petitioner's Submission**

5.98 The Petitioner has claim a Revenue Surplus of Rs. 30.83 Cr. however, due to change in the values of Employee cost under O&M, the same has been recalculated to be Rs. 30.25 Cr. for FY 2024-25 based on audited accounts and normative claimed in the Petition.

### **Commission's Analysis**



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

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

**Table 48: Summary of ARR (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	APR	Petition	Approved
Power Purchase Cost	540.68	517.13	477.66
O&M Expenses	37.11	40.50	37.55
Depreciation	7.95	8.42	8.88
Interest on loan	8.14	7.80	7.77
Interest on Consumer Security Deposit	9.48	9.07	9.07
Interest on Working Capital		0.00	0.00
Return on Equity	14.39	14.15	14.15
Add: sharing of gain/loss		0.00	
Less: Non-Tariff Income	0.98	0.89	0.89
<b>Annual Revenue Requirement</b>	<b>616.77</b>	<b>596.18</b>	<b>554.21</b>
<b>Revenue from sale of power</b>	<b>635.59</b>	<b>627.99</b>	<b>627.99</b>
<b>Revenue Gap/(Surplus)</b>	<b>(18.82)</b>	<b>(31.81)</b>	<b>(73.78)</b>
Add/ Less: Impact of Sharing of Gains/ Loss on Collection Efficiency		1.57	1.57
<b>Revenue Gap/(Surplus) after sharing of Gain/loss</b>		<b>(30.24)</b>	<b>(72.21)</b>

5.100 The Commission has approved the treatment of the Revenue Gap/(Surplus) in **Chapter 8** of this Order.

5.101 The Commission also approves the summarized ARR for Wheeling and Retail Business for FY 2024-25

**Table 49: Wheeling and Retail ARR (Rs. Cr.) as approved by the Commission for FY 2024-25**

Particulars	Wheeling %	Retail %	Wheeling ARR	Retail ARR	Total Approved
Power Purchase Cost	0%	100%	-	477.66	477.66
O&M Expenses					
<i>Employee Expenses</i>	60%	40%	9.60	6.40	16
<i>A&amp;G Expenses</i>	50%	50%	3.51	3.51	7.03
<i>R&amp;M Expenses</i>	90%	10%	10.71	1.19	11.90
<i>Gain on O&amp;M</i>	90%	10%	1.46	0.16	1.62



**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**

<b>Particulars</b>	<b>Wheeling %</b>	<b>Retail %</b>	<b>Wheeling ARR</b>	<b>Retail ARR</b>	<b>Total Approved</b>
Petition Filing Charges & CGRF Expenses	50%	50%	0.50	0.50	1.01
Interest on Loan	90%	10%	7.00	0.78	7.77
Interest on Working Capital	10%	90%	-	-	-
Interest on Security Deposit	0%	100%	-	9.07	9.07
Depreciation	90%	10%	8.00	0.89	8.88
Return on Equity	90%	10%	12.74	1.42	14.15
Less: Non-Tariff Income	10%	90%	0.09	0.80	0.89
<b>Aggregate Revenue Requirement</b>	<b>9.64%</b>	<b>90.36%</b>	<b>53.42</b>	<b>500.78</b>	<b>554.21</b>
Less: Revenue from sale of Power @ Existing Tariff			60.54	567.45	627.99
<b>Net Gap/ (Surplus)</b>			<b>(7.11)</b>	<b>(66.67)</b>	<b>(73.78)</b>



# **Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2025-26**



## **Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2025-26**

6.1 As per Clause 13.2 of the JSERC Distribution 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 5-2 audited/authenticated accounts and the tariff worked out in accordance with these Regulations.”*

6.2 In the instant petition the Petitioner has now sought an Annual Performance Review (APR) for FY 2025-26 based on the actual for first six months (H1) and estimating for the balance six months (H2).

6.3 The Commission on scrutinizing the instant petition on the basis of provision of the Tariff Regulation, 2020 & amendments has determined the APR for FY 2025-26 on consideration of the:

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

6.4 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***

6.5 The Petitioner has submitted the details of the number of consumers, connected load and energy sales for FY 2025-26 based on the first six month’s actuals (H1) while projections for balance six months (H2) has been submitted. The same is tabulated as follows:

**Table 50: Number of Consumers, Connected Load and Sales as submitted by the Petitioner for FY 2025-26**

Consumer Category	Number of Consumers		Connected Load		Energy Sales	
	ARR	Petition	(in kVA)		(in MU)	
			ARR	Petition	ARR	Petition
<b>Domestic Services (DS)</b>	<b>8,687</b>	<b>8,452</b>	<b>71,698</b>	<b>68,140</b>	<b>57.51</b>	<b>53.61</b>
Domestic Services - Rural	1,077	1016	3,192	3,427	2.40	2.48
Domestic Services - Urban	7,573	7,401	59,719	55,854	40.24	36.00
Domestic Services - HT	37	35	8,787	8,859	14.87	15.14



Consumer Category	Number of Consumers		Connected Load		Energy Sales	
	ARR	Petition	(in kVA)		(in MU)	
			ARR	Petition	ARR	Petition
<b>Commercial Services (Non-Domestic)</b>	<b>1,551</b>	<b>1,490</b>	<b>15,680</b>	<b>15,451</b>	<b>15.68</b>	<b>15.25</b>
Commercial Services-Rural>5 kW	47	49	632	732	0.64	0.66
Commercial Services-Rural<5 kW	90	90	349	352	0.22	0.26
Commercial Services-Urban>5 kW	606	484	12,383	11,765	13.05	12.38
Commercial Services-Urban<5 kW	808	867	2,316	2,602	1.77	1.95
<b>Low Tension Industrial Services (LTIS)</b>	<b>354</b>	<b>338</b>	<b>19,027</b>	<b>18,602</b>	<b>23.01</b>	<b>23.47</b>
<b>High Tension Services (HTS)</b>	<b>364</b>	<b>359</b>	<b>2,80,730</b>	<b>2,81,628</b>	<b>1064.96</b>	<b>1081.16</b>
HTS-11 KV	302	298	1,03,892	1,07,158	294.19	306.07
HTS-33 KV	62	61	1,76,838	1,74,470	770.77	775.09
Streetlight		2		85		0.12
<b>Temporary Services</b>	<b>37</b>	<b>30</b>	<b>296</b>	<b>334</b>	<b>0.10</b>	<b>0.12</b>
<b>Sales in exchange</b>						<b>3.87</b>
<b>Total</b>	<b>10,993</b>	<b>10,671</b>	<b>3,87,431</b>	<b>3,84,240</b>	<b>1,161.26</b>	<b>1,177.60</b>

### 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 2025-26 which is summarized in the table below:

**Table 51: Number of Consumers, Connected Load and Sales as approved by the Commission for FY 2025-26**

Consumer Category	Number of Consumers		Connected Load		Energy Sales	
	Petition	Approved	(in kVA)		(in MU)	
			Petition	Approved	Petition	Approved
<b>Domestic Services (DS)</b>	<b>8,452</b>	<b>8,452</b>	<b>68,140</b>	<b>68,140</b>	<b>53.61</b>	<b>53.61</b>
Domestic Services - Rural	1016	1016	3,427	3,427	2.48	2.48
Domestic Services - Urban	7,401	7,401	55,854	55,854	36.00	36.00
Domestic Services - HT	35	35	8,859	8,859	15.14	15.14
<b>Commercial Services (Non-Domestic)</b>	<b>1,490</b>	<b>1,490</b>	<b>15,451</b>	<b>15,451</b>	<b>15.25</b>	<b>15.25</b>
Commercial Services-Rural>5 kW	49	49	732	732	0.66	0.66
Commercial Services-Rural<5 kW	90	90	352	352	0.26	0.26



Consumer Category	Number of Consumers		Connected Load		Energy Sales	
	Petition	Approved	(in kVA)		(in MU)	
			Petition	Approved	Petition	Approved
Commercial Services-Urban>5 kW	484	484	11,765	11,765	12.38	12.38
Commercial Services-Urban<5 kW	867	867	2,602	2,602	1.95	1.95
<b>Low Tension Industrial Services (LTIS)</b>	<b>338</b>	<b>338</b>	<b>18,602</b>	<b>18,602</b>	<b>23.47</b>	<b>23.47</b>
<b>High Tension Services (HTS)</b>	<b>359</b>	<b>359</b>	<b>2,81,628</b>	<b>2,81,628</b>	<b>1081.16</b>	<b>1081.16</b>
HTS-11 KV	298	298	1,07,158	1,07,158	306.07	306.07
HTS-33 KV	61	61	1,74,470	1,74,470	775.09	775.09
Streetlight	2	2	85	85	0.12	0.12
<b>Temporary Services</b>	<b>30</b>	<b>30</b>	<b>334</b>	<b>334</b>	<b>0.12</b>	<b>0.12</b>
<b>Sales in exchange</b>					<b>3.87</b>	<b>3.87</b>
<b>Total</b>	<b>10,671</b>	<b>10,671</b>	<b>3,84,240</b>	<b>3,84,240</b>	<b>1,177.60</b>	<b>1,177.60</b>

## Energy Balance

### Petitioner's Submission

- 6.7 It has been submitted that in order to meet the energy requirement, the Petitioner has procured power from different sources.
- 6.8 The Petitioner has considered H1 performance and estimated the energy requirement for the remaining six months of FY 2025-26. The power purchase quantum for H2 is assumed in line with H1 power purchase from same source. The Petitioner has projected the loss at 3.80% for FY 2025-26 and proposed the Energy Balance as summarized below:
- 6.9 The Petitioner submits that the sourcing of power from TSL, DVC (33 kV) and DVC (132 kV) feeders are based on expected drawl from consumers connected to these sources. These sources feed power to different areas and therefore power drawn from these sources is totally dependent on the loading pattern of consumers connected to these sources.
- 6.10 Further the Petitioner informed about the change of contract with DVC from fixed contract mode to schedule mode. Since 19th August 2025, Commission approved the PPA in schedule mode between Tata Steel UISL and DVC. Power purchase in schedule mode was started subsequently from 1st September 2025. The Petitioner hereby appraises that it has procured 45.22 MUs in September 2025 from DVC in schedule mode.

**Table 52: Energy Balance (in MU) as submitted by the Petitioner for FY 2025-26**

Particulars	ARR	Petition
<b>Energy Requirement</b>		
Sales (MU)	1,161.27	1,177.61



Particulars	ARR	Petition
Overall Distribution Losses %	3.80%	3.80%
Overall Distribution Losses (MU)	44.13	46.52
<b>Energy Requirement</b>	<b>1,207.14</b>	<b>1,224.13</b>
<b>Energy Availability</b>		
Tata Steel Ltd.	475.17	494.07
DVC at 33 kV	165.68	57.57
DVC at 132 kV	556.29	232.04
Schedule		366.22
Power Exchange		73.23
Solar Rooftop Net Meter Surplus		0.00
Others/Traders	10.00	1.00
<b>Energy Availability</b>	<b>1,207.14</b>	<b>1,224.13</b>

### **Commission Analysis**

- 6.11 On scrutinizing the bills for H1 period raised by the DVC and Tata Steel Ltd. and the projections made by the Petitioner, it is observed that a marginal variation in quantum has been claimed in the APR Petition. The Commission is of the view that the additional quantum is for mitigating anomalous conditions, if any, and system constraints. Therefore, the Commission approves the quantum and rate for H2 period projection as proposed by the Petitioner.
- 6.12 In line with the Tariff Order dated March 28, 2025, the Commission has approved overall distribution loss of 3.80% for FY 2025-26.
- 6.13 It is observed by the Commission that the Petitioner planned to procure power quantum of 1.00 MUs from Others/Traders and 73.23 Mus from the Power Exchange. In this regard, the Commission direct to provide the basis of projection of power purchase of 1.00 MUs from Others/Traders and 73.23 MUs from the Power Exchange for October to March of FY 2025-26. The Petitioner submitted in reply to Query 14 of the data gap that due to outage of DVC generating units, the Petitioner had to purchase energy from exchange. Furthermore, to control the overall power purchase cost, they wish to purchase more energy from exchange.
- 6.14 Based on the facts and circumstance and above submission, the Commission approves power purchase of 1.00 MUs from Others/Traders and 73.23 MUs from the Power Exchange for October to March of FY 2025-26, subject to the true-up based on actual.



6.15 In line with the above discussion, the approved energy balance for FY 2025-26 is summarized as follows:

**Table 53: Energy Balance (MU) as approved by the Commission for FY 2025-26**

Particulars	ARR	Petition	Approved
<b>Energy Requirement</b>			
Sales (MU)	1,161.27	1,177.61	1,177.60
Overall Distribution Losses %	3.80%	3.80%	3.80%
Overall Distribution Losses (MU)	44.13	46.52	46.52
<b>Energy Requirement</b>	<b>1,207.14</b>	<b>1,224.13</b>	<b>1,224.13</b>
<b>Energy Availability</b>			
Tata Steel Ltd.	475.17	494.07	494.07
DVC at 33 kV	165.68	57.57	57.57
DVC at 132 kV	556.29	232.04	232.04
Schedule		366.22	366.22
Power Exchange		73.23	73.24
Solar Rooftop Net Meter Surplus		0.00	0.00
Others/Traders	10.00	1.00	1.00
<b>Energy Availability</b>	<b>1,207.14</b>	<b>1,224.13</b>	<b>1,224.14</b>

## Power Purchase Cost

### *Petitioner's Submission*

- 6.16 The Petitioner has submitted that the total power purchase cost of H1 of FY 2025-26 and estimate for H2 of FY 2025-26 has been considered for estimating power purchase cost of FY 2025-26. The unit power purchase cost from TSL source for H2 of FY 2025-26 has been considered the same as H1 of FY 2025-26. The unit power purchase cost from DVC source has been considered based on (1) Actual cost of Power for 5 months in Fixed Contract mode. (2) Actual of September '25 in schedule mode and, (3) Expected cost of power from DVC in H2 for FY2025-26 in schedule mode.
- 6.17 The monthly breakup and invoices of power purchase from TSL 132 kV and 6.6 kV source for power purchase quantum and cost for H1 is given at **Annexure 9** - TSL source wise Summary with Power Purchase bills for FY 2025-26 (H1). The existing rate of H1 at which TSL is charging Tata Steel UISL is based on provisional data available for the first six months of FY 2025-26. For the purpose of projections for H2 of FY 2025-26, the Petitioner has considered the unit power purchase cost of Tata Steel as approved in ARR of FY 2025-26 in Tariff Order dated 28th March 2025. The Petitioner had requested to approve these rates based on weighted



average pooled power purchase cost approved for TSL for FY 2025-26. The total estimated power purchase cost FY 2025-26 is Rs. 245.54 Cr. for 494.07 MUs.

- 6.18 The monthly breakup of DVC 132 kV and 33 kV source for power purchase quantum and cost for H1 are given at **Annexure 10** - DVC source wise Summary with Power Purchase bills for FY 2025-26 (H1) of this petition. The Petitioner appraised the Hon'ble Commission that it has started procuring power from DVC in schedule mode as it has shifted from consumer mode to schedule mode from September 2025 onwards as per the Power Purchase Agreement (PPA) executed between the parties dated 28.08.2025. The total power purchase cost of H1 of FY 2025-26 was Rs. 164.81 Cr. for 334.83 MUs.
- 6.19 For H2 FY 2025-26, the Petitioner expects to purchase 321 MUs from DVC units. Considering the capacity charges payment and energy charges the total cost of power purchase from DVC in schedule mode is expected to be Rs. 217.06 Cr. for 366.22 MU.
- 6.20 Transmission charges are required to pay to the DVC. With effect from 1st September 2025, DVC has started providing power in schedule mode. This requires transmission charges to be paid to DVC for transmission of power from DVC generator to the TATA Steel UISL distribution periphery. For the month of September 2025, the transmission charges were Rs. 1.22 Cr. Similar charge has been considered for six months to arrive the transmission charges for H2 of FY 2025-26, that is expected to be Rs. 7.32 Cr.
- 6.21 It was stated that w.e.f. 1st September 2025, DVC has started supplying power to Tata Steel UISL in schedule mode, therefore RPO is applicable on the units purchased in schedule mode from DVC. In view of this change, obligated units and RPO compliance requirement from DVC units has been worked out by the Petitioner. To meet the RPO, Tata Steel UISL is also attempting to buy green power from power exchange. While buying power from exchange the Petitioner prefers to buy green power, if available at low price, followed by other conventional sources.
- 6.22 Based on above discussion, the Petitioner has requested to approve the power purchase cost as Rs. 642.92 Cr. for FY 2025-26 subject to truing up.



**Table 54: Power Procurement Cost (Rs. Cr.) as submitted by the Petitioner for FY 2025-26**

Particulars	ARR	Petition
Tata Steel Limited	258.49	245.54
DVC at 33 kV	79.50	27.79
DVC at 132 kV	242.54	106.09
DVC Schedule (From September 2025)		217.06
DSM Charges		(0.85)
Transmission Charges to DVC		8.54
Others	4.85	0.49
Others (JBVNL)		0.05
Power Exchange (Green Power)		12.17
Power Exchange (Traditional Power)		22.41
REC Purchase		5.40
Less: Revenue from Power sold to exchange		1.79
<b>Total Power Purchase Cost</b>	<b>585.39</b>	<b>642.90</b>

### **Commission Analysis**

- 6.23 Base on the fact and circumstance the Commission approves the power quantum of 1.00 MUs from Others/Traders and 73.23 MUs from the Power Exchange at a weightage average cost of all the source of TSIUSL for FY 2025-26 amounting to Rs. 5.14 per unit.
- 6.24 On scrutinizing and analyzing the submission, the Commission approves the cost of power purchased from TSL based on the average power procurement cost as approved in the ARR for FY 2025-26 order dated March 28, 2025 for TSL, and subject to truing up. The Commission also approves the delivery of power from TSL at 33kV level to cater to additional load on account of increase in demand from consumers at weighted average cost of power plus losses and wheeling charges for 33 kV.
- 6.25 In case of power procured from DVC including DVC 33kV, DVC 132kV, and DVC scheduled, the Commission approves the actual cost of power for 5 months in fixed contract mode, actual cost of power purchase for September '25 in schedule mode, and considered the same proportion for the H2 period submitted by the Petitioner, and shall be subject to prudent check at the time of truing up.
- 6.26 The Commission is of the view that since the Petitioner is procuring power from Distribution Licensees i.e., TSL and DVC in consumer mode.



Therefore, it not liable to meet the RPO compliance for the units purchased from TSL and DVC 33kV & DVC 132kV.

6.27 The Power Procurement Cost from each source as proposed by the Petitioner and approved by the Commission for FY 2025-26 subject to true up is tabulated hereunder.

**Table 55: Power Procurement Cost (Rs. Cr.) as approved by the Commission for FY 2025-26**

Particulars	ARR	Petition	Approved
Tata Steel Limited	258.49	245.54	246.05
DVC at 33 kV	79.50	27.79	27.79
DVC at 132 kV	242.54	106.09	106.09
DVC Schedule (From September 2025)		217.06	217.06
DSM Charges		(0.85)	(0.85)
Transmission Charges to DVC		8.54	8.54
Others	4.85	0.49	0.49
Others (JBVNL)		0.05	0.05
Power Exchange (Green Power)		12.17	12.17
Power Exchange (Traditional Power)		22.41	21.78
REC Purchase		5.40	4.26
Less: Revenue from Power sold to exchange		1.79	1.79
<b>Total Power Purchase Cost</b>	<b>585.39</b>	<b>642.90</b>	<b>641.63</b>

## Renewable Purchase Obligation

### *Petitioner's Submission*

6.28 The Petitioner has submitted that as per the JSERC (Renewable Energy Purchase Obligation and its compliance) (Second Amendment) Regulations, 2024 that stipulates the long-term trajectory till FY 2029-30 for the Distribution Licensee, Power Distribution Licensee as an obligated entity, is required to purchase electricity from renewable energy sources at a defined minimum percentage of its total consumption during a financial year.

6.29 The Petitioner has submitted that till August 2025, Tata Steel UISL was not required to meet RPO as it was procuring power from DVC & TATA Steel Limited. Both suppliers being a power distribution licensee, the onus of meeting RPO was with the selling Distribution Licensee.

6.30 The Petitioner is further submitted that since from 1st September 2025, DVC has started supplying power to Tata Steel UISL in schedule mode,



therefore RPO will be applicable on the units purchased in schedule mode from DVC. Therefore, the Petitioner has submitted the calculation of obligated units and RPO compliance requirement from DVC units has been worked out. To meet the RPO, the Petitioner attempted to buy green power from power exchange. While buying power from exchange during outage of DVC generating units or otherwise the Petitioner prefers to buy green power, if available at low price, followed by other conventional sources.

- 6.31 However, the onus of meeting RPO Compliance for energy purchased from TSL source, rests with TSL licensee. This is in-line with the various orders of Hon'ble JSERC on the subject.
- 6.32 The Petitioner submitted that it has plans to meet the RPO obligation by purchasing green power, if available at low price, followed by other conventional sources.
- 6.33 The Petitioner's computation of the RPO is mentioned in the following table.

**Table 56 RPO Units (in MUs) for FY 2025-26 as submitted by the Petitioner**

RPO Obligated Units		
Particulars	Formula	MUs
<b>Power Purchase - MUs</b>	<b>A</b>	1224.13
Add- Expected RE Generation in MUs	B	4.47
Less- DVC 132kV & 33kV Source MUs (up to Aug-25)	C	289.61
Less- TSL Source in MUs	D	493.22
Less- Sale in Exchange in MUs	E	3.87
<b>Obligated units for FY 2025-26 MUs</b>	<b>F=A+B-C-D-E</b>	<b>441.90</b>

**Table 57 Detailed Calculation of RPO for FY 2025-26**

Particulars	Wind Renewable Energy	Hydro Renewable Energy	Distributed Renewable Energy	Other Renewable Energy	Total
Surplus REC purchased during previous year (i.e. FY2024-25) which is carried to Target year (i.e. FY 2025-26)_MUs .....(A)	0	0	0	0	0
Obligated units for Target year FY 2025-26_MUs.....(B)					441.90



Particulars	Wind Renewable Energy	Hydro Renewable Energy	Distributed Renewable Energy	Other Renewable Energy	Total
RPO Requirement of Tata Steel UISL Licensee for FY2024-25 (%).....(C)	1.45%	1.22%	2.10%	28.24%	33.01%
Total Obligation required to be fulfilled during FY2025-26_MUs (D = B x C )	6.41	5.39	9.28	124.79	145.87
Total RPO Obligations for FY 2025-26_MUs (Considering Previous year Surplus REC) .....(E =( A + D )	<b>6.41</b>	<b>5.39</b>	<b>9.28</b>	<b>124.79</b>	<b>145.87</b>
Actual Wind Renewable Energy / Hydro RE /DRE / Other RE adjusted with REC purchased during H1 of Target year FY 2025-26.....(F)	0.00	0.00	0.00	0.00	0.00
Expected Wind Renewable Energy / Hydro RE /DRE / Other RE adjusted with REC purchased during H2 of Target year FY 2025-26.....(G)	6.40	5.39	4.81	93.57	110
<b>REC Purchase Sub-Total ( H = F + G )</b>	<b>6.40</b>	<b>5.39</b>	<b>4.81</b>	<b>93.57</b>	<b>110.18</b>
Actual RE generation under Net Metering in H1 of FY2025-26.....( I )			2.24		2.24
Expected RE generation under Net Metering in H2 of FY2025-26.....( J )			2.24		2.24
<b>RE Generation Sub-Total ( K = I + J )</b>			<b>4.47</b>		<b>4.47</b>
Actual RE Power purchased from GDAM in H1 of FY 2025-26 ( L )				4.05	4.05
Expected RE Power purchased from GDAM in H2 of FY 2025-26 ( M )				27.17	27.17
<b>Green Power Purchase Sub-Total ( N = L + M )</b>				<b>31.22</b>	<b>31.22</b>



Particulars	Wind Renewable Energy	Hydro Renewable Energy	Distributed Renewable Energy	Other Renewable Energy	Total
Total Obligation fulfilled for FY2025-26 (MUs) ( O=H+K+N )	6.40	5.39	9.28	124.79	145.87
REC carried forward to FY 2026-27 (MUs) ( K = E - O )	0.00	0.00	0.00	0.01	0.00

**Table 58 Renewable Purchase Obligation Cost in Rs. Cr.**

Particulars	FY 2025-26
No of RECs	110179
Cost of REC Certificate (Rs./Certificate) (Rs. 400/MWh)	400
Cost at MCP incl. GST (Rs. Cr.)	72
Commission to IEX @ Rs. 10 per certificate plus GST (Rs. Cr.)	11.8
Success Fee to Trader @ Rs. 5 per certificate plus GST (Rs. Cr.)	5.9
Landed Cost / REC	489.7
Total Amount Payable (Rs. Cr.)	5.40

### **Commission's Analysis**

6.34 The Commission, after thorough analysis of the facts, is in consent with the Petitioner's claim that the RPO obligation will be there on the Petitioner for the purchase of the power from the DVC in the scheduled mode as per the Commission's Renewable Energy Purchase Obligation and its compliance) (Second Amendment) Regulations, 2024. The trajectory for the RPO is provided below.

**Table 59 RPO Trajectory from FY 2024-25 to FY 2029-30 (in %)**

Year	Wind Renewable Energy	Hydro Renewable Energy	Distributed Renewable Energy	Other Renewable Energy	Total
2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
2029-30	3.48%	1.33%	4.50%	34.02%	43.33%



- 6.35 For the purpose of computing the Renewable Purchase Obligation (RPO) for FY 2025-26, the Commission has considered power purchase for a period of six months, corresponding to the timeframe from which the Petitioner is commenced power procurement in scheduled mode from Damodar Valley Corporation (DVC) and thereby become liable to meet the Renewable Purchase Obligation. Accordingly, the total power purchase quantum liable for RPO compliance is determined as 603.73 MUs, calculated as half of the total projected power purchase of 1224.14 MUs, after deducting the expected Green RE generation of 4.47 MUs and 3.87 MUs of power proposed to be sold through the Power Exchange.
- 6.36 As per the RPO percentage given in the RPO trajectory table above, the Commission is calculated the actual obligated Renewable Energy that the Petitioner is required to be purchase from any renewable energy sources. The detail RPO computation is summarised below.



**Table 60 RPO Computation from FY 2025-26**

<b>RPO Obligated Units Calculation</b>	<b>Formula</b>	<b>FY 2025-26</b>
Total Energy Requirement at Distribution Periphery (MU)	A	603.73
Generation from Roof Top Solar (RTS)	B	0
TSL Source (MU)	C	257.68
Obligated Units (%)	D=A+B+C	346.05
RPO target (%)		33.01%
<b>RPO requirements (MU)</b>		<b>114.23</b>
<b>RPO target</b>	E	33.01%
<b>Total RPO requirement</b>	F	114.23
<b>Less : RPO fulfilled through RTS Consumers JSR</b>	G	0
<b>Less : Purchase from GDAM</b>	H	27.17
<b>Less: REC Purchase</b>	I	87.06
<b>Balance ( Surplus ) / Deficit</b>	<b>J=F-G-H-I</b>	<b>0.00</b>
<b>No of RECs</b>	K=I*1000	<b>87060</b>
<b>Cost of REC Certificate (Rs./Certificate)</b>	L	400
<b>Cost at MCP incl. GST (Rs. Cr.)</b>	M	72
<b>Commission to IEX @ Rs. 10 per certificate plus GST (Rs. Cr.)</b>	N	11.8
<b>Success Fee to Trader @ Rs. 5 per certificate plus GST (Rs. Cr.)</b>	O	5.9
<b>Landed Cost / REC</b>	P	489.7
<b>Total Amount Payable (Rs. Cr.)</b>	Q = K*(L+M+N+O+P) /10 <sup>7</sup>	<b>4.26</b>

## **Capital Work in Progress (CWIP) & Gross Fixed Asset (GFA)**

### **Petitioner's Submission**

6.37 The Petitioner has submitted that the CWIP and GFA based on the actual for first six months (H1) and estimated for next six months (H2) for FY 2025-26. The Petitioner has further submitted that Opening CWIP, Capital Expenditure incurred during the year, Capitalization of Assets opening and closing GFA based on the H1 and H2 period as shown below:



**Table 61: CWIP & GFA (Rs. Cr.) as submitted by the Petitioner for FY 2025-26**

Particulars	ARR	Petition
<b>Capital Work in Progress</b>		
Opening CWIP	42.52	45.37
Capex Exp. during the year	98.6	71.99
Capitalization	118.63	72.36
<b>Closing CWIP</b>	<b>22.49</b>	<b>45.00</b>
<b>Gross Fixed Asset</b>		
Opening GFA	450.53	442.75
GFA Addition	118.63	72.36
<b>Closing GFA</b>	<b>569.16</b>	<b>515.11</b>

### **Commission's Analysis**

6.38 Based on the information submitted by the Petitioner for H1 of FY 2025-26 and on prudent check, the Commission has provisionally approved the CWIP and GFA for FY 2025-26, subjected to true-up based on actuals is given below.

**Table 62: CWIP & GFA (Rs. Cr.) as approved by the Commission for FY 2025-26**

Particulars	ARR	Petition	Approved
<b>Capital Work in Progress</b>			
Opening CWIP	42.52	45.37	45.63
Capex Exp. during the year	98.6	71.99	71.99
Capitalization	118.63	72.36	72.36
<b>Closing CWIP</b>	<b>22.49</b>	<b>45.00</b>	<b>45.26</b>
<b>Gross Fixed Asset</b>			
Opening GFA	450.53	442.75	442.75
GFA Addition	118.63	72.36	72.36
<b>Closing GFA</b>	<b>569.16</b>	<b>515.11</b>	<b>515.11</b>

### **Consumer Contribution**

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

6.39 The Petitioner has submitted that similar to the approach adopted in the previous year, the actual consumer contribution received in H1 and expected to be received in H2 based on the number of consumers and connected load to be added in H2 is added to arrive at the total consumer contribution for FY 2025-26.



**Table 63: CC Capitalized and Received (Rs. Cr.) as submitted by the Petitioner for FY 2025-26.**

Particulars	Petition
CC received during the Year	10.50
CC capitalized during the Year	10.17

### **Commission's Analysis**

6.40 The Commission has analyzed and scrutinized the details submitted by the Petitioner and approves the Consumer Contribution received during FY 2025-26 as below. Accordingly, the same is taken for calculation of Depreciation, Loan Addition and Equity Addition calculations as per the methodology adopted by the Commission in earlier Orders subjected to prudent check at the time of truing-up.

**Table 64: Consumer Contribution (Rs. Cr.) as approved by the Commission for FY 2025-26**

Particulars	Petition	Approved
Consumer Contribution received during the Year	<b>10.50</b>	<b>10.50</b>

## **Depreciation**

### **Petitioner's Submission**

6.41 The Petitioner considered an average depreciation rate of 3.82% based on actual depreciation observed in FY 2024-25 as against 3.54% approved in earlier estimates

6.42 The Petitioner has submitted the depreciation on assets funded through Consumer Contribution as shown below:

**Table 65: Depreciation (Rs. Cr.) as submitted by the Petitioner for FY 2025-26**

Particulars	ARR	Petition
Opening GFA	450.53	442.75
Addition to GFA	118.63	72.36
Closing GFA	569.16	515.11
GFA Considered (A)	509.845	478.93
Average Consumer Contribution Received (B)	191.38	191.5
Gross Depreciation (C)	17.14	18.3
Depreciation on Account of CC (D=C/A*B)	6.43	7.32
<b>Net Depreciation (E=C-D)</b>	<b>10.70</b>	<b>10.98</b>

### **Commission's Analysis**



6.43 The Commission has calculated the actual rate of depreciation for FY 2024-25 as per the Truing up in previous section of this Order. The landed rate of deprecation is 3.82%. Considering the same rate of depreciation and excluding depreciation of consumer contribution, the Commission approves the below tabulated depreciation:

**Table 66: Depreciation (Rs Cr.) as approved by the Commission for FY 2025-26**

Particulars	ARR	Petition	Approved
Opening GFA	450.53	442.75	442.75
Addition to GFA	118.63	72.36	72.36
Closing GFA	569.16	515.11	515.11
GFA Considered (A)	509.85	478.93	478.93
Average Consumer Contribution Received (B)	191.38	191.50	191.50
Gross Depreciation (C)	17.14	18.30	18.32
Depreciation on Account of CC (D=C/A*B)	6.43	7.32	7.32
<b>Net Depreciation (E=C-D)</b>	<b>10.70</b>	<b>10.98</b>	<b>10.99</b>

## Interest on Loan

### **Petitioner's Submission**

6.44 The Petitioner has submitted that the normative loan has been computed by considering the normative Debt-Equity ratio of 70:30. The deemed normative loan addition is considered as 70% of additional capitalizations net of Consumer Contribution capitalized during FY 2025-26. The deemed repayment has been considered equivalent to net depreciation for the Financial Year.

6.45 The table below shows the normative loan and normative equity added during the FY 2025-26 as submitted by the Petitioner. The normative loan is estimated based on the actual Capitalization and Consumer Contribution capitalized during the Financial Year.

**Table 67: Normative Loan & Normative Equity (Rs. Cr.) added during FY 2025-26**

Particulars	ARR	Petition
Assets added during the Financial Year	118.63	72.36
CC capitalized during the Financial Year	11.41	10.50
Normative Amount added during the Financial Year	107.22	61.86
<b>Equity Addition (30%)</b>	<b>32.17</b>	<b>18.56</b>
<b>Debt Addition (70%)</b>	<b>75.05</b>	<b>43.30</b>

6.46 In accordance with **clause 10.26 and clause 10.27** of the Distribution Tariff Regulations, 2020 the interest on normative loan has been



calculated on the average balance of the normative loan during the Financial Year. The addition of loan amount has been considered on normative basis and repayment equal to depreciation is considered for FY 2025-26. The rate of interest is considered as SBI Bank Rate plus 200 basis points as on April 01, 2025 (i.e. 11.00% = 09.00% + 200 basis points).

**Table 68: Interest on Loan (Rs. Cr.) as submitted by the Petitioner for FY 2025-26**

Particulars	ARR	Petition
Opening Balance of Normative Loan	92.28	85.97
Deemed Addition during the FY	75.06	43.30
Deemed Repayment	10.70	10.98
Closing Balance of Normative Loan	156.63	118.28
<b>Average Balance of Normative Loan</b>	<b>124.46</b>	<b>102.13</b>
SBI Bank Rate plus 200 basis point	11%	11%
<b>Interest on Loan</b>	<b>13.25</b>	<b>11.23</b>

### **Commission's Analysis**

- 6.47 In accordance with **clause 10.16 and clause 10.17**, as mentioned earlier in 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.
- 6.48 While approving the normative addition for FY 2025-26, the Commission has considered the GFA addition and Consumer Contribution received during FY 2025-26, in accordance with previous Orders.
- 6.49 In accordance with the **clause 10.23** as mention earlier in this order the Commission approves the debt repayment equal to depreciation for the year.
- 6.50 The table below shows the normative loan and normative equity added during the FY 2025-26 as methodology discuss above. The Normative Loan is estimated based on projected consumer contribution received during the year (i.e. for FY 2025-26).

**Table 69: Normative Loan & Normative Equity (Rs. Cr.) added during FY 2025-26**

Particulars	Petition	Approved
Assets added during the Financial Year	72.36	72.36
CC capitalized during the Financial Year	10.50	10.50
Normative Amount added during the Financial Year	61.86	61.86
<b>Equity Addition (30%)</b>	<b>18.56</b>	<b>18.56</b>
<b>Debt Addition (70%)</b>	<b>43.30</b>	<b>43.30</b>



- 6.51 In accordance with **clause 10.26 (proviso)** as mentioned above, the Commission approves the interest rate as 9.00% (Base rate of SBI as applicable on April 01, 2025 plus 200 basis point).
- 6.52 The following table show the details of Interest and Finance Charges as submitted by the Petitioner and that approved by the Commission for FY 2025-26.

**Table 70: Interest on Loan (Rs. Cr.) as approved by the Commission for FY 2025-26**

Particulars	ARR	Petition	Approved
Opening Balance of Normative Loan	92.28	85.97	85.50
Deemed Addition during the FY	75.06	43.30	43.30
Deemed Repayment	10.70	10.98	10.99
Closing Balance of Normative Loan	156.63	118.28	117.81
<b>Average Balance of Normative Loan</b>	<b>124.46</b>	<b>102.13</b>	<b>101.65</b>
SBI Bank Rate plus 200 bp	10.65%	11.00%	11.00%
<b>Interest on Loan</b>	<b>13.25</b>	<b>11.23</b>	<b>11.18</b>

## Interest on Security Deposits

### *Petitioner's Submission*

- 6.53 The Petitioner in the table below has estimated the Security Deposit amount to be received during the year based on the growth expected in FY 2025-26 and has also estimated the receipt of Cash Security Deposit amount of around Rs. 9.40 Cr. on an overall basis. The SBI rate for April 1, 2025 considered is 10.40%.

**Table 71: Consumer Security Deposit (Rs. Cr.) as submitted by the Petitioner for FY 2025-26**

Particulars	ARR	Petition
Opening Consumer Security Deposit	96.67	96.81
Consumer Security Deposit Addition	8.84	9.40
Closing Consumer Security Deposit	105.51	106.21
Average Consumer Security Deposit	101.09	101.51
Interest Rate	10.25%	10.40%
<b>Interest on Consumer Security Deposit</b>	<b>10.36</b>	<b>10.56</b>

### *Commission's Analysis*

- 6.54 The Commission has gone through the Petition and analyzed the details submitted by the Petitioner before the Commission and on prudent check approves the Interest on Consumer Security Deposit for FY 2025-26 subject to true-up based on the audited accounts is given below:



**Table 72: Consumer Security Deposit (Rs. Cr.) as approved by the Commission for FY 2025-26**

Particulars	ARR	Petition	Approved
Opening Consumer Security Deposit	96.67	96.81	96.81
Consumer Security Deposit Addition	8.84	9.40	9.40
Closing Consumer Security Deposit	105.51	106.21	106.21
Average Consumer Security Deposit	101.09	101.51	101.51
Interest Rate	10.25%	10.40%	10.40%
<b>Interest on Consumer Security Deposit</b>	<b>10.36</b>	<b>10.56</b>	<b>10.56</b>

## Return on Equity

### Petitioner's Submission

- 6.55 The Petitioner has considered the opening normative equity for FY 2025-26 as per closing equity claimed for FY 2024-25. The annual addition has been considered as calculated in preceding sections. The rate of Return on Equity considered is 14.50% as per Regulation 10.19 of JSERC Distribution Tariff Regulations, 2020.
- 6.56 The Return on Equity has been grossed with the applicable income tax rate applicable for FY 2025-26 which stands at 25.17%. The return on equity for FY 2025-26 based on the normative approach is provided in the table below:

**Table 73: Return on Equity (Rs. Cr.) as submitted by the Petitioner for FY 2025-26**

Particulars	ARR	Petition
Opening Equity	82.80	80.30
Deemed Addition	32.17	18.55
Closing Equity	114.97	98.85
Average...	98.89	89.58
Rate of Return on Equity	14.50%	14.50%
<b>Return on Equity</b>	<b>14.34</b>	<b>12.99</b>
Tax Rate	25.17%	25.17%
Tax on ROE	4.82	4.37
<b>Return on Equity including Tax</b>	<b>19.16</b>	<b>17.36</b>

### Commission's Analysis

- 6.57 In line with JSERC Distribution Tariff Regulation, 2020 the Commission has taken the normative addition of equity for FY 2025-26 as 30% of



approved GFA added during the Financial Year along net of Consumer Contribution received.

- 6.58 In accordance with **clause 10.19** of Tariff Regulations, 2020 the Commission approves the Rate of Return on equity as 14.50%.
- 6.59 The Commission approves the Income Tax on Return on Equity @ 25.17% (under section. 115BAA of the Income Tax Act) for FY 2025-26, subject to prudent check at the time of truing up.
- 6.60 The table below show the details of Return on Equity (RoE) as submitted by the Petitioner and approved by the Commission for FY 2025-26.

**Table 74: Return on Equity (Rs. Cr.) as approved by the Commission for FY 2025-26**

Particulars	ARR	Petition	Approved
Opening Equity	82.80	80.30	80.30
Deemed Addition	32.17	18.55	18.56
Closing Equity	114.97	98.85	98.85
Average	98.89	89.58	89.57
Rate of Return on Equity	14.50%	14.50%	14.50%
<b>Return on Equity</b>	<b>14.34</b>	<b>12.99</b>	<b>12.99</b>
Tax Rate	25.17%	25.17%	25.17%
Tax on ROE	4.82	4.37	4.37
<b>Return on Equity including Tax</b>	<b>19.16</b>	<b>17.36</b>	<b>17.36</b>

## Interest on Working Capital

### **Petitioner's Submission**

- 6.61 The Petitioner has not claimed any Interest on Working Capital (IoWC) for FY 2025-26.

### **Commission's Analysis**

- 6.62 The Commission has also not allowed any Interest on Working Capital (IoWC) during the Truing up FY 2025-26.

## Operation and Maintenance Expenses (O&M)

### **Petitioner's Submission**

- 6.63 The Petitioner has submitted that while computing the inflation factor, it has followed the similar methodology adopted by the Hon'ble Commission in its latest tariff order issued on 28.03.2025, as mentioned in the clause 6.60 as reproduced as follows:



*“The Commission approves the normative Employee Expenses for FY 2024-25 based on the normative Employee Expenses (Salaries and Wages and Staff Welfare Expenses) for FY 2023-24 approved by the Commission earlier in this Order, by considering the inflation factor 5.84% (average of last 3 years) and growth factor as 3.02% for FY 2023-24.”*

- 6.64 The Petitioner submitted that based on the above mentioned methodology, the Inflation factor for the FY 2025-26 is calculated as below.

**Table 75 Calculation of Inflation Factor as per Petitioner for FY 2025-26**

Financial Year	Formula	Inflation Factor
Inflation factor for FY 2022-23	A	6.87%
Inflation factor for FY 2023-24	B	3.72%
Inflation factor for FY 2024-25	C	3.12%
<b>Average of last 3 years</b>	<b>D = Average(A,B,C)</b>	<b>4.57%</b>

The Petitioner has considered 4.57% as inflation factor for FY 2025-26.

- 6.65 In regards to projection for H2 the Petitioner has submitted that the projected expenses in H2 are expected to be higher because of on boarding of additional manpower, opening of offices in new area and other maintenance activities in power and distribution substations and strengthening work of some of the distribution network.
- 6.66 The Petitioner submits that in JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, the Hon'ble Commission has provided the methodology to compute R&M expenses in relation to the Gross Fixed Assets by arriving at the 'K' Factor based on the historical actual performance. The Tariff Regulation also provides for indexation of R&M expense using inflationary index. (Repeated below)
- 6.67 The Petitioner submits that for the purpose of revised estimation of R&M expenses for 2025-26, corrected 'K' factor of 3.67% has been considered.
- 6.68 In order to calculate the Employee expense, the methodology adopted by the Commission in previous orders for computation of normative Employee Expenses has been adopted by the Petitioner. Accordingly, Petitioner has computed normative Employee Expenses for FY 2025-26 exclusive of Terminal Liabilities considering Inflation Factor of 4.57% (for FY 2025-26) and Growth Factor of 5.23. The Petitioner further submits that to arrive at the final normative Employee Expenses, it has incremented the terminal benefits by 10% over and above the audited values of last financial year and added the same i.e. Rs. 0.98 Cr. for FY



2025-26, to arrive at the total Normative Employee Expenses of Rs. 21.53 Cr. for FY 2025-26.

**Table 76: Computation of Normative Employee Expenses (in Rs. Cr.) for FY 2025-26 as submitted by the Petitioner**

Particulars	ARR	Petition
Employee Cost (n-1)	17.27	18.36
Inflation Factor in %	5.47%	4.57%
Growth Factor in %	2.20%	7.09%
Employee Cost as per normative basis	18.61	20.56
Terminal Liabilities	0	0.98
Employee Cost as per normative basis including terminal liabilities	18.61	21.53

6.69 The A&G expense claimed by the Petitioner allowed with inflation factor over previous year approved figures. In line with the methodology adopted by the Hon'ble Commission and submitted by the Petitioner in the MYT Petition for the Control Period FY 2021-22 to FY 2025-26, the Petitioner has considered the opening A&G Expenses for FY 2025-26 same as the closing A&G Expenses exclusive of CGRF Expense and Petition & Other Filing fees of FY 2024-25. On the opening A&G Expenses of FY 2025-26, the Petitioner has considered the inflation of 4.57% (Inflation factor for FY 2025-26) as well as Load Growth Factor of 7.13% (Connected load - 3,84,239.59 kVA in FY 2025-26 and 3,58,653.06 kVA in FY 2024-25) to project the normative A&G expenses for FY 2025-26 (exclusive of CGRF Expense and Petition & Other Filing fees). After considering the estimated Petition & Other Filing fees, & CGRF Expenditure the total A&G Expenses for FY 2024-25 is estimated to be Rs. 10.09 Cr.

**Table 77: Computation of Normative A&G expenses for FY 2025-26 as submitted by the Petitioner**

Particulars	ARR (in Rs. Cr.)	Petition (in Rs. Cr.)
Total A&G Expenses for (n-1) year	3.57	7.60
Add: Inflation factor (in %)	5.47%	4.57%
<b>Sub-total</b>	<b>3.78</b>	<b>7.95</b>
Add: Load Growth Factor (in %)	0%	7.13%
<b>Normative A&amp;G Expenses</b>	<b>3.78</b>	<b>8.52</b>
CGRF Expenses	0.27	0.83
Petition & other filing fees to JSERC	0.15	0.75
<b>Normative A&amp;G Expenses including CGRF expenses and petition filing Fees</b>	<b>4.20</b>	<b>10.09</b>



- 6.70 The Petitioner has submitted that in JSERC Distribution Tariff Regulations 2020, the Commission has provided methodology to compute R&M expenses in relation to the Gross Fixed Assets by arriving at the 'k' Factor based on the historical actual performance. The Tariff Regulation also provides for indexation of R&M expense using inflationary index.
- 6.71 The Petitioner submits that for the purpose of revised estimation of R&M expenses for FY 2025-26, the inflation index for FY21 to FY25 and corrected 'K' factor of 3.67% has been. The proposed R&M expenses are as follows:

**Table 78: R&M cost proposed by Petitioner for FY 2025-26**

Particulars	Formula	ARR	Petition
Opening GFA as on 01.04.2024	A	383.03	442.75
K Factor as per MYT Order (in %)	B		3.30%
Add: Inflation factor for FY 2020-21	C		4.14%
Add: Inflation factor for FY 2021-22	D		6.93%
<b>Corrected K factor for MYT period</b>	<b><math>E=B*(1+C)*(1+D)</math></b>		<b>3.67%</b>
Opening GFA* Revised K-Factor	$F=A*E$		16.27
Add: Inflation factor for FY 2021-22	G		6.93%
Add: Inflation factor for FY 2022-23	H		6.87%
Add: Inflation factor for FY 2023-24	I		3.72%
Add: Inflation factor for FY 2024-25	J		3.72%
Add: Inflation factor for FY 2025-26	K		4.57%
<b>Normative R&amp;M Cost for FY 2024-25</b>	<b><math>K=F*(1+G)*(1+H)*(1+I)*(1+J)*(1+K)</math></b>	<b>19.74</b>	<b>20.80</b>

- 6.72 Accordingly, the Petitioner has proposed the below listed claim for O&M expense.



**Table 79 Normative O&M Expenses (Rs. Cr.) as submitted by the Petitioner**

Particulars	ARR	Petition
Normative Employee Cost	3.78	8.52
Normative A&G	19.74	20.80
Normative R&M	18.61	20.56
<b>O&amp;M Expenses excluding Terminal, filing &amp; CGRF</b>	<b>42.20</b>	<b>49.87</b>
Terminal Liabilities	0	0.98
Petition Filing Fee	0.27	0.83
CGRF Expenses (Rent & Remuneration)	0.15	0.75
<b>Normative-O&amp;M</b>	<b>42.62</b>	<b>52.42</b>

### **Commission Analysis**

- 6.73 It is observed by the Commission that the Regulations has the provision for consideration of impact of growth factor and inflation factor while calculating the Normative Employee Expenses. Accordingly, the Commission has taken the impact of growth factor and inflation factor while approving the Normative Employee Expenses.
- 6.74 The Commission approves the normative Employee Expenses for FY 2025-26 based on the normative Employee Expenses (Salaries and Wages and Staff Welfare Expenses) for FY 2024-25 approved by the Commission earlier in this Order, by considering the inflation factor 2.13% (average of last 3 years) and growth factor as 7.09% for FY 2025-26.

**Table 80: Normative Employee Expenses (Rs. Cr.) as approved by the Commission for FY 2025-26**

Particulars	Petition	Approved
Employee Cost (n-1) Years	18.36	18.36
Inflation Factor	4.57%	2.13%
Growth Factor	7.09%	7.09%
<b>Normative Employee cost</b>	<b>20.56</b>	<b>20.08</b>

- 6.75 The Commission approves the normative A&G Expenses for FY 2025-26, by taking the normative A&G Expenses (A&G Expenses excluding petition filing fee and CGRF Expenses) approved during true up for FY 2025-26 earlier in this Order and the inflation factor as 2.134% for FY 2025-26.

**Table 81: Normative A&G Expenses (Rs. Cr.) as approved by the Commission for FY 2025-26.**

Particulars	Petition	Approved
Normative A&G (n-1) Years		3.48



Particulars	Petition	Approved
Inflation Factor		2.13%
<b>Normative A&amp;G Expenses</b>	<b>8.16</b>	<b>3.55</b>

6.76 For the purpose of evaluating the normative R&M Expenses, the Commission has approved opening value of GFA for FY 2025-26 and by multiplying with the 'k' factor of 3.30% as approved in the MYT Order dated November 24, 2022 and inflation factor of the respective years as mentioned in the following table.

**Table 82: Normative R&M Expenses (Rs. Cr.) as approved by the Commission.**

Particulars	Petition	Approved
Opening GFA		442.75
K-Factor		3.30%
<i>Inflation Factor FY 2021-22</i>		6.95%
<i>Inflation Factor FY 2022-23</i>		6.87%
<i>Inflation Factor FY 2023-24</i>		3.72%
<i>Inflation Factor FY 2024-25</i>		3.12%
<i>Approximate Inflation Factor FY 2025-26</i>		2.13%
<b>Normative R&amp;M Expenses</b>	<b>20.8</b>	<b>18.24</b>

6.77 In accordance with **clause 10.6 (note 2)** of Distribution Tariff regulation, 2020 the terminal liabilities are approved as per the actual submitted by the Licensee along with the documentary evidence. Accordingly, the Commission disapproves the Terminal liabilities for APR and reserve the liberty to claim the same during true-up.

6.78 The Commission approves the Petition filing fees and CGRF Expenses to be same as Petitioner claim subject to prudent check at the time of true-up.

6.79 The Normative O&M Expenses calculated based on the Methodology discussed above is summarized in the table below:



**Table 83: Normative O&M Expenses (Rs. Cr.) as approved by the Commission for FY 2025-26**

Particulars	Petition	Approved
Normative Employee Expenses (excluding Terminal Liabilities)	20.56	20.08
Normative A&G Expenses (excluding filing & CGRF Expenses)	8.52	3.55
Normative R&M Expenses	20.80	18.24
<b>Normative O&amp;M Expenses</b>	<b>49.88</b>	<b>41.86</b>
Terminal Liabilities	0.98	0.00
Petition Filing Fee	0.83	0.26
CGRF Expenses (Rent & Remuneration)	0.75	0.75
<b>Net Normative O&amp;M Expenses</b>	<b>52.42</b>	<b>42.87</b>

## Non-Tariff Income

### Petitioner's Submission

6.80 The Petitioner has claimed Rs. 0.98 Cr. towards Non-Tariff Income for FY 2025-26 as proposed.

### Commission's Analysis

6.81 The Commission approves the Non-Tariff Income by considering the increase in demand and new consumer addition, subject to truing up on the actuals. Hence, the Commission approves the NTI as per FY 2024-25:

**Table 84: Non-Tariff Income (Rs. Cr.) as approved by the Commission for FY 2025-26**

Particulars	Petition	Approved
Non-Tariff Income	<b>0.98</b>	<b>0.98</b>

## Revenue from Sale of Power

### Petitioner's Submission

6.82 The Petitioner has submitted that revenue from sales of power for H1 is taken as per actuals and that for H2 has been computed based on growth in load, consumers, and energy sales during H2. The tariff for last 6 months of FY 2025-26 has been estimated at the new approved tariff given by Commission vide order dated 28<sup>th</sup> March 2025 w.e.f 1 April 2025. The revenue from sale of power for H1, H2 and overall are provided in the tables below:



**Table 85: Revenue (Rs. Cr.) as submitted by the Commission for FY 2025-26**

Particulars	Petition
Revenue from sale of Power	678.49

### **Commission's Analysis**

6.83 The Commission has scrutinized the submission made by the Petitioner and provisionally approves the revenue from sale of power subject to true up based on actuals.

**Table 86: Revenue (Rs. Cr.) as approved by the Commission for FY 2025-26**

Particulars	Petition	Approved
Revenue	678.49	678.49

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

### **Petitioner's Submission**

6.84 The Petitioner has projected a Revenue Gap of Rs. 65.97 Cr. for FY 2025-26 based on actual performance for first six months and estimated performance for balance six months for FY 2025-26.

### **Commission's Analysis**

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

**Table 87: Summary of ARR (Rs. Cr.) as approved by the Commission for FY 2025-26.**

Particulars	ARR	Petition	Approved
Power Purchase Cost	585.39	642.90	641.63
O&M Expenses	42.62	52.42	42.87
Depreciation	10.70	10.98	10.99
Interest and Finance Charges	13.25	11.23	11.18
Interest on Consumer Security Deposit	10.36	10.56	10.56
Interest on Working Capital	0	0.00	0.00
Return on Equity	19.16	17.36	17.36
Non-Tariff Income	(0.98)	0.98	(0.98)
<b>Annual Revenue Requirement</b>	680.51	<b>744.46</b>	<b>733.61</b>
Revenue from Sale of Power	675.56	678.49	678.49
<b>Revenue Gap/(Surplus)</b>	4.95	<b>65.97</b>	<b>55.12</b>



6.86 The Commission has approved the treatment of the Revenue Gap/(Surplus) in **Chapter 9** of this Order.



# **Chapter 7: APPROVAL OF BUSINESS PLAN FOR FY 2026-27 TO FY 2030-31**



## **Chapter 7: APPROVAL OF BUSINESS PLAN FOR FY 2026-27 TO FY 2030-31**

7.1 The Petitioner is required to file the Business Plan for approval before the Commission as per Clause 6.9, Clause 6.10 and Clause 6.11 of Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. The relevant Clauses are reproduced below:

### **“Business Plan**

*Each Licensee shall file for the Commission’s approval a Business Plan approved by an authorized signatory, as per the timelines specified in Section A 24 of these Regulations.*

*The Business Plan shall be filed separately for the Retail Supply and Wheeling Business. As specified in Clause 6.7 of these Regulations, in the absence of segregated accounts for the two Businesses, the Licensee shall prepare an allocation statement and submit the same with the Business Plan.*

*The Business Plan shall be for the entire Control Period and shall inter-alia contain:*

*Capital Investment Plan for the entire Control Period commensurate with load growth, distribution loss reduction trajectory and quality improvement measures proposed in the Business Plan. The Capital Investment Plan should also include corresponding capitalisation schedule and financing plan;*

*The Distribution Licensee shall also submit scheme-wise capital structure and cost of financing (interest on debt) and return on equity, Grant, Deposit Works along with terms of the existing loan agreements, etc., as a part of Capital Investment Plan;*

*Sales/Demand Forecast for each consumer category and sub-categories for each year of the Control Period;*

*Power Procurement Plan based on the sales forecast and distribution loss trajectory for each year of the Control Period. The Power Procurement Plan shall also include energy efficiency, RPO fulfilment, and demand side management measures;*

*A set of targets proposed for other controllable items such as distribution losses, billing efficiency, collection efficiency, working capital requirement, quality of supply targets (viz., SAIFI, SAIDI and MAIFI as per the **JSERC (Distribution Licensees’ Standards of Performance) Regulations, 2015, and subsequent amendments), etc. The targets shall be consistent with the capital investment plan proposed by the Licensee;***



*Human Resource Plan with manpower planning including details of the estimated year wise manpower addition and retirements for the Control Period to meet the growth in demand/consumers;*

*Proposals for Non-Tariff Income with item-wise description and details;*

*Proposals in respect of income from Other Business.*

*Business Plan shall also contain the requisite information for the preceding Control Period:*

*Provided that requisite information for the preceding Control Period shall include year-wise audited data on Scheme-wise capital investment, distribution loss trajectory, quality improvement measures undertaken, category-wise number of consumers, connected load and sales, source-wise power procurement quantum and cost, Employee, R&M and A&G Expenses along with detailed break up and any other information used for preparing projections of various performance parameters and other components during the Control Period. In case of a new Licensee, such information is required to be submitted for the period of operations up to the start of the Control Period.”*

- 7.2 In accordance with above said Regulations, the Petitioner has filed the Business Plan for the Control Period from FY 2026-27 to FY 2030-31 for approval before the Commission on December 01, 2020.
- 7.3 The Petitioner further added that the Business Plan submitted before the Commission is broadly classified into four heads as mentioned below and requested the Commission to duly consider the same while approving the Business Plan for the Control Period from FY 2026-27 to FY 2030-31:
- a) Demand and Sales Forecast;
  - b) Power Purchase Plan;
  - c) Capital Investment Plan;
  - d) Human Resource Plan.
- 7.4 The Commission has approved the Business Plan for the Control Period from from FY 2026-27 to FY 2030-31, in line with the relevant Regulations specified above.
- 7.5 The component-wise description of the Petitioner’s submission and the Commission’s analysis thereof is provided hereunder.

## **Demand and Sales Forecast**

### ***Petitioner’s Submission***

- 7.6 The Petitioner submitted that Demand and Sales Forecast is one of the key element of power distribution licensee Business Plan. In this Business Plan demand estimation has been done for each category of



consumers separately and then it has been added to arrive at the total demand/sales.

7.7 The Petitioners has projected category wise additions in the number of consumers for each year of the control period. Primarily following two approaches to project consumer additions in each category:

- a) Average (5 year moving average) addition in the number of consumers for each year of the Control Period
- b) Addition in number of consumers done based on consumer specific information available to Petitioner about the upcoming network expansion.
- c) Network extension and constraints

7.8 For projection of the connected load for each consumer category, the Petitioner has derived the connected load (KVA) per consumer (Load Multiplier) based on the last 5-year data i.e. FY 2021-22 to FY 2025-26 then multiplied by the no. of consumer projected to arrive at the Connected load projection for each consumer category.

7.9 For projection of the Sales for each consumer category, the Petitioner has derived the average load factor of the previous 5 years i.e. FY 2021-22 to FY 2025-26 then multiplied with the projected contracted load and added with the previous year sales (MU) to reach to the projected sales figure for the Control Period.

7.10 The Petitioner further submitted that it has also considered increase in Energy consumption in the Domestic Urban and Commercial service urban category due to Electric Vehicles, and subsequent increase in Electricity demand.

7.11 The no. of consumer, connected load and Sales as projected by the Petitioner for the Control Period is as follows:

**Table 88: Number of Consumers as submitted by the Petitioner for the Control Period (Nos)**

No. Of Consumers	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<b>Domestic Services (DS)</b>	9377	10316	11051	11905	12754
Domestic Services - Rural	1104	1193	1282	1371	1461
Domestic Services – Urban	8238	9088	9734	10499	11258
Domestic Services – HT	35	35	35	35	35
<b>Commercial Services (Non-Domestic)</b>	1574	1676	1778	1880	1982
Commercial Services - Rural > 5kW	57	67	76	85	95
Commercial Services - Rural < 5kW	105	117	130	142	154



No. Of Consumers	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Commercial Services - Urban > 5kW	524	566	607	649	692
Commercial Services - Urban < 5kW	888	926	965	1003	1042
<b>Low Tension Industrial Services (LTIS)</b>	351	364	376	389	401
<b>High Tension Services (HTS)</b>	367	373	381	388	397
HTS-11 KV	305	311	318	325	333
HTS-33 KV	62	62	63	63	64
HTS-132 KV					
Street Light	2	2	2	2	2
<b>Temporary Services</b>	30	30	30	30	30
<b>Total no of consumers</b>	<b>11701</b>	<b>12761</b>	<b>13618</b>	<b>14594</b>	<b>15568</b>

**Table 89 Connected Load as submitted by the Petitioner for the Control Period (kVA)**

Connected Load	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<b>Domestic Services (DS)</b>	74740	81445	86606	92664	98684
Domestic Services - Rural	3690	3955	4221	4486	4752
Domestic Services - Urban	62192	68631	73527	79319	85074
Domestic Services - HT	8859	8859	8859	8859	8859
<b>Commercial Services (Non-Domestic)</b>	16631	17907	19189	20475	21764
Commercial Services - Rural > 5kW	828	936	1043	1151	1259
Commercial Services - Rural < 5kW	410	456	502	549	595
Commercial Services - Urban > 5kW	12731	13740	14756	15776	16799
Commercial Services - Urban < 5kW	2663	2775	2887	2999	3111
<b>Low Tension Industrial Services (LTIS)</b>	19312	19969	20626	21283	21940
<b>High Tension Services (HTS)</b>	<b>286826</b>	<b>2,88,871</b>	<b>2,94,069</b>	<b>2,96,454</b>	<b>3,51,993</b>
HTS-11 KV	109543	1,11,587	1,13,972	1,16,357	1,19,083
HTS-33 KV	177284	1,77,284	1,80,097	1,80,097	1,82,911



Connected Load	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
HTS-132 KV					50,000
Street Light	49	49	49	49	49
<b>Temporary Services</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>
<b>Total</b>	<b>397888</b>	<b>408571</b>	<b>420869</b>	<b>431255</b>	<b>494761</b>

**Table 90 Sales as submitted by the Petitioner for the Control Period (MUs)**

Sales (MU)	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<b>Domestic Services (DS)</b>	<b>57.80</b>	<b>62.05</b>	<b>65.84</b>	<b>69.42</b>	<b>73.27</b>
Domestic Services - Rural	2.76	2.94	3.12	3.30	3.48
Domestic Services – Urban	39.91	43.97	47.58	50.98	54.65
Domestic Services – HT	15.14	15.14	15.14	15.14	15.14
<b>Commercial Services (Non-Domestic)</b>	<b>16.81</b>	<b>18.04</b>	<b>20.14</b>	<b>22.24</b>	<b>24.37</b>
Commercial Services - Rural > 5kW	0.77	0.86	0.95	1.05	1.15
Commercial Services - Rural < 5kW	0.29	0.33	0.36	0.39	0.43
Commercial Services - Urban > 5kW	13.65	14.69	16.58	18.47	20.38
Commercial Services - Urban < 5kW	2.10	2.16	2.25	2.33	2.42
<b>Low Tension Industrial Services (LTIS)</b>	<b>24.41</b>	<b>25</b>	<b>26.03</b>	<b>26.81</b>	<b>27.60</b>
<b>High Tension Services (HTS)</b>	<b>1116.65</b>	<b>1128.18</b>	<b>1139.71</b>	<b>1151.72</b>	<b>1210.74</b>
HTS-11 KV	321	326.93	333.10	339.74	346.86
HTS-33 KV	795.89	801.25	806.61	811.98	817.34
HTS-132 KV					46.54
Street Light	0.12	0.12	0.12	0.12	0.12
<b>Temporary Services</b>	<b>0.12</b>	<b>0.12</b>	<b>0.12</b>	<b>0.12</b>	<b>0.12</b>
<b>Total</b>	<b>1215.92</b>	<b>1233.75</b>	<b>1251.95</b>	<b>1270.43</b>	<b>1336.22</b>

### **Commission's Analysis**

7.12 In order to project number of consumers, connected load and sales for the Control Period from FY 2026-27 to FY 2030-31, the Commission has considered it appropriate to consider last five years' data from FY 2021-22 to FY 2025-26. Based on the actual last five years' data, the



Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections.

- 7.13 The growth rate considered by the Petitioner for the upcoming Control Period for the no of consumers in different category is summarised below and followed by the Commission’s approach in subsequent table:

**Table 91 CAGR for different consumer categories considered by the Petitioner for upcoming control period**

CAGR for different categories	CAGR 5 Year	CAGR 4 Year	CAGR 3 Year	CAGR 2 Year
<b>Domestic Services (DS)</b>	<b>7.99%</b>	<b>7.33%</b>	<b>7.43%</b>	<b>7.13%</b>
Domestic Services - Rural	7.24%	6.97%	6.72%	6.50%
Domestic Services – Urban	8.12%	7.40%	7.55%	7.24%
Domestic Services – HT	0.00%	0.00%	0.00%	0.00%
<b>Commercial Services (Non-Domestic)</b>	<b>5.93%</b>	<b>5.76%</b>	<b>5.59%</b>	<b>5.44%</b>
Commercial Services - Rural > 5kW	13.40%	12.27%	11.64%	10.96%
Commercial Services - Rural < 5kW	10.01%	9.64%	9.02%	8.62%
Commercial Services - Urban > 5kW	7.20%	6.94%	6.71%	6.50%
Commercial Services - Urban < 5kW	4.08%	3.99%	3.91%	3.84%
<b>Low Tension Industrial Services (LTIS)</b>	<b>3.37%</b>	<b>3.29%</b>	<b>3.26%</b>	<b>3.23%</b>
<b>High Tension Services (HTS)</b>	<b>1.98%</b>	<b>2.10%</b>	<b>2.08%</b>	<b>2.32%</b>
HTS-11 KV	2.22%	2.30%	2.33%	2.46%
HTS-33 KV	0.80%	1.06%	0.79%	1.59%
HTS-132 KV				
Street Light	0.00%	0.00%	0.00%	0.00%
<b>Temporary Services</b>	<b>0.00%</b>	<b>0.00%</b>	0.00%	0.00%
<b>Total</b>	<b>7.40%</b>	<b>6.85%</b>	<b>6.92%</b>	<b>6.68%</b>

- 7.14 Table for CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate as computed by the Commission for the past control period is as follows:

**Table 92 CAGR for different consumer categories calculated by the Commission for past control period**

CAGR for different categories	CAGR 5 Year	CAGR 4 Year	CAGR 3 Year	CAGR 2 Year
<b>Domestic Services (DS)</b>	11.87%	12.76%	11.23%	11.09%
Domestic Services - Rural	11.60%	10.65%	9.72%	10.55%



CAGR for different categories	CAGR 5 Year	CAGR 4 Year	CAGR 3 Year	CAGR 2 Year
Domestic Services – Urban	11.98%	13.15%	11.50%	11.24%
Domestic Services – HT	0.00%	-0.93%	0.00%	-2.78%
<b>Commercial Services (Non-Domestic)</b>	8.35%	8.21%	7.85%	11.03%
Commercial Services - Rural > 5kW	41.69%	39.63%	29.99%	28.95%
Commercial Services - Rural < 5kW	22.59%	15.11%	11.03%	11.11%
Commercial Services - Urban > 5kW	9.85%	10.88%	8.25%	11.26%
Commercial Services - Urban < 5kW	5.62%	5.23%	6.39%	10.03%
<b>Low Tension Industrial Services (LTIS)</b>	3.64%	4.52%	3.75%	2.42%
<b>High Tension Services (HTS)</b>	4.07%	2.74%	3.52%	3.76%
HTS-11 KV	4.18%	2.59%	3.53%	3.83%
HTS-33 KV	14.09%	3.51%	3.45%	3.39%
HTS-132 KV				
Street Light				0.00%
<b>Temporary Services</b>	20.99%	1.14%	0.00%	3.45%
<b>Total</b>	10.76%	11.36%	10.17%	10.50%

7.15 Approach adopted by the Commission, for projection of number of consumers of different categories is as follows:

**Table 93 Approach for Projection of No. of Consumers for Control Period**

Categories	Approach for Projection of No. of Consumers
Domestic-LT Rural	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Consumer count in the Domestic-LT Rural category as prepared by the Petitioner for the next 5 years is lower than the as calculated by the Commission, the Commission approve the projection of the Petitioner.
Domestic-LT Urban	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Consumer count in the Domestic-LT Urban category as prepared by the Petitioner for the next 5 years is lower than the as calculated by the Commission, the Commission approve the projection of the Petitioner.
Domestic-HT	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Consumer count in the Domestic-LT Rural category



Categories	Approach for Projection of No. of Consumers
	as prepared by the Petitioner for the next 5 years is lower than the as calculated by the Commission, the Commission approve the projection of the Petitioner.
Commercial- Rural	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Consumer count in the Domestic-LT Rural category as prepared by the Petitioner for the next 5 years is lower than the as calculated by the Commission, the Commission approve the projection of the Petitioner.
Commercial- Urban	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Consumer count in the Domestic-LT Rural category as prepared by the Petitioner for the next 5 years is lower than the as calculated by the Commission, the Commission approve the projection of the Petitioner.
LTIS	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Consumer count in the Domestic-LT Rural category as prepared by the Petitioner for the next 5 years is lower than the as calculated by the Commission, the Commission approve the projection of the Petitioner.
HTIS-11 kV	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Consumer count in the Domestic-LT Rural category as prepared by the Petitioner for the next 5 years is lower than the as calculated by the Commission, the Commission approve the projection of the Petitioner-
HTIS-33 kV	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Consumer count in the Domestic-LT Rural category as prepared by the Petitioner for the next 5 years is lower than the as calculated by the Commission, the Commission approve the projection of the Petitioner.
Temporary Supply	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Consumer count in the Domestic-LT Rural category as prepared by the Petitioner for the next 5 years is lower than the as



Categories	Approach for Projection of No. of Consumers
	calculated by the Commission, the Commission approve the projection of the Petitioner.

7.16 The growth rate considered by the Petitioner for the upcoming Control Period for connected load in different categories is summarised below and followed by the Commission's approach in subsequent table:

**Table 94 CAGR for connected load in different consumer categories considered by the Petitioner**

CAGR for different categories	CAGR 5 Year	CAGR 4 Year	CAGR 3 Year	CAGR 2 Year
<b>Domestic Services (DS)</b>	<b>7.19%</b>	<b>6.61%</b>	<b>6.75%</b>	<b>6.50%</b>
Domestic Services - Rural	6.53%	6.31%	6.11%	5.92%
Domestic Services – Urban	8.15%	7.42%	7.57%	7.25%
Domestic Services – HT	0.00%	0.00%	0.00%	0.00%
<b>Commercial Services (Non-Domestic)</b>	<b>6.96%</b>	<b>6.72%</b>	<b>6.50%</b>	<b>6.30%</b>
Commercial Services - Rural > 5kW	11.05%	10.40%	9.84%	9.36%
Commercial Services - Rural < 5kW	9.77%	9.26%	8.82%	8.44%
Commercial Services - Urban > 5kW	7.18%	6.93%	6.70%	6.49%
Commercial Services - Urban < 5kW	3.97%	3.89%	3.81%	3.74%
<b>Low Tension Industrial Services (LTIS)</b>	<b>3.24%</b>	<b>3.19%</b>	<b>3.14%</b>	<b>3.09%</b>
<b>High Tension Services (HTS)</b>	<b>5.25%</b>	<b>6.81%</b>	<b>9.41%</b>	<b>18.73%</b>
HTS-11 KV	2.11%	2.19%	2.22%	2.34%
HTS-33 KV	0.78%	1.05%	0.78%	1.56%
HTS-132 KV	-	-	-	-
Street Light	0.00%	0.00%	0.00%	0.00%
<b>Temporary Services</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total</b>	<b>5.60%</b>	<b>6.59%</b>	<b>8.42%</b>	<b>14.73%</b>

7.17 Table for CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate as computed by the Commission for the past control period is as follows:

**Table 95 CAGR for connected load in different consumer categories considered by the Commission**

CAGR for different categories	CAGR 5 Year	CAGR 4 Year	CAGR 3 Year	CAGR 2 Year
<b>Domestic Services (DS)</b>	9.28%	12.06%	10.92%	10.42%



<b>CAGR for different categories</b>	<b>CAGR 5 Year</b>	<b>CAGR 4 Year</b>	<b>CAGR 3 Year</b>	<b>CAGR 2 Year</b>
Domestic Services - Rural	19.44%	17.11%	16.84%	18.80%
Domestic Services – Urban	10.32%	14.05%	12.24%	11.96%
Domestic Services – HT	1.41%	0.85%	1.86%	-0.89%
<b>Commercial Services (Non-Domestic)</b>	10.03%	10.61%	9.09%	14.58%
Commercial Services - Rural > 5kW	33.38%	27.76%	21.86%	25.95%
Commercial Services - Rural < 5kW	25.55%	17.86%	11.19%	11.23%
Commercial Services - Urban > 5kW	9.62%	10.60%	8.51%	14.10%
Commercial Services - Urban < 5kW	6.53%	6.47%	8.41%	14.30%
<b>Low Tension Industrial Services (LTIS)</b>	5.31%	6.79%	5.84%	4.84%
<b>High Tension Services (HTS)</b>	5.87%	5.25%	4.73%	6.13%
HTS-11 KV	7.25%	4.79%	6.24%	8.25%
HTS-33 KV	14.20%	5.53%	3.83%	4.87%
HTS-132 KV	-	-	-	-
Street Light	-	-	-	500.00%
<b>Temporary Services</b>	25.66%	-0.48%	0.89%	-1.05%
<b>Total</b>	6.58%	6.62%	5.98%	7.13%

7.18 Approach adopted by the Commission, for projection of connected load in different categories of consumers, is as follows:

**Table 96 Approach for Projection for Connected Load**

<b>Categories</b>	<b>Approach for Projection of Connected Load</b>
Domestic-LT Rural	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Connected Load in the Domestic-LT Rural category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
Domestic-LT Urban	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Connected Load in the Domestic-LT Urban category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.



Categories	Approach for Projection of Connected Load
Domestic-HT	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Connected Load in the Domestic- HT category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
Commercial-Rural	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Connected Load in the Commercial- Rural category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
Commercial-Urban	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Connected Load in the Commercial- Urban category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
LTIS	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Connected Load in the LTIS category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
HTIS-11 kV	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Connected Load in the HTIS-11 kV category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
HTIS-33 kV	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as Connected Load in the HTIS- 33 kV category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
Temporary Supply	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners



Categories	Approach for Projection of Connected Load
	for projections, as Connected Load in the HTIS-11 kV category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.

7.19 The growth rate considered by the Petitioner for the upcoming Control Period for Sales (in MUs) under different consumer categories is summarised below and followed by the Commission’s approach in subsequent table:

**Table 97 CAGR for Sales in MUs under different consumer categories considered by the Petitioner**

CAGR for different categories	CAGR 5 Year	CAGR 4 Year	CAGR 3 Year	CAGR 2 Year
<b>Domestic Services (DS)</b>	<b>6.11%</b>	<b>5.70%</b>	<b>5.50%</b>	<b>5.55%</b>
Domestic Services - Rural	6.03%	5.85%	5.68%	5.52%
Domestic Services – Urban	8.17%	7.51%	7.17%	7.20%
Domestic Services – HT	0.00%	0.00%	0.00%	0.00%
<b>Commercial Services (Non-Domestic)</b>	<b>9.72%</b>	<b>10.54%</b>	<b>10.00%</b>	<b>9.55%</b>
Commercial Services - Rural > 5kW	10.60%	10.18%	9.64%	9.18%
Commercial Services - Rural < 5kW	9.86%	9.37%	9.51%	10.71%
Commercial Services - Urban > 5kW	10.52%	11.51%	10.86%	10.29%
Commercial Services - Urban < 5kW	3.60%	3.77%	3.69%	3.63%
<b>Low Tension Industrial Services (LTIS)</b>	<b>3.12%</b>	<b>3.03%</b>	<b>2.99%</b>	<b>2.94%</b>
<b>High Tension Services (HTS)</b>	<b>2.04%</b>	<b>2.38%</b>	<b>3.07%</b>	<b>5.12%</b>
HTS-11 KV	1.97%	1.99%	2.04%	2.09%
HTS-33 KV	0.67%	0.66%	0.66%	0.66%
HTS-132 KV	-	-	-	-
Street Light	0.00%	0.00%	0.00%	0.00%
<b>Temporary Services</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total</b>	<b>2.39%</b>	<b>2.70%</b>	<b>3.31%</b>	<b>5.18%</b>

7.20 Table for CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate as computed by the Commission for the past control period is as follows:



**Table 98 CAGR for Sales in MUs under different consumer categories considered by the Commission**

<b>CAGR for different categories</b>	<b>CAGR 5 Year</b>	<b>CAGR 4 Year</b>	<b>CAGR 3 Year</b>	<b>CAGR 2 Year</b>
<b>Domestic Services (DS)</b>	<b>12.65%</b>	<b>11.22%</b>	<b>10.79%</b>	<b>6.14%</b>
Domestic Services - Rural	25.50%	21.29%	17.18%	15.99%
Domestic Services – Urban	14.48%	13.24%	12.49%	6.13%
Domestic Services – HT	7.51%	5.78%	6.18%	4.71%
<b>Commercial Services (Non-Domestic)</b>	<b>15.04%</b>	<b>9.65%</b>	<b>7.35%</b>	<b>4.75%</b>
Commercial Services - Rural > 5kW	49.83%	20.98%	13.44%	21.74%
Commercial Services - Rural < 5kW	30.97%	33.82%	21.18%	22.12%
Commercial Services - Urban > 5kW	14.47%	9.54%	7.17%	3.54%
Commercial Services - Urban < 5kW	11.18%	5.37%	5.08%	5.58%
<b>Low Tension Industrial Services (LTIS)</b>	<b>10.18%</b>	<b>8.03%</b>	<b>6.74%</b>	<b>7.35%</b>
<b>High Tension Services (HTS)</b>	<b>8.83%</b>	<b>5.66%</b>	<b>3.42%</b>	<b>4.93%</b>
HTS-11 KV	10.53%	6.34%	4.78%	7.82%
HTS-33 KV	18.71%	5.40%	2.90%	3.83%
HTS-132 KV	-	-	-	-
Street Light	-	-	-	1492.80%
<b>Temporary Services</b>	<b>57.31%</b>	<b>10.82%</b>	<b>19.13%</b>	<b>7.67%</b>
<b>Total</b>	<b>9.09%</b>	<b>5.99%</b>	<b>3.85%</b>	<b>5.04%</b>

7.21 Approach adopted by the Commission, for projection of sales under different categories of consumers, is as follows:

**Table 99 Approach for Projection of Sales for Control Period**

<b>Categories</b>	<b>Approach for Projection of Sales</b>
Domestic-LT Rural	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as the sales proposed in this category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.



Categories	Approach for Projection of Sales
Domestic-LT Urban	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections. As the sales projection of the Petitioner for the Domestic – LT Urban is higher than the projection of the Commission, the Commission, therefore, has projected the Sales considering the actual Sales of FY 2025-26 for projection and escalate it with the Commission defined CAGR to determine the sales. The Commission has approved a growth rate of 6.13% which is the growth rate of past 2 years instead of the growth rate proposed by the Petitioner
Domestic-HT	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as sales proposed in this category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
Commercial-Rural	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as sales proposed in this category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
Commercial-Urban > 5kW	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections. As the sales projection of the Petitioner for the Commercial- Urban > 5kW is higher than the projection of the Commission, the Commission, therefore, has projected the Sales considering the actual Sales of FY 2025-26 for projection and escalate it with the Commission defined CAGR to determine the sales. For Commercial Service greater than 5 kW the Commission has considered a growth rate of 9.54% which is the growth over past 4 years.
Commercial-Urban <5kW	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as sales proposed in this category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
LTIS	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as sales proposed in this category as prepared by the



Categories	Approach for Projection of Sales
	Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
HTIS-11 kV	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as sales proposed in this category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.
Temporary Supply	The Commission has analyzed category wise 5 Years CAGR, 4 Years CAGR, 3 Years CAGR, 2 Years CAGR and Year-on-Year growth rate and compared the same with the growth rates considered by the Petitioners for projections, as sales proposed in this category as prepared by the Petitioner for the next 5 years is lower than as calculated by the Commission, the Commission approve the projection of the Petitioner.

7.22 Based on above approach, the No. of Consumers, Connected Load and Sales approved for the control period from FY 2026-27 to FY 2030-31 by the Commission is as follows:

**Table 100 Number of Consumers as approved by the Commission for the Control Period (Nos)**

No of Consumers	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<b>Domestic Services (DS)</b>	9377	10316	11051	11905	12754
Domestic Services - Rural	1104	1193	1282	1371	1461
Domestic Services – Urban	8238	9088	9734	10499	11258
Domestic Services – HT	35	35	35	35	35
<b>Commercial Services (Non-Domestic)</b>	1574	1676	1778	1880	1982
Commercial Services - Rural > 5kW	57	67	76	85	95
Commercial Services - Rural < 5kW	105	117	130	142	154
Commercial Services - Urban > 5kW	524	566	607	649	692
Commercial Services - Urban < 5kW	888	926	965	1003	1042
<b>Low Tension Industrial Services (LTIS)</b>	351	364	376	389	401
<b>High Tension Services (HTS)</b>	367	373	381	388	397
HTS-11 KV	305	311	318	325	333



No of Consumers	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
HTS-33 KV	62	62	63	63	64
HTS-132 KV	0	0	0	0	0
Street Light	2	2	2	2	2
<b>Temporary Services</b>	30	30	30	30	30
<b>Total</b>	11701	12761	13618	14594	15568

**Table 101 Connected Load as approved by the Commission for the Control Period (kVA)**

Connected Load	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<b>Domestic Services (DS)</b>	74740	81445	86606	92664	98684
Domestic Services - Rural	3690	3955	4221	4486	4752
Domestic Services – Urban	62192	68631	73527	79319	85074
Domestic Services – HT	8859	8859	8859	8859	8859
<b>Commercial Services (Non-Domestic)</b>	16631	17907	19189	20475	21764
Commercial Services - Rural > 5kW	828	936	1043	1151	1259
Commercial Services - Rural < 5kW	410	456	502	549	595
Commercial Services - Urban > 5kW	12731	13740	14756	15776	16799
Commercial Services - Urban < 5kW	2663	2775	2887	2999	3111
<b>Low Tension Industrial Services (LTIS)</b>	19312	19969	20626	21283	21940
<b>High Tension Services (HTS)</b>	286826	288871	294069	296454	351993
HTS-11 KV	109543	111587	113972	116357	119083
HTS-33 KV	177284	177284	180097	180097	182911
HTS-132 KV	0	0	0	0	50000
Street Light	49	49	49	49	49
<b>Temporary Services</b>	330	330	330	330	330
<b>Total</b>	397888	408571	420869	431255	494761



**Table 102 Sales as approved by the Commission for the Control Period (MUs)**

Connected Load	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<b>Domestic Services (DS)</b>	56.10	58.62	61.29	64.11	67.09
Domestic Services - Rural	2.76	2.94	3.12	3.30	3.48
Domestic Services – Urban	38.20	40.55	43.03	45.67	48.47
Domestic Services – HT	15.14	15.14	15.14	15.14	15.14
<b>Commercial Services (Non-Domestic)</b>	16.72	18.20	19.83	21.60	23.52
Commercial Services - Rural > 5kW	0.77	0.86	0.95	1.05	1.15
Commercial Services - Rural < 5kW	0.29	0.33	0.36	0.39	0.43
Commercial Services - Urban > 5kW	13.56	14.86	16.27	17.83	19.53
Commercial Services - Urban < 5kW	2.10	2.16	2.25	2.33	2.42
<b>Low Tension Industrial Services (LTIS)</b>	24.41	25.24	26.03	26.81	27.60
<b>High Tension Services (HTS)</b>	1116.65	1128.18	1139.71	1151.72	1210.74
HTS-11 KV	320.76	326.93	333.10	339.74	346.86
HTS-33 KV	795.89	801.25	806.61	811.98	817.34
HTS-132 KV	0.00	0.00	0.00	0.00	46.54
Street Light	0.12	0.12	0.12	0.12	0.12
<b>Temporary Services</b>	0.12	0.12	0.12	0.12	0.12
<b>Total</b>	1214.13	1230.48	1247.10	1264.47	1329.18

## **Distribution Loss**

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

7.23 The Petitioner has submitted that for the purpose of Business plan projection it has considered the increase in the distribution loss from the previous control period up to the range of 2.60% to 3.20% in the proposed control period i.e. from FY 2026-27 to FY 2030-31. Petitioner has submitted that load on the distribution network is increasing steadily, distribution network is expanding to cover remote rural areas in addition to densely populated urban region. Therefore, distribution loss during the proposed control period may go up due to which, Petitioner has considered the Distribution loss of 3.00%.

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



- 7.24 The Commission observes that the actual distribution loss level of the Petitioner is 1.68% in FY 2024-25. However, for the purpose of MYT Control Period approves the distribution loss on overall sales for each year of the Control Period as submitted by the Petitioners in petition.
- 7.25 As the Petitioner has consistently demonstrated a very good distribution loss trajectory over the last control period i.e. 1.83% in FY 2020-21, 1.71% in FY 2021-22, 1.86% in FY 2022-23, 1.84% in FY 2023-24, and 1.68% in FY 2024-25. Further, the Commission has considered the fact that network growth occurred every year during the previous control period (based on the growth factor calculations submitted by the Petitioner and approved by the Commission for network expansion during the previous control period). Accordingly, the Commission approves a distribution loss of **2.50%** across all years for the control period FY 2026-27 to FY 2030-31, being the maximum loss observed during the previous control period.

## **Energy Balance**

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

- 7.26 The Petitioner submitted that the projection for energy requirement has been arrived by grossing up the sales with distribution loss.
- 7.27 The Petitioner has envisaged some increase in Distribution loss levels over the years due to significant increase in network and growth in LT consumer segment during the Control Period.
- 7.28 The Petitioner has projected its energy requirement as shown in the following table.

**Table 103: Energy Balance as submitted by the Petitioner (MU)**

<b>Particulars</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>	<b>FY 2030-31</b>
<b>Energy Requirement</b>					
Sales (MU)	1215.92	1233.75	1251.95	1270.43	1336.22
Overall Distribution Losses %	3.00%	3.00%	3.00%	3.00%	3.00%
Overall Distribution Losses (MU)	37.61	38.16	38.72	39.29	41.33
Remainder Energy from DVC	796.04	815.43	836.47	903.52	877.54
DVC Transmission Loss	2.96%	2.96%	2.96%	2.96%	2.96%
Transmission Loss	23.56	24.14	24.76	26.74	25.98
Total Energy Requirement from DVC	819.60	839.57	861.23	930.26	903.52
<b>Total Energy Requirement</b>	<b>1277.09</b>	<b>1296.04</b>	<b>1315.43</b>	<b>1336.47</b>	<b>1403.52</b>



### **Commission's Analysis**

7.29 The Commission has projected the energy requirement for the Control Period after grossing up the approved energy sales by the distribution loss for each year of the Control Period.

7.30 The Energy Sales, Distribution Loss and Energy Requirement based on approved Sales for the Control Period, is shown in the following table:

**Table 104: Energy Balance as approved by the Commission (MU)**

<b>Particulars</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>	<b>FY 2030-31</b>
<b>Energy Requirement</b>					
Sales (MU)	1214.13	1230.48	1247.10	1264.47	1329.18
Overall Distribution Losses %	2.50%	2.50%	2.50%	2.50%	2.50%
Overall Distribution Losses (MU)	31.13	31.55	31.98	32.42	34.08
<b>Energy Requirement at DISCOM Periphery</b>	<b>1245.26</b>	<b>1262.03</b>	<b>1279.07</b>	<b>1296.90</b>	<b>1363.27</b>
Energy from TSL	500.00	500.00	500.00	500.00	500.00
Green Energy from Exchange	20	20	20	20	20
Remainder Energy from DVC	725.26	742.03	759.07	776.90	843.27
DVC Transmission Loss	2.96%	2.96%	2.96%	2.96%	2.96%
Transmission Loss	22.12	22.63	23.15	23.70	25.72
Total Energy Requirement from DVC	747.38	764.67	782.23	800.59	868.99
<b>Total Energy Requirement</b>	<b>1267.38</b>	<b>1284.67</b>	<b>1302.23</b>	<b>1320.59</b>	<b>1388.99</b>

### **Power Purchase Plan**

#### **Power Procurement Source**

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

7.31 The Petitioner submitted that the energy requirement for the Control Period would be met from the following sources:

- Tata Steel Limited;
- DVC;
- Open Sources/Traders.



- 7.32 The Petitioner submitted that their existing power sources have almost reached its peak capacity. Therefore, due to the growth in consumer demand, some of the existing contracted capacities may not be sufficient to meet the energy requirement in the ensuing years. For the next control period also, TATA STEEL UISL will be procuring power from its existing sources and plans to establish connectivity with CTU to wheel power from other sources. While projecting energy purchase from these sources, TATA STEEL UISL submits that these sources feed power supply to different loads in different area/ geography; the actual share of sourcing is subject to change based in power being drawn by the consumers connected to those sources.
- 7.33 The Petitioner has applied for one new source of power of 200 kVA from JBVNL at Seraikela town. This new source shall act as a backup in case of breakdowns / shutdowns / stoppage of power due to any external reasons for connections to Seraikela town's consumers, and this facility shall improve the reliability of the power supply to consumers of this area.
- 7.34 The Power Procurement Plan for the Control Period is tabulated below:

**Table 105 Power Purchase Plan as submitted by the Petitioner (MU)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Tata Steel Ltd.	500.00	500.00	500.00	500.00	500.00
DVC from DSTPS Unit 1,2	218.53	236.91	255.67	274.72	342.54
RTPS Unit 1,2	311.00	311.00	311.00	311.00	311.00
BTPS Unit A	204.00	204.00	204.00	204.00	204.00
Sub-Total DVC	733.53	751.91	770.67	789.72	857.54
Green energy from exchange whenever price are low (@4 Rs./Unit with 2% YoY inflation)	20.00	20.00	20.00	20.00	20.00
Short term energy Purchase	0.00	0.00	0.00	0.00	0.00
<b>Total Energy Availability</b>	<b>1253.53</b>	<b>1271.91</b>	<b>1290.67</b>	<b>1309.72</b>	<b>1377.54</b>

### **Commission's Analysis**

- 7.35 The energy requirement shall be met through power sourced from TSL and DVC. However, the total energy requirement is not fulfilled by utilizing these two power sources. As per the table given below, the Commission approves the total power purchase from the TSL, DVC and Green energy from the exchange. But due to the non-consideration of the additional power that wasted in terms of the transmission loss by the



Petitioner, Commission approves the additional power purchase from the Short term market.

7.36 The Commission has allowed short term purchase in the energy availability projection as the energy availability from the long term sources does not meet out the energy requirement for each year of the Control Period.

7.37 The Power Procurement Plan based on Energy Requirement on approved Sales for the Control Period, is shown in the following table:

**Table 106 Power Purchase Plan as approved by the Commission (MU)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Tata Steel Ltd.	500.00	500.00	500.00	500.00	500.00
DVC from DSTPS Unit 1,2	218.53	236.91	255.67	274.72	342.54
RTPS Unit 1,2	311.00	311.00	311.00	311.00	311.00
BTPS Unit A	204.00	204.00	204.00	204.00	204.00
Sub-Total DVC	733.53	751.91	770.67	789.72	857.54
Green energy from exchange whenever price are low (@4 Rs./Unit with 2% YoY inflation	20.00	20.00	20.00	20.00	20.00
Short term energy Purchase	13.85	12.76	11.56	10.87	11.45
<b>Energy Availability</b>	<b>1,267.38</b>	<b>1,284.67</b>	<b>1,302.23</b>	<b>1,320.59</b>	<b>1,388.99</b>

## **Power Purchase Expenses**

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

7.38 The Power Purchase Expenses from the available sources are projected by the Petitioner on the following basis:

### ***Tata Steel Limited (TSL):***

- TATA STEEL UISL has a contracted demand of 88 MVA with TSL. Based on historic consumption data TATA STEEL UISL has considered power procurement of 500 MUs from Tata Steel based on the loads contracted to this service & some future addition which is expected to happen in this source for the Control Period from FY 2026- 27 to FY 2030-31. These however are subject to variations due to loading pattern of contracted Load.
- The Petitioner has estimated Rs. 4.97 per kWh for FY 2025-26. It has escalated the per unit power purchase cost by 2% in subsequent years.



**Table 107: Power Purchase Cost – Tata Steel Limited as submitted by the Petitioner**

Particulars	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Quantum	MU	500	500	500	500	500
Per Unit Rate	Rs/kWh	5.07	5.17	5.27	5.38	5.49
Power Purchase Cost	Rs. Crore	253	259	264	269	274

**Damodar Valley Corporation (DVC):**

- The Petitioner has submitted that with effect from September 2025, DVC has allocated 120 MW to TATA STEEL UISL from its three generating stations (five generating units within three generating stations). Total 40 MW from DSTPS unit 1 and 2, total 48 MW from RTPS unit 1, 2 and 32 MW from BTPS unit A.
- The Petitioner has submitted that it has commenced power procurement from the Damodar Valley Corporation (DVC) in schedule mode effective from September 2025. This transition marks a shift from the earlier “fixed contract demand/ consumer mode” arrangement, in line with the provisions of the Power Purchase Agreement (PPA) executed between the Petitioner and DVC on 28.08.2025. This arrangement will enable better scheduling discipline and sourcing of power from other sources during outage of DVC generating units to ensure continuity of power supply to consumers thereby avoiding load shedding.
- The Petitioner has submitted that it will be required to pay the capacity/fixed charge in proportion to its share in DVC generating units, energy charge based on schedule energy, Ash evacuation charge based on energy scheduled and transmission charges for 120 MW allocation, based on CERC regulations.
- The Petitioner has submitted that to compute the power purchase cost for energy procured from DVC, the Petitioner has computed the unit-wise fixed/ capacity charges and variable charges for the generating units of DVC: (i) DSTPS Units 1 & 2, (ii) RTPS Units 1 & 2, and (iii) BTPS Unit A, for each year of the Control Period from FY 2026–27 to FY 2030–31 as per information submitted by DVC before the Hon’ble CERC on 29.11.2024 in its petition. The same is shown in the Table below.

**Table 108: Components of Capacity Charges of DVC Source for Control Period (in Rs. Cr.) as submitted by the Petitioner**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<b>Annual Fixed Cost (in Rs. Cr.)*</b>					



Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
DSTPS Unit 1,2	1,306.66	1040.38	996.13	996.13	996.13
RTPS Unit 1,2	1,790.29	1,775.63	1,789.34	1,789.34	1,789.34
BTPS Unit A	898.48	898.11	905.41	905.41	905.41
<b>Total</b>	<b>3,995.43</b>	<b>3,714.13</b>	<b>3,690.88</b>	<b>3,690.88</b>	<b>3,690.88</b>
<b>Ash evacuation Charge (in Rs. Cr.)**</b>					
DSTPS Unit 1,2	68.30	68.30	68.30	68.30	68.30
RTPS Unit 1,2	21.54	21.54	21.54	21.54	21.54
BTPS Unit A	49.51	49.51	49.51	49.51	49.51
<b>Total</b>	<b>139.35</b>	<b>139.35</b>	<b>139.35</b>	<b>139.35</b>	<b>139.35</b>
<b>Supplementary Capacity Charge (in Rs. Cr.)*</b>					
DSTPS Unit 1,2	110.41	110.41	110.41	110.41	110.41
RTPS Unit 1,2	142.18	142.18	142.18	142.18	142.18
BTPS Unit A	90.93	90.93	90.93	90.93	90.93
<b>Total</b>	<b>343.52</b>	<b>343.52</b>	<b>343.52</b>	<b>343.52</b>	<b>343.52</b>
*Petition filed by DVC for tariff determination of FY 25 to FY29, The value of FY 30, FY 31 is considered same as FY 29					
**Based on Oct 25 Bills					

- The Petitioner has submitted that each of the three generating stations has an installed capacity of 1000 MW for DSTPS, 1200 MW for RTPS, and 500 MW for BTPS respectively, aggregating to 2700 MW. Based on these capacities, the Petitioner has computed the annual gross generation using 8760 hours per year. Subsequently, it has deducted the normative auxiliary consumption of 6.25%, yields the Net Ex-Bus Energy Generation, which remains constant across all years at 22,173.75 MU, with DSTPS, RTPS, and BTPS contributing in proportion to their capacities. This forms the baseline for determining the quantum of allocated and schedulable power.
- The Petitioner has submitted that DVC has allocated 120 MW to the Petitioner from its three generating station in the following share as mentioned in the following table.



**Table 109 Power Allocation from DVC**

DVC Units	Full Capacity (MW)	% Allocated to TATA Steel UISL	Allocated Capacity (MW)
	A	B	C=A*B
DSTPS Unit 1,2	1000	4.00%	40
RTPS Unit 1,2	1200	4.00%	48
BTPS Unit A	500	6.40%	32
<b>Total</b>	<b>2700</b>	<b>14.40%</b>	<b>120</b>

- The Petitioner has submitted that it has use the same allocation ration to calculate the station wise maximum energy entitlement. Power procurement from DSTPS increases from 216 MU in FY 2026-27 to 350 MU by FY 2030-31. A similar increasing trend is observed for BTPS & RTPS. Normative Plant Load Factor (PLF) of 85% is considered to calculate the annual energy from these sources.
- The Petitioner has submitted that while considering the capacity charge the Petitioner has considered only 95% of the claims made by DVC before CERC in its petition. This may undergo change based on CERC approval. In such a case the power purchase cost will get further impacted by up to max. 2% to 3%.
- The Petitioner has considered the intra-state transmission losses at 2.95% based on existing values being charged by DVC to determine the energy scheduled at distribution periphery.
- The Petitioner has computed the ash evacuation charge based on energy taken from those generating units to total expected generation.
- The Petitioner has submitted that for the energy charge projection, it has considered unit wise energy charge DSTPS – Rs. 3.44/kWh, RTPS – Rs. 3.40/kWh, BTPS – Rs. 2.61/kWh respectively, as per the tariff petition for the period from 01.04.2024 to 31.03.2029 submitted by DVC before the Hon’ble CERC.
- The Petitioner submitted the expected per unit derived rate for planned energy intake as per the table below. As per unit rate has the element of both fixed and energy charge, this will vary significantly based on variation on actual power taken from these units.



**Table 110: Per unit derived rate for Power Purchase from DVC submitted by the Petitioner**

Particulars	Unit	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Quantum	MU	444.09	440.08	446.20	453.13	477.43
Power Purchase Cost	Rs. Cr.	733.53	751.91	770.67	789.72	857.54
Per Unit Rate	Rs/kWh	6.05	5.85	5.79	5.74	5.57

**Open sources/ Power exchanges:**

- The Petitioner expects to purchase green energy at a rate of Rs. 3.80 per unit for the base year (FY 2025-26) based on current prevailing trend of green energy in power exchange. The Petitioner has considered 2% escalation on the per unit power purchase cost of green power in subsequent years of the control period.

**Table 111: Source wise Per Unit Charges for Control Period (in Rs. /Unit)**

Particulars	Base Year FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Green energy from exchange	3.8	3.88	3.95	4.03	4.11	4.20

**Total Power Purchase Cost:**

7.39 The expected total power purchase cost of the Petitioner during the control period is as follows:

**Table 112: Total Power Purchase Cost in Rs. Cr.**

Particulars	Formula	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<b>TSL</b>	<b>A</b>	<b>253</b>	<b>259</b>	<b>264</b>	<b>269</b>	<b>274</b>
<b>DVC</b>						
DSTPS Unit 1,2	B	132	128	133	140	164
RTPS Unit 1,2	C	181	181	181	181	181
BTPS Unit A	D	116	116	117	117	117
Transmission Charges	E	15	15	15	15	15
<b>Sub-total( DVC)</b>	<b>F=B+C+D+E</b>	<b>444</b>	<b>440</b>	<b>446</b>	<b>453</b>	<b>477</b>
Green energy from exchange	G	8	8	8	8	8



Particulars	Formula	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
REC Purchase	H	18	20	22	24	26
<b>Total Power Procurement Cost</b>	<b>I=A+F+G+H</b>	<b>723</b>	<b>726</b>	<b>740</b>	<b>754</b>	<b>786</b>

- The Petitioner requests the Hon'ble Commission to kindly approve the estimated power purchase cost subject to true-up.

**Renewable Power Purchase Obligation (RPO):**

- The Petitioner submits that the JSERC (Renewable Energy Purchase Obligation and its compliance) (Second Amendment) Regulations, 2024 stipulates the long-term trajectory till FY 2029-30 for the Distribution Licensee as mention in the table below.

**Table 113 RPO Trajectory from FY 2024-25 to FY 2029-30 (in %)**

Year	Wind Renewable Energy	Hydro Renewable Energy	Distributed Renewable Energy	Other Renewable Energy	Total
2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

- 7.40 The Petitioner submits that the same regulation stipulates that Power Distribution Licensee as an obligated entity, is required to purchase electricity from renewable energy sources at a defined minimum percentage of its total consumption during a financial year. Till August 2025, Tata Steel UISL was not required to meet RPO as it was procuring power from DVC & TATA Steel Limited. Both suppliers being a power distribution licensee, the onus of meeting RPO was with the selling Distribution Licensee.
- 7.41 However, w.e.f. 1st September 2025, DVC has started supplying power to Tata Steel UISL in schedule mode, therefore RPO is applicable on the units purchased in schedule mode from DVC. In view of this change, obligated units and RPO compliance requirement from DVC units has been worked out. To meet the RPO, Tata Steel UISL is also attempting to buy green power from power exchange. While buying power from exchange during outage of DVC generating units or otherwise the Petitioner prefers to buy green power, if available at low price, followed by other conventional sources.



7.42 The onus of meeting RPO Compliance for energy purchased from TSL source, rests with TSL licensee. This is in-line with the various orders of the Commission on the subject:

*“...7.17 The Commission is of the view that since the Petitioner is procuring power from Distribution Licensees i.e. TSL and DVC and hence, the responsibility to meet the RPO doesn't lies with the Petitioner...”*

7.43 In Relevant extracts from JSERC Tariff Order dated 26th June 2024 Hon'ble Commission has opined the following:

*“5.25. Upon scrutinizing and analyzing the details submitted by the Petitioner, the Commission holds the view that since the Petitioner is procuring power from Distribution Licensees, namely TSL and DVC, in Consumer Mode, the Renewable Purchase Obligation (RPO) compliance for the units sold to the Petitioner must be met by the Distribution Licensees selling power to the Petitioner.”...*

7.44 The Petitioner submits that true-up order of FY 2023-24 dated 28th March 2025 Hon'ble Commission has opined the following:

*...“5.36. Upon scrutinizing and analyzing the details submitted by the Petitioner, the Commission holds the view that since the Petitioner is procuring power from Distribution Licensees, namely TSL and DVC, in Consumer Mode, the Renewable Purchase Obligation (RPO) compliance for the units sold to the Petitioner must be met by the Distribution Licensees selling power to the Petitioner.”...*

7.45 The Petitioner has submitted that it has plans to meet the RPO obligation by (1) RTS generation, (2) Purchasing green energy from GDAM & (3) Purchasing REC from market for balance power requirement. The same is given below:



**Table 114 RPO Computation from FY 2026-27 to FY 2030-31 as submitted by the Petitioner**

Particulars	Parameters	Formula	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<b>Quantum of Obligated Units (in MU)</b>	Total Energy Requirement at Distribution Periphery (MU)	A	1254	1272	1291	1310	1378
	Generation from Roof Top Solar (RTS)	B	3	3	4	4	4
	Less: TSL Source (MU)*	C	500	500	500	500	500
	<b>Obligated Units (MU)</b>	<b>D=A+B-C</b>	<b>756.53</b>	<b>775.21</b>	<b>794.30</b>	<b>813.72</b>	<b>881.93</b>
<b>RPO Computation</b>	RPO target (%)	E	35.95%	38.81%	41.36%	43.33%	43.33%
	Total RPO requirement (MU)	F	271.97	300.86	328.52	352.58	382.14
	Less : RPO fulfilled through RTS Consumers JSR (MU)	G	5.10	5.70	6.20	6.80	7.40
	Less : Purchase from GDAM (MU)	H	20	20	20	20	20
	Less: REC Purchase (MU)	I	246.87	275.16	302.32	325.78	354.74
	<b>Balance ( Surplus ) / Deficit (MU)</b>	<b>J= F-G-H-I</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Computation of REC Cost (in Rs. Cr.)</b>	No of RECs	K=I*1000	246872	275157	302323	325783	354742
	Cost of REC Certificate (Rs/MWh)	L	600	600	600	600	600



Cost at MCP incl. GST (Rs.)	M	108	108	108	108	108
Commission to IEX @ Rs. 10 per certificate plus GST (Rs.)	N	11.8	11.8	11.8	11.8	11.8
Success Fee to Trader @ Rs. 5 per certificate plus GST (Rs.)	O	5.9	5.9	5.9	5.9	5.9
Landed Cost per REC (Rs.)	P	725.7	725.7	725.7	725.7	725.7
<b>Total Amount Payable (Rs. Cr.)</b>	<b><math>Q=K*(L+M+N+O+P)/10^7</math></b>	<b>17.92</b>	<b>19.97</b>	<b>21.94</b>	<b>23.64</b>	<b>25.74</b>

### **Commission's Analysis**

7.46 The Commission has scrutinizing the detail submitted by the Petitioner and approves the Power Purchase Cost from various source based on the following:

#### **Tata Steel Limited (TSL):**

- As per the average power purchase cost of TSL as approved by the Commission for the Control Period in TSL Business Plan and MYT Order dated November 24, 2022.

#### **Damodar Valley Corporation:**

- The Petitioner is purchasing power from DVC in the scheduled mode with effect from September 2025 from its three generating stations DSTPS (Unit 1 and 2), RTPS (Unit1 and 2), BTPS (Unit A). The power purchase cost from the DVC constitutes the fixed /capacity charges, energy charges and transmission charges for 120 MW allocation. Further the total fixed/capacity charges consist of Annual fixed cost, Ash evacuation charges and Supplementary capacity charges. The Petitioner is required to explain why these ash evacuation charges and supplementary capacity charges are taken up separately. However, the Commission after prudence check approves the power purchase cost provisionally from DVC source for the Control Period. at the same



level as approved in True- up for FY 2019-20 without considering any escalation. Any variation in the power purchase cost will be reviewed at the time of APR/True-up.

**Renewable Power Purchase Obligation (RPO):**

- The Commission is of the view that since the Petitioner started power from the DVC is in the scheduled mode, hence, RPO should be fulfilled by the Petitioner as per JSERC (Renewable Energy Purchase Obligation and its compliance) Regulations, 2016 and its amendments thereof reproduced as follows:

*“.....5.2 Every Obligated entity shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of its total consumption as an Obligated Entity during a Year shown as under:.....”*

7.47 The requisite RPO requirement and the cost is depicted as follows:

**Table 115: RPO Computation from FY 27 to FY31**

<b>RPO Obligated Units Calculation</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>	<b>FY 2030-31</b>
Total Energy Requirement at Distribution Periphery (MU)	1267	1285	1302	1321	1389
Generation from Roof Top Solar (RTS)	3	3	4	4	4
TSL Source (MU)	500.00	500.00	500.00	500.00	500.00
Obligated Units (%)	770.38	787.97	805.86	824.59	893.38
RPO target (%)	35.95%	38.81%	41.36%	43.33%	43.33%
<b>RPO requirements (MU)</b>	<b>276.95</b>	<b>305.81</b>	<b>333.30</b>	<b>357.29</b>	<b>387.10</b>
<b>RPO target</b>	35.95%	38.81%	41.36%	43.33%	43.33%
<b>Total RPO requirement</b>	276.95	305.81	333.30	357.29	387.10
<b>Less : RPO fulfilled through RTS Consumers JSR</b>	5.10	5.70	6.20	6.80	0.00
<b>Less : Purchase from GDAM</b>	20.00	20.00	20.00	20.00	20.00
<b>Less: REC Purchase</b>	251.85	280.11	307.10	330.49	367.10
<b>Balance ( Surplus ) / Deficit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
No of RECs	<b>251851</b>	<b>280110</b>	<b>307103</b>	<b>330493</b>	<b>367102</b>
Cost of REC Certificate (Rs. /Certificate)	400	400	400	400	400
Cost at MCP incl. GST (Rs. Cr.)	72	72	72	72	72
Commission to IEX @ Rs. 10 per certificate plus GST (Rs. Cr.)	11.8	11.8	11.8	11.8	11.8
Success Fee to Trader @ Rs. 5 per certificate plus GST (Rs. Cr.)	5.9	5.9	5.9	5.9	5.9
Landed Cost / REC	489.7	489.7	489.7	489.7	489.7



<b>RPO Obligated Units Calculation</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>	<b>FY 2030-31</b>
<b>Total Amount Payable (Rs. Cr.)</b>	<b>12.33</b>	<b>13.72</b>	<b>15.04</b>	<b>16.18</b>	<b>17.98</b>

**Open Access/ Traders/ Short Term Power:**

7.48 The Commission approved the Open Access/ Traders/ Short Term Power Purchase in the energy availability projection as the energy availability from the long term sources has not meet out the energy requirement for each year of the Control Period because the Petitioner is not duly considered the transmission losses for the power purchased from the DVC sources in the scheduled mode. Hence, the Commission approves the total of 13.85, 12.76, 11.56, 10.87 and 11.45 MUs Open Access/ Traders/ Short Term Power Purchase for the FY 2026-27, FY 2027-28, FY 2028-29, FY 2029-30 and FY 2030-31 respectively, with the approved cost of Rs. 3.98 per unit subject to true up.

7.49 Based on the above discussion, the Power Purchase Expenses as approved by the Commission for the Control Period from FY 2026-27 to FY 2030-31 is mentioned below and shall be subject to truing up based on actuals.

**Table 116 Power Purchase Expenses as approved by the Commission (Rs. Cr.)**

<b>Particulars</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>	<b>FY 2030-31</b>
<b>Power Purchase Cost</b>					
<b>Tata Steel Ltd. (Rs. Cr.)</b>	263.50	257.00	261.50	269.50	261.50
DVC from DSTPS Unit 1,2 (Rs. Cr.)	131.67	128.09	133.09	139.88	164.03
DVC from RTPS Unit 1,2 (Rs. Cr.)	181.40	180.84	181.36	181.36	181.36
DVC from BTPS Unit A (Rs. Cr.)	116.24	116.22	116.66	116.66	116.66
Transmission Charges (Rs. Cr.)	14.79	14.93	15.08	15.23	15.39
<b>Sub-Total DVC (Rs. Cr.)</b>	<b>444.09</b>	<b>440.08</b>	<b>446.20</b>	<b>453.13</b>	<b>477.43</b>
<b>Green energy from exchange whenever price are low (@4 Rs./Unit with 2% YoY inflation (Rs. Cr.)</b>	<b>7.75</b>	<b>7.91</b>	<b>8.07</b>	<b>8.23</b>	<b>8.39</b>
<b>REC Purchase (Rs. Cr.)</b>	<b>12.33</b>	<b>13.72</b>	<b>15.04</b>	<b>16.18</b>	<b>17.98</b>
<b>Short Term Energy Purchase (Rs. Cr.)</b>	<b>5.52</b>	<b>5.08</b>	<b>4.60</b>	<b>4.33</b>	<b>4.56</b>
<b>Total Power Purchase Cost (Rs. Cr.)</b>	<b>733.19</b>	<b>723.79</b>	<b>735.41</b>	<b>751.37</b>	<b>769.86</b>

**Capital Investment Plan**

**Petitioner's Submission**

7.50 The Petitioner is required to submit its Business Plan & Multi Year Tariff (MYT) petition for the Control Period starting April 1, 2026 (FY 2026-27)



to March 31, 2031 (FY 2030-31) under the provisions of the "Jharkhand State Electricity Regulatory Commission (JSERC) (Terms and Conditions for Determination of Distribution Tariff) Regulations.

- 7.51 Based on priorities such as Safety, Sustenance, Reliability, Process Improvement, Technology Adoption, and limited Growth (~30-40 MVA), a Capital Investment Plan of Rs. 220 Cr. has been prepared by the Petitioner for the MYT Control Period FY27 to FY31. Out of this Rs. 220 Cr., Rs. 32 Cr. pertains to carry-over schemes from the last Control Period (FY22-FY26) which were started in the last Control period and will be completed in coming Control Period. The remaining 188 Cr. is for 25 new identified schemes addressing above mentioned priorities.
- 7.52 The Petitioner has submitted that because of issues and uncertainties in obtaining various consents/ permissions from authorities and local bodies, Land for substation, cable corridor and Right of Way (RoW) some of the schemes may get deferred or dropped. In view of the above, for the purpose of arriving ARR, it is reasonable to consider Rs. 30 Cr. per year during the Control Period, totalling to 150 Cr. for 5 years. In case the execution level goes beyond this value, the Petitioner will communicate the same to the Commission and will submit the same in yearly filings.
- 7.53 The Petitioner submitted that in addition to above, a major capital scheme "Capacity Augmentation (315MVA) and strengthening of power infrastructure for distribution of power in Seraikela-Kharasawan district", costing Rs. 681 Cr. is proposed for the long term infra development for next 10-15 years.
- 7.54 This scheme is primarily for establishing Connectivity (2x315 MVA Interconnecting Transformers and switchgears) with Central Transmission Utility (CTU), 2 numbers of 132/33kV substation, 132kV and 33 kV power lines for meeting the long-term power demand in the Licensed area. This scheme will also allow more sourcing of power, as the existing source interconnections have almost reached its full capacity and can serve only small addition of load. This scheme is also required to ensure reliability of power supply in case of outage of any tower structure due to cyclone/ hurricane / any other reasons etc.
- 7.55 The Petitioner submits that it has received the in-principal approval for the above said scheme along with a preliminary expense of Rs. 3 Cr. for DPR and system study etc and directed to submit detailed feasibility study and the execution plan. Subsequently Petitioner has undertaken the development of DPR by engaging a consultant. This is at advance stage of preparation. As the proposed 132kV line route alignment will also pass through forest land along the Tata-Kandra Road, Tata Steel UISL has applied for Forest Clearance for the route and the same is being pursued. Gram Sabha has been concluded in all 3 villages. However, Van-Adhikar Samiti consent in one village in pending. Application has also



been submitted to Road Construction Department (RCD) for their NOC, which is required by the Forest Department to process the application further. The same is being pursued.

- 7.56 The Petitioner has submitted the total capital expenditure plan as below table.

**Table 117 Identified Capital Expenditure schemes for the MYT Period FY 27 to FY 31**

Schemes	FY	FY	FY	FY	FY	Total
	2026-27	2027-28	2028-29	2029-30	2030-31	
Carry forward Schemes	18	5	4	2.5	2.5	32
New Schemes (25)	14.6	48.5	48.7	41.9	34.5	188
Total Expenditure Plan	32.6	53.5	52.7	44.4	37	220
Capex considering various issues & constraints related to consent/approvals, Land and RoW (A)	30	30	30	30	30	150
Long Term Infra-Development for next 10-15 years (CTU Connectivity, substations and 132 Kv and 33 Kv Lines) (b)	-	100	300	281	-	681
<b>Total (A+B)</b>	<b>30</b>	<b>130</b>	<b>330</b>	<b>311</b>	<b>30</b>	<b>831</b>

- 7.57 The Petitioner hereby highlights that the financial modalities of the proposed Long Term Infra Development scheme is (~681 Cr.) is yet to fixed. Till such time, the Petitioner for the purpose of arriving ARR, the Petitioner has considered Rs. 30 Cr. per year during the Control Period, totalling to Rs. 150 Cr. for 5 years
- 7.58 Petitioner would like to submit that a major part of Long Term Infra-Development Scheme is interconnection with CTU at EHV levels. In the past, CTU has indicated that this interconnection part is to be done by the applicant through a Licensee. Therefore, Tata Steel UISL is also exploring the option to get this interconnection part done by other Transmission Licensee. In case this option moves further, Petitioner will submit the detailed proposal before the Hon'ble Commission.
- 7.59 The Petitioner hereby submits that the financial modalities of the proposed long term Infra Development scheme is (~Rs. 681 Cr.) is being worked upon and Petitioner will approach the Hon'ble Commission again once the same is finalized.
- 7.60 In view of the above, and till such time the funding modalities are finalized, Petitioner has considered Rs. 30 Cr. per year during the Control Period, totalling to Rs. 150 Cr. for 5 years.



7.61 The Petitioner further submits that for last mile connectivity and consumer specific network development/ strengthening, Consumer Contribution is received from Consumers. The Total Capex including Consumer Contribution is tabulated in the table below. Licensee is not allowed to get any returns on the Consumer funded assets. However, Operation and Maintenance expenditure is allowed in the ARR for total assets (including assets created out of consumer contribution) as all these assets are operated and maintained and operated by the Licensee. The Petitioner hereby submits the capital expenditure is follows:

7.62 The summary of projected Capital Expenditure Plan for the Control Period from FY 2026-27 to FY 2030-31 is shown below:

**Table 118: Capital Expenditure Plan as submitted by the Petitioner for the Control Period (Rs. Cr.)**

Schemes	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Carry over schemes	18	5	4	2.5	2.5
New schemes	14.6	48.5	48.7	41.9	34.5
<b>Sub-total</b>	<b>32.6</b>	<b>53.5</b>	<b>52.7</b>	<b>44.4</b>	<b>37</b>
Capex Considered	30	30	30	30	30
Consumer Contribution during the year	7	7	7	7	7
<b>Total Expenditure Plan (Rs. Cr.)</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>

7.63 The Petitioner submits the capitalization plan as follows.

**Table 119 Capitalisation Plan as submitted by the Petitioner for the Control Period (Rs. Cr.)**

Schemes	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Carry over schemes	18	5	4	2.5	2.5
New schemes	2	25	31	32.5	27.5
<b>Sub-total</b>	<b>20</b>	<b>30</b>	<b>35</b>	<b>35</b>	<b>30</b>
Consumer Contribution during the year	7	7	7	7	7
<b>Total Capitalization Plan (Rs. Cr.)</b>	<b>27</b>	<b>37</b>	<b>42</b>	<b>42</b>	<b>37</b>

### **Commission's Analysis**

7.64 As per Regulation 6.12 to 6.15 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025:

#### **“Capital Investment Plan**

*The Licensee shall file for the Commission's approval a Capital Investment Plan for the entire Control Period along with the Business*



*Plan. The Capital Investment Plan shall be prepared scheme-wise and each scheme shall include:*

*Purpose of investment (e.g., replacement of existing assets, meeting load growth, technical and distribution loss reduction, non-technical loss reduction, meeting reactive energy requirements, customer service improvement, improvement in quality and reliability of supply, etc.);*

*Approval of Competent Authority;*

*Capital Structure;*

*Detailed Project Report;*

*Capitalization Schedule;*

*Implementation schedule including timelines;*

*Cost-benefit analysis and Rate reasonability;*

*Improvement in operational efficiency envisaged in the Control Period;*

*On-going schemes that will spill over into the year under review along with justification;*

*New schemes that will commence during the Control Period but may be completed within or beyond the Control Period.*

.....”

- 7.65 The Commission in its discrepancy note observes that the Petitioner in maximum schemes have only received departmental approval, one has received technical approval and one has not even received departmental approval, yet all have been proposed as part of Capital investment Plan. The Commission directs the Petitioner to elucidate the timelines for approval of all such schemes from the Board or Competent Authority to demonstrate the Petitioner's commitment in development of the schemes.
- 7.66 In compliance of the above, the Petitioner submit that Board of Tata Steel UISL has already approved these schemes for including in 5-year Business Plan. The Gist of the Board Meeting outcome is enclosed in Annexure-6 of the data gap reply letter PSD/1375/2026, dated 09/01/2026 The tentative timeline of the projects is already included in phasing of expenditure as given in Table 20 and Table 21 of the MYT petition. Petitioner submits that all these schemes will again undergo an execution approval process prior to start of the project on ground.
- 7.67 In the MYT Petition, it is observed that in the Table no 21 of the petition, bearing the name of “Scheme wise Capitalization for the MYT Period FY 27 to FY 31”, in the schemes (No B.5, B.6, B.7, B.8 and B.15) the proposed annual capitalisation is given as per the below table.



**Table 120 Scheme wise Capitalization for the MYT Period FY 27 to FY 31**

Sch. No.	Scheme Details	Capex Phasing (Rs. Cr.)					
		Total Scope	FY27	FY28	FY29	FY30	FY31
B.5	Asset Renewal: Aged LA, CVT, CT, CB & Relay replacement at 132/33kV S/s	7.5	1.4	1.4	1.9	1.3	1.5
B.6	Replacement of bare O/H line by Insulated conductor/cable in Rural network	4.0		1.0	1.0	1.0	1.0
B.7	Installation of 11kV RMU for reliability enhancement in existing network	10.0	1.0	2.0	2.2	2.3	2.5
B.8	Replacement of aged Battery Bank in Existing Power Substation	1.0		0.2	0.4	0.4	
B.15	IT Asset: Software, User Devices, Back-up system, Storage devices	1.0	0.2	0.2	0.2	0.2	0.2

7.68 However, as per the GFA addition schedule proposed for the MYT year, there is no decapitalization of assets proposed by the Petitioner. It is worth noting that these schemes involve replacement of assets which shall result in de-Commissioning of such assets and thereafter its decapitalization in accounting books. The Commission asks the Petitioner to explain the treatment according for such decapitalized assets in its book of accounts and detail decapitalization schedule for the MYT years, if required.

7.69 In compliance of the same, the Petitioner submitted that most of the asset replacement will be at the end of the life cycle, with very small Net Asset value. Once these assets are decapitalised, necessary entry/adjustments will be made in the books of accounts. The proceed from sale of the decapitalised assets will be treated at miscellaneous income. The Petitioner submits that in the above table only B-5, B-6 and B-8 are replacement in nature. It is difficult to plan the value of assets which may get decapitalised because of timing difference and also because some of these assets even-though replaced may be kept for short time emergency use for some time. The Petitioner submits that the treatment of the decapitalised assets may be submitted before Hon'ble Commission during respective True-up petitions.

7.70 The Commission in its discrepancy note observes that the Petitioner has two parcels of land, in Sini Industrial area, Seraikela for 33/11 KV substation and 132/33 KV Grid sub-station inside TGS Colony, that are being acquired under leasing arrangement. The Commission enquired the



Petitioner to explain why such land has been considered as a capital cost rather than leasing/rent charge under O&M cost.

- 7.71 In compliance of the same, the Petitioner submit that the parcels of and at Sini and Seraikela are long term lease of more than one year and is obtained after payment of one-time charges for the Lease period (which is generally 30 years). Therefore, these have been accounted for as capital cost in compliance with Ind AS 116 — Leases. Under this standard, a lease that conveys the right to use is an identified asset for a specified period requires the lessee to recognize
- a. A Right-of-Use (ROU) asset, which is capitalized and depreciated over the lease term.
  - b. A corresponding lease liability for future payments.
- 7.72 The Petitioner submitted, Ind AS 116 eliminates the earlier operating lease model (except for short-term or low-value leases) and mandates capitalization to reflect the economic substance of the arrangement. Therefore, lease payments are not treated as O&M rent expense but split into depreciation and interest, consistent with the standard.
- 7.73 The Petitioner request to consider this capitalization, as the land parcels do not qualify as low-value or short-term leases and hence the capitalization is appropriate.
- 7.74 The Commission in its discrepancy note observes that the Petitioner in the capitalization scheme B.20 bearing the name 2x12.5 MVA, 33/11 Substation at Phase-3, JIADA has not been accorded departmental/feasibility approval. The Commission asked the Petitioner to submit reasoning for submission of such a scheme which has not received any level of internal approval.
- 7.75 In compliance, the Petitioner submits that scheme B.20: 2x12.5 MVA substation at Phase -3 JIADA is being developed and is planned to be undertaken during the next MYT period. As there was no available land in JIADA Phase#3 area, Tata Steel UISL initiated press notification to get the intent from any non-functional Industries, who may like to surrender the land allotted by JIADA to Tata Steel UISL, on payment of consideration amount. There after an intent was received from PREM UDYOG, who agreed to surrender the land on payment of consideration amount. This proposal was placed before JIADA, who after due process of approval have recently (on 03.12.2025) allotted the land to Tata Steel UISL. The Bill of Material Quantity and Cost has already been approved by the department, prior to putting the same in the Business Plan petition like all other schemes.
- 7.76 Tata Steel UISL Board has also given its consent to include this scheme in the Business Plan, where in this scheme also form part of the overall identified scheme of total value Rs. 220 Cr. Petitioner has further



submitted that out of identified schemes of Rs. 220 Cr. Petitioner may not be able to execute all the schemes due to various RoW permissions including MoEFCC Forest Land Diversion approvals, Land, RCD permissions. statutory approvals. and other constraints in the field, and therefore had requested for a Capex of Rs. 30 Cr per year for the purpose of MYT determination during the Control period.

- 7.77 Extract of the Board meeting on inclusion of Capital Schemes during the Control period was submitted as part of the Petition.
- 7.78 The Commission in its discrepancy note observes that the yearly capitalisation of schemes submitted by the Petitioner from FY 2026-27 to FY 2030-31 as proposed in annexure-1 of the MYT petition is not matching from Table 21: Scheme wise Capitalization for the MYT Period FY 27 to FY 31 of the MYT petition. Specifically, schemes bearing serial no B.4, B.19 and B.20.
- 7.79 The Petitioner in its response submits that the yearly capitalization of schemes as shown in Table 21: Scheme wise capitalization of the MYT period FY 27 to FY 31 of the MYT petition is correct. The phasing of Capitalization for schemes B4, B19 & B20 is being revised accordingly. The Petitioner request the Hon'ble Commission to kindly consider the same. The Annexure-1 of the MYT petition incorporating those changes is enclosed in Annexure-6 of this petition.
- 7.80 The Petitioner further submitted that out of Total Rs 901 Cr, approx. 681 Cr is for major infrastructure development project namely " Long Term Infra-Development for next 10-15 years (CTU Connectivity. substations and 132 kV and 33 kV Lines)". This scheme will require multiple approvals from various agencies including MoEF- Gram Sabha, Van-Aadhikar Samitee Central Transmission Utility, Road Construction Department (RCD). Also, because of very high capital cost involved this will also require funding arrangement to be finalised, which will happen during the control period.
- 7.81 Out of the Remaining Rs. 220 Cr. (i.e. 901-681) Petitioner submits that due to above constraints, Petitioner would be able to execute Rs. 150 Cr. Capex i.e. Rs. 30 Cr. each year. In addition, asset addition from consumer contribution of Rs. 7 Cr. is considered for each year. The same value Rs. 150 Cr. (30x5) + 35 Cr. (7x5) = Rs. 185 Cr is submitted before Commission for capex and capitalisation with phasing for the purpose of MYT.
- 7.82 On an overall basis, Petitioner submits that in case Petitioner is in a position to execute the capex of more than Rs. 150 Cr., the Petitioner will approach the Hon'ble Commission before executing the projects.
- 7.83 The Commission with regards to spilled over works from previous Control Period allows the capital expenditure schemes and the related capitalization after due prudence check. However, the Petitioner to



strictly ensure that the approved schedule of Capital Expenditure and Capitalisation should be strictly adhered to.

- 7.84 In regards to new schemes, the Commission has scrutinized the Detailed Scheme-wise Reports along with projected completion schedule provided by the Petitioner for the schemes along with detail justification and necessity of the schemes.
- 7.85 Further, in the absence of the approval from Competent Authority such as Capital Expenditure Committee (CEC)/Board, the Commission provisionally approves the Capital Expenditure and Capitalisation as mentioned below. However, the Petitioner is directed to submit the approval of Capital Expenditure Plan, including the spill over schemes, duly approved by CEC/Board to the Commission before carrying out such works. The Commission will carry out prudence check at the time of APR/Truing up of the Capital Investment and approval certificate while approving the same.
- 7.86 Further, the Commission observed that the Petitioner has conservatively proposed Capital Expenditure and Capitalisation of Rs. 30 Cr. for each financial year from the new schemes projected for the Control Period due to various issues like Right of Way (RoW) permissions, land acquisition, permission from other local Authorities and local bodies etc. The Commission after prudence check and scrutiny provisionally accepts the proposal of the Petitioner of Capital Expenditure and Capitalization of Rs. 30.00 Cr. for each financial year from the new schemes and directs the Petitioner to approach the Commission well in advance for approval for further Capitalization.
- 7.87 With regards to other network development schemes/Long Term Infra-Development for next 10-15 years such as CTU Connectivity, substations and 132 KV and 33 KV Lines, which are at primitive stage and yet to be finalised, the Commission directs the Petitioner to carry out detailed study and submit a separate Petition along with Detail Project Report (DPR) before the Commission for approval well in advance before executing the same.
- 7.88 The approved Capital Expenditure Plan and Capitalization for each year of the Control Period from FY 2025-26 to FY 2030-31 has been summarized in the tables below.

**Table 121 Capital Expenditure Plan as approved by the Commission (Rs. Cr.)**

<b>Schemes</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>	<b>FY 2030-31</b>
Carry over schemes	18	5	4	2.5	2.5
New schemes	14.6	48.5	48.7	41.9	34.5
<b>Sub-total</b>	<b>32.6</b>	<b>53.5</b>	<b>52.7</b>	<b>44.4</b>	<b>37</b>
Capex Considered	30	30	30	30	30



Schemes	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Consumer Contribution during the year	7	7	7	7	7
<b>Total Expenditure Plan (Rs. Cr.)</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>

**Table 122 Capitalisation Plan as approved by the Commission (Rs. Cr.)**

Schemes	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Carry over schemes	18	5	4	2.5	2.5
New schemes	2	25	31	32.5	27.5
<b>Sub-total</b>	<b>20</b>	<b>30</b>	<b>35</b>	<b>35</b>	<b>30</b>
Consumer Contribution during the year	7	7	7	7	7
<b>Total Capitalization Plan (Rs. Cr.)</b>	<b>27</b>	<b>37</b>	<b>42</b>	<b>42</b>	<b>37</b>

7.89 The Commission shall review the capital expenditure and capitalization actually done by the Petitioner at the end of each year of the Control Period in accordance with Clause 6.13 to Clause 6.15 of the Distribution Tariff Regulations, 2025. The relevant regulation is mentioned below:

“.....

6.9 *During the Annual Performance Review, the Commission shall monitor the year-wise progress of the actual capital expenditure incurred by the Licensee vis-à-vis the approved capital expenditure. The Licensee shall submit the actual capital expenditure incurred along with the Annual Performance Review Filing.*

6.10 *The Commission shall review the actual capitalisation at the end of each year of the Control Period vis-à-vis the approved capitalisation schedule and shall true up the ARR based on actual capitalisation for the year for which True up has been filed and also revise the ARR components for the year for which APR and Tariff have been sought.*

6.11 *In case the capital expenditure is required for emergency work, which has not been approved in the Capital Investment Plan, the Licensee shall submit an application containing all relevant information along with reasons justifying emergency nature of the proposed work seeking approval of the Commission wherever possible:*

*Provided that in case the capital expenditure is required for emergency work or unforeseen situation to mitigate threat to life and property and if prior intimation thereof to the*



*Commission shall cause any irreparable loss or injury, the Licensee may undertake such capital expenditure and submit the details for post- facto approval of the Commission along with next Tariff Petition with all relevant details.”*

- 7.90 The Commission at this junction does not approves any de-capitalisation, however, the Petitioner is required to submit the details of de-capitalisation, if any at the time up of APR/truing up.

## **Financing of Capital Expenditure Plan**

### **Petitioner’s Submission**

- 7.91 The financing of the proposed Capex schemes is envisaged to be done through internal accrual.
- 7.92 The Petitioner further submitted that as per the methodology given in JSERC Distribution Tariff Regulations, 2025, any GFA addition in the Control Period after deducting consumer contribution has been considered to be funded by Petitioner in a Debt: Equity ratio of 70:30.

**Table 123 Financing of Capital Expenditure Plan as submitted by the Petitioner (Rs. Cr.)**

<b>Particulars</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>	<b>FY 2030-31</b>
Transferred To GFA during year	27.00	37.00	42.00	42/00	37.00
Capitalization from Consumer Contribution	7.00	7.00	7.00	7.00	7.00
GFA Addition (Debt & Equity)	20.00	30.00	35.00	35.00	30.00
Equity addition during the Financial Year @ 30%	6.00	9.00	10.50	10.50	9.00
Debt addition during the Financial Year @ 70%	14.00	21.00	24.50	24.50	21.00

### **Commission’s Analysis**

- 7.93 As per Clause 10.16 & Clause 10.17 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025:

*"Debt-Equity Ratio*

**10.16 Existing Projects:** *In case of capital expenditure schemes capitalised prior to April 01, 2026, the debt-equity ratio as allowed by the Commission for determination of tariff for the period ending March 31, 2026 shall be considered.*

**10.17 New Schemes:** *For capital expenditure schemes capitalised after April 01, 2026:*



- 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.

.....;

7.94 The Commission accordingly approves Normative Equity to the tune of 30% and has considered the remaining 70% as Normative Debt. The financing of the additional capitalization as approved by the Commission is tabulated below.

**Table 124 Financing of Capital Expenditure Plan as approved by the Commission (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Transferred To GFA during year	27.00	37.00	42.00	42/00	37.00
Capitalization from Consumer Contribution	7.00	7.00	7.00	7.00	7.00
GFA Addition (Debt & Equity)	20.00	30.00	35.00	35.00	30.00
Equity addition during the Financial Year @ 30%	6.00	9.00	10.50	10.50	9.00
Debt addition during the Financial Year @ 70%	14.00	21.00	24.50	24.50	21.00

## **Human Resource Plan**

### **Petitioner's Submission**

7.95 The Petitioner submits that at present it operates with three types of manpower

- a. Permanent Employee in managerial cadre (Degree/Diploma/Graduate/MBA) –Employees under this cadre are directly engaged with day-to-day function of operation, maintenance,



application processing & execution of new connection, execution of capex, metering, regulatory function & general management etc. In addition, few persons work for support service-related jobs like HRIR, Procurement, Finance, Administration etc.

- b. Permanent Employee in role of Supervisor (Diploma/ ITI) - Employees under this cadre mainly supervise work for day-to-day job for maintenance activity and do system operations.
  - c. Permanent Employee in role of Electrician/Lineman/Technical assistant (ITI) - Employees under this cadre mainly work for day-to-day job for operation & maintenance activity.
  - d. Contract Employee on Vendor's role –Employees under this role are engaged through vendor on contract for various works in line, substation, customer service, security, cleaning etc.
- 7.96 The Petitioner submitted that during the upcoming Control Period, nearly 6 employees will be superannuating. Therefore, there will be requirement to fill the vacant post.
- 7.97 The Petitioner submits its Area wise additional manpower requirement and its broad rationale as following.

- a) **Manpower for 24\*7 shift operations:** Managing 24x7 power supply requires 3 shifts manning of the area with competent engineers and staffs to monitor the load flow, performing routine inspection, operations and attending to breakdowns and customer complaints related to outage of power supply, voltage variations/flickering, sparks, electricity leakage, electric shock, no power complaints etc.

Over the year, between FY22 to FY26, there had been significant increase in network, number of consumers and related 24x7 service requirements in case of any breakdowns/defects in the system. These breakdowns / defects arise arising out of damage of utilities by other agencies, overloading by consumers, reason of nature (windstorm, thunder/lightning etc.), ageing of equipment and other reasons. 24x7 service customer service request has almost increased by 50 % over the last 5 years.

Currently all service requests of the service area is being managed primarily through one center by a team of 4-5 persons in a shift and calling off-duty people from home to assist them in cases where more resource is needed. On many occasions, people form maintenance and general and off shift are also required to attend to these calls.

In view of the above, there is a requirement to have two teams to attend to 24x7 service call requests from two different locations. The additional manpower (Mgr- 1, Sup- 3, Wm-8) for the same is proposed to be deployed in the coming control period.



- b) Power Management including Power purchase/sell from power exchange: Hon'ble Commission has notified Jharkhand State Electricity Regulatory Commission (Framework for Resource Adequacy) Regulation, 2024 which mandate establishing a planning cell for Resource adequacy related to power procurement planning and around the clock dedicated cell for power purchase/sell in real-time, and to undertake intra-day, day-ahead, week ahead power procurement through Power Exchanges or any other means. Subsequently, one team was constituted with one full time member and few part-time members to start the functioning. From Sep 2025, Tata Steel UISL has entered Schedule mode of power purchase form DVC. Therefore, the dedicated cell for power procurement planning, power purchase/sell in real-time, and undertaking intra-day, day-ahead, week ahead power procurement through Power Exchanges needs to be strengthened and made with full time members to ensure effective operations. In view of the above, The additional manpower (Mgr.-1, Sup- 2, Wm-1) for the same is proposed to be deployed in the up-coming control period.
- c) GIS and SCADA: During last control period, the Geographical Information system was implemented with mapping of the distribution network including underground and overhead lines. This Geographical Information System (GIS) of Seraikela Power Infrastructure is being maintained by one managerial and one workman. In addition SCADA is being managed by only one Managerial cadre employee with the help of contract staff.

Both GIS and SCADA skills are specialized skills, and can't be left to one person for the reason of reliability and continuity. Also SCADA is now being rolled out at Distribution Transformer level for which dedicated team would be required.

In view of the above it is planned to strengthen this group by additional manpower (Sup- 1, and Wk-1) in the up-coming control period.

- d) **Non-Payment Disconnection:** Disconnection-Reconnection of existing consumers is being carried out at field and system by a team of two employees (one managerial and one workman) only. It is proposed to strengthen this group by one more employee (Sup-1) as the existing team is not able to meet the optimum level of disconnection requirement.
- e) **Distribution Network Operation and Maintenance:** This constitutes Operation & maintenance of distribution network is for 11 kV RMU, LBS, ABS, 11 kV overhead & underground Line, 11/0.4 kV Distribution Transformer, LT overhead & underground Line, Feeder pillars & LT Distribution box etc. During the last control period there had been significant increase (~30%) in the distribution network but commensurate manpower addition could not be done. Further in the



upcoming control period new distribution network in existing as well as new areas are planned to meet the load growth and enhance reliability. The existing team is maintaining HT Network including RMU, distribution transformer and Feeder pillar etc. with current workforce. However, there is need of improvement in schedule inspection and maintenance of LT Line, Junction boxes & poles to ensure reliable operation and public safety. In addition, utility detection and cable protection team also need to be strengthened due to increase operational area as well increased work other agencies in same cable corridor area. In view of the above, additional manpower (Mgr- 1 and Wm-8) for the same is proposed to be deployed in the up-coming control period.

- f) **Distribution Network rollout in new area – Dobo:** Presently in Dobo and Pudasili area, several residential & commercial developmental projects have been announced/ are under construction on both side of Road connecting Dobo Bridge to Kanderberia up to NH33. This area falls under the Chandil block of Seraikela- Kharsawan licensed area.

Residential complex developers have approached Tata Steel UISL for power supply. There is a pending demand of ~3 MVA from developers. Once network rollout is completed, further demand will come up from other developers and existing residents of Dobo, Pudasili & other nearby area. It is expected that in next 5 years' demand from Tata Steel UISL power may go up to ~5 MVA.

Subsequently, Tata Steel UISL is undertaken construction of one 2 x 12.5 MVA, 33/11 KV substation and associate 11kV & LT Distribution network which is expected to be completed by Dec-2026.

Post completion above, the O&M of the substation and distribution to be undertake on round the clock basis. In view of the above, the additional manpower (Sup- 4 and Wm-4) for the same is proposed to be deployed in the up-coming control period.

- g) **Seraikela Town & Rural Area:** Seraikela town and surrounding rural villages is fed from a form its 2 × 5 MVA, 33/11 kV substation located at Seraikela Town.

The operation and maintenance of the above substation and its associated distribution network—including 11 kV RMUs, LBS, ABS, 11 kV overhead and underground lines, 11/0.4 kV distribution transformers, LT overhead and underground lines, feeder pillars, LT distribution boxes, metering systems, consumer connections, and complaint management—is currently managed by a team comprising of 4 employees only (2-Mgr,2 Sup). Such manning is not sufficient for 24x7 operations and therefore, this team needs to be adequately strengthened. It is planned to strengthen this team by adding one more employee (1-Sup).



- h) **Electrical Protection & Testing:** The testing team performs pre-Commissioning testing of all HV equipment like transformer, cable, breaker and protection system and schedule preventive testing, protection trial and scheme checking of HV substations, Cable fault identification etc. While the basic test for checking health of transformer is performed during annual maintenance of the transformer. However, there is need of additional special test on transformer which are more than 10 years old. Moreover, testing of protection relay for RMU could not be performed. To strengthen the periodic testing of distribution transformer and relays of 11 kV RMU, additional manpower of 1 Supervisor and 1 Workmen is required. In view of the above, additional manpower (Sup- 1, Wm-1) for the same is proposed to be deployed in the up-coming control period.
- i) **Safety:** Safety professionals keep an overall eye on the safety practices being followed by the employee in their operations. They assist in Hazard evaluation, Safe working procedures, implementation of permit to work systems, Lockout Tag out Systems, reporting of unsafe act and condition and implementation of safety process. Currently, most of these responsibilities are managed by the 2-safety professional at managerial position along with line managers. As activities and area both has increased and will further increase in upcoming control period, one more safety professional (Mgr-1) is planned to be deployed to cover additional area.
- j) **Information Technology (IT):** IT professionals manage all IT applications for Business Processes and ensures cybersecurity for critical infrastructure, supports automation and do necessary changes in IT systems to accommodate emerging process requirement in addition to maintaining the systems with the help of original software/ service providers. Currently, most of these activities are managed by the central IT team of Tata Steel UISL. However, to manage billing applications there is only one IT professional, which need to be strengthened by having another IT professional (Mgr-1) for Billing application.
- k) **Electrical Project & Construction (EP&C):** In the upcoming control period several capital schemes have been planned and proposed based on key priorities such as Safety, Sustenance, Reliability, Process Improvement, Technology Adoption, and Growth. Most of these schemes are brown filed in nature which demand focused supervision for ensuring safety, quality & timeliness of the scheme. Additional manpower (Mgr-2) for the same is proposed to be deployed in the upcoming control period. Post completion of the project they may be shifted to O&M of the network.
- l) **Purchase/lease of land and management of RoW related approvals, handling of local issues:** Petitioner is required to manager ROW and



organize consent from various Govt. & other agencies for laying of new power lines for providing supplying power to various consumers in the licensed area. In addition to this, there is requirement for purchase/ lease of land for installation of sub-stations/ power distribution infrastructure in the license area.

For receiving the ROW permissions from MoEF, RCD, JIADA, Nagar Nigam, Rly etc. the Petitioner has created a ROW team which works for timely applying and process of approval applications, payment of statutory duties, liaison with Govt offices for application processing & receiving permissions.

Presently, the team comprising of three persons is engaged in ROW activities. (i) One Officer engaged in document preparation, fees approvals, payments & application activities (ii) 2nd Officer is engaged in drawing / document preparation & record keeping activities (iii) 3rd Officer is engaged in documents submissions & follow-up at Govt offices on a regular basis. ON several occasions they assist each other in all works.

In addition to this, there are administrative and land title related issues which involves identifying the land ownership details. These issues are increasing day by day as the area is increasing.

Currently, for activity related to search of suitable plots of JIADA / Govt / private for construction power distribution sub-station, this team searches and identifies the plot, do the complete processing of application, fees payment upto land handing over in favor of the Petitioner.

To strengthen the activity of land lease/ purchase for expansion in power network coverage one person of suitable experience and skill set is required. The person shall be employed in search for suitable land, discussions with appropriate agencies Govt / private, negotiations, internal approvals, application processing, fees / payments upto handing over of the land parcels in favor of Petitioner. In view of the above, one additional manpower (Mgr-1) for the same is proposed.

- m) **Metering Functions:** Metering function is pivotal to the utility as it records energy, keeps its account and contain losses by reducing theft and pilferages which benefits the utility and the consumer both. Following 03 nos. of metering related activities where manpower addition is envisaged is listed below:

**Periodic testing of HT & LT energy meters as per the regulations:**

Electricity Supply Code 2015 prescribed period testing of energy meters as (a) Single phase meters: Once every five (5) years, (b) LT 3-phase meters: Once every three (3) years, (c) HT/EHT meters including MDI: At least once every year”



According to this regulation, the Petitioner is supposed to do testing of following meters as per current scenario –(a) 1 Ph Meters - ~ 4500 Nos., (b) 3 Ph Meters - ~ 5200 Nos, (c) HT Meters - ~ 385 Nos.

The Petitioner has engaged external competent agency for doing the testing of Meters and has till date completed testing of approx. 6275 meters (1 Ph Meters - ~ 3000, 3 Ph Meters - ~ 3200, HT Meters - ~ 75). The balance consumers' Meters 1Ph (~ 1500 Nos), 3 Ph Meters – (~ 2000 Nos), HT consumers (~ 310 Nos) to be completed as and when the testing of meters becomes due. This makes the Meter Testing work of a regular nature and therefore there is a need to set up a separate team to coordinate and conduct testing including providing shutdowns on almost daily basis and supervising the work.

Even-though the Petitioner has engaged expert agency which will do the technical part of job like on-site testing of meter and preparation of reports, Analysis of data etc.; Licensee need to depute a separate team with resources to facilitate administrative support to testing agency like provide shut down, co-ordination with customer, supervision of testing activities, allocating necessary resources for shifting of man & material etc.

Licensee is also replacing existing meters with smart meters which will eventually reduce the count of meters testing required to be done till the time the smart meter testing will become due as per the regulation. During this period, the manpower for the testing purpose shall then be utilized for planning and organizing meter replacement, doing maintenance and inspection activities of Meters. In view of the above, additional manpower (Mgr-1, Sup- 1) is proposed in the up-coming control period.

- n) **Smart Meter upgradation by Advanced Metering Infrastructure Service Provider (AMISP):** Tata Steel UISL has plans to replace conventional meters with pre-paid smart meters in line with the BEE notification. JSERC, Smart metering regulations also mandates that all new connections should be given through smart meters only. Smart metering will enable consumer to opt for prepaid metering and control their consumption based on more data and information.

Smart meters require special skills related to installation/onboarding and communication of meters, Head-End System (HES) and Meter Data Management (MDM) System. Approximately 3000 meters will be replaced every year with smart meters, and all new consumer addition shall be done through smart meters.

This shift requires additional manpower for planning, scheduling, execution and supervision, meter sealing, data management and record keeping of replaced meter, etc. In view of the above, additional manpower (Mgr-1, Sup- 1) is required in the next control period



- o) Vigilance, Theft, and Inspection: Supply code Regulation of Hon'ble JSERC mandates authorized officers/assessing officers for doing inspection for theft/unauthorized uses of electricity and the assessment thereafter. This activity is essential to ensure a healthy system and to ensure that the cost of dishonest people is not borne by honest consumer.

It requires regular site visits based on meter data analysis by a competent team of engineers, supervisors and other staff in addition to visits based on specific information from other sources.

Currently, this activity is being done by the metering team only as there is no dedicated resource for the same. Based on some the incidents and meter data analysis trend, it is essential to have at least one dedicated resource (Mgr-1) to lead this activity.

The Petitioner submits that even though area wise man power has been deliberated above, the same may undergo change because of changing requirement in the field and other unforeseen reasons.

- 7.98 The Overall Manpower plan in line with the above discussion as per Petitioner for the control period is given below-

**Table 125 Total Additional Manpower Requirement**

Manpower	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Total
Managerial	1	2	3	2	3	11
O-Level/ Supervisory	3	3	3	4	2	15
ITI Workmen	4	4	5	4	4	21
Office Staff/Clerk	0	0	1	0	1	2
Year wise Total	8	9	12	10	10	49

### **Commission's Analysis**

- 7.99 The Commission observes that against the proposed 6 number of employees to be superannuating, the Commission approves the same subjected to truing up based on actuals.
- 7.100 The Commission has also reviewed the proposal of the Petitioner of further addition of 49 for the works defined under different category as mentioned in the above section in the Petitioner prayers. The Commission approves the additional requirement of manpower however, the same shall be subject to truing up based on actuals.
- 7.101 Accordingly, the Commission approves total manpower for the Control Period in this Order and the same shall be reviewed by the Commission at the time of APR/True up based on actual manpower.



**Table 126 Manpower approved by the Commission for Control Period (Nos.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Opening Manpower	181	189	198	210	220
Less: Manpower Superannuating					
Manpower additions	8	9	12	10	10
Closing Manpower during the Year	189	198	210	220	230
Growth Rate (%)	4.42%	4.76%	6.06%	4.76%	4.55%



# **Chapter 8: MYT for FY 2026-27 TO FY 2030-31 and Aggregate Revenue Requirement & Tariff for FY 2026- 27**



## **Chapter 8: MYT for FY 2026-27 TO FY 2030-31 and Aggregate Revenue Requirement & Tariff for FY 2026-27**

- 8.1 The Petitioner, in the current Petition has submitted the MYT Petition for the Control Period from FY 2026-27 to FY 2030-31 and has computed each element of ARR for the 4th Control Period taking into the following consideration:
- a. Norms and Principles outlined in the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations 2025;
  - b. Business Plan and Multi Year Tariff Petition covering Operational and Financial Plan submitted for the Control Period from FY 2025-26 to FY 2030-31;
  - c. Actual parameters of the last Control Period i.e. FY 2021-22 to FY 2025-26 and actuals for first six months and estimates for the remaining six months for FY 2026-27;
- 8.2 The Commission has scrutinized the Petition filed by the Petitioner for determination of Distribution Tariff for the MYT Control Period i.e. FY 2025-26 to 2030-31, in accordance with JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations 2025.
- 8.3 The Commission has approved the ARR for the Control Period i.e. FY 2025-26 to 2030-31 and dealt with the Petitioner's Tariff proposal for FY 2026-27 taking into consideration:
- Material evidences placed before the Commission;
  - Distribution Tariff Regulations, 2025;
  - Methodology adopted by the Commission in previous Order
- 8.4 The component-wise description of the Petitioner's submission and the Commission's analysis thereon is depicted in the following paragraphs.

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

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

- 8.5 The Petitioner had projected the number of consumers, Connected Load and Sales in Business Plan for FY 2025-26 to FY 2030-31 as discussed in the Business Plan Chapter.

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

- 8.6 The Commission has approved the Number of Consumers, Connected Load and Sales for the Control Period i.e. FY 2025-26 to FY 2030-31 as



discussed in Chapter 7, Sub-Section: Demand and Sales Forecast of this Order.

## **Distribution Loss**

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

8.7 Petitioner has conducted element wise estimation of loss levels in the distribution network and arrived that Distribution loss may be in the range of 37.60 MU to 41.33MU and may lead to Distribution losses between 2.60% to 3.20% during the Control period. Petitioner submits that losses in interconnecting 132kV lines also form part of this loss. Therefore, for the purpose of Business Planning Petitioner has considered Distribution loss of 3.00%. for the control period FY 2025-26 to FY 2030-31.

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

8.8 The Commission notes that the Petitioner's actual distribution loss levels stood at 1.83% in FY 2020-21, 1.71% in FY 2021-22, 1.86% in FY 2022-23, 1.84% in FY 2023-24, and 1.68% in FY 2024-25. Having regard to the distribution loss levels approved for the previous control period for each respective financial year, and taking into account the Petitioner's expansion phase—resulting in an increase in LT sales relative to HT sales—the Commission permits the Petitioner to operate at a maximum distribution loss level of 2.50% for each of the year in the control period. This represents a reduction from the Petitioner's earlier target, while duly factoring in the likelihood of higher technical losses arising from network expansion in the near future.

## **Energy Balance**

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

8.9 The Petitioner submitted that the projection for energy requirement has been arrived by grossing up the Sales with transmission loss and distribution loss.

8.10 The Petitioner has envisaged some increase in Distribution loss levels over the years due to significant increase in network and growth in LT consumer segment during the Control Period.

8.11 The Petitioner has considered the distribution loss in the range of 37.60 MU to 41.33MU and that may lead to Distribution losses between 2.60% to 3.20% during the Control Period.

8.12 The Petitioner has submitted that it started purchasing electricity from DVC Generators in Schedule mode from September 2025 and therefore for all the energy purchased from DVC, Transmission losses are



applicable. Transmission loss of 2.96% in DVC system has been considered to compute the total schedule energy at DVC Generator Ex-Bus.

### **Commission's Analysis**

8.13 The Commission has approved the Energy Balance for the Control Period i.e. FY 2025-26 to FY 2030-31 as discussed in Chapter 7, Sub-Section: Energy Balance of this Order.

## **Renewable Purchase Obligation**

### **Petitioner's Submission**

- 8.14 The Petitioner has submitted that as per the JSERC (Renewable Energy Purchase Obligation and its compliance) (Second Amendment) Regulations, 2024 that stipulates the long-term trajectory till FY 2029-30 for the Distribution Licensee, Power Distribution Licensee as an obligated entity, is required to purchase electricity from renewable energy sources at a defined minimum percentage of its total consumption during a financial year.
- 8.15 The Petitioner has submitted that till August 2025, Tata Steel UISL was not required to meet RPO as it was procuring power from DVC & TATA Steel Limited. Both suppliers being a power distribution licensee, the onus of meeting RPO was with the selling Distribution Licensee.
- 8.16 The Petitioner is further submitted that since from 1st September 2025, DVC has started supplying power to Tata Steel UISL in schedule mode, therefore RPO will be applicable on the units purchased in schedule mode from DVC. Therefore, the Petitioner has submitted the calculation of obligated units and RPO compliance requirement from DVC units has been worked out. To meet the RPO, the Petitioner attempted to buy green power from power exchange. While buying power from exchange during outage of DVC generating units or otherwise the Petitioner prefers to buy green power, if available at low price, followed by other conventional sources.
- 8.17 However, 1.5.28. The onus of meeting RPO Compliance for energy purchased from TSL source, rests with TSL licensee. This is in-line with the various orders of Hon'ble JSERC on the subject.
- 8.18 The Petitioner submitted that it has plans to meet the RPO obligation by (1) RTS generation, (2) Purchasing green energy from GDAM & (3) Purchasing REC from market for balance power requirement. The same is computed in the following table.



**Table 127 RPO Computation from FY 2026-27 to FY 2030-31**

Parameters	Formula	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Total Energy Requirement at Distribution Periphery (MU)	A	1254	1272	1291	1310	1378
Generation from Roof Top Solar (RTS)	B	3	3	4	4	4
Less: TSL Source (MU)*	C	500	500	500	500	500
<b>Obligated Units (MU)</b>	<b>D=A+B-C</b>	<b>756.53</b>	<b>775.21</b>	<b>794.30</b>	<b>813.72</b>	<b>881.93</b>
RPO target (%)	E	35.95%	38.81%	41.36%	43.33%	43.33%
Total RPO requirement (MU)	F	271.97	300.86	328.52	352.58	382.14
Less : RPO fulfilled through RTS Consumers JSR (MU)	G	5.10	5.70	6.20	6.80	7.40
Less : Purchase from GDAM (MU)	H	20	20	20	20	20
Less: REC Purchase (MU)	I	246.87	275.16	302.32	325.78	354.74
<b>Balance ( Surplus ) / Deficit (MU)</b>	<b>J= F-G-H-I</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
No of RECs	K=I*1000	246872	275157	302323	325783	354742
Cost of REC Certificate (Rs./MWh)	L	600	600	600	600	600
Cost at MCP incl. GST (Rs.)	M	108	108	108	108	108
Commission to IEX @ Rs. 10 per certificate plus GST (Rs.)	N	11.8	11.8	11.8	11.8	11.8
Success Fee to Trader @ Rs. 5 per certificate plus GST (Rs.)	O	5.9	5.9	5.9	5.9	5.9
Landed Cost per REC (Rs.)	P	725.7	725.7	725.7	725.7	725.7
<b>Total Amount Payable (Rs. Cr.)</b>	<b>Q=K*(L+M+N+O+P)/10<sup>7</sup></b>	<b>17.92</b>	<b>19.97</b>	<b>21.94</b>	<b>23.64</b>	<b>25.74</b>

**Commission's Analysis**



8.19 The Commission has approved the Renewable Purchase Obligation for the Control Period i.e. FY 2025-26 to FY 2030-31 as discussed in Chapter 7, Sub-Section: Power Purchase Expense of this Order

## **Power Purchase Cost**

### **Petitioner's Submission**

8.20 The Petitioner had projected the total power purchase cost in Business Plan for FY 2025-26 to FY 2030-31 as discussed in the Business Plan Chapter.

### **Commission Analysis**

8.21 The Commission has approved the Power Purchase Cost for the Control Period i.e. FY 2025-26 to FY 2030-31 as discussed in Chapter 7, Sub-Section: Power Purchase Plan of this Order.

## **Capital Work in Progress (CWIP) & Gross Fixed Asset (GFA)**

### **Petitioner's Submission**

8.22 As per the Petitioner's submission of Capital Expenditure and Capitalization proposed in the Business Plan for the Control Period, the Petitioner has projected the CWIP and GFA for the Control Period as depicted below. Further, the Petitioner also submitted the scheme-wise details of Capital Expenditure and Capitalisation along with the Petition.

8.23 The Petitioner requested the Commission to approve the Capital Expenditure and Capitalization for the Control Period as proposed by the Petitioner.

**Table 128 Capital Work in Progress (CWIP) as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY	FY	FY	FY	FY
	2026-27	2027-28	2028-29	2029-30	2030-31
<b>CWIP</b>					
Opening CWIP	45.00	55.00	55.00	50.00	45.00
Add: Capex during year	37.00	37.00	37.00	37.00	37.00
Less: Trfd to GFA (Capitalised)	27.00	37.00	42.00	42.00	37.00
Closing CWIP	55.00	55.00	50.00	45.00	45.00

**Table 129 Gross Fixed Assets (GFA) as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY	FY	FY	FY	FY
	2026-27	2027-28	2028-29	2029-30	2030-31
<b>GFA</b>					



Particulars	FY	FY	FY	FY	FY
	2026-27	2027-28	2028-29	2029-30	2030-31
Opening GFA	515.12	542.12	579.12	621.12	663.12
Add: Trfd from CWIP	27.00	37.00	42.00	42.00	37.00
Less: Disposal (Decapitalised)	0	0	0	0	0
Closing GFA	542.12	579.12	621.12	663.12	700.12

### Commission's Analysis

8.24 The Commission has scrutinized the additional capitalisation submitted by the Petitioner in its MYT Business Plan along with Detail Project Report (DPR). The Commission after prudence check approves the additional capitalisation for the Control Period as detailed in Chapter 7, Sub-Section: Capital Investment Plan of this Order.

8.25 The CWIP and GFA approved by the Commission for the Control Period from FY 2026- 27 to FY 2030-31 is tabulated below.

**Table 130 Capital Work in Progress (CWIP) as approved by the Commission (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Opening CWIP	45.26	55.26	55.26	50.26	45.26
Add: Capex during year	37.00	37.00	37.00	37.00	37.00
Less: Trfd to GFA (Capitalised)	27.00	37.00	42.00	42.00	37.00
Closing CWIP	55.26	55.26	50.26	45.26	45.26

**Table 131 Gross Fixed Assets (GFA) as approved by the Commission (Rs. Cr.)**

Particulars	FY	FY	FY	FY	FY
	2026-27	2027-28	2028-29	2029-30	2030-31
<b>GFA</b>					
Opening GFA	515.11	542.11	579.11	621.11	663.11
Add: Trfd from CWIP	27.00	37.00	42.00	42.00	37.00
Closing GFA	542.11	579.11	621.11	663.11	700.11

### Consumer Contribution (CC)

#### Petitioner's Submission

8.26 The Petitioner has projected the both received and capitalization of Consumer Contribution (CC) for the control period as follows:



**Table 132 CC Capitalisation as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
CC capitalized during the Year	7	7	7	7	7

### **Commission's Analysis**

**8.27** The Commission has considered the addition in CC Received as Rs. 7 Cr. for each year of the Control Period as per the Methodology adopted by the Commission in the previous Orders, subject to truing up

**Table 133 CC Capitalisation as Approved by Commission (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
CC capitalized during the Year	7	7	7	7	7

## **Depreciation**

### **Petitioner's Submission**

8.28 The Petitioner submitted the depreciation is calculated in accordance with JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.

8.29 The Petitioner has projected the Gross Depreciation considering an average rate of depreciation of past financial years (3.82%) to arrive at the year on year depreciation for the Control Period.

8.30 Further, for the assets created out of Consumer Contribution (CC), the equivalent depreciation corresponding to Consumer Contribution is deducted from Gross Depreciation to derive net Depreciation.

**Table 134 Net Depreciation as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Opening GFA	515.12	542.12	579.12	621.12	663.12
Closing GFA	542.12	579.12	621.12	663.12	700.12
Average GFA	528.62	560.62	600.12	642.12	681.62
Gross Depreciation for the Year	20.22	21.44	22.95	24.56	26.07
Average Gross Depreciation Rate	3.82%	3.82%	3.82%	3.82%	3.82%
Depreciation on account of Consumer Contribution	7.66	7.93	8.19	8.46	8.73
Net Depreciation for the year	12.56	13.51	14.76	16.09	17.34

### **Commission's Analysis**



8.31 The relevant extract of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 is reproduced below.

*“Depreciation*

*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.*

*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.*

*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.*

*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.*

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

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

*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.*

*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 decapitalised asset during its useful services.”*



8.32 The Commission has determined Depreciation considering the approved depreciation in FY 2024-25 which is the last trued up year. The table below summarizes the depreciation as submitted by the Petitioner and as approved by the Commission for FY 2026-27 to FY 2030-31:

**Table 135: Depreciation (Rs. Cr.) as approved by the Commission**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Gross Depreciation for the Year	20.22	21.44	22.95	24.56	26.07
Depreciation on account of Consumer Contribution (CC)	7.66	7.93	8.19	8.46	8.73
<b>Net Depreciation for the year</b>	<b>12.56</b>	<b>13.51</b>	<b>14.76</b>	<b>16.09</b>	<b>17.34</b>

## Interest and Finance Charges

### *Petitioner's Submission*

8.33 The Petitioner has submitted that they have considered the opening debt for FY 2026-27 equal to closing value of FY 2025-26 as submitted in its APR Petition.

8.34 The annual addition during the financial year of Control Period is considered in line with funding as submitting in its Business Plan.

8.35 Further, repayment of loan for each financial year of the Control Period has been considered equal to net Depreciation in line with the Regulation 10.23 of the JSERC Tariff Regulations, 2025.

8.36 The rate of interest on long-term loan has been considered as prevailing Marginal Cost of Lending Rate (MCLR) of SBI plus 200 basis points as per Regulation 10.26 of the JSERC Distribution Tariff Regulations, 2025.

**Table 136: Interest and Finance Charges as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Opening Balance of Normative Loan	120.77	122.21	129.70	139.44	147.84
Add: Deemed Additions during the year	14.00	21.00	24.50	24.50	21.00
Less: Deemed Repayments	12.56	13.51	14.76	16.09	17.34
Closing Balance of Normative Loan	122.21	129.70	139.44	147.84	151.51
Average Balance of Normative Loan	121.49	125.95	134.57	143.64	149.68
Bank Rate plus 200 Basis Point as on 1st April of the respective years	10.75%	10.75%	10.75%	10.75%	10.75%
Normative Interest Amount	13.06	13.54	14.47	15.44	16.09



### **Commission's Analysis**

8.37 The relevant Regulations related to Interest on Loan of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 is mentioned below.

#### **“Interest on Loan Capital**

*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, 2026 shall be worked out as the gross loan by deducting the cumulative repayment as admitted by the Commission up to March 31, 2025 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 Rate of Interest shall not exceed Bank Rate as on April 01 of the respective year of the Control Period plus two hundred (200) basis points.*

*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 two hundred (200) basis points.*

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

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

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

- 8.38 In accordance with the Tariff Regulations, 2025, the Commission has computed the normative loan addition during the year equal to 70% of the approved capitalization after deducting assets funded out of CC. The normative repayment is deemed to be equal to the approved net depreciation during the Financial Year.
- 8.39 The Opening loan for FY 2025-26 has been considered as the closing loan approved by the Commission in True up Order of FY 2024-25. Thereafter GFA addition and Consumer Contribution received during FY 2025-26 has been considered as per the APR Petition for FY 2025-26 to arrive at Normative loan addition for FY 2025-26. Similarly, Debt repayment has



been arrived considering the numbers of APR Petition for FY 2025-26 as submitted by the Petitioner. The closing loan thus arrived for FY 2025-26 has been considered as opening loan for FY 2026-27.

- 8.40 Further, in accordance with the Tariff Regulations, 2025, interest on normative loan has been approved based on the average normative loan outstanding during the FY at the interest rate of MCLR SBI Rate as on April 01, 2025 plus 200 basis points for each year of the Control Period.
- 8.41 The following table summarises the Interest and Finance Charges (IFC) as approved by the Commission for the Control period.

**Table 137: Interest and Finance Charges as approved by the Commission for Control Period (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Opening Balance of Normative Loan	117.82	119.26	126.75	136.49	144.90
Add: Deemed Additions during the year	14.00	21.00	24.50	24.50	21.00
Less: Deemed Repayments	12.56	13.51	14.76	16.09	17.34
Closing Balance of Normative Loan	119.26	126.75	136.49	144.90	148.56
Average Balance of Normative Loan	118.54	123.01	131.62	140.70	146.73
Bank Rate plus 200 BP as on 1st April of the respective years	11.00%	11.00%	11.00%	11.00%	11.00%
<b>Interest and Finance Charges</b>	<b>13.04</b>	<b>13.53</b>	<b>14.48</b>	<b>15.48</b>	<b>16.14</b>

## **Interest on Consumer Security Deposits**

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

- 8.42 The Petitioner submitted that apart from the security deposit received in cash, TATA STEEL UISL also receives security deposit in the form of Bank Guarantee (BG) as per provision 8.2.20 of Supply Code Regulations 2015.

*“..8.2.20 The Consumer whose total amount of Security Deposit exceeds Rs. 10 Lacs may, at his option, furnish irrevocable Bank Guarantee from a nationalized or scheduled commercial Bank initially valid for a period of two years. It shall be the responsibility of the consumer to keep the Bank Guarantee valid at all times and to renew the Bank Guarantee at least 2 months prior to its expiry.”*

- 8.43 The Petitioner submits that as per the JSERC Supply code regulation, 2015, mentioned the following with regards to interest on Security deposit is as represented below:

*“The Distribution Licensee shall pay interest to the consumer at the State Bank of India base rate*



*prevailing on the 1st of April for the year, payable annually on the consumer's security deposit with effect from date of such deposit in case of new connections energized after the date of this notification, or in other cases, from the date of notification of these Regulations.*

*The interest accrued during the year shall be adjusted in the consumer's bill for the first billing cycle of the ensuing financial year”*

8.44 The Petitioner has computed interest on security deposit based on estimated total security deposits and interest rate at 10.40% which is the sbi base rate as on 1st April 2025. For estimating the security deposit, the value of security deposit per million Unit of expected sale of FY 2025-26 has been taken for the control period. This value has been multiplied by million-unit sales of respective years to arrive at the energy security deposits. During true-up this value will get adjusted based on actual value of security deposit and value of interest at 1st April of that Financial Year.

8.45 The Interest on Security Deposit is calculated at interest rate of 10.40% during the Control Period as shown below.

**Table 138: Interest on CSD as submitted by the Petitioner (Rs. Cr.)**

Particulars	Formula	FY 2024-25	Base Year FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Energy Sales (MU)	A	1117.46	1173.74	1215.92	1233.75	1251.95	1270.43	1336.22
Energy Security deposit till FY 2025-26	B	96.81	106.21					
Security deposits per MU (in Rs. Lacs)	$C=(B/A)*100$		9.05					
Expected Security Deposits based om energy sales of respective year (Rs. Cr.)	D=B	96.81	106.21	110.02	111.64	113.28	114.96	120.91
Average security deposits	E		101.51	108.12	110.83	112.46	114.12	117.93
Interest on Security Deposit (%)	F		10.40%	10.40%	10.40%	10.40%	10.40%	10.40%
Interest on Security Deposits (Rs. Cr.)	$G=E*F$		10.56	11.24	11.53	11.70	11.87	12.27



### **Commission's Analysis**

- 8.46 The relevant Regulations related to Interest on Consumer Security Deposits of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 is mentioned below

*“Interest on Consumer Security Deposits*

*10.33 Interest paid on consumer security deposits shall be as specified by the Commission in JSERC (Electricity Supply Code) Regulations, 2015 as amended or as replaced from time to time.”*

*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, 2026 shall be worked out as the gross loan by deducting the cumulative repayment as admitted by the Commission up to March 31, 2025 from the gross normative loan.”*

- 8.47 The JSERC (Electricity Supply Code) Regulations 2015 specifies that the Licensee shall pay interest to its consumer at the SBI Base rate prevailing on April 01, of the respective financial year. The relevant section of JSERC (Electricity Supply Code) Regulations 2015 is reproduced below.

*“Interest on Security Deposit*

*8.2.16 The Distribution Licensee shall pay interest to the consumer at the State Bank of India base rate prevailing on the 1st of April for the year, payable annually on the consumer's security deposit with effect from date of such deposit in case of new connections energized after the date of this notification, or in other cases, from the date of notification of these Regulations. The interest accrued during the year shall be adjusted in the consumer's bill for the first billing cycle of the ensuing financial year.”*

- 8.48 The Opening Security Deposit for FY 2025-26 has been considered as the closing security deposit approved by the Commission in True up Order of FY 2024-25. Thereafter Security Deposit Addition has been considered as per the APR Petition for FY 2025-26 as submitted by the Petitioner. The closing Security Deposit thus arrived for FY 2025-26 has been considered as opening Security Deposit for FY 2025-26.

- 8.49 The Commission has considered the nil Security Deposit additions for each year of the Control Period, subject to the true-up.



- 8.50 The rate of interest of Security Deposit is considered as SBI Base as on April 01, 2025 for FY 2026-27 and thereafter considered the same for the subsequent years of the Control Period.
- 8.51 The Commission has provisionally approved the Interest on CSD as shown below, subject to truing up based on actuals:

**Table 139: Interest on CSD as approved by the Commission for Control Period (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Opening CSD	106.21	110.02	111.64	113.28	114.96
CSD Addition					
Closing CSD	110.02	111.64	113.28	114.96	120.91
Average CSD	108.12	110.83	112.46	114.12	117.94
Interest Rate	10.40%	10.40%	10.40%	10.40%	10.40%
Interest on CSD	<b>11.24</b>	<b>11.53</b>	<b>11.70</b>	<b>11.87</b>	<b>12.27</b>

## **Return on Equity**

### **Petitioner's Submission**

- 8.52 The Petitioner submitted that it has considered the opening equity base for FY 2026-27 equal to closing value of FY 2025-26 as submitted in its APR Petition for FY 2025-26.
- 8.53 The annual addition during the financial year of Control Period is considered in line with financing plan as submitting in its Business Plan.
- 8.54 The rate of return on equity has been considered at 15.00% as per provisions of Regulation 10.19 and 10.20 of the JSERC Distribution Tariff Regulations, 2025.
- 8.55 In accordance with the relevant Regulations related to return on equity of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, the Commission asked the Petitioner in the Data Query to provide the targets for the control period (FY 2026-27 to FY 2030-31) including but not limiting to distribution losses, billing efficiency, collection efficiency, working capital requirement, quality of supply targets viz, SAIFI, SAIDI and MAIFI) to claim an additional RoE of 0.50%. The same clause is reproduced below.

*“Return on Equity*

*10.19 The base rate of Return on Equity (RoE) shall be 14.50% (post-tax) for assets capitalized prior to April 01, 2026*

*and*

*15.00% (post-tax) for assets capitalised from April 01, 2026, provided that in addition to the base RoE, the*



*Commission may allow an additional 0.50% RoE for assets capitalised from April 01, 2026, to the Distribution Licensee that demonstrably ensures uninterrupted supply of electricity to Universal Supply Obligated Entities, including, but not limited to, Religious Institutions, Government Hospitals, Educational Establishments, Public Water Supply and Sanitation Services, Street Lighting Systems, critical infrastructure facilities, and renewable energy integration projects, eligibility for such additional RoE shall be linked to specific, measurable Key Performance Indicators (KPIs), including but not limited to SAIDI, SAIFI, outage duration, and supply reliability percentage to the above categories, as verified through independent certification by the State Load Despatch Centre (SLDC) and/or a Statutory Auditor or any third-party agency as approved by the Commission.*

8.56 In the response, the Petitioner has submitted the operational parameters/measurable Key Performance Indicators (KPIs). These targets are based on network, current level of system loading, planned manpower addition and network improvement in the business plan. Petitioner has submitted that while supply targets are highly impacted by work of other agency in the same area due to damage of underground cables; distribution losses, billing efficiency and collection efficiency is also impacted by the overall socio-political challenges in the area being served. Petitioner will take all efforts to manage these challenges with the planned resources and manpower. Petitioner would submit that working capital requirement varies significantly due to payment discipline of customers, power purchase source and variability and energy security deposit available from customer. As such the computation is done based on regulations and is subject to true-up based on actuals.

8.57 The operational parameters/measurable Key Performance Indicators (KPIs) as submitted by the Petitioner is as follows

**Table 140: Operation Parameters as submitted by the Petitioner**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Distribution Losses (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Billing Efficiency (%)	97%	97%	97%	97%	97%
Collection Efficiency (%)	99.50%	99.50%	99.50%	99.50%	99.50%
SAIDI	732	696	661	628	597
SAIFI	8.80	8.36	7.94	7.54	7.17
MAIFI	9	8	7	7	7



8.58 Further, The Petitioner submitted the computation of return on equity as shown in the table below:

**Table 141: Return on Equity as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Normative Equity for GFA upto 31.03.2026	98.98	98.98	98.98	98.98	98.98
Normative Equity additions during the year upto FY 26	-	-	-	-	-
Normative equity for GFA added after 1.4.2026	6.00	9.00	10.50	10.50	9.00
Cumulative Normative Equity for GFA added after 1.4.2026	6.00	15.00	25.50	36.00	45.00
Total normative equity	104.98	113.98	124.48	134.98	143.98
Average Equity for GFA upto 31.03.2026	98.98	98.98	98.98	98.98	98.98
Average equity for GFA added after 1.4.2026	3.00	10.50	20.25	30.75	40.50
Return on Equity(for assets created upto 31.03.2026) @14.50%	14.35	14.35	14.35	14.35	14.35
Return on Equity(for assets created from 01.04.2026 onwards) @15.50%	0.47	1.63	3.14	4.77	6.28
Total Return on Equity	14.82	15.98	17.49	19.12	20.63
Tax Rate (in %)	25.17%	25.17%	25.17%	25.17%	25.17%
<b>Return on Equity including Tax</b>	<b>19.80</b>	<b>21.35</b>	<b>23.37</b>	<b>25.55</b>	<b>27.57</b>

### **Commission's Analysis**

8.59 The relevant Regulations related to return on equity and income tax on equity of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 is mentioned below.

*“Return on Equity*

*10.19 The base rate of Return on Equity (RoE) shall be 14.50% (post-tax) for assets capitalized prior to April 01, 2026*

*and*

*15.00% (post-tax) for assets capitalised from April 01,*



2026, provided that in addition to the base RoE, the Commission may allow an additional 0.50% RoE for assets capitalised from April 01, 2026, to the Distribution Licensee that demonstrably ensures uninterrupted supply of electricity to Universal Supply Obligated Entities, including, but not limited to, Religious Institutions, Government Hospitals, Educational Establishments, Public Water Supply and Sanitation Services, Street Lighting Systems, critical infrastructure facilities, and renewable energy integration projects, eligibility for such additional RoE shall be linked to specific, measurable Key Performance Indicators (KPIs), including but not limited to SAIDI, SAIFI, outage duration, and supply reliability percentage to the above categories, as verified through independent certification by the State Load Despatch Centre (SLDC) and/or a Statutory Auditor or any third-party agency as approved by the Commission.

10.20 The Licensee to provide Return on equity for each year shall be allowed on equity employed in assets in use considering the following:

- a) Equity employed in accordance with Clause 10.16 of these Regulations on assets (in use) capitalised as on the beginning of the year; and
- b) Fifty Percent (50%) of the equity projected to be employed in accordance with Clause 10.17 of these Regulations on assets (in use) Commissioned during the year.

The Distribution Licensee shall furnish all requisite data, information, and supporting documents pertaining to the respective Financial Year by 30th November of the year in which the Petition is to be filed. Nonsubmission of the complete data within the stipulated timeline shall render the Licensee ineligible to claim carrying cost for the corresponding period, unless condoned by the Commission with recorded reasons.

.....”

**Income Tax**

Tax on income, if any, on the Licensed business of the Licensee shall be limited to tax on the allowed return on equity.

The income tax actually payable or paid limited to the tax



*on allowed return on equity shall be included in the ARR while truing up. The actual assessment of income tax should take into account benefits of tax holiday, and the Credit for carry forward losses applicable as per the provisions of the Income Tax Act, 1961 and its amendments thereof shall be passed on to the consumers. Tax on the other income streams of the Distribution Licensee shall not be recovered from the Beneficiaries.”*

- 8.60 In accordance with the Tariff Regulations, 2025, the Commission asked the Petitioner in the Data Query to provide the targets for the control period (FY 2026-27 to FY 2030-31) including but not limiting to distribution losses, billing efficiency, collection efficiency, working capital requirement, quality of supply targets viz, SAIFI, SAIDI and MAIFI) to claim an additional RoE of 0.50%.
- 8.61 In response to the Petitioner's submitted operational parameters/measurable Key Performance Indicators (KPIs), the Commission approved the following operational norms and parameters:

**Table 142: Operation Parameters as approved by the Commission**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Distribution Losses (%)	2.50%	2.50%	2.50%	2.50%	2.50%
Billing Efficiency (%)	97%	97%	97%	97%	97%
Collection Efficiency (%)	99.50%	99.50%	99.50%	99.50%	99.50%
SAIDI	732	696	661	628	597
SAIFI	8.80	8.36	7.94	7.54	7.17
MAIFI	9	8	7	7	7

The Commission opines that Petitioner may claim the additional 0.5% RoE at the time of true-up, if it has shown the performance better than the above approved operational parameters/measurable Key Performance Indicators (KPIs). The Commission shall take into account the said submissions and other considerations to approve the extra 0.5% ROE.

- 8.62 Further, the Commission has computed the normative Equity addition during the year equal to 30% of the approved capitalization after deducting assets funded out of CC.
- 8.63 The Opening Equity for FY 2025-26 has been considered as the closing Equity approved by the Commission in True up Order of FY 2024-25. Thereafter GFA addition during FY 2025-26 has been considered as per the APR Petition for FY 2025-26 as submitted by the Petitioner to arrive



at Normative Equity addition for FY 2025-26. The closing Equity thus arrived for FY 2025-26 has been considered as opening Equity for FY 2026-27.

- 8.64 For the remaining years of the control period, the opening equity will be the same as opening equity of the FY 2026-27. As per JSERC Distribution Tariff Regulations, 2025, the Commission has approved RoE as 14.50% (post-tax) for the assets capitalised prior to April 01, 2026. And for all the assets capitalised from April 01, 2026, the Commission has approved RoE as 15.00% (post-tax). Since all the equity addition is from/after the April 01, 2026, the Commission approved the 15.00% (post-tax) RoE on these assets.
- 8.65 The Commission has further considered the IT at the rate of 25.17% (based on the prevailing Corporate IT Rate u/s 115BAA of the IT Act) for grossing up the RoE for each year of the Control Period, subject to prudence check at the time of Truing up.
- 8.66 The table below summarises the Return on Equity as approved by the Commission for the Control Period.

**Table 143: Return on Equity as approved by the Commission for Control Period (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Opening Equity upto 31.03.2026	98.85	98.85	98.85	98.85	98.85
Deemed Addition	6.00	9.00	10.50	10.50	9.00
Closing Equity upto 31.03.2026	98.85	98.85	98.85	98.85	98.85
Average Equity for GFA upto 31.03.2026	98.85	98.85	98.85	98.85	98.85
Rate of ROE (upto 31.3.2026)	14.50%	14.50%	14.50%	14.50%	14.50%
Normative equity for GFA added after 1.4.2026 Opening	0.00	6.00	15.00	25.50	36.00
Addition of Normative equity for GFA added after 1.4.2026	6.00	9.00	10.50	10.50	9.00
Normative equity for GFA added after 1.4.2026 Closing	6.00	15.00	25.50	36.00	45.00
Average equity for GFA added after 1.4.2026	3.00	10.50	20.25	30.75	40.50
Rate of ROE (after 1.4.2026)	15.00%	15.00%	15.00%	15.00%	15.00%
<b>Return on Equity (for Assets upto 31.3.2026)</b>	14.33	14.33	14.33	14.33	14.33
<b>Return on Equity (for Assets added after 1.4.2026)</b>	0.45	1.58	3.04	4.61	6.08
<b>Total RoE</b>	<b>14.78</b>	<b>15.91</b>	<b>17.37</b>	<b>18.95</b>	<b>20.41</b>



Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Tax Rate	25.17%	25.17%	25.17%	25.17%	25.17%
Tax on ROE	4.97	5.37	5.88	6.43	6.94
<b>ROE including Tax</b>	<b>19.76</b>	<b>21.26</b>	<b>23.21</b>	<b>25.32</b>	<b>27.27</b>

## Interest on Working Capital

### Petitioner's Submission

8.67 The Petitioner submitted that it has arrived at Working Capital for wheeling business requirement based on the Tariff Regulations, 2025. The relevant extract is reproduced below.

*“10.30 Working capital for the Wheeling Business of electricity for the Control Period shall consist of:*

*Maintenance spares at 1% of Opening GFA of wheeling business;*

*plus*

*Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs;*

*minus*

*Amount, if any, held as security deposits.”*

*“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 truing up exercise has been undertaken.”*

8.68 The SBI Bank Rate as on September 30, 2020 plus 350 basis points has been considered for computation of IoWC as given below:



**Table 144: IoWC-Wheeling Business as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Maintenance Spares - 1% of Opening Supply GFA	4.64	4.88	5.21	5.59	5.97
Expected Revenue from Wheeling Supply Charges - 2 Months	8.84	9.29	9.43	9.55	9.69
Less:					
Security Deposits for Supply					
Total Working Capital	13.48	14.17	14.64	15.14	15.66
Interest on Working Capital	12.25%	12.25%	12.25%	12.25%	12.25%
<b>Interest on Working Capital (Rs. Cr.)</b>	<b>1.65</b>	<b>1.74</b>	<b>1.79</b>	<b>1.85</b>	<b>1.92</b>

8.69 The Petitioner submitted that it has arrived at Working Capital for retail business requirement based on the Tariff Regulations, 2025. The relevant extract is reproduced below.

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

*Maintenance spares at 1% of Opening GFA for retail supply business; plus*

*Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs;*

*minus*

*Amount held as security deposits under clause (a) and clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for wheeling business; minus*

*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 truing up exercise has been undertaken.”*



**Table 145 IoWC-Retail Business as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Maintenance Spares - 1% of Opening Supply GFA	0.52	0.54	0.58	0.62	0.66
Expected Revenue from Retail Supply Charges - 2 Months	102.63	107.87	109.45	110.87	112.56
Less:					
Power Purchase Cost - 1 Month	60.27	60.54	61.66	62.83	65.49
Security Deposits for Supply	113.38	119.00	125.47	130.93	164.32
Total Working Capital	(70.51)	(71.13)	(77.10)	(82.26)	(116.59)
Interest on Working Capital (in %)	12.25%	12.25%	12.25%	12.25%	12.25%
Interest on Working Capital (Rs. Cr.)	(8.64)	(8.71)	(9.44)	(10.08)	(14.28)

### **Commission's Analysis**

8.70 The relevant Regulations related to Interest on Working Capital (IoWC) of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 is mentioned below.

*“Interest on Working Capital*

*Working capital for the Wheeling Business for the Control Period shall comprise:*

*Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*

*Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*

*Amount, if any, held as security deposits.*

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

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

*b) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus*

*c) Amount held as security deposits under Clause (a) and Clause (b) of subsection (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.*

*10.31 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 truing up exercise has been undertaken.”*

- 8.71 The Interest rate of SBI Bank Rate as on April 01, 2026 plus 350 basis points stand at 10.50%. Accordingly, the normative interest rate for the working Capital for each year of the Control Period is approved for Wheeling and Retail Supply Business.
- 8.72 Further, the Commission has segregated Interest on Working Capital into Wheeling and Supply Business as per allocation specified in Regulation 6.8 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025.
- 8.73 The Interest on Working Capital approved by the Commission for Wheeling and Retail Supply Business activity combined together is shown in the table below:

**Table 146 Interest on Working Capital – Wheeling Business as approved by the Commission for Control Period (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Maintenance Spares - 1% of Opening Supply GFA	4.64	4.88	5.21	5.59	5.97
Expected Revenue from Wheeling Supply Charges - 2 Months	11.85	12.71	13.82	15.01	16.13
Total Working Capital	16.49	17.58	19.03	20.60	22.10
Interest Rate on Working Capital	12.25%	12.25%	12.25%	12.25%	12.25%
Interest on Working Capital (Rs. Cr.)	<b>2.02</b>	<b>2.15</b>	<b>2.33</b>	<b>2.52</b>	<b>2.71</b>



**Table 147 Interest on Working Capital – Retail Business as approved by the Commission for Control Period (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Maintenance Spares - 1% of Opening Supply GFA	0.52	0.54	0.58	0.62	0.66
Expected Revenue from Retail Supply Charges - 2 Months	125.14	125.74	128.07	130.57	136.20
Less: Power Purchase Cost - 1 Month	110.02	111.64	113.28	114.96	120.91
Less: Security Deposits for Supply	60.26	60.44	61.47	62.57	65.23
Total Working Capital	-44.63	-45.80	-46.10	-46.35	-49.28
Interest on Working Capital (in %)	0.12	0.12	0.12	0.12	0.12
Interest on Working Capital (Rs. Cr.)	<b>-5.47</b>	<b>-5.61</b>	<b>-5.65</b>	<b>-5.68</b>	<b>-6.04</b>

8.74 The Commission observes that the Petitioner has only claimed the Interest on working capital for wheeling business. However, on summation of the IoWC for wheeling and retail business, the resultant is negative. Therefore, the Commission has not projected any amount against the Interest on Working Capital (IoWC) during the next control period subjected to truing up as per actuals.

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

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

#### ***Employee Expenses***

8.75 The Petitioner submitted that it has computed Employee Expenses as per Regulations 10.6 (b) of Tariff Regulations, 2025.

8.76 The Petitioner further submitted that it has envisaged additional manpower recruitment of 49 employees to manage the projects, operation, maintenance and service requirements.

8.77 Further, the Petitioner has submitted that for the 06 person, who will be superannuating during the next MYT period, manpower needs to be taken with appropriate level of overlapping period anywhere between 3 months to 12 months depending upon the nature of work.

8.78 The Employee as well as R&M and A&G costs for “nth” year shall be indexed by using inflationary factors. The index will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year. As per Regulation 6.6



(c), Inflation Factor is calculated by giving 55% weightage to the CPI index and 45% weightage to the WPI index as per the following formula.

$$\text{INDX}_n = 0.55 * \text{CPI}_n + 0.45 * \text{WPI}_n$$

- 8.79 For the purpose of planning, indexation has been calculated based on WPI and CPI index of FY 2024-25 and FY 2023-24 has been considered. The month wise WPI data from office of economic advisor and CPI data from Bureau of Labor statistics for FY 2023-24 and FY 2024-25 has been considered.
- 8.80 The derived inflation index (INDX FY 25 / INDX FY 24) comes out to be 3.12%. The same has been considered for the control period subject to true-up:

**Table 148 Inflation Factor for WPI & CPI**

Period	WPI	CPI	Total
Weightage	0.45	0.55	1.00
Avg Indexation for FY 2024-25	154.86	410.64	
Avg Indexation n-1 (Index * Wt.)	151.42	397.20	
Avg Indexation for FY 2023-24	69.69	225.85	295.54
Avg Indexation n (Index * Wt.)	68.14	218.46	286.60
<b>Combined Inflation (Indxn/Indxn-1)</b>	<b>3.12%</b>		

- 8.81 The Petitioner submitted that the total employee expenditure has been worked out considering inflation factor, increase in connected load and additional manpower for each year of the Control period is as given in the table below: -

**Table 149 Employee Expenses as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Normative Employee Cost (n-1) Excluding Terminal Liabilities	18.91	20.83	23.01	25.84	28.46
Weighted Avg. Inflation factor (in %)	3.12%	3.12%	3.12%	3.12%	3.12%
Growth Factor-Gn (in %)	5.88%	10.25%	11.84%	10.06%	9.71%
Employee Cost as per normative basis Excl. Terminal Liabilities	20.65	23.48	27.08	30.73	34.77
Add: Terminal Liabilities	1.07	1.21	1.4	1.58	1.79
Employee Cost as per normative basis Incl. Terminal Liabilities	21.72	24.69	28.47	32.32	36.56

*\*Growth factor Gn includes factor for both existing employees (~ 4%) and additional employees based on number of employees addition every year*



Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<i>1 rev. vide affidavit dated 16.12.25</i>					

### **A&G Expenses**

8.82 The Petitioner submitted that the A&G Expenses consists of billing and collection expenses, electricity surcharge, rates, taxes and consultancy fees. Further, the A&G expense for the control period has been computed as per Tariff Regulations, 2025 is shown below:

**Table 150 A&G Expenses as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Total A&G Expenses	8.52	9.09	9.63	10.23	10.81
Add: Inflation factor (in %)	3.12%	3.12%	3.12%	3.12%	3.12%
Sub-total	8.78	9.38	9.93	10.55	11.14
Add: Load Growth Factor (in %)	3.55%	2.68%	3.01%	2.47%	14.73%
Normative A&G Expenses	9.09	9.63	10.23	10.81	12.79
Add: CGRF Expenses	0.83	0.83	0.84	0.85	0.86
Add: Petition & other filing fees to JSERC	0.25	0.25	0.25	0.25	0.25
Normative A&G Expenses including CCGRF expenses and Petition & other filing expenses	<b>10.17</b>	<b>10.71</b>	<b>11.32</b>	<b>11.91</b>	<b>13.89</b>

### **R&M Expenses**

8.83 The Petitioner had computed the 'k' factor based on the ratio of R&M expense to GFA of the preceding year (FY 2024-25) of the base year (FY 2025-26). The Petitioner would like to submit that there is no abnormal expense in the preceding year of the base year. The k-factor thus comes out to be 3.11%.

8.84 In addition to indexing with 'k' factor, the Petitioner has also taken into account the inflation factor of 3.12% as computed above, while calculating the R&M Expenses as shown below.



**Table 151 R&M Expenses as submitted by the Petitioner (Rs. Cr.)**

Particulars	Formula	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<b>Opening GFA</b>	A	515.12	542.12 1	579.12 1	621.12 1	663.12 1
<b>K-Factor</b>	B	3.11%	3.11%	3.11%	3.11%	3.11%
<b>Opening GFA*Derived K-Factor</b>	C=A*B	16.00	16.84	17.99	19.3	20.6
<i>Inflation factor for FY 2026-27</i>	D	3.12%	3.12%	3.12%	3.12%	3.12%
<i>Inflation factor for FY 2027-28</i>	E		3.12%	3.12%	3.12%	3.12%
<i>Inflation factor for FY 2028-29</i>	F			3.12%	3.12%	3.12%
<i>Inflation factor for FY 2029-30</i>	G				3.12%	3.12%
<i>Inflation factor for FY 2030-31</i>	H					3.12%
<b>Expected R&amp;M Expense</b>	$E=C*(1+D)*(1+E)*(1+F)*(1+G)*(1+H)$	<b>16.50</b>	<b>17.91</b>	<b>19.73</b>	<b>21.82</b>	<b>24.02</b>

8.85 Summary of claims of the Petitioners with respect to O&M Expenses is shown in the table below:

**Table 152 O&M Expenses as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
R&M Expenses	16.50	17.91	19.73	21.82	24.02
Employee Expenses	21.72	24.69	28.47	32.32	36.56
A&G Expenses	10.17	10.71	11.32	11.91	13.89
<b>Total O&amp;M Expenses</b>	<b>48.39</b>	<b>53.31</b>	<b>59.52</b>	<b>66.04</b>	<b>74.48</b>

### **Commission Analysis**

8.86 The relevant Regulations related to O&M Expenses of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 is mentioned 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 2020-21 to FY 2024-25, 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  $n$ th year;  $EMP_n$  – Employee Costs of the Licensee for the  $n$ th year, excluding terminal liabilities;  $A\&G_n$  – 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:

$$a) R\&M_n = K * GFA * (INDX_n / INDX_0)$$

Where,

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

‘GFA’ is the opening value of the gross fixed asset of the



*nth year;*

*INDX<sub>n</sub> is the indexation for nth year of control period;*

*INDX<sub>0</sub> is the indexation for the base year of the control period;*

$$b) \text{ EMP}_n + \text{A\&G}_n = [(\text{EMP}_{n-1}) * (1 + \text{G}_n) + (\text{A\&G}_{n-1}) * (\text{INDX}_n / \text{INDX}_{n-1}) + \text{provision for A\&G (if any)}]$$

*Where,*

*EMP<sub>n-1</sub> – Employee Costs of the Licensee for the (n-1)th year excluding terminal liabilities;*

*A&G<sub>n-1</sub> – Administrative and General Costs of the Licensee for the (n-1)th year excluding legal/litigation expenses;*

*INDX<sub>n</sub> – 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<sub>n</sub> – is a growth factor for the nth year and it can be greater than or lesser than zero based on the actual performance. Value of G<sub>n</sub> 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;*

*Provision: Cost or initiatives or other one-time expenses as proposed by the Distribution Licensee subject to the prudence check and is validated by the Commission.*

$$c) \text{ INDX}_n = 0.55 * \text{CPI}_n + 0.45 * \text{WPI}_n$$

*Note 1: For the purpose of estimation, the same INDX<sub>n</sub>/INDX<sub>n-1</sub> 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;*

*Note 3: 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 shall submit a detailed break-up of Legal/Litigation Expenses incurred during the Control Period (FY 2026- 27 to FY 2030-31), along with necessary documentary evidence such as invoices, fee receipts, case references, and proof of payment. The Commission shall assess the admissibility of such expenses based on the provisions of the Jharkhand State Litigation Policy and allow recovery of expenses subject to prudence check at the time of true-up.*

*Provided that the legal expenses shall be considered on a case-by-case basis, subject to prudence check at the time of True-up, and only upon production of valid proof of payment for the actual amount claimed...”*

- 8.87 For the MYT Control Period, the Commission has projected the O&M Expenses separately for each component of O&M Expenses as per the Distribution Tariff Regulations 2025.
- 8.88 The Commission has approved the component wise O&M Expenses and these estimates will be subject to true up during the Annual Performance Review/True up based on the actual as per audited accounts.

### **Employee Expenses**

- 8.89 The Commission had approved the Employee Expenses excluding the terminal liabilities for this control period years by considering the Employee



Cost for the previous year (Excluding Terminal Liabilities) and gross up with the inflation factor and growth factor in to it.

- 8.90 For calculating the inflation factor, the Commission considered the average of past three years' inflation factors.
- 8.91 Further, 10.6(b) of Distribution Tariff Regulations, 2025 provides provision for determination of Growth factor (G(n)) factor to compute the increase in Employee Expenses for meeting the additional manpower requirement based on the Distribution Licensee's Filing, benchmarking and any other factor that the Commission feels appropriate.
- 8.92 Accordingly, the Commission has considered Growth factor based on manpower approved for the Control Period i.e. FY 2025-26 to FY 2030-31 as discussed in Chapter: 7, Sub-Section: Human Resource Plan of this Order. The Growth factor considered for the control period, subject to prudence check at the time of APR/True up is as follows: -

**Table 153 Growth Factor as approved by the Commission for Control Period (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Growth Rate (%)	4.42%	4.76%	6.06%	4.76%	4.55%

- 8.93 The Commission has approved the normative Employee Expenses including terminal benefits considering growth factor for the Control Period, subject to prudence check at the time of APR/True up.
- 8.94 Similarity, based on the methodology adopted for projection of Employee Expenses for the Control Period, Terminal Liabilities has been projected for the Control Period.
- 8.95 It is further clarified that the Petitioner shall be not entitled to claim any gain on account of saving in employee costs due to variation in nos. of employees recruited as well as inflation factor.

### **A&G Expenses**

- 8.96 Based on the methodology adopted for projection of Employee Expenses for the Control Period, A&G Expenses excluding Petition Filing Fee and CGRF Expenses and growth factor has been projected for the Control Period.

### **R&M Expenses**

- 8.97 In accordance with the provisions of Regulation 10.6(a) of JSERC Distribution Tariff Regulations, 2025, the Commission has approved the 'k' factor based on the actual ratio of R&M Expenses and the opening Gross Fixed Assets for the preceding year (i.e. FY 2024-25) as 3.11%.
- 8.98 The Commission has projected the normative R&M Expenses for the Control Period considering the approved opening GFA of respective year and multiplied with the 'k' factor of 3.11% and again multiplied with inflation factors for the respective years. Inflation factor is calculated



based on the moving average of 3 previous year's Inflation factor, subject to true up. For example, inflation factor for the Financial Year 2026-27 calculated as the average of the inflation factor of financial year FY 23-24, FY 24-25 and FY 25-26, inflation factor for the Financial Year 2027-28 calculated as the average of the inflation factor of financial year FY 24-25, FY 25-26 and FY 26-27 and so on.

### **Other Expenditures**

8.99 The Commission approves Terminal Liabilities, Petition Filing Fees and CGRF Expenses (rent and remuneration) based on the Petitioner's submission, subject to truing up based on actuals.

8.100 Based on above, the Commission approves Operation and Maintenance Expenses for the Control Period as shown in the table below

**Table 154 O&M Expenses as approved by the Commission (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Normative Employee Cost	21.59	23.24	25.29	27.24	29.25
Normative A&G	3.66	3.76	3.85	3.96	4.07
Normative R&M	16.48	17.82	19.53	21.54	23.62
<b>O&amp;M Expenses excluding Terminal, filing &amp; CGRF</b>	<b>41.73</b>	<b>44.81</b>	<b>48.68</b>	<b>52.73</b>	<b>56.93</b>
Terminal Liabilities	1.07	1.21	1.40	1.58	1.79
Petition Filing Fee	0.25	0.25	0.25	0.25	0.25
CGRF Expenses (Rent & Remuneration)	0.83	0.83	0.84	0.85	0.86
<b>Normative-O&amp;M</b>	<b>43.88</b>	<b>47.10</b>	<b>51.17</b>	<b>55.41</b>	<b>59.83</b>

### **Non-Tariff Income**

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

**8.101** The Petitioner submitted that the Non-Tariff Income (NTI) primarily consists of income against Delayed Payment Surcharge (DPS) scrap sales, cheque dishonour charges, supervision charges, fuse/MCB etc. replacement charges due to over loading. The Petitioner has provisionally proposed NTI as per following table for each year of the Control Period, subject to truing up based on actuals.

**Table 155 Non-Tariff Income as submitted by the Petitioner (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Non-Tariff Income	1.00	1.02	1.04	1.06	1.08

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



8.102 The relevant Regulations related to Non-Tariff Income (NTI) of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 is mentioned below.

*“Non-Tariff Income*

*The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Retail Supply Tariff and Wheeling Charges of the Distribution Business:*

*Provided that the Distribution Licensee shall submit full details of its forecast of Non- Tariff Income to the Commission in such form as may be stipulated by the Commission.*

*10.54 The Non-Tariff Income shall include:*

- a) Income from rent of land or buildings;*
- b) Income from sale of scrap;*
- c) Income from investments;*
- d) Interest accrued on advances to suppliers/ contractors;*
- e) Interest income on loans/ advances to employees;*
- f) Income from rental of staff quarters;*
- g) Income by rental from contractors;*
- h) Income by hire charges from contactors and others;*
- i) Income from delayed payment surcharge, supervision charges, etc.;*
- j) Supervision charges for capital works;*
- k) Income from recovery against theft and/ or pilferage of electricity;*
- l) Income from advertisements;*



m) *Income from sale of tender documents;*

n) *Profit from sale of Assets (i.e. difference of Sale value and Book value*

*of Asset);*

o) *Any other Non-Tariff Income:*

*Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Licensee shall not be included in Non-Tariff Income.*

8.103 The Commission has considered the NTI as submitted by the Petitioner for the Control Period.

8.104 The Commission has provisionally approved the NTI for the Control Period, subject to truing up based on actuals.

**Table 156 Non-Tariff Income as approved by the Commission (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Non-Tariff Income	1.00	1.02	1.04	1.06	1.08

## **Expenses towards energy saving & electrical safety initiatives for consumers**

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

8.105 The Petitioner has submitted that Energy saving is an important aspect for the nation as it helps cut down wasteful usage of electricity and replacing inefficient equipment/ goods with more efficient ones. This is possible by creating awareness, facilitating buying of energy efficient equipment, assisting evaluation of technology and equipment.

8.106 The Petitioner further submitted Electrical safety is also one of the very important elements requiring focus. Because of low level of awareness on hazards related to electricity, several accidents are reported in the society. These accidents can be avoided by making users aware of the associated hazards of electricity through one-to-one interaction sessions, engaging with school children in school and planned engagement with customers' family in local community.

8.107 The Petitioner plans to take initiatives to assist and engage with customers on energy efficiency and electrical safety by organizing training sessions, communication sessions, conferences, one to one interaction by volunteers, engaging experts to support industrial consumers.



8.108 Towards this an expenditure of approx. Rs. 0.60 Cr is proposed in each year of the control period.

### **Commission's Analysis**

**8.109** The Commission has cross-checked the claim of the Petitioner regarding the expenses towards energy saving and consumer safety for the next control period. The Commission is of the view that although electrical safety and energy saving are required for the nation, as these expenses are not governed by any of the regulations of JSREC (Terms and Conditions for Determination of Distribution Tariff Regulations, 2025), the Commission is not approving these expenses in this order.

## **Summary of ARR for the MYT Control Period from FY 2026-27 to FY 2030-31**

### **Petitioner's Submission**

8.110 Based on the assumption and estimation, the Annual Revenue Requirement as projected by the Petitioner for the Control Period from FY 2026-27 to FY 2030-31 is as shown below.

**Table 157 Summary of ARR for the MYT Period as submitted by the Petitioner (Rs. Cr.)**

<b>Particulars</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>	<b>FY 2030-31</b>
Total Power Purchase Expense	723.23	726.50	739.91	753.99	785.93
O&M Expenses	48.39	53.31	59.52	66.04	74.48
Employee cost	21.72	24.69	28.47	32.32	36.56
A&G Expense	10.17	10.71	11.32	11.91	13.89
R&M Cost	16.50	17.91	19.73	21.82	24.02
Depreciation	12.56	13.51	14.76	16.09	17.34
Interest on Long Term Loan	13.06	13.54	14.47	15.44	16.09
Interest on Consumer Security Deposit	11.24	11.53	11.70	11.87	12.27
Interest on Working Capital	1.65	1.74	1.79	1.85	1.92
Return on Equity	19.80	21.35	23.37	25.55	27.57
Energy efficiency & safety initiatives for customers	0.50	0.55	0.60	0.65	0.70
<b>Total Expenditure</b>	<b>830.43</b>	<b>842.03</b>	<b>866.12</b>	<b>891.49</b>	<b>936.29</b>
Less: Non-Tariff Income	1.00	1.02	1.04	1.06	1.08
<b>Net: Aggregate Revenue Requirement</b>	<b>829.43</b>	<b>841.01</b>	<b>865.08</b>	<b>890.43</b>	<b>935.21</b>

### **Commission's Analysis**



8.111 The Commission has approved the ARR for the Control Period from FY 2026-27 to FY 2030-31 based on the components approved in this Order. The following table summarises the ARR for the Control Period as approved by the Commission:

**Table 158 Summary of ARR for the MYT Period as approved by the Commission (Rs. Cr.)**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Power Purchase Cost	733.19	723.79	735.41	751.37	769.86
O&M Expenses	43.88	47.10	51.17	55.41	59.83
Depreciation	12.56	13.51	14.76	16.09	17.34
Interest on loan	13.04	13.53	14.48	15.48	16.14
Interest on Consumer Security Deposit	11.24	11.53	11.70	11.87	12.27
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
Return on Equity	19.76	21.26	23.21	25.32	27.27
Add: sharing of gain/loss	0.00	0.00	0.00	0.00	0.00
Less: Non-Tariff Income	1.00	1.02	1.04	1.06	1.08
<b>Annual Revenue Requirement</b>	<b>832.66</b>	<b>829.70</b>	<b>849.68</b>	<b>874.49</b>	<b>901.63</b>

## Tariff

### Commission's Analysis

**8.112** The Commission has reassessed the Revenue from Sale of Power at the prevailing applicable Tariff and approves the revenue for Sale of Energy at prevailing Tariff for FY 2026-27 as shown below.

**Table 159: Revenue (Rs. Cr.) at existing tariff as approved by the Commission**

Particulars	Petition	Approved
Domestic LT Rural	0.90	0.90
Domestic LT Urban	13.95	13.95
Domestic Service – DSHT	5.50	5.50
Commercial Services – (Non Domestic)	5.98	8.69
LTIS	14.00	14.00
HTSS	628.34	628.34
Street Light	0.07	0.03
Temporary Service	0.07	0.04
<b>Revenue (Total)</b>	<b>668.78</b>	<b>671.42</b>



## **Gap/(Surplus) at Existing Tariff**

### **Commission's Analysis**

**8.113** The Commission has approved the ARR for FY 2026-27 based on the components approved in this Order. The following table summarises the Gap/(Surplus) for FY 2026-27 as existing tariff.

**Table 160 Gap/(Surplus) at existing tariff as approved by the Commission (Rs. Crore)**

<b>Particulars</b>	<b>FY 2026-27</b>
	<b>Approved</b>
Annual Revenue Requirement	832.66
Revenue from Sales at Existing Tariff	671.42
<b>Revenue Gap/(Surplus)</b>	<b>161.24</b>

8.114 The Commission has approved the treatment of the Gap/(Surplus) at existing tariff in Chapter 9 of this Order.



## **Chapter 9: REVENUE GAP AND ITS TREATMENT**



## **Chapter 9: REVENUE GAP AND ITS TREATMENT**

### **Revenue Gap/(Surplus)**

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

- 9.1 The Petitioner has estimated the cumulative revenue gap till FY 2026-27 based on the (1) opening revenue Gap/Surplus at the start of the Control period FY2021-26, (2) True-up value for the year FY2021-22, FY2022-23, FY 2023-24, (3) True-up filed for FY 2024-25 and (4) APR filed for FY2025-26, (5) estimates of ARR and revenue at existing tariff FY 2026-27 given in this petition and (6) applicable interest rates for computation of carrying cost in those years.
- 9.2 The Petitioner has estimated the cumulative Revenue Surplus of (108.60) Rs. Cr. till FY 26-27.
- 9.3 At existing tariff, the standalone revenue gap for the year is estimated to be around 160.65.Rs. Cr.
- 9.4 The cumulative revenue gap/ (surplus) till FY 2026-27 as per the methodology adopted by the Commission is presented in the table below:

**Table 161: Cumulative Revenue Gap (Rs. Cr.) as submitted by the Petitioner till FY 2026-27**

Particulars (All figures in Rs. Cr.)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
	Trued-up	Trued-up	Trued-up	Trued-up	APR Filed	ARR Filed
Opening revenue gap/(surplus) as on 1st April of FY	10.30	-3.87	-21.76	-75.62	-105.87	-39.90
Revenue gap/(surplus) created during the year	-14.17	-17.89	-53.86	-30.25	65.97	160.65
Closing revenue gap/(surplus) at the end of the year	<b>-3.87</b>	<b>-21.76</b>	<b>-75.62</b>	<b>-105.87</b>	<b>-39.90</b>	<b>120.75</b>
Rate of interest	10.50%	11.20%	12.00%	12.15%	12.15%	12.15%
Carrying cost on opening gap/(surplus)	1.08	-0.43	-2.61	-9.19	-12.86	-4.85
Carrying cost on gap/(surplus) created during the FY	-0.74	-1.00	-3.23	-1.84	4.01	19.52
Total Carrying Cost for FY	0.34	-1.44	-5.84	-11.03	-8.86	14.67



Particulars (All figures in Rs. Cr.)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
	Trued-up	Trued-up	Trued-up	Trued-up	APR Filed	ARR Filed
Cumulative Carrying Cost till FY	0.34	-1.10	-6.94	-17.97	-26.82	-12.15
Total gap/(surplus) including carrying cost	<b>-3.53</b>	<b>-22.86</b>	<b>-82.56</b>	<b>-123.84</b>	<b>-66.72</b>	<b>108.60</b>

### Commission's Analysis

9.5 As per the Commission the approved value of Truing up for FY 2024-25, and APR for FY 2025-26 the cumulative Revenue Gap/(Surplus) approved by the Commission till FY 2026-27 is shown below:

**Table 162: Cumulative Gap/(Surplus) (Rs. Cr.) as approved by the Commission till FY 2025-26.**

Particulars	FY 2024-25	FY 2025-26
Opening Gap/(Surplus)	(82.64)	(173.67)
Revenue Gap/(Surplus) during FY	(72.21)	55.12
Rate of Carrying Cost (%)	12.15%	12.50%
Carrying Cost on Opening Revenue Gap/(Surplus)	(10.04)	(21.71)
Carrying Cost on Revenue Gap/(Surplus) during FY	(8.77)	6.89
<b>Closing Revenue Gap/(Surplus)</b>	<b>(173.67)</b>	<b>(133.37)</b>

9.6 Further, taking into account the gap/surplus value of Trued-up for FY 2024-25, APR for FY 2025-26 and Revenue gap for FY 2026-27, the Commission hereby approves the Cumulative closing gap for FY 2026-27 as shown below:

**Table 163: Cumulative Gap/(Surplus) (in Rs Cr.) as approved by the Commission for FY 2026-27**

Particulars	Approved
Opening Gap/(Surplus) FY 2026-27	(133.37)
Revenue Gap/(Surplus) during FY 2026-27	161.24
Rate of Carrying Cost (%)	<b>11.00%</b>
Carrying Cost on Opening Revenue Gap/(Surplus)	(14.67)
Carrying Cost on Revenue Gap/(Surplus) during FY 2026-27	17.74
<b>Closing Revenue Gap/(Surplus)</b>	<b>30.94</b>

9.7 On account of gap of Rs. 30.94 Cr. in FY 2026-27 as well as considering the proposed expansion of distribution network, the Commission is inclined to revise the tariff.



- 9.8 The Gap/(Surplus) approved in this Order for FY 2026-27 will be passed-on to the beneficiary while carrying out the Annual Revenue Requirement for the subsequent year.
- 9.9 Since the power purchase cost has increased significantly (reflected in the APR and MYT Petitions) as TSUISL has opted to procure power in scheduled mode in accordance with the provisions of the PPA executed between DVC and TSUISL and as approved by the Commission.



# **Chapter 10: OPEN ACCESS CHARGES**



## **Chapter 10: OPEN ACCESS CHARGES**

10.1 As per Clause 2.2 of the Tariff Regulations, 2025, 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;”

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

10.3 The Petitioner has submitted its proposal for the determination of Wheeling Charge, Cross Subsidy Surcharge and Additional Surcharge for FY 2026-27. The following chapter summarize the Petitioner’s submission and Commission’s analysis thereof:

### **Wheeling Charges**

#### **Petitioner’s Submission**

10.4 The Petitioner has submitted that it has considered the allocation ratio for Wheeling and Retail Supply business in accordance with Clause 6.8 of the Tariff Regulations, 2025. Accordingly, the allocation for wire and supply business for each ARR component for FY 2026-27 is reproduced below:

**Table 164: Segregation of ARR and Wheeling Charges as submitted by the Petitioner for FY 2026-27**

<b>Particulars</b>	<b>Share of Retail Supply</b>	<b>Share of Wheeling Supply</b>	<b>Retail ARR</b>	<b>Wheeling ARR</b>
Power Purchase Cost	100%	0%	723.23	0.00
O&M Expenses			15.42	32.97
(a) Employee Expenses	40%	60%	8.69	13.03
(b) A&G Expenses	50%	50%	5.08	5.08
(c) R&M Expenses	10%	90%	1.65	14.85
Depreciation	10%	90%	1.26	11.30



Particulars	Share of Retail Supply	Share of Wheeling Supply	Retail ARR	Wheeling ARR
Interest on Normative Long Term Loan	10%	90%	1.31	11.75
Interest on Working Capital	90%	10%	1.49	0.17
Interest on Consumer Security Deposit	100%	0%	11.24	0.00
Add: Return on Equity	10%	90%	1.98	17.82
Less: Non-Tariff Income	90%	10%	(0.90)	(0.10)
<b>Net: Aggregate Revenue Requirement</b>			<b>755.52</b>	<b>73.91</b>

### **Commission Analysis**

10.5 According to **clause 6.5 to clause 6.8** of the Tariff Regulations, 2025, the Petitioner is required to segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business. In absence of segregated accounts, the Petitioner is required to submit an allocation statement duly approved by the Board of Directors accompanied with an explanation of the basis and methodology used for segregation. The relevant extract of the Regulations has been reproduced hereunder:

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

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

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

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

10.6 The segregation of ARR into Wires and Supply Business as approved by the Commission for FY 2026-27 is shown below:



**Table 165: Segregation of ARR and Wheeling Charges as approved by the Commission for FY 2026-27**

Particulars	Share of Retail Supply	Share of Wheeling Supply	Retail ARR	Wheeling ARR
Power Purchase Cost	100%	0%	733.19	0
O&M Expenses				
Employee Expenses	40%	60%	9.06	13.60
A&G Expenses	50%	50%	1.83	1.83
R&M Expenses	10%	90%	1.65	14.83
Gain on O&M	10%	90%		
Petition Filing Charges & CGRF Expenses	50%	50%	0.54	0.54
Interest on Loan	10%	90%	1.30	11.73
Interest on Working Capital	90%	10%	-	-
Interest on Security Deposit	100%	0%	11.24	-
Depreciation	10%	90%	1.26	11.30
Return on Equity	10%	90%	1.98	17.78
Gross Aggregate Revenue Requirement			<b>762.05</b>	<b>71.61</b>
Less: Non-Tariff Income	90%	10%	0.90	0.10
<b>Aggregate Revenue Requirement</b>	<b>91.41%</b>	<b>8.59%</b>	<b>761.15</b>	<b>71.51</b>
Less: Revenue from sale of Power @ Existing Tariff	91.41%	8.59%	<b>613.76</b>	<b>57.66</b>
<b>Net Gap/ (Surplus)</b>			<b>140.93</b>	<b>13.85</b>

10.7 The Commission has considered the network details of the Petitioner as submitted along with Petition. The 132 kV asset and common assets are distributed among the other voltage level assets based on the estimated sales for FY 2026-27.

**Table 166: Segregation of ARR and Wheeling Charges as approved by the Commission for FY 2026-27**

Voltage Level	Asset Segregation	Asset Segregation (%)	Segregation of ARR	Sale (%)
LT	56.88	12.85%	9.19	6.78%
HT (upto 11kV)	154.75	34.95%	24.99	27.67%
HT (above 11kV)	231.12	52.20%	37.33	52.55%
<b>Total</b>	<b>442.75</b>		<b>71.51</b>	



10.8 Based on the above, the Voltage-wise Wheeling Charges for FY 2026-27 as approved by the Commission has been tabulated below:

**Table 167: Cost stacking as approved by the Commission for FY 2026-27.**

Voltage level	Voltage-wise ARR Allocation	Cost Stacking on the basis of energy sales		
		LT	HT (upto 11kV)	HT (above 11kV)
LT	9.19	9.19		
HT (upto 11kV)	24.99	24.99	0	
HT (above 11kV)	37.33	2.99	11.87	22.55
<b>Total</b>	<b>71.51</b>	<b>37.09</b>	<b>11.87</b>	<b>22.55</b>

**Table 168: Wheeling Tariff as approved by the Commission for FY 2026-27.**

Voltage Level	ARR (Rs. Cr.)	Sales (MUs)	Wheeling Tariff (Rs./kWh)
LT	9.19	82.33	4.50
HT (upto 11kV)	24.99	335.90	0.35
HT (above 11kV)	37.33	638.02	0.35
<b>Total</b>	<b>71.51</b>	<b>1056.25</b>	

### **Cross Subsidy Surcharge**

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

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

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

Where,

*S is the surcharge;*

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

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

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



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

*R is the per unit cost of carrying regulatory assets:*

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

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

**Table 169: Cross Subsidy Surcharges as submitted by the Petitioner for FY 2026-27**

Consumer Categories	Voltage Level	T-Tariff Payable ABR (Rs./kWh) FY 2026-27	C-Power Purchase Cost (Rs./kWh) FY 2026-27	L-System losses for applicable voltage (%) FY 2026-27	D-Wheeling Charges (Rs./kWh) FY 2026-27	R- per unit cost of carrying Regulatory assets FY 2026-27	Cross Subsidy Surcharge (Rs./kWh) FY 2026-27
Domestic	LT & HT	4.13	5.77	12.50%	2.44	0.00	
Commercial	LT	4.20	5.77	12.50%	2.44	0.00	
Industrial-HTIS	11 KV HT	7.19	5.77	3.30%	1.29	0.00	0.13
	33 KV HT	6.36	5.77	2.50%	0.49	0.00	0.10
	132 KV HT	6.36	5.77	2.00%	0.49	0.00	0.10
LTIS	LT	7.14	5.77	12.50%	2.44	0.00	

### **Commission Analysis**

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

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

10.12 The Commission has considered the JSERC (Terms and Conditions for Intra-State Open Access) Regulations, 2016, Tariff, and clause 10.62 JSERC Distribution Tariff Regulation 2025 while approving the Cross-Subsidy Surcharge (CSS). The Commission has also taken into account that the CSS shall not exceed 20% of the tariff applicable to the category of the consumers seeking Open Access.



- 10.13 Weighted average purchase cost for CSS computation works out to 5.77 Rs. per unit by considering the Power Purchase Cost of 723.16 Rs. Cr. and Power Purchase Quantum of 1267.38 MU as approved by the Commission for FY 2026-27.
- 10.14 The Tariff Policy suggests that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking Open Access. Accordingly, the CSS approved by the Commission for FY 2026-27 is as follows:

**Table 170: Cross Subsidy Surcharges as approved by the Commission for FY 2026-27**

Consumer Categories	Voltage Level	T-Tariff Payable ABR (Rs./kWh)	C-Power Purchase Cost (Rs./kWh)	L-System losses for applicable voltage (%)	D-Wheeling Charges (Rs./kWh)	R- per unit cost of carrying Regulatory assets	Cross Subsidy Surcharge (Rs./kWh)
Domestic	LT	2.60	5.77	12.50%	4.50	0.00	
Commercial	LT	5.24	5.77	12.50%	4.50	0.00	
Industrial-HTIS	11 KV HT	6.81	5.77	3.30%	0.35	0.00	0.58
	33 KV HT	5.80	5.77	2.50%	0.35	0.00	0.00
	132 KV HT	5.80	5.77	2.00%	0.35	0.00	0.00
LTIS	LT	6.11	5.77	12.50%	4.50	0.00	

## **Additional Surcharges**

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

- 10.15 The Petitioner has submitted that Section 8.5 of the Tariff Policy 2016 deals with applicability of Additional Surcharge to be paid by Open Access 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.”*

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

### ***Commission Analysis***



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



# **Chapter 11: GREEN ENERGY TARIFF**



## **Chapter 11: GREEN ENERGY TARIFF**

### **Petitioner Submission**

11.1 The Petitioner submitted that Ministry of Power, Government of India has notified "The Electricity Act (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. Taking Consideration of the above, the Commission has notified Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Green Energy Open access) Regulations, 2024. Clause 4.2(c) of the Regulation provides details of method by which a distribution licensee can determine tariff for the supply of green energy to the consumers, which shall be determined separately by the Commission based on the Average Pooled Power Purchase Cost of the renewable energy, cross-subsidy charges (if any), and service charges covering the prudent cost of the distribution licensee for providing the green energy.

11.2 The clause 4.2 c of the said Regulation is being reproduced below –

*"4.2. Any entity, whether obligated or not may elect to generate, purchase and consume renewable energy as per their requirements by one or more of the following methods:*

*c. By requisition from distribution licensee:*

*i. Any consumer may elect to purchase Green Energy either upto a certain percentage of the consumption or its entire consumption and they may place a requisition for this with their distribution licensee, which shall procure such quantity of green energy and supply it and the consumer shall have the flexibility to give separate requisition for solar and non-solar;*

*ii. The consumer may purchase on a voluntary basis, more renewable energy, than he is obligated to do and for ease of implementation, this may be in steps of 25% going upto 100%;*

*iii. The tariff for the green energy shall be determined separately by the Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy surcharges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy;*

*iv. Any requisition for green energy from a distribution licensee shall be for a minimum period of one year;*

*v. The quantum of green energy shall be pre-specified for at least one year;*

*vi. The green energy purchased from distribution licensee or from Renewable Energy sources other than distribution licensee in excess of Renewable Purchase Obligation of obligated entity shall be counted*



towards Renewable Purchase Obligation compliance of the distribution licensee;

vii. The Accounting of renewable energy supplied at distribution licensee level shall be on a monthly basis;”

11.3 Petitioner submits that some of the Industrial/Commercial customers have approached Tata Steel UISL for supplying Green Energy. Further, there is increased awareness in certain class of consumers regarding reducing their Carbon footprints and are willing to pay a premium for “Green Energy”.

11.4 The Petitioner seeks approval for “Green Energy Tariff” for Supply of Renewable Energy (RE) to consumers for meeting their requirement of Green Energy. Based on approval of Green Energy tariff by the Commission the Petitioner would explore Sources of Green Energy and would approach the Commission for consent to procure RE Power from such sources.

11.5 Petitioner would like to adopt the methodology adopted by Commission for determination of Green Energy tariff for TSL Power Distribution Licensee vide. TSL Tariff Order dated : 26th June 2024. The relevant extract of the said Tariff Order are given below:

*“10.12 For the calculation of the Green Energy Tariff, the Commission has introduced a formula that considers the difference between the weighted average rate of renewable energy (RE) power and the weighted average rate of the energy charge (variable charge) of non-renewable energy (Non-RE) sources.”*

11.6 Computation of Green Energy Tariff –Based on above, Green Energy Tariff for FY 2026-27 is being computed based on Weighted Average of Market Clearing Prices (MCP) of RE sources in GDAM and vaibale cost of non-RE sources of power for FY 2023-24 & FY 2024-25 is shown below.

Particulars	Formula	FY 23-24	FY 24-25	Average
Weighted MCP of RE in GDAM (Rs./kWh)	A	5.64	5.06	4.00
Cost of Non-RE (only variable cost) (Rs./kWh)	B	3.9	3.66	3.78
Difference between RE & Non-RE (only variable cost) (Rs./kWh)	C=A-B	1.341	0.354	0.8475

*\*Note: Tata Steel UISL has not procured RE till date as Renewable Energy Purchase Obligation is not applicable for Tata Steel UISL Licensee as on date. Hence the Cost of RE (Rs/kWh) is considered same as Weighted Average of Market Clearing Price (MCP) of RE in Green Day Ahead Market.*

11.7 In Order to promote Green Energy, the Petitioner submitted that Commission may approve Green Energy tariff by considering 80% of the



- difference between RE & Non-RE (Only Variable cost) i.e, 80% of Rs. 0.8475/kWh, which comes out to be Rs. 0.68 / kWh.
- 11.8 Based on methodology adopted by the Commission as mentioned above, Green Energy Tariff comes out to be “Normal Tariff applicable for a consumer + Rs 0.68/ unit”
- 11.9 Petitioner submitted that the Commission may approve Green Energy tariff based on the above submission.
- 11.10 As customers would also be requiring Green Energy certificate for their compliance purpose; Petitioner requests the Commission that Tata Steel UISL may also be authorized to provide green energy certificate to the consumers who avails Green energy at applicable Green Energy tariff.
- 11.11 REGULATORY FRAMEWORK -Clauses which empowers the Commission to approve the Green Energy Tariff are as follows –
- 11.12 The Petitioner submitted that Section 94 of the Electricity Act 2003 empowers the Commission to take up this request and pass order in this regard. Relevant part of section 94 of the Electricity Act 2003 is reproduced below.

*“(1) The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 in respect of the following matters, namely: -*

- (a) summoning and enforcing the attendance of any person and examining him on oath;*
- (b) discovery and production of any document or other material object producible as evidence;*
- (c) receiving evidence on affidavits;*
- (d) requisitioning of any public record;*
- (e) issuing Commission for the examination of witnesses;*
- (f) reviewing its decisions, directions and orders;*
- (g) any other matter which may be prescribed.*

*(2) The Appropriate Commission shall have the powers to pass such interim order in any proceeding, hearing or matter before the Appropriate Commission, as that Commission may consider appropriate.*

*(3) The Appropriate Commission may authorise any person, as it deems fit, to represent the interest of the consumers in the proceedings before it.”*



11.13 The Petitioner submitted that Section 86 of the Electricity Act 2003 empowers the Commission to consider this request and pass order in this regard. Section 86 of the Electricity Act 2003 is reproduced below.

*“Section 86. (Functions of State Commission): (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;*

*(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 licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;*

*(e) promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;*

*(f) adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;*

*(g) levy fee for the purposes of this Act;*

*(h) specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;*

*(i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;*

*(j) fix the trading margin in the intra-State trading of electricity, if considered, necessary; and*

*(k) discharge such other functions as may be assigned to it under this Act.*

11.14 Further, the Petitioner submitted that Section 4.2 C (iii) of JSERC (Green Energy Open Access) Regulations 2024, empowers the Commission to take



decision regarding this petition filed. The same section is reproduced below-

*“4.2. Any entity, whether obligated or not may elect to generate, purchase and consume renewable energy as per their requirements by one or more of the following methods:*

*c. By requisition from distribution licensee:*

*iii. The tariff for the green energy shall be determined separately by the Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy surcharges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy;”*

11.15 The Petitioner submitted that Section A 44 and 45 of Conduct of Business Regulations 2016, which empowers the Commission to take decision regarding this petition filed. The same section is reproduced below-

*“A44: ISSUE OF ORDERS AND DIRECTIONS ON PROCEDURES*

*44.1 Subject to the provisions of the Act and these Regulations, the Commission may, from time to time, issue orders and directions in regard to the implementation of the Regulations and procedure to be followed.”*

*“A45: SAVING OF INHERENT POWER OF THE COMMISSION*

*45.1 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.*

*45.2 Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded, in writing, deems it necessary or expedient for dealing with such a matter or class of matters.*

*45.3 Nothing in these Regulations shall, expressly or impliedly bar the Commission to deal with any matter or exercise any power under the Act for which no Regulation have been framed, and the Commission may deal with such matters, with powers and functions in a manner it thinks fit.*

11.16 In the view of aforesaid mentioned facts, the Petitioner requested the Commission to approve the “Green Energy Tariff” as “Normal Tariff applicable for a customer + Rs. 0.68 per kWh as proposed above or as deem fit by the Commission.



### **Commission Analysis**

11.17 The Commission is of the opinion that since the Petitioner is buying power in consumer mode till date and thus RPO compliances are not applicable to the Petitioner, **the Green Tariff for the FY 2026-27 approved for the Licensee, Tata Steel Ltd., shall be applicable to the Petitioner too.** Since from September 2025, the Petitioner starts to purchase the power in scheduled mode from the DVC and RPO obligation will now fall with them only, the Commission will determine the Green Energy Tariff for the FY 2027-28 based on the weighted average cost of RE power purchase within FY 2025-26 and FY 2026-27.



# **Chapter 12: APPROVED RETAIL TARIFF FOR FY 2026-27**



## Chapter 12: APPROVED RETAIL TARIFF FOR FY 2026-27

### Petitioner Submission

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

**Table 171: Summary of Tariff Proposed by the Petitioner for FY 2026-27**

Consumer Category	Existing Tariff				Proposed Tariff			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
<b>Domestic Services (DS)</b>								
Domestic Services - Rural	Rs./Conn/month	45.00	Rs./kWh	3.06	Rs./Conn/month	60.00	Rs./kWh	3.60
Domestic Services - Urban	Rs./Conn/month	80.00	Rs./kWh	3.32	Rs./Conn/month	100.00	Rs./kWh	3.90
Domestic Services - HT	Rs./kVA/month	80.00	Rs./kVAh	3.16	Rs./kVA/month	100.00	Rs./kVAh	3.70
Irrigation & Agriculture Services (IAS)	Rs./HP/month	25.00	Rs./kWh	4.06	Rs./HP/month	30.00	Rs./kWh	4.80
<b>Commercial Services (Non-Domestic)</b>								
Commercial Services - Rural	Rs./kW/month	80.00	Rs./kWh	3.06	Rs./kW/month	100.00	Rs./kWh	3.60
Commercial Services - Urban	Rs./kW/month	155.00	Rs./kWh	4.23	Rs./kW/month	190.00	Rs./kWh	3.90
Low Tension Industrial Services (LTIS)	Rs./kVA/month	155.00	Rs./kVAh	4.59	Rs./kVA/month	190.00	Rs./kVAh	5.40
<b>High Tension Services (HTS)</b>								
HTS	Rs./kVA/month	355.00	Rs./kVAh	5.00	Rs./kVA/month	420	Rs./kVAh	5.85
<b>Institutional Services</b>								
Streetlight	Rs./kW/month	65.00	Rs./kWh	5.36	Rs./kW/month	80.00	Rs./kWh	6.30
Railway traction services, Military Engineering Services and Other Distribution Licensees	Rs./kVA/month	195.00	Rs./kVAh	4.90	Rs./kVA/month	230.00	Rs./kVAh	5.75
Temporary Services	Rs./kW/month	1.5 times of the applicable	Rs./kWh	1.5 times of the applicable	Rs./kW/month	Same as Existing	Rs./kWh	Same as Existing

**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**



Consumer Category	Existing Tariff				Proposed Tariff			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
		fixed charges		energy charges				

**Commission Analysis**

12.2 Based on the above discussions, the summary of Tariff approved by the Commission for FY 2026-27 is as below:

**Table 172: Summary of Approved Tariff by the Commission for FY 2026-27**

Consumer Category	Existing Tariff				Approved Tariff			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
<b>Domestic Services (DS)</b>								
Domestic Services - Rural	Rs./Conn/month	45.00	Rs./kWh	3.06	Rs./Conn/month	45.00	Rs./kWh	3.06
Domestic Services - Urban	Rs./Conn/month	80.00	Rs./kWh	3.32	Rs./Conn/month	80.00	Rs./kWh	3.40
Domestic Services - HT	Rs./kVA/month	80.00	Rs./kVAh	3.16	Rs./kVA/month	80.00	Rs./kVAh	3.35
Irrigation & Agriculture Services (IAS)	Rs./HP/month	25.00	Rs./kWh	4.06	Rs./HP/month	25.00	Rs./kWh	4.06
<b>Commercial Services (Non-Domestic)</b>								
Commercial Services - Rural	Rs./kW/month	80.00	Rs./kWh	3.06	Rs./kW/month	80.00	Rs./kWh	3.10
Commercial Services - Urban	Rs./kW/month	155.00	Rs./kWh	4.23	Rs./kW/month	155.00	Rs./kWh	4.30
Low Tension Industrial Services (LTIS)	Rs./kVA/month	155.00	Rs./kVAh	4.59	Rs./kVA/month	155.00	Rs./kVAh	4.70
<b>High Tension Services (HTS)</b>								
HTS	Rs./kVA/month	355.00	Rs./kVAh	5.00	Rs./kVA/month	355.00	Rs./kVAh	5.15
<b>Institutional Services</b>								
Streetlight	Rs./kW/month	65.00	Rs./kWh	5.36	Rs./kW/month	65.00	Rs./kWh	5.50

**True-up for FY 2024-25, APR for FY 2025-26, and Approval of Business Plan & MYT for FY 2026-27 to FY 2030-31 and Tariff determination for FY 2026-27**



Consumer Category	Existing Tariff				Approved Tariff			
	Fixed Charges		Energy Charges		Fixed Charges		Energy Charges	
	Units	Rate	Units	Rate	Units	Rate	Units	Rate
Railway traction services, Military Engineering Services and Other Distribution Licensees	Rs./kVA/month	195.00	Rs./kVAh	4.90	Rs./kVA/month	195.00	Rs./kVAh	4.90
Temporary Services	Rs./kW/month	1.5 times of the applicable fixed charges	Rs./kWh	1.5 times of the applicable energy charges	Rs./kW/month	Same as Existing	Rs./kWh	Same as Existing



## **Chapter 13: SCHEDULE OF CHARGES FOR FY 2026-27**



## Chapter 13: SCHEDULE OF CHARGES FOR FY 2026-27

### Petitioner Submission

13.1 The Petitioner has proposed the following change in the Schedule for Miscellaneous Charges as shown below:

**Table 173: Miscellaneous Charges as proposed by the Petitioner for FY 2026-27**

No.	Purpose	Existing Charges	Proposed Charges	Manner in which payment will be realized
1	<b>Application fee</b>			
	LT categories	100	No change	Payable with Energy Bill
	HT Connection	500	No Change	
2	<b>Revision of Estimate on Consumer Request based on Revision in Original Application</b>			
	LT Categories	100	No Change	Payable with demand note
	HT Connection	500	No Change	
3	<b>Testing of consumers Installation <sup>(1)</sup></b>			
	LT Supply	100	500	Payable with energy bill
	HT Supply	500	3000	
4	<b>Meter test when accuracy disputed by consumer <sup>(2)</sup></b>			
	Single/ Three Phase	505	600	Payable with request for testing
	Trivector/Special Type Meter, HT, EHT Metering Equipment	1500	2000	
5	<b>Removing/Refixing of meter/ Changing of meter/ meter equipment/fixing of sub meter on the request of the customer/fixing of sub meter/ Resealing of Meter when meter seals are found broken.</b>			
	Single / Three Phase	200	300	Payable with energy bill
	Trivector/Special type meter/ HT / EHT Neter/Metering equipment	1000	1500	



No.	Purpose	Existing Charges	Proposed Charges	Manner in which payment will be realized
6	<b>Fuse call- Replacement / RCBO Tripping Call- Replacement.</b>			
	Consumer fuse/ RCBO attending	100	100	Payable with energy bill
7	<b>Disconnection / Reconnection</b>			
	LT Connection	200	500	Payable in advance along with the consumer request.
	HT Connection	1500	2000	
8	<b>Replacement of Burnt Meter/ MCCB/ RCBO/ Catenary/Switches or any other items</b>	Cost of meter or other items replaced	No change	Payable with Energy Bill
9	<b>Security Deposit</b>	As per JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time		
10	<b>Transformer Rent <sup>(3)</sup></b>			
	Up to 200 kVA	5500/Month	No Change	Payable with energy bill
	Above 200 kVA	7500/Month	No Change	
11	<b>Shutdown on Consumer Request -</b>			
	LT Connection	NA	200	Payable with energy bill; Considering visit twice per shutdown request (Power disconnection & reconnection)
	LT Industrial	NA	1000	
	HT Industrial	NA	2000	
12	Security deployment during disconnection – resistance case		5000 on each visit	Cost of deployment of security, vehicle and other expenses payable with energy bill

(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, 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**



13.2 The Commission has analyzed the various aspects of these charges and the Schedule of Miscellaneous Charges applicable to other Distribution Licensee in the State of Jharkhand. The Commission observes that the Schedule of Miscellaneous Charges are already specified in the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time. However, since the Commission has approved the Miscellaneous Charges in the Tariff Order dated November 24, 2022, the Commission has not approved any change in Miscellaneous Charges in this Order as reiterated in **Chapter 14** of this Order and any changes in the Charges shall be revised in the amendment of the Supply Code Regulations.



## **Chapter 14: TARIFF SCHEDULE**



## **Chapter 14: TARIFF SCHEDULE**

### **TARIFF APPLICABLE FORM 01.04.2026**

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

This rate is also applicable for all consumers with contracted demand of up to 5 kW mixed, commercial, industrial, educational institutions, drinking water schemes or for any other purpose, except streetlight connections and agriculture/allied connections

#### **Category of Services:**

Domestic Service-Rural: areas not covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

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

#### **Service Character:**

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

#### **Tariff:**



Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
LT-Rural	Rs./Conn./month	45	Rs./kWh	3.06
LT-Urban	Rs./Conn./month	80	Rs./kWh	3.40

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

**Rebate for Online Payment and Prompt Payment:** In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order

### **Domestic Service- HT**

#### **Applicability:**

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc., and 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 33kV or 11kV voltage level.

#### **Service Character:**

For HT: AC, 50 Cycles, at 11 kV or 33 kV

#### **Tariff:**

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
DS-HT	Rs./kVA/month	80	Rs./kVAh	3.35

**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 15** of this Tariff Order.



**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

**Rebate for Online Payment and Prompt Payment:** In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

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

### **Applicability:**

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

### **Service Character:**

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

### **Tariff:**

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
IAS	Rs./HP/month	25.00	Rs./kWh	4.06

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

**Rebate for Online Payment and Prompt Payment:** In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order

## **Commercial Service:**

### **Applicability:**

This schedule shall apply to all consumers, using electrical energy for light, fan and power loads for non-domestic purposes like shops, hospitals (govt. or private), nursing homes, clinics, dispensaries, restaurants, hotels, clubs, guest houses, marriage houses, public halls, show rooms, workshops, central air-conditioning units, offices (govt. or private), commercial establishments, cinemas, X-ray plants, schools and colleges (govt. or private), boarding/ lodging houses, libraries (govt. or private), research institutes (govt. or private), railway stations, fuel - oil stations, service stations (including vehicle service stations), All India Radio / T.V. installations, printing presses, commercial trusts /



societies, Museums, poultry farms, banks, theatres, common facilities in multi-storeyed 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 greater 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.

However, commercial customer with contract demand more than 10 kW will be considered as Commercial Service-Urban. Tariff will be applicable as per urban rate.

**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
CS- Rural	Rs./kW/month	80	Rs./kWh	3.10
CS- Urban	Rs./kW/month	155	Rs./kWh	4.30

**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 15** 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 15** 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 15** of this Tariff Order.

**Rebate for Online Payment and Prompt Payment:** In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

### **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	155.00	Rs./kVAh	4.70

**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 15** 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 15** 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 15** of this Tariff Order.

**Rebate for Online Payment and Prompt Payment:** In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

## **HT Service:**

### **Applicability:**

High Tension Service (HTS): All the consumers drawing power at voltage level at 6.6 kV and above except Domestic-HT and HT- Institutional Consumers.

### **Service Character:**

High Tension Service (HTS): 50 Cycles, Three Phase at 6.6 kV/11 kV/33 kV/132 kV

### **Tariff**

Category	Fixed Charge		Energy Charge	
	Unit	Rate	Unit	Rate
HTS	Rs./kVA/month	355	Rs./kVAh	5.15

**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 15** of this Tariff Order.

**Load Factor Rebate:** In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

**Voltage Rebate:** In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

**Rebate for Online Payment and Prompt Payment:** In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.



**TOD Tariff:** In accordance with **Clause VII: ToD Tariff** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

### **Street Light:**

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

#### **Applicability:**

Street Light Service (SS): This tariff schedule shall apply for use of Street Lighting system, including single system in corporation, municipality, Notified Area Committee, panchayats, etc., and also in areas not covered by municipalities and Notified Area Committee provided the number of lamps served from a point of supply is not less than 5. In case where number of lamps is less than 5, billing shall be done based on equivalent consumption of lights assuming 12 hours of use.

#### **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	65	Rs./kWh	5.50

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

**Rebate for Online Payment and Prompt Payment:** In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

### **HT Institutional Service:**

This tariff schedule shall apply for use of Railway Traction, Military Engineering Services and Other Distribution Licensees.

#### **Applicability:**

**Railway Traction (RTS) and Military Engineering Services (MES):** This tariff schedule shall apply for use of railway traction and Military Engineering Services (MES) for a mixed load in defence cantonment and related area.

**Other Distribution Licensees:** This tariff schedule shall apply to other distribution licensees procuring power from the Licensee 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 utilized 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	195	Rs./kVAh	4.90

**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 15** of this Tariff Order.

**Load Factor Rebate:** In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

**Voltage Rebate:** In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

**Delayed Payment Surcharge:** In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Chapter 15** of this Tariff Order.

**Rebate for Online Payment and Prompt Payment:** In accordance with **Clause VIII: Prompt Payment Rebate** of Terms & Conditions of Supply as provided in **Chapter 15** 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 15** of this Tariff Order.

**RPO Compliance:** RPO Compliance for Sale to Other Licensees, RTS and MES shall be made by the first Licensee which sells the power viz., in case TSL buys power from DVC then the onus to comply with RPO will be with DVC only.

**Temporary Connection:**

**Applicability:**

The Temporary tariff shall be applicable as per the following conditions:

(a) Temporary tariff shall be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.



(b) Temporary connections may be given with normal meters with security deposit as per JSERC (Electricity Supply Code) Regulations, 2015 and amendment thereof.

(c) Temporary connections may also be given with prepaid meters with minimum prepaid balance equivalent to 45 days of sale of power, which shall be based on the assessment formula as per JSERC (Electricity Supply Code) Regulations, 2015 and amendment thereof.

**Tariff:**

Category	Fixed Charge	Energy Charge
	Rate	Rate
Temporary Connection (all Units)	1.5 times of the applicable fixed charges	1.5 times of the applicable energy charge

**Tariff to be paid by the Licensee for Gross/Net Metering of rooftop Solar PV project**

Tariff to the Gross/net metering of solar rooftop will be applicable as per the JSERC (Determination of Tariff for Procurement of Power from Solar PV power Project and Solar Thermal Power Project) Regulations, 2025.



## **Chapter 15: TERMS AND CONDITION OF SUPPLY**



## **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 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, 2025, 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 (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, as amended from time to time at the rate given below:

<b>Consumer Category</b>	<b>Voltage Rebate*</b>
HTS/HT Institutional - 33 kV	3.00%
HTS.HT Institutional -132 kV	4.00%

*\*The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.*



### **Clause V: Load Factor Rebate**

The Load factor rebate shall be allowed to all the consumers whose load factor exceeds 65%. For any 'X' % increase in the load factor over and above 65%, the rebate shall be allowed at the rate of 'X' % on the total energy charges corresponding to total energy consumption of the consumer subject to a maximum ceiling rebate of 15%.

The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.

### **Clause VI: Installation of Shunt Capacitors**

Connections with inductive load/motors as specified in Clauses 8.2.34 and 8.2.35 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time, shall be installed with Shunt Capacitors to meet the Power Factor requirements. For existing consumer, the Petitioner should first serve one month's notice to all such consumers who do not have or have defective shunt capacitors. In case the consumers do not get the capacitor installed/replaced within the notice period, the consumer shall be levied a surcharge at 5% on the total billed amount charge (metered or flat), till they have installed the required capacitors.

### **Clause VII: ToD Tariff**

TOD tariff shall be applicable as an option to HTS and HT Institutional Consumers as follows:

- **Off Peak Hours: 10:00 PM to 06:00 AM:** 85% of normal rate of energy charge
- **Normal Hours: 10:00 AM to 06:00 PM:** 100% of normal rate of energy charge
- **Peak Hours: 06:00 AM to 10:00 AM and 06:00 PM to 10:00 PM:** 120% of normal rate of energy charge

### **Clause VIII: Prompt Payment Rebate**

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, which is presently minimum 15 days after issue date of bill for LT Domestic, Commercial and Agriculture category and minimum 21 days after issue date of bill for other categories.

Prompt Payment Rebate shall be allowed for payment of bills by the Consumers in accordance with Clauses 10.80 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025. For payment of Energy



Bills by the consumer within 5 days of presentation of bill (i.e. bill date), a rebate of 2% shall be applicable.

**Note:** In case of computation of five (5) days, the number of days shall be counted consecutively without considering any holiday. However, in case the last day or 5th day is official holiday, the 5th day for the purpose of Rebate shall be construed as the immediate succeeding working day (as per the official State Government's calendar, where the Office of the Authorized Signatory or Representative of the Beneficiary, for the purpose of receipt or acknowledgement of Bill is situated).

### **Clause IX: Rebate for Prepaid Metering**

The Commission has introduced rebate to prepaid meters at 3% of the Energy Charges for the respective Consumer Category. For such consumers, the Petitioner shall refund the entire Security Deposit within one month from the date of installation of such prepaid meters.

### **Clause X: Rebate for Delayed Billing**

The Commission has introduced rebate in case of delayed billing to consumers to promote prompt billing by the Licensees. In case the bill is not received for two continuous billing cycles, a rebate at the rate of 1.00% on the bill amount per month for delay beyond two months or part thereof shall be applicable subject to a ceiling of 3%. The Utility shall not be eligible to claim such Rebate as a part of ARR. The same shall be treated as a Compensation for the consumers out of the RoE of the Licensee. This clause shall be applicable for all consumers.

### **Clause XI: Rebate for Online Payment**

As per the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 clause 10.88, Any other Rebate or Surcharge applicable to the consumers, including but not limited to Voltage Rebate/Surcharge, Power Factor Rebate/Surcharge, etc., shall be applicable as specified in the Multi Year Tariff (MYT)/ Annual Tariff Orders issued by the Commission under the provisions of the Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2015, as amended by the First Amendment Regulations, 2018, and the Second Amendment Regulations, 2024, or as may be further or re-enacted from time to time.

### **Clause XII: Electricity Supply Code**

The Jharkhand State Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2015, as amended from time to time will be followed wherever applicable.

### **Clause XIII: 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.

### **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.

### **Dishonored 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 dishonored cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs. 300 or 0.5% of the billed amount, whichever is higher. In addition to the same, the Delayed Payment Surcharge shall be levied extra as per the applicable terms and conditions of Delayed Payment Surcharge.

### **Stopped/Defective Meters**

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued as per Clause 10.3.1 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of Sanctioned Load/Contract Load on following load factor applicable to respective categories:

<b>Consumer Category</b>	<b>Load Factor</b>
Domestic	0.15
Non-Domestic	0.20
LTIS	0.20
DS-HT	0.15
HT Consumer- (<132kV)	0.30
HT Consumer- (>132kV)	0.50

### **Sale of Energy**

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/entity. In case of DS-HT consumers, who supply power to individual households, the average per unit charges billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

### **Release of New Connections**



No new connections shall be provided without appropriate meter.

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

Applicable as per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025 and as amended by the Commission from time to time.



## **Chapter 16: Directives**



## **Chapter 16: Directives**

16.1 The Commission directs the Petitioner to comply with the following directives.

### **I. Capital Expenditure Plan:**

16.2 The Commission directs the Petitioner to submit the approval of Capital Expenditure Plan, including the spill over schemes, duly approved by CEC/Board Investment to the Commission, before carrying out actual operations at the ground.

16.3 Further, the Petitioner is directed to submit revised Capital Expenditure Plan duly approved by CEC/Board to the Commission in next tariff filling petition.

16.4 The Commission directs the Petitioner to submit the status of all the capital schemes for the control period, including the major capital scheme worth Rs. 681 Cr. for Capacity Augmentation (315 MVA) and strengthening of power infrastructure for distribution of power in Seraikela–Kharsawan district. The Petitioner is further directed to approach JUSNL (STU) to extend its connectivity as an alternative mechanism. The Petitioner to update the Commission regarding the discussions held with JUSNL within three months of issuance of this order.

### **II. Minimum Standard of Service:**

16.5 The Commission directs the Petitioner for enforcement of minimum standards with respect to quality, continuity and reliability of services for supply of electricity by the Petitioner.

### **III. ToD Tariff:**

16.6 The Commission considered the Petitioner's response that implementing ToD for retail consumers will require changing the metering and billing system, both of which will require costs involving one-time and recurring costs, and directs the Petitioner to undertake a cost-benefit analysis for implementation of ToD tariffs for applicable consumer categories and submit the same within three months of issuance of this order.

### **IV. Roof-top Solar:**

16.7 The Commission directs the Petitioner to continue facilitating adoption of rooftop solar systems, particularly under the PM Surya Ghar scheme and relevant JSERC Net Metering Regulations, and submit the status of rooftop solar installations and net-metering connections within three months of issuance of this order.

### **V. Demand Side Management (On-Bill Financing for Energy-Efficient Appliances):**



16.8 For the on-bill financing for energy-efficient appliances, although the Petitioner has highlighted regulatory and financial constraints, the Commission directs the Petitioner to examine feasible DSM measures for promoting energy efficiency among consumers and report the action taken within three months of issuance of this order.

**VI. Battery Storage and Tech Integration:**

16.9 The Commission acknowledges that specific provisions for BESS are presently not included in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2025, the Petitioner is directed to monitor technological and regulatory developments in this regard and explore the feasibility of pilot implementation for peak load management and renewable energy integration. Further, the Petitioner to report the feasibility and cost benefit analysis of deployment of Battery Storage and Tech integration within three months of issuance of this order.

**VII. Contact Details of Consumer Grievance Redressal Forum (CGRF):**

16.10 The Commission directs the Petitioner to include the contact details of Consumer Grievance Redressal Forum (CGRF) in every bill issued to its consumers after the issuance of this order.

16.11 The Petitioner to bring to notice to the consumers about the CGRF forum for redressal of grievances and conduct monthly camps with Chairperson and members of CGRF and submit the report of the same with the Commission.

16.12 The relevant clause of Jharkhand State Electricity Regulatory Commission (Guidelines for Establishment of Forum for Redressal of Grievances of the Consumers, Electricity Ombudsman and Consumer Advocacy) Regulations, 2020 are reproduced as follows:

*“6. Duty of the Distribution licensee:-*

*(1) Every Distribution licensee shall notify and bring to the notice of the consumers by whatsoever means deemed fit including publication in the newspapers/ website etc, the details of the Forum for Redressal of Grievances of the Consumers.”*

*(4) The bills issued by the Distribution licensee to the consumers for the electricity supplied, shall contain the address and telephone numbers of the Forum for redressal of grievances of the consumers. The statement ‘consumers whose grievance is not resolved by the Distribution licensee can approach the Forum’ shall also be printed on such bills.”*

**VIII. Simplify bills:**



16.13 The Petitioner to simplify the bills issued to its consumers detailing the various charges being paid by the consumers in line with JSERC (Electricity Supply Code) (Second Amendment) Regulations, 2024 quoted as follows:

*“3. Insertion of sub-clause (g) and (h) under clause 10.1.1 under Chapter A10 Billing*

*(g) Easy to understand bills.*

*(h) Bills should also be issued in local language along with English.”*

16.14 The Petitioner to attach a one comparative copy (before / after) of first bill issued after the issuance of this order along with next tariff petition as compliance of this directive outlining the changes and their importance.

**IX. Virtual Hearing in CGRF:**

16.15 TSUISL shall make necessary arrangements for virtual hearings in the Consumer Grievance Redressal Forum (CGRF) for the benefit of consumers and shall submit a compliance report within three months from the date of issuance of this Order.

**X. Safety of Citizen:**

16.16 The Commission directs the Petitioner to install adequate lighting and protection around its infrastructure for safety of the citizen.

*The directives issued by the Commission in this Tariff Order for compliance by the Petitioner shall be monitored by the Consumer Grievance Redressal Forum (CGRF).*

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on March 23, 2026 (March Twenty-Three, Two Thousand Twenty-Six).

**Date: 23.03.2026**

**Place: Ranchi**

**Sd/-**  
**(Mahendra Prasad)**  
**MEMBER (Law)**

**Sd/-**  
**(Justice Navneet Kumar)**  
**Chairperson**



## Chapter 17: List of Participants

**Table 174: List of participants who attend Public Hearing and submitted their Suggestions/Comments**

Sr. No.	Name	Address/Organisation
1.	Ranjeet Singh	TSUISL
2.	Ranjan Kumar	TSUISL
3.	Pratham	TSUISL
4.	Sandeep	TSUISL
5.	Biplab Kumar Mahato	TSUISL
6.	Sakir	Adityapur
7.	Kalyanmoy Mukherjee	Saraikela Town
8.	Dhasrath Kaiwarta	Saraikela Town
9.	N Leena	TSUISL
10.	Varun Kumar	TSUISL
11.	Durgesh Kumar	TSUISL
12.	Anuradha Sharma	TSUISL
13.	Ravi Ranjan Singh	Prem Nagar
14.	Ajit Kumar Bhagat	Village Baramati
15.	Dev Mardi	Village Haridundarpur
16.	Ramdhan Hembrom	Champanagar
17.	A N Chodhary	TSUISL
18.	Mandeep Singh	Tarjit Foundry
19.	Ashok Kumar Sah	City Township, Adityapur-2
20.	R. K. Sharma	Adityapur-2
21.	Sumit Kumar Mahto	Karan Giri Gurha
22.	Sakesh Kumar Mahto	Kandra - Karan Giri Gurha
23.	Rajankumar	Bistupur
24.	Ashish Agarwal	Kalimati Product
25.	Prair Kumar Dey	Auto Petrofiles Ltd
26.	Ramakant Giri	Kross Ltd.
27.	Ravi Kumar Pudt	TSUISL



<b>Sr. No.</b>	<b>Name</b>	<b>Address/Organisation</b>
28.	Jogesh Patra	TSUISL
29.	Jasprite	Adityapur
30.	M. K. Panda	Jamshedpur
31.	Nirmal	Dainik Jagran
32.	Mala Rani Bhakal	Sudhapur
33.	Amrita Kumar	TSUISL
34.	Surya Shakti Sinha	TSUISL
35.	Ramesh Khandelwal	Arti Udyog
36.	Sumit Kumar	TSUISL
37.	Kartiu Debnath	TSUISL
38.	N K Mitra	TSUISL
39.	Samiksha Rai	TSUISL
40.	Jewel Sen	TSUISL
41.	Vibha Srivastava	TSUISL
42.	Ghutni Mahto	Virvas
43.	Ranjeet Mandal	Mohanpur
44.	Raiwari Mardi	Harisundarpur
45.	Sharni Chandra Kumar	Adityapur Phase 1
46.	Brajesh Singh	Adityapur
47.	Anil Kumar	Adityapur
48.	Mani Pandey	TSUISL
49.	Nirmal Karmakar	TSUISL
50.	Shakti Kumar	TSUISL
51.	Ajay Sahu	Saraikela
52.	Jai Pushpit Pallar	TSUISL
53.	Nilesh Seth	MVS Transmission
54.	Meeshank Lal	Adityapur
55.	Prachi Jha	TSUISL
56.	Santosh Khetan	ASIA
57.	Subhankar Shah	TSUISL



<b>Sr. No.</b>	<b>Name</b>	<b>Address/Organisation</b>
58.	Maj. Vikram Thakur	TSUISL
59.	Chtaway Nayak	TSUISL
60.	Somenath Mitra	Jamshedpur
61.	Sobha Rani Singh	Raimara
62.	O. S. Jha	TSUISL
63.	P. K. Bose	Auto Prefles
64.	Dashrath Upadhyay	ASIA Vice President
65.	Anil Kumar Agarwal	Galaxy Hydraulics
66.	Surojit Kundu	Perfectionist Logistic
67.	Bijay Kumar	Sai Shradha Housing Complex
68.	Sukhdev Mahato	Adityapur
69.	Ajay Prasad	Kadma, Jamshedpur
70.	B. P. Dubey	Gamharia
71.	Rishav Kumar	TSUISL
72.	Pinkesh Maheshwari	Gajanan Ores
73.	Anit Kumar	Vishwakarma Engg.
74.	Rabi Ranjan	Asoka Sky
75.	Sourav Dikshit	Padmavati Devi MultiSpeciality Hospital
76.	Piyush Goyal	Singhbhum Chamber of Commerce and Industries
77.	Pratham Pal	CSN Development Pvt Ltd
78.	Shiv Kumar	TSUISL
79.	K. Manjunath	TSUISL
80.	Suman Mandal	TSUISL
81.	Tanmay Chatterjee	Deloitte
82.	Vijay Prakash Singh	TSUISL
83.	Santanu Saha	Deloitte
84.	Pratap Ranjan Mahto	Bhaladih
85.	Sudipta Chatarjee	Kadma
86.	Chiku Kumar	Kadma



<b>Sr. No.</b>	<b>Name</b>	<b>Address/Organisation</b>
87.	Adit Raj	Adityapur
88.	Adity Kumari	Adityapur
89.	Jayant Patnayak	Adityapur
90.	Harsh Agarwal	SCCI Vice President (Industry)
91.	Vinod Sharma	SCCI Secretary (Industry)
92.	Santosh Singh	ASIA U.P.
93.	Pawan Kumar Agarwal	New Engg. Works
94.	Shapan Mazumdar	B. D. Industries
95.	Ravi Ranjan Singh	Auto Profile Ltd
96.	Arunjit Saha	TSUISL
97.	Kiran Kumar	Jamshedpur
98.	Monojit Ginha	Jamshedpur
99.	Mousi Chakraborty	Jamshedpur
100.	Ajit Kumar Bhagat	Baramari
101.	Ajit Kumar Tripathy	Jamshedpur
102.	Suraj Kumar Sharma	TSUISL
103.	Deepak Kumar	TSUISL
104.	Swanip Ranjan Mohanta	TSUISL
105.	Abdul Zarrar	Saldih
106.	Santosh Mahato	Kolabira
107.	Sukhlal Hembrum	Sosogoda
108.	Mukesh Kumar	TSUISL
109.	Alok Raj	Chairperson, CGRF, TSUISL
110.	Alok Kumar Dubey	Chairperson, CGRF, TSL
111.	Sanjiv Kumar Sinha	Member, CGRF, Adityapur
112.	Sanjay Gautam	TSUISL
113.	Ashok Gupta	Secretary ASIA
114.	Santosh Kumar Sunkari	TSUISL
115.	Kundan Kanth	TSUISL
116.	Subhendu Kumar Mohanta	TSUISL



<b>Sr. No.</b>	<b>Name</b>	<b>Address/Organisation</b>
117.	Madhulika Singh	TSUISL
118.	Ritik Kumar	TSUISL
119.	Sunil Kumar	TSUISL
120.	Ankit Choubey	TSUISL
121.	S. N. Singh	City Township, Adityapur
122.	Birbal Sharma	City Township, Adityapur
123.	Dinesh Mandal	TSUISL
124.	Chittaranjan Paul	TSUISL
125.	Vaisnavi Mala	Sudhapur
126.	Subhash K Saji	R. N. Infosystem
127.	Anil Gupta	Autotec Engg
128.	Sudhir Singh	Sudhir International Industrial Agriculture
129.	Rakesh Kumar Srivsatava	Yes Techno Ltd.
130.	Aninda Adhikari	PDMH
131.	Krishna Mohan	Karan Giri Gusha
132.	Ram Bihari Jha	TSUISL