

Jharkhand State Electricity Regulatory Commission



Order on
True-up for FY 2020-21,
Annual Performance Review for FY 2021-22, and Aggregate
Revenue Requirement & Tariff for FY 2022-23.

for
Tata Steel Utilities and Infrastructure Services Limited

Ranchi
September 29, 2023



Contents

Chapter 1: INTRODUCTION	7
Jharkhand State Electricity Regulatory Commission	7
Tata Steel Utilities and Infrastructure Services Limited (TSUISL)	9
The Petitioner's Prayers	11
Chapter 2: PROCEDURAL HISTORY	12
Background	12
Information Gaps in the Petition.....	12
Inviting Public Comments/Suggestions	13
Submission of Comments/Suggestions and Conduct of Public Hearing	14
Chapter 3: BRIEF FACTS OF THE PETITION	15
True-up for FY 2020-21:	15
Annual Performance Review for FY 2021-22:	16
Aggregate Revenue Requirement for FY 2022-23:.....	18
Chapter 4: PUBLIC CONSULTATION PROCESS.....	20
<i>Power Purchase Cost</i>	20
<i>Fixed Charge</i>	23
<i>HTS Category Tariff</i>	25
<i>Penalty on exceeding Contract demand</i>	26
<i>Voltage Rebate</i>	28
<i>Load Factor Rebate</i>	28
<i>Other General Suggestions</i>	29
Chapter 5: TRUE-UP FOR FY 2020-21	32
Consumers, Connected Load and Energy Sales	33
Energy Balance	34
Power Purchase Cost.....	36
Capital Work in Progress (CWIP) & Gross Fixed Asset (GFA)	37
Consumer Contribution	39
Depreciation	40
Interest and Finance Charges (IFC)	41
Interest on Security Deposits	43
Return on Equity	44
Interest on Working Capital.....	45



Operation and Maintenance Expenses (O&M)	45
Non-Tariff Income	51
Revenue from Sale of Power.....	51
Summary of Annual Revenue Requirement and Revenue Gap/(Surplus)	52
Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2021-22	54
Chapter 7: AGGREGATE REVENUE REQUIREMENT & TARIFF FOR FY 2022-23	55
Chapter 8: REVENUE GAP AND ITS TREATMENT	56
Revenue Gap/(Surplus).....	56
Chapter 9: STATUS OF EARLIER DIRECTIVES	58
Chapter 10: DIRECTIVES.....	60
Chapter 11: ANNEXURE.....	61
List of members of public who participated in the Public Hearing and submitted their Suggestions/Comments	61



List of Abbreviations

Abbreviation	Description
ABR	Average Billing Rate
ACS/ACoS	Average Cost of Supply
A&G	Administration and General
CAPEX	Capital Expenditure
CGRF	Consumer Grievance Redressal Forum
CWIP	Capital Works In Progress
DS	Domestic Service
DS HT	Domestic Service High Tension
DVC	Damodar Valley Corporation
FY	Financial Year
GFA	Gross Fixed Assets
HP	Horse Power
HT	High Tension
HTS	High Tension Service
HTSS	High Tension Special Service
IAS	Irrigation & Agriculture Service
JUSCO	Jamshedpur Utilities and Service Company Limited
KV	Kilo Volt
KVA	Kilo Volt Ampere
KW	Kilo Watt
KWh	Kilo Watt Hours
LF	Load Factor
LT	Low Tension
MD	Maximum Demand
MU	Million Units
MVA	Mega Volt Ampere
MW	Megawatt
MYT	Multi Year Tariff
NDS	Non-Domestic Service
O&M	Operation and Maintenance
PPA	Power Purchase Agreement
PSD	Power Services Division
RBI	Reserve Bank of India
REC	Renewable energy Certificate
R&M	Repairs and Maintenance
RoE	Return on Equity
RPO	Renewable energy Certificate
SBI	State Bank of India
STU	State Transmission Utility
T&D	Transmission & Distribution
TSL	Tata Steel Limited
WPI	Wholesale Price Index



List of Tables

Table 1: List of newspapers and dates of publication of public notice by the Petitioner	13
Table 2: List of newspapers and dates of publication of Public Notice by the Commission	14
Table 3: Number of Consumers, Connected Load & Energy Sales as submitted by the Petitioner for FY 2020-21.	15
Table 4: Energy Balance (in MUs) as submitted by the Petitioner for FY 2020-21.	16
Table 5: ARR (Rs. Crore) as submitted by the Petitioner for FY 2020-21	16
Table 6: Number of Consumers, Connected Load & Energy Sales as submitted by the Petitioner for FY 2021-22.	17
Table 7: Energy Balance (in MU) as submitted by the Petitioner for FY 2021-22.	17
Table 8: ARR (Rs. Crore) as submitted by the Petitioner for FY 2021-22.	18
Table 9: Number of Consumers, Connected Load & Energy Sales as submitted by the Petitioner for FY 2022-23	18
Table 10: Energy Balance (in MU) as submitted by the Petitioner for FY 2022-23.	19
Table 11: ARR (Rs. Crore) as submitted by the Petitioner for FY 2022-23.	19
Table 12: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission	33
Table 13: Energy Balance (in MU) as submitted by the Petitioner for FY 2020-21	34
Table 14: Energy Requirement as approved by the Commission (MU)	35
Table 15: Power Procurement Cost (Rs. Crore) as submitted by the Petitioner for FY 2020-21	36
Table 16: Power Procurement Cost (Rs. Crore) as approved by the Commission for FY 2020-21.	37
Table 17: CWIP & GFA (Rs. Crore) as submitted by the Petitioner for FY 2020-21.	38
Table 18: CWIP & GFA (Rs. Crore) as approved by the Commission for FY 2020-21	39
Table 19: CC Capitalized and Received (Rs. Crore) as submitted by the Petitioner for FY 2020-21.	39
Table 20: Consumer Contribution (Rs. Crore) as approved by the Commission for FY 2020-21	39
Table 21: Depreciation (Rs. Crore) as submitted by the Petitioner for FY 2020-21	40
Table 22: Depreciation (Rs. Crore) as approved by the Commission	41
Table 23: Normative Loan & Normative Equity (in Rs. Crore) added during FY 2020-21	41
Table 24: Interest and Finance Charges (Rs. Crore) as submitted by the Petitioner for FY 2020-21	42
Table 25: Normative Loan & Normative Equity (in Rs. Crore) added during FY 2020-21	42
Table 26: Interest and Finance Charges (Rs. Crore) as approved by the Commission for FY 2020-21	43
Table 27: Consumer Security Deposit (Rs. Crore) as submitted by the Petitioner for FY 2020-21.	43
Table 28: Consumer Security Deposit as approved by the Commission (Rs. Crore)	43
Table 29: Return on Equity (Rs. Crore) as submitted by the Petitioner for FY 2020-21.	44
Table 30: Return on Equity (Rs. Crore) as approved by the Commission for FY 2020-21	45
Table 31: Normative O&M Expenses (Rs. Crore) as submitted by the Petitioner for FY 2020-21	46
Table 32: Actual O&M Expenses (Rs. Crore) as per Audited Accounts as submitted by the Petitioner for FY 2020-21.	46
Table 33: O&M Expenses (Rs. Crore) including sharing of Gain/Loss as submitted by the Petitioner for FY 2020-21	47
Table 34: Actual O&M Expenses (Rs. Crore) as per Audited Accounts considered by the Commission	47
Table 35: Normative Employee Expenses (Rs. Crore) as approved by the Commission for FY 2020-21.	49
Table 36: Normative O&M Expenses (Rs. Crore) as approved by the Commission for FY 2020-21	50
Table 37: Sharing of Gain/Loss (Rs. Crore) on account of O&M Expenses as approved by the Commission FY 2020-21	50
Table 38: Non-Tariff Income (Rs. Crore) as submitted by the Petitioner for FY 2020-21	51
Table 39: Non-Tariff Income as approved by the Commission (Rs. Crore)	51
Table 40: Revenue (Rs. Crore) as approved by the Commission for FY 2020-21	52
Table 41: Summary of ARR (Rs. Cr.) as approved by the Commission for for FY 2020-21	52
Table 43: Cumulative Revenue Gap till FY 2020-21 as submitted by the Petitioner (Rs. Crore)	56
Table 44: Cumulative Gap/(Surplus) (in Rs. Crore) as approved by the Commission till FY 2020-21.	57



BEFORE

**Jharkhand State Electricity Regulatory Commission,
Ranchi**

Case (Tariff) No.: 04 of 2022

In the matter of:

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

In the matter:

Tata Steel Utilities and Infrastructure
Services Limited Sakchi Boulevard
Road, Northern Town, Bistupur,
Jamshedpur- 831001.....**Petitioner**

PRESENT

Hon'ble Justice Amitav Kumar Gupta
Hon'ble Mahendra Prasad
Hon'ble Atul Kumar

Chairperson
Member (Legal)
Member Technical)

**Order dated
September 29, 2023**

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



Chapter 1: INTRODUCTION

Jharkhand State Electricity Regulatory Commission

- 1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as the 'JSERC' or 'the Commission') was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory 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;
 - (b) 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;

- (c) 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;
- (d) facilitate intra-State transmission and wheeling of electricity;
- (e) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- (f) 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;
- (g) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
- (h) levy fee for the purposes of this Act;
- (i) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
- (j) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- (k) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
- (l) discharge such other functions as may be assigned to it under this Act.

1.5 The Commission has also to 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 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 has made the following prayers before the Commission:

- (a) Admit the Petition and examine the proposal submitted by the Petitioner in the enclosed Petition for a favorable dispensation;
- (b) Pass suitable Orders with respect to its claim based on Regulations and audited accounts for the True-up of ARR of Rs. 329.46 Crore for FY 2020-21 which is incurred by the Petitioner for serving its consumers;
- (c) Pass suitable orders with respect to its claim based on regulations and provisional actual for first six months and revised estimate for balance six months of FY 2021-22 for Annual Performance Review of Rs. 420.67 Cr.;
- (d) Pass suitable Order with respect to its claim based on Regulation and projected for the Aggregate Revenue Requirement of Rs 483.86 Crore for FY 2022-23;
- (e) Condone the delay, if any in filing this petition;
- (f) Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date;
- (g) Pass such Order, as the Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.



Chapter 2: PROCEDURAL HISTORY

Background

- 2.1 The Commission had passed 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 on 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 on September 25, 2018.
- 2.4 The Commission had passed order on trued-up ARR of for FY 2016-17 and FY 2017-18 on 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 The Commission had passed order on the MYT for FY 2021-22 to FY 2025-26 on Order dated November 24, 2022.
- 2.8 In the instant petition, the Petitioner has sought Truing-up for FY 2020-21, APR for FY 2021-22, and ARR & Tariff for FY 2022-23.

Information Gaps in the Petition

- 2.9 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.: 04 of 2022/235 dated November 02, 2022.

- 2.10 In response the Petitioner furnished additional data/information to the Commission vide letter nos.: PSD/PSK/984/2022 dated November 17, 2022.
- 2.11 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.
- 2.12 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 July 07, 2023.

Inviting Public Comments/Suggestions

- 2.13 On scrutiny of the Petitioner plea, the Commission directed the Petitioner to publish a Public Notice inviting comments/suggestions from public and to make available copies of the Petition to the members of general public on request.
- 2.14 Accordingly, Public Notice was published by the Petitioner in the newspapers and a period of twenty-one (21) days was given for submitting the comments/suggestions by the general public:

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

Newspaper	Language	Date of Publication
Dainik Bhaskar	Hindi	21-02-2023
Hindustan Times	English	21-02-2023
Prabhat Khabar	Hindi	21-02-2023
Times of India	English	21-02-2023

- 2.15 The Commission published a Public Notice on its website www.jserc.org



and various newspapers giving time till March 15, 2023 to various Stakeholders to submit their comments/suggestions. Further, the Commission also organized a Public Hearing on July 07, 2023 where an additional opportunity was provided to all the Stakeholders to submit their comments/suggestions on the above 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

Newspaper	Language	Date of Publication
Prabhat Khabar	Hindi	06-07-2023
Dainik Bhaskar	Hindi	06-07-2023
Dainik Jagran	Hindi	06-07-2023
Hindustan Dainik	Hindi	06-07-2023
Morning India	English	06-07-2023
The Times of India	English	06-07-2023

Submission of Comments/Suggestions and Conduct of Public Hearing

2.16 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

3.1 The following chapter summarizes the Petition of trueing-up for FY 2020-21, Annual Performance Review for FY 2021-22, and Aggregate Revenue Requirement for FY 2022-23 as filed by the Petitioner for the Commission's approval.

True-up for FY 2020-21:

Number of Consumers, Connected Load & Energy Sales

3.1 The actual number of Consumers, Connected Load and Energy Sales on for FY 2020-21 as submitted by the Petitioner is given below.

Table 3: Number of Consumers, Connected Load & Energy Sales as submitted by the Petitioner for FY 2020-21.

Particulars	No. of Consumers	Connected Load (kVA)	Consumption (MU)
Domestic	4,811	41,082	31.09
LT-Rural	553	1,322	0.79
LT-Urban	4,223	31,608	19.08
DS HT	35	8,151	11.23
Non-Domestic	996	9,333	7.18
Rural-Commercial	32	212	0.12
Urban-Commercial	954	9,121	7.06
Low Tension	269	13,755	12.01
High Tension Service	281	1,77,725	452.19
HTS 11 KV	246	78,155	158.40
HTS 33 KV	35	99,570	293.79
HT Special Service	16	38,390	124.55
HTSS 11 KV	3	2,715	9.97
HTSS 33 KV	13	35,675	114.58
Temporary	3	24	0.01
Total	6,376	2,80,308	627.04

Energy Balance

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



Table 4: Energy Balance (in MUs) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Energy Requirement		
Sales (MU)	689.37	627.04
Overall Distribution Losses %	1.83%	1.83%
Overall Distribution Losses (MU)	12.86	11.66
Energy Requirement	650.68	638.70
Energy Availability		
Tata Steel Ltd.	378.33	257.94
DVC at 33 kV	128.66	103.49
DVC at 132 kV	195.24	277.27
Energy Availability	702.23	638.70

Annual Revenue Requirement

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

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

Particulars	ARR	Petition
Power Purchase Cost	311.34	274.21
O&M Expenses	22.17	24.98
Depreciation	9.26	9.68
Interest on Loan	5.01	5.02
Interest on Consumer Security Deposit	6.46	6.20
Return on Equity	10.32	10.55
Non-Tariff Income	0.85	1.18
ARR	363.71	329.46
Revenue from Sales	293.77	328.42
Revenue Gap/(Surplus)	69.94	1.03

Annual Performance Review for FY 2021-22:

Number of Consumers, Connected Load & Energy Sales

3.4 The number of Consumers, Connected Load and Energy Sales estimated by the Petitioner for FY 2021-22 is given below.



Table 6: Number of Consumers, Connected Load & Energy Sales as submitted by the Petitioner for FY 2021-22.

Particulars	No. of Consumers	Connected Load (kVA)	Consumption (MU)
Domestic			
LT-Rural	628	1,548	1.18
LT-Urban	4,517	33,949	25.83
DS HT	36	8,438	12.77
Non-Domestic			
Rural-Commercial	42	304	0.23
Urban-Commercial	1,032	10,056	9.21
Low Tension	314	15,939	13.77
High Tension Service			
HTS 11 KV	265	82,904	183.39
HTS 33 KV	37	1,03,570	369.09
HT Special Service			
HTSS 11 KV	3	2,715	8.91
HTSS 33 KV	13	35,025	140.31
Temporary	3	24	0.007
Total	6,890	2,94,472	764.72

Energy Balance

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

Table 7: Energy Balance (in MU) as submitted by the Petitioner for FY 2021-22.

Particulars	MYT	Petition
Energy Requirement		
Sales (MU)	698.70	764.72
Overall Distribution Losses %	2.35%	2.36%
Overall Distribution Losses (MU)	16.81	18.46
Energy Requirement	715.51	783.18
Energy Availability		
Tata Steel Ltd.	400.00	291.20
DVC at 33 kV	120.00	115.16
DVC at 132 kV	195.51	376.82
Energy Availability	715.51	783.18

Annual Revenue Requirement

3.6 The ARR for FY 2021-22 as submitted by the Petitioner vis-a-vis that approved by the Commission in MYT Order dated November 24, 2022 is



given below:

Table 8: ARR (Rs. Crore) as submitted by the Petitioner for FY 2021-22.

Particulars	MYT	Petition
Power Purchase Cost	321.61	353.48
O&M Expenses	26.32	34.84
Depreciation	8.19	10.65
Interest and Finance Charges	6.03	4.46
Interest on Consumer Security Deposit	5.90	5.88
Return on Equity	11.91	10.73
Non-Tariff Income	0.20	0.20
CGRF Expenses	0.28	0.23
Petition filling fee	0.20	Incl.
DSM Expenses	-	0.60
ARR	379.76	420.67
Revenue from Sales	-	397.06
Revenue Gap/(Surplus)	-	23.62

Aggregate Revenue Requirement for FY 2022-23:

Number of Consumers, Connected Load & Energy Sales

3.7 The number of Consumers, Connected Load and Energy Sales estimated by the Petitioner for FY 2022-23 is given below.

Table 9: Number of Consumers, Connected Load & Energy Sales as submitted by the Petitioner for FY 2022-23

Particulars	No. of Consumers	Connected Load (kVA)	Consumption (MU)
Domestic			
LT-Rural	935	2,050	-
LT-Urban	6,049	47,835	-
DS HT	37	9,156	15.20
Non-Domestic			
Rural-Commercial	85	600	-
Urban-Commercial	1,178	11,750	-
Low Tension	335	17,539	19.45
High Tension Service			
HTS 11 KV	283	93,949	252.15
HTS 33 KV	52	1,51,222	514.28
Temporary	1	2	-
Total	8,955	3,34,103	801.08



Energy Balance

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

Table 10: Energy Balance (in MU) as submitted by the Petitioner for FY 2022-23.

Particulars	MYT	Petition
Energy Requirement		
Sales (MU)	772.74	794.39
Overall Distribution Losses %	2.70%	2.70%
Overall Distribution Losses (MU)	21.44	22.04
Energy Requirement	794.18	816.43
Energy Availability		
Tata Steel Ltd.	400.00	400.00
DVC at 33 kV	120.00	120.00
DVC at 132 kV	274.18	296.43
Energy Availability	794.18	816.43

Annual Revenue Requirement

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

Table 11: ARR (Rs. Crore) as submitted by the Petitioner for FY 2022-23.

Particulars	MYT	Petition
Power Purchase Cost	358.74	401.92
O&M Expenses	30.68	43.82
Depreciation	9.78	12.77
Interest and Finance Charges	7.58	5.72
Interest on Consumer Security Deposit	6.43	6.06
Return on Equity	14.09	12.86
Non-Tariff Income	0.20	0.20
CGRF Expenses	0.28	0.32
Petition filing fee	0.20	Incl.
DSM Expenses	-	0.60
ARR	427.11	483.86
Revenue from Sales	-	419.76
Revenue Gap/(Surplus)	-	64.11



Chapter 4: PUBLIC CONSULTATION PROCESS

- 4.1 On the Petitioner's plea several Stakeholders have responded. A Public Hearing was held by the Commission in July 07, 2023 for giving additional opportunity to all the stakeholders to submit their comments/suggestions on the said petition for ensuring maximum public participation and transparency. Accordingly, stakeholders voice their comments and suggestions and the list of the attendees is attached as **Chapter-10** of this Order.
- 4.2 The comments and suggestions of the public along with the response of the Petitioner and the views of the Commission are summarized in this Chapter. The issues raised by the stakeholders, which do not have meaning to True-up, APR, ARR have not been discussed in this Chapter.

Power Purchase Cost

Public Comments/Suggestions

- 4.3 The Tata Steel UISL is purchasing power from different sources like TSL and DVC. After perusal of the figure provided by the licensee it may reveal that major portion of power being purchase from TSL are at a higher rate.
- 4.4 Now, the question arises as to why the Tata Steel UISL prefer to purchase power from TSL at higher rate when the DVC is providing power at a lower cost. Here we would like to refer to the introductory paragraph of Electricity Act, 2003.

“An Act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff ensuring transparent policies regarding subsidies, promotion of efficient and



environmentally benign policies, constitution of Central Electricity Authority, Regulatory Commission and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto.”

- 4.5 Before deciding the tariff, gap of rate between generating units and distributing agencies must be compared. The petitioner has never expressed as to why they are not purchasing power from DVC at a lower cost. Has the DVC denied to supply power as per the requirement of petitioner? The actual reason may be that TSL, the parent company and Tata Steel UISL is its sister concern, so there is no other reason to purchase power from TSL. Most importantly TSL is purchasing power from Tata Power Company Limited and then selling to Tata Steel UISL. They are all co-related in their function.

Petitioner's Response

- 4.6 Tata Steel UISL purchases power from sources that are Regulated by the Hon'ble Commission. The Power cost of all the sources of Tata Steel UISL is determined under the Regulatory process which undergo similar tariff setting process including public hearing. Power Purchase from Tata Steel Licensee by Tata Steel UISL is done at an average cost of power of all sources of Tata Steel Licensee. Tata Steel Purchases power from DVC and Tata Power. Both these sources and its costs are also regulated by the Hon'ble Commission.
- 4.7 Power purchase decisions are based on connectivity, reliability, source availability, connectivity capacity and cost. For the reasons of reliability, it is important to have multiple sources. Capacity of the existing Grid connectivity and distribution of load depends on the fact as to how much power can be taken from a particular source. The power cost of all sources are different and different utilities buy power at different rates; because of the above factors. Tata Steel UISL has connectivity with DVC, and Tata



Steel's network. These connectivity feed power to different set of loads/consumers and therefore power drawl from these sources are dependent upon the loading pattern of the connected consumers. It is also worth mentioning that, both these sources are almost fully loaded and therefore, for the reasons stated above, it is not practically possible to take power only from DVC. Further, if a distribution licensee sources power from only one power source, it will not be able to provide power supply at all times (Like during outage of only available source). Though, power cost of various power source / Generating units is always different because of several factors (Capital cost, Fuel cost, Financing cost, O&M costs, Transmission charges, etc.); the comparison shown in various tables is also not accurate, because of the following specific reasons -

- The power cost of Tata Power does not include the element of RPO obligations, whereas the overall power purchase cost of Tata Steel source also includes the element of RPO Obligations, which a licensee is supposed to incur in cases where RPO compliant power is not purchased by the licensee.
- Power purchase cost of DVC may also vary based on usage pattern (i.e., load factor of the connected units) and during low loading conditions this power cost may go up significantly.
- Power purchase cost of Tata Power does not include transmission charges, which is payable by Tata Steel for wheeling power from Durgapur and Mejia Thermal Power stations.

4.8 We would further like to communicate that to meet future load demand of the area, Tata Steel UISL is in discussion with Central Transmission Utility for providing additional connectivity and will wheel power from other available sources.

Views of the Commission

4.9 The Commission has considered the submissions of the Stakeholder and



the replies by the Petitioner.

Fixed Charge

Public Comments/Suggestions

4.10 The Petitioner has proposed hike in energy charge as well as in fixed charge. The Fixed Charge is realized to meet the deficit of subsidies. In other word it is better to address cross subsidies. We pray to Hon'ble commission to refer to section 61(d) and (9) of Electricity Act 2003. Actually at different point of time the "Fixed Charge" is defined separately. At one stage we have noticed that the charge is defined as miscellaneous charges which can compensate the expenses like O&M, Employee Cost, Repair and Maintenance and other expenses. Section 61(g) of the Electricity Act 2003 also state that tariff should progressively reflect the cost of supply of electricity and the commission shall be considering reduction and ultimately elimination on cross subsidy within a specified period. Section 61(d) of the Act provides safeguarding of the consumer's interest and at the same time recovery of the cost of electricity in a reasonable manner.

4.11 All the service providers have their own rates whereas the fixed charge should be uniform. The above disparity can be removed by the Hon'ble Commission only. As per the Electricity Act, 2003 it is the responsibility of the commission to eliminate the cross subsidies but as per the petition instead of reducing the burden of cross subsidies it is increasing year by year. Furthermore, the purpose of the Act for promoting computation for recovery of the cost of electricity in a reasonable manner has completely been shuttled, the service providers are competing among themselves to earn more and more by way of enhancing tariff rates and fixed charges. The principle of rationalization of tariff in a single area where two or more service providers are operating has been ignored.

4.12 The Tata Steel UISL as a service provider operating in Seraikella-



Kharsawan area where Adityapur Industrial Development and other big companies are running. They are providing power to handful consumers in rural area, even the Petitioner has no intention or plan to provide more connection to rural areas as has been prescribed in tariff proposal. Reason can easily be understood by comparing the revised ARR for financial year 2023-24, consumer and its load as provided in the Petition.

4.13 From perusal of Table 53 of the Petition it transpires that during the total period of operation in Seraikella-Kharsawan, the licensee has provided only 884 consumers in rural area and the total load being 1.71 MUs at a subsidized rate otherwise all consumers are charged without any subsidy. The licensee is provided tariff for recovery of fixed charge to meet subsidy for this small amount of consumers. It may also be said that fixed charge is provided to meet the fixed expenditures, but the principle for charging is fundamentally to meet the cross subsidies.

- We sincerely demand that the concept of fixed charge should be for cross subsidies should not change at any cost.
- Total waiver of fixed charge
- If, it is necessary, then it should be rational for every licensee.
- The fixed charge should be levied at a reasonable rate based on a specified formula not in a vague or arbitrary manner.

Petitioner's Response

4.14 The Fixed/ Demand charge is not levied for any cross subsidy to any consumer (including rural consumer) as being mentioned in the query/suggestion. Electricity charges are recovered through a basic two-part tariff which include Fixed/Demand charge and Energy charge along with other rebates and penalty clauses. Demand charge should ideally recover the Capacity charges and all other charges except energy charges of the power sourcing units. As different licensee's sources power from



different sources having different cost structure, the Demand Charge of different Licensee will always be different. A power Distribution Licensee tariff should ideally be able to recover expenses on 'Capacity/ Demand charges from its power sources, O&M costs, Financing costs, etc.', which are not directly linked to energy consumption by the consumers; by way of Fixed / Demand Charge component of tariff. Ideally approximately 30% of the total Revenue should be recovered through Fixed/Demand Charge which is the level of fixed cost of power generation (in case of distribution it is even more); whereas in the current tariff structure Demand Charge only contribute 18% of Total Revenue. The current value of Demand Charges is already on lower side.

Views of the Commission

4.15 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner.

HTS Category Tariff

Public Comments/Suggestions

4.16 The licensee has proposed the tariff rate of HTS category for the financial year 2023-24.

4.17 There is no whisper whether the cost of FPPPA has been merged or not in energy charges in new proposal. As per previous experience whenever a new tariff is proposed the FPPPA charge of previous year is merged in energy charges. We also think that FPPPA is a flexible charge and in case of hike or fall in fuel price, whether the benefit is provided to the consumer or not? If the rate of fuel goes down, and if it is a fixed amount, then also it should be reflected in the tariff proposal. In the case of Tata Steel UISL they do not have any generating unit. They purchase power directly from different Sources like TSL and DVC so the question of charging FPPPA does not arise at all. Whether this FPPPA charge is calculated on monthly or



quarterly or half yearly or yearly basis. There is no such information has been provided. The licensee may be directed to provide the details of rate hike from time to time. Moreover, the consumer is never informed as to how much FPPPA is being charged by the TSL and DVC from Tata Steel UISL. The public demands a transparent mechanism for the calculation and levy of charge.

Petitioner's Response

4.18 The Energy Charges in the proposed tariff does not include FPPPA charges. FPPPA charges are levied to recover the additional power purchase cost over the approved power purchase cost (based on which tariff is derived). All FPPPA charges recovered becomes part of the Revenue reported like any other charges from consumers. The computation of FPPPA charges are done on quarterly basis and is shown separately in the Bill. The Category wise FPPPA charges is also hosted on the website of Tata Steel UISL.

Views of the Commission

4.19 The Commission has considered the submissions of the Stakeholder and its reply by the Petitioner.

Penalty on exceeding Contract demand

Public Comments/Suggestions

4.20 On many occasions the licensees have proposed to enhance the present penalty of 150% to 200% for exceeding contract demand by more than 110%. It is also admitted that consumers repeatedly exceed load even though the penalty of 150% is imposed but they never disclose as to why the excess load beyond 100% is consumed. Actually the licensee is not in a position to provide adequate load to meet the needs of consumers. Many consumers approached the licensee for enhancement of their load but the licensee shows their inability to enhance the load on the pretext that the sub stations are being upgraded, waiting of augmentation of new



substation, etc. This is deficiency of service on the part of licensee. Once the load exceeds beyond 110% they are entitled to get extra charge without any expense. If the licensee fails to comply with the enhancement under the provision of JSERC Regulation 7.16 read with 6.25 then it should be in contravention of regulation. Accordingly, we request to Hon'ble Commission to intervene in this matter and ask the petitioner how many cases of enhancement are pending, for how long and what measures are being taken to enhance the load. Because just by accusing the consumer for exceeding and raising penalty will not resolve this issue.

Petitioner's Response

- 4.21 For stability of the distribution system, it is extremely important that HT Consumers and other bulk consumers even at LT do not exceed the Contracted Demand or Sanctioned Load. Several power outages in distribution system today is attributed to the over-drawal by some consumers, because of which system loading exceeds the designed levels leading to breakdown and system outages. Such act of overdrawing not only risks power supply to their own plant, but also to the neighboring units and other consumers. It is therefore appropriate that Penalty for increasing Contract demand is increased to 200% of the normal Demand charges.
- 4.22 Exceeding Contract demand/ over drawing should never be excused on the pretext of load not being enhanced by the Distribution Companies. Several Load enhancements cases where there were no Constraints or Constraints of Right of Way for laying new lines, etc. were given in the past. The load enhancement of few consumers is delayed because of various Right of Way issues of laying new lines. These consumers have option to lay their own dedicated power line by arranging appropriate Right of Way at their own costs. Some of them have communicated accordingly.



Views of the Commission

4.23 The Commission has considered the submissions of the Stakeholder and its reply by the Petitioner.

Voltage Rebate

Public Comments/Suggestions

4.24 Generally, the 33 kV and above consumers are consuming maximum power of total supply. To balance the power supply Load on each phase of 3 phase supply they have to segregate the load in such a manner that sudden shocks in system may be maintained. Considering this aspect of the fact the Hon'ble Commission has made provision to provide voltage rebates. At the beginning the rate of voltage rebate was 5% for 33 kV on consumption. In subsequent year the 5% has been reduced to 3%. We feel that rebate needs to be reviewed and there must be some further relief in voltage rebate from present 3% to 5%.

Petitioner's Response

4.25 Voltage Rebate is given as per the prevailing Tariff order and provisions in the Regulation. We do not agree in raising the Voltage rebate to 5%, because the overall distribution loss is already below 3% level.

Views of the Commission

4.26 The Commission has considered the submissions of the Stakeholder and the reply by the Petitioner.

Load Factor Rebate

Public Comments/Suggestions

4.27 The load factor is an indicator of how efficiently energy is being utilized. It is the actual amount of energy (kilowatt-hours - kWh) delivered in a designated period of time, as opposed to the total possible energy (kWh) that could be delivered in that same designated period of time. For



encouraging the consumer's licensee provide rebate on load factor so that the consumers will utilize the electricity efficiently. The load factor mentioned in the petition is not encouraging as compared to other licensee in the state of Jharkhand such as JBVNL, DVC, etc; as they are providing flat 15% on incremental unit consumed.

Petitioner's Response

4.28 At the very outset we would like to state that any rebate if given to a particular set of consumers, other set of consumers have to compensate for the loss by way of increased tariff. The provision of load factor rebate is there to improve the overall load curve of the distribution system so that energy requirement of the nation is met by more utilization of existing Generators. Thermal Generators in the country today run at around 65% Load factor and therefore any energy drawl beyond 65% of LF may only be considered to have improved the Capacity Utilization. In view of the same, Load factor rebate should ideally be given beyond 65% Load Factor only on incremental units. Giving rebate on full units once Load Factor crosses 65%, may lead to a situation where incremental units consumed beyond 65% LF will pay even less that the variable charges of Licensee (i.e. heavily subsidized) and therefore should not be considered.

Views of the Commission

4.29 The Commission has considered the submissions of the Stakeholder and the reply by the Petitioner.

Other General Suggestions

Public Comments/Suggestions

4.30 **Ensuring Public Hearing on Sundays:** It was suggested that the public hearing should be held on Sunday, so that maximum number of people can attend the public hearing.



- 4.31 **Physical Inspection of Each Distribution and Production Licensee Annually:** Every distribution and production licensee shall be physically inspected by the Commission once in a year for verification of documents submitted by the licensee from time to time in the Commission
- 4.32 **Standardization of Connection Rule for Distribution Licensee:** The rules of connection should be the same for each distribution licensee. The Commission should see whether the licensee have any agreement with the state or central government or not. If there is an agreement, the Commission must mention it in its rules, so that there is no legal issue in the future. Further the Commission should see whether the licensee is providing that facility to the public according to that rule or not, it should also be checked during annual physical inspection.
- 4.33 **Prohibition of Monetary Transactions without Commission Approval:** If a licensee received money from state Government or Central Government, the Commission should make a rule that this money should not be released by State Government or Central Government without permission of the Commission. Further the Commission should also make a rule that if the licensee does not show the money given by the state or central government in ARR, then a fine of five lakhs should be imposed on him.
- 4.34 **Right to Information for All Distribution and Production Licensee:** All the distribution and production licensees should be brought under the right to information act.

Petitioner's Response

- 4.35 While Tata Steel may accommodate its own participation even on Sunday, we are not very sure that Public at large may like to participate on Sunday, because of their pre-planned activities/ Holidays/ Outing/ Marketing, etc. Though, we would like to have hearings on normal working days; as it avoids many special arrangements including calling relevant people on Holidays and other arrangements; Tata Steel will get guided by the decision of the Hon'ble Commission.



- 4.36 The Consumer has suggested the visit of the Hon'ble JSERC to different Licensees. Tata Steel sincerely welcome the Hon'ble JSERC, to visit the electricity distribution facilities at Jamshedpur.
- 4.37 The electricity connection is guided by Electricity Regulations, which is same for every Licensee. However, the actual cost and timelines for new connection varies based on the works involved and related costs in providing those connections.
- 4.38 This pertains to any subsidy amount given by State or Central Govt. to the Licensee and making rules by the Hon'ble Commission. Tata Steel does not get any subsidy amount towards Electricity Tariff.
- 4.39 This pertains to the provisions of Right to Information Act, and does not relate to Tariff setting process.

Views of the Commission

- 4.40 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner



Chapter 5: TRUE-UP FOR FY 2020-21

- 5.1 The Commission had passed order on MYT for the 2nd Control Period i.e., FY 2016- 17 to FY 2020-21 and Tariff for FY 2016-17 vide Order dated February 28, 2017, based on the principles specified in the JSERC 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 Review Requirement and Tariff for FY 2017-18.
- 5.3 The Commission has approved the Truing up for FY 2016-17 and FY 2017-18 vide 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 has approved the Truing-up for FY 2019-20, Annual Performance Review for FY 2020-21 vide Order dated November 24, 2022.
- 5.5 In the instant petition the Petitioner has sought approval for True-up for FY 2020-21, Annual Performance Review for FY 2021-22, and Aggregate Revenue Requirement & Tariff for FY 2022-23 based on the Audited Accounts taking into consideration the provisions of the Tariff Regulations, 2015 and the methodology adopted by the Commission in the previous Orders.
- 5.6 The Commission on the basis of provisions of the Tariff Regulations, 2015, has determined the True-up for FY 2020-21 on consideration of:
- (a) Audited accounts for FY 2020-21;
 - (b) Tariff Regulations, 2015;
 - (c) Materials placed before the Commission;
 - (d) Methodology adopted by the Commission in its earlier Orders.
- 5.7 The component-wise details filled by the Petitioner and the Commission's analysis and discussions made in the upcoming paragraph.



Consumers, Connected Load and Energy Sales

Petitioner's Submission

- 5.8 The Petitioner has submitted the actual details of number of consumers, connected load and energy sales for FY 2020-21.
- 5.9 It is submitted by the Petitioner that the sales as approved in APR order dated 29.09.2020 was 689.37 MUs, which didn't consider the impact of COVID Pandemic and its related impact on industrial Sales. The Actual Sales during FY 2020-21 was 627.04 MUs; i.e. approximately 10% lower than the approved estimates on an annual basis. It is also pertinent to mention that during COVID pandemic, few consumers requested for reducing their contract demand.

Commission's Analysis

- 5.10 On scrutinizing the material, information, actual figure and details submitted by the Petitioner and on prudent Check, the Commission approves the actual number of consumers, connected load, and sales for FY 2020-21 as given below:

Table 12: Number of Consumers, Connected Load and Sales as submitted by the Petitioner and approved by the Commission

Particulars	Petition			Approved		
	No. of Consumer	Connected Load (kVA)	Consumption (MUs)	No. of Consumer	Connected Load (kVA)	Consumption (MUs)
Domestic	4,811	41,082	31.09	4,811	41,082	31.09
LT-Rural	553	1,322	0.79	553	1,322	0.79
LT-Urban	4,223	31,608	19.08	4,223	31,608	19.08
DS HT	35	8,151	11.23	35	8,151	11.23
Non-Domestic	996	9,333	7.18	996	9,333	7.18
Rural-Commercial	32	212	0.12	32	212	0.12
Urban-Commercial	964	9,121	7.06	964	9,121	7.06
Low Tension	269	13,755	12.01	269	13,755	12.01



Particulars	Petition			Approved		
	No. of Consumer	Connected Load (kVA)	Consumption (MUs)	No. of Consumer	Connected Load (kVA)	Consumption (MUs)
High Tension Service	281	1,77,725	452.19	281	1,77,725	452.19
HTS 11 KV	246	78,155	158.40	246	78,155	158.40
HTS 33 KV	35	99,570	293.79	35	99,570	293.79
HT Special Service	16	38,390	124.55	16	38,390	124.55
HTSS 11 KV	3	2,715	9.97	3	2,715	9.97
HTSS 33 KV	13	35,675	114.58	13	35,675	114.58
Temporary	3	24	0.01	3	24	0.01
Total	6,376	2,80,308	627.04	6,376	2,80,308	627.04

Energy Balance

Petitioner's Submission

5.11 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) at 6.6 kV and 132 kV. It was also able to sustain the T&D losses at lowest possible levels, which is among one of the best in the industry. Therefore, it is requested to the Commission to approve the energy balance as submitted below.

Table 13: Energy Balance (in MU) as submitted by the Petitioner for FY 2020-21

Particulars	ARR	Petition
Energy Requirement		
Sales (MU)	689.37	627.04
Overall Distribution Losses %	1.83%	1.83%
Overall Distribution Losses (MU)	12.86	11.66
Energy Requirement	650.68	638.70
Energy Availability		
Tata Steel Ltd.	378.33	257.94
DVC at 33 kV	128.66	103.49
DVC at 132 kV	195.24	277.27
Energy Availability	702.23	638.70

Commission's Analysis

5.12 The Commission has scrutinized the details and on prudent check of the



audited account submitted by the Petitioner has approved the sales for FY 2020-21. Likewise, on scrutinizing the bills raised by the Damodar Valley Corporation (DVC), Tata Power Company Limited (TPCL), the Commission approves the power purchase quantum from each source.

- 5.13 It is observed that the actual distribution loss of 1.83% for FY 2020-21 as claimed by the Petitioner is equal to Distribution Loss approved by the Commission for FY 2020-21, (i.e. 1.83%), vide Order dated September 29, 2020. Accordingly, the Commission, has approved the actual overall Distribution Loss for FY 2020-21 as per Clause 5.23 of the Tariff Regulations, 2015 as reproduced below:

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

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

- 5.14 The details of the Energy Sales, distribution losses and power purchase quantum as submitted by the Petitioner and as approved by the Commission have been summarized herein below:

Table 14: Energy Requirement as approved by the Commission (MU)

Particulars	ARR	Petition	Approved
Energy Requirement			
Sales (MU)	689.37	627.04	627.04
Distribution Losses %	1.83%	1.83%	1.83%
Distribution Losses (MU)	12.86	11.66	11.66
Energy Requirement	650.68	638.70	638.70
Energy Availability			
Tata Steel Ltd.	378.33	257.94	257.94
DVC at 33 kV	128.66	103.49	103.49
DVC at 132 kV	195.24	277.27	277.27
Energy Availability	702.23	638.70	638.70



Power Purchase Cost

Petitioner's Submission

5.15 The Petitioner has submitted that it has sourced its power requirement from TSL and DVC. The total power procurement cost works out to be Rs. 274.21 Crore out of which Rs. 121.36 Crore is towards power purchased from TSL and rest is towards power purchased from DVC. The Petitioner further added that the landed power purchase cost for FY 2020-21 is Rs. 4.29/kWh at Distribution System including Transmission Losses and other transmission related charges.

5.16 With regard to the Renewable Power Obligation, the Petitioner quoted the extract of MYT Order dated February 28, 2017 as reproduced below:

“...8.15 Further, the Petitioner is mandated to purchase power from renewable energy (RE) sources to meet its RPO. The Petitioner has submitted that both DVC and TSL are distribution licensees and show energy sale to petitioner as a part of its Energy Requirement and both the licensees fulfil RPO as a percentage of this energy requirement which includes petitioner's requirement. Hence, the Petitioner has not considered any Renewable Power Purchase for meeting the RPO and the Commission approves the same;”

5.17 The Petitioner thus prays to the Commission to approve the power purchase cost for FY 2020-21 as given below.

Table 15: Power Procurement Cost (Rs. Crore) as submitted by the Petitioner for FY 2020-21

Particulars	ARR	Petition
Tata Steel Ltd.	175.62	121.36
DVC at 33 kV	54.29	45.10
DVC at 132 kV	81.43	107.74
Net Power Purchase cost	311.34	274.21

5.18 The Commission in the instant petition approves the Power purchases from DVC, TSL, based on actual bills submitted by the Petitioner. If any reconciliation is required in future based on the true-up for FY 2020-21 for DVC, 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.

Commission's Analysis

- 5.19 On scrutinizing and analyzing, the submissions, the Commission approves the power procurement rate for TSL as approved for True-up FY 2020-21 vide order dated September, 29, 2023.
- 5.20 In case of power procured from DVC, the Commission approves the power procurement cost based on the Audited Accounts and monthly bills raised by the DVC.
- 5.21 On scrutinizing and analyzing, the details submitted by the Petitioner, the Commission is of the view that since the Petitioner is procuring power from Distribution Licensees i.e., TSL and DVC in Consumer Mode, the RPO compliance for the units sold to the Petitioner has to be met by the Distribution Licensees selling power to the Petitioner.
- 5.22 The Power Procurement Cost from each source as submitted by the Petitioner and as approved by the Commission for FY 2020-21 is tabulated hereunder.

Table 16: Power Procurement Cost (Rs. Crore) as approved by the Commission for FY 2020-21.

Particulars	ARR	Petition	Approved
Tata Steel Limited	175.62	121.36	118.60
DVC at 33 kV	54.29	45.10	45.10
DVC at 132 kV	81.43	107.74	107.74
Power Purchase Cost	311.34	274.21	271.44

- 5.23 The Commission in the instant petition, approves the Power purchases from DVC, based on actual bills submitted by the Petitioner. If any reconciliation is required in future based on the true-up for FY 2020-21 for DVC, it shall be dealt with separately by DVC and 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

- 5.24 It is submitted that the Petitioner has considered the Opening and Closing Capital Work in Progress (CWIP) as per the Balance Sheet for FY 2020-21. The assets transferred to Gross Fixed Asset (GFA) are based on the Audited Accounts.
- 5.25 With regards to Capital Expenditure, the Petitioner has submitted that it has incurred Rs. 24.04 Crore including Consumer Contribution against the approved value of Rs. 27.51 Crore in ARR Order dated September 29, 2020.
- 5.26 The Petitioner has requested the Commission to review the Capital Expenditure and Capitalization for FY 2020-21 as submitted based on the Audited Accounts and approve the same.
- 5.27 The CWIP and GFA for FY 2020-21 as submitted by the Petitioner is given below.

Table 17: CWIP & GFA (Rs. Crore) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Capital Work in Progress		
Opening CWIP	25.66	26.04
Capex Expenditure	27.51	24.04
Capitalization	40.83	25.94
Closing CWIP	12.34	24.14
Gross Fixed Asset		
Opening GFA	270.25	277.57
GFA Addition	40.83	25.94
Closing GFA	311.08	303.50

Commission’s Analysis

- 5.28 The Commission has scrutinized and analyzed the scheme-wise details as submitted by the Petitioner along with audited information for approval of CWIP and GFA for FY 2020-21. The Commission has observed that the capital expenditure during FY 2020-21 is well within the approved ARR value vide Order dated September 29, 2020. Accordingly, the Commission has approved the actual Capital Expenditure during FY



2020-21. Accordingly, the Commission approves the CWIP and GFA for FY 2020-21 is given below.

Table 18: CWIP & GFA (Rs. Crore) as approved by the Commission for FY 2020-21

Particulars	MYT	Petition	Approved
Capital Work in Progress			
Opening CWIP	25.66	26.04	26.04
Capex Exp.	27.51	24.04	24.04
Capitalization	40.83	25.94	25.94
Closing CWIP	12.34	24.14	24.15
Gross Fixed Asset			
Opening GFA	270.25	277.57	277.57
GFA Addition	40.83	25.94	25.94
Closing GFA	311.08	303.50	303.50

Consumer Contribution

Petitioner's Submission

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

Table 19: CC Capitalized and Received (Rs. Crore) as submitted by the Petitioner for FY 2020-21.

Particulars	Petition
CC received during the Year	5.96
CC capitalized during the Year	14.46

Commission's Analysis

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

Table 20: Consumer Contribution (Rs. Crore) as approved by the Commission for FY 2020-21

Particulars	Petition	Approved
Consumer Contribution received during the Year	5.96	5.96



Depreciation

Petitioner's Submission

- 5.31 It is submitted by the Petitioner that the Depreciation proportionate to the extent of Fixed Assets funded through CC has been deducted from the total depreciation in order to arrive at the net Depreciation.
- 5.32 The Petitioner has further submitted that the details of accumulated depreciation can be referred in the Audited Accounts of FY 2020-21 and depreciation charged during FY 2020-21 can be referred from Profit and Loss (P&L) Statement.
- 5.33 It was submitted by the Petitioner that the net Depreciation claimed in True-up Petition is in proportion to the asset addition after deducting the assets created out of Consumer Contribution as per the Audited Accounts. Accordingly, the Petitioner has claimed Rs. 9.68 Crore towards depreciation against the approved value of Rs. 9.26 Crore for FY 2020-21 is given below.

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

Particulars	ARR	Petition
Gross Depreciation	17.38	16.75
Depreciation on Account of CC	8.12	7.07
Net Depreciation	9.26	9.68

Commission's Analysis

- 5.34 It is observed by the Commission that the depreciation on assets created out of CC is calculated in proportion to gross depreciation and in ratio of closing CC capitalized out of total Closing GFA for FY 2020-21.
- 5.35 In the previous order, the Commission has approved the net depreciation after deducting the depreciation on assets funded out of CC from the Gross Depreciation for FY 2020-21. The Commission has taken the average value of GFA and CC instead of closing values as considered by the Petitioner. The depreciation has been considered at the same rate of Depreciation as claimed by the Petitioner while approving the depreciation for FY 2020-21, as given below.



Table 22: Depreciation (Rs. Crore) as approved by the Commission

Particulars	ARR	Petition	Approved
Gross Depreciation	17.38	16.75	16.75
Depreciation on account of CC	8.12	7.07	7.67
Net Depreciation	9.26	9.68	9.09

Interest and Finance Charges (IFC)

Petitioner's Submission

5.36 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 capitalization net of Consumer Contribution capitalized during FY 2020-21. The deemed repayment has been considered equivalent to net depreciation for the Financial Year.

5.37 The table below shows the normative loan and normative equity added during the FY 2020-21 as submitted by the Petitioner. The normative loan is estimated based on the actual Capitalization and Consumer Contribution capitalized during the Financial Year as per the Audited Accounts.

Table 23: Normative Loan & Normative Equity (in Rs. Crore) added during FY 2020-21

Particulars	Petition
Assets added during the Financial Year	25.94
Less: CC capitalized during the Financial Year	14.46
Normative Amount added during the FY	11.48
Equity Addition (30%)	3.44
Debt Addition (70%)	8.04

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



Table 24: Interest and Finance Charges (Rs. Crore) as submitted by the Petitioner for FY 2020-21

Particulars	APR	Petition
Opening Balance of Normative Loan	43.68	50.24
Deemed Addition during the FY	20.53	8.04
Deemed Repayment	9.26	9.68
Closing Balance of Normative Loan	54.95	48.59
Average Balance of Normative Loan	49.32	49.41
SBI Base Rate plus 200 bp	10.15%	10.15%
Interest on Loan	5.01	5.02

Commission's Analysis

- 5.39 While approving the normative addition for FY 2020-21, the Commission has taken the GFA addition and Consumer Contribution received during FY 2020-21, in line with previous Orders.
- 5.40 In accordance with the Tariff Regulations, 2015 and the principles adopted in the previous Tariff Order, the Commission has computed the normative loan addition during the Financial Year equal to 70% of the approved capitalization during FY 2020-21 excluding those funded through Consumer Contribution. The deemed repayment is approved as equal to the approved net depreciation during the Financial Year.
- 5.41 Taking into account the above methodology, interest on normative loan has been calculated on the average normative loan outstanding during the year at the interest rate of SBI Base Rate as on April 01, 2020 plus 200 basis points as tabulated herein under.

Table 25: Normative Loan & Normative Equity (in Rs. Crore) added during FY 2020-21

Particulars	Approved
Assets added during the Financial Year	25.94
Less: CC received during the Financial Year	5.96
Normative Amount added during the FY	19.98
Equity Addition (30%)	5.99
Debt Addition (70%)	13.99

- 5.42 The table summarizes the Interest and Finance Charges as submitted by the Petitioner and that approved by the Commission for FY 2020-21.



Table 26: Interest and Finance Charges (Rs. Crore) as approved by the Commission for FY 2020-21

Particulars	ARR	Petition	Approved
Opening Loan	43.68	50.24	48.46
Normative Addition	20.53	8.04	13.99
Normative Repayment	9.26	9.68	9.09
Closing Loan	54.95	48.59	53.36
Average Loan	49.32	49.41	50.91
Rate of Interest	10.15%	10.15%	10.15%
Interest on Loan	5.01	5.02	5.17

Interest on Security Deposits

Petitioner's Submission

5.43 The Petitioner has furnished the details of Interest on Security Deposit as per the Audited Account for FY 2020-21 and has stated that he has paid Interest on Security Deposits after considering the actual security deposits, period of security deposits held and applicable interest rate which is given below.

Table 27: Consumer Security Deposit (Rs. Crore) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Opening Consumer Security Deposit	76.74	76.35
Consumer Security Deposit Addition	5.00	1.97
Closing Consumer Security Deposit	81.74	78.32
Average Consumer Security Deposit	79.24	77.34
Interest on Consumer Security Deposit	6.46	6.20

Commission's Analysis

5.44 Based on the facts and circumstance, the Commission on prudent check approves the Interest on Consumer Security Deposit based on the audited accounts for FY 2020-21 is given below:

Table 28: Consumer Security Deposit as approved by the Commission (Rs. Crore)

Particulars	ARR	Petition	Approved
Opening Consumer Security Deposit	76.74	76.35	76.35
Consumer Security Deposit Addition	5.00	1.97	1.97
Closing Consumer Security Deposit	81.74	78.32	78.32
Average Consumer Security Deposit	79.24	77.34	77.34



Particulars	ARR	Petition	Approved
Interest on Consumer Security Deposit	6.46	6.20	6.20

Return on Equity

Petitioner's Submission

- 5.45 The Petitioner has submitted that it has claimed Return on Equity in accordance with the Regulations. The Petitioner has further added that the deemed addition to the normative equity has been taken at 30% of GFA added during the Financial Year net of Consumer Contribution. The normative Return on Equity is claimed at 15.50% in accordance with the Tariff Regulations, 2015.
- 5.46 The Petitioner has submitted that it has paid the Income Tax (IT) as per the normal IT rate and accordingly the Return on Equity (RoE) has been grossed up by corporate IT rate. The receipt of Income Tax paid is enclosed along with the Petition.
- 5.47 It has been submitted that according to section 115BAA introduced under Income Tax Act by the Government of India through Taxation (Amendment) Ordinance 2019 on September 20, 2019, the Petitioner had an option to pay Income Tax at a reduced rate of 25.168%. Accordingly, Petitioner opted for this scheme for FY 2020-21.

Table 29: Return on Equity (Rs. Crore) as submitted by the Petitioner for FY 2020-21.

Particulars	ARR	Petition
Opening Equity	45.42	49.22
Deemed Addition	8.80	3.44
Closing Equity	54.22	52.66
Rate of Return on Equity	15.50%	15.50%
Return on Equity	7.72	7.90
Tax Rate	25.17%	25.17%
Tax on Return on Equity	2.60	2.66
Return on Equity including Tax	10.32	10.55

Commission's Analysis

- 5.48 While approving the deemed addition, the Commission has considered



the GFA addition and Consumer Contribution received during FY 2020-21 as per the methodology followed in the previous Orders.

- 5.49 In accordance with clause 6.17 of the Tariff Regulations, 2015, the Commission has allowed a rate of return of 15.5% on equity.
- 5.50 The Commission has observed that the Petitioner has submitted the receipts of advance tax deposited by the Petitioner along with the Petition. Considering the submission made by the Petitioner, the Commission has approved Return on Equity by grossing it up with the Income Tax rate at 25.17%. The table below details the Return on Equity submitted by the Petitioner and that approved by the Commission for FY 2020-21.

Table 30: Return on Equity (Rs. Crore) as approved by the Commission for FY 2020-21

Particulars	ARR	Petition	Approved
Opening Equity	45.42	49.22	47.62
Deemed Addition	8.80	3.44	5.99
Closing Equity	54.22	52.66	53.61
Rate of Return on Equity	15.50%	15.50%	15.50%
Return on Equity	7.72	7.90	7.85
Tax Rate	25.17%	25.17%	25.168%
Tax on ROE	2.60	2.66	2.64
Return on Equity including Tax	10.32	10.55	10.48

Interest on Working Capital

Petitioner's Submission

- 5.51 The Petitioner has not claimed any Interest on Working Capital (IoWC) for FY 2020-21.

Commission's Analysis

- 5.52 The Commission has also not considered the Interest on Working Capital (IoWC) during the Truing up FY 2020-21.

Operation and Maintenance Expenses (O&M)

Petitioner's Submission

- 5.53 The Petitioner has submitted that it has segregated each component of



O&M Expenses and claimed the normative Employee Expenses for FY 2020-21 considering the inflation of 4.14% and actual load growth excluding Terminal Liabilities. Likewise, the Petitioner has claimed the normative A&G Expenses for FY 2020-21 based on the normative A&G Expenses for FY 2019-20, and inflation factor of 4.14%.

5.54 The Petitioner has calculated the normative R&M Expenses considering the 'k' factor as 2.54% as approved by the Commission in the MYT Order dated February 28, 2017 and factored in the inflation factor (4.14%) while calculating the normative R&M Expenses for FY 2020-21.

5.55 The Petitioner has further submitted that it has claimed Terminal Liabilities, Petition filing Fee and CGRF Expenses based on audited accounts for FY 2020-21 is given below.

Table 31: Normative O&M Expenses (Rs. Crore) as submitted by the Petitioner for FY 2020-21

Particulars	ARR	Petition
Employee Expenses (excluding Terminal Liabilities)	11.49	13.67
A&G Expenses (excluding filing & CGRF Expenses)	2.91	4.54
R&M Expenses	6.86	7.34
Normative O&M Expenses	21.25	25.56

5.56 Further, for calculation of sharing of gains/(loss) on O&M Expenses, the Petitioner has calculated the actual O&M Expenses based on the Audited Accounts for FY 2020-21 is given below.

Table 32: Actual O&M Expenses (Rs. Crore) as per Audited Accounts as submitted by the Petitioner for FY 2020-21.

Particulars	Petition
Employee Expenses (excluding Terminal Liabilities)	7.97
A&G Expenses (excluding filing & CGRF Expenses)	5.56
R&M Expenses	7.46
Actual O&M Expenses	20.99

5.57 The Petitioner has additionally claimed Rs. 0.64 Crore, Rs. 0.47 Crore, Rs. 0.47 against Terminal Liabilities, Petition Filing Fee and CGRF Expenses (Rent & Remuneration) respectively and prayed the Commission to allow the above expenses over and above the normative



O&M Expenses.

5.58 The table mentioned below depicts the O&M Expenses claimed by the Petitioner including sharing of gain/(loss).

Table 33: O&M Expenses (Rs. Crore) including sharing of Gain/Loss as submitted by the Petitioner for FY 2020-21

Particulars	Petition
Normative O&M Expenses	25.56
Actual O&M Expenses	20.99
Gain/(Loss)	4.57
Sharing of Gain/(Loss)	2.74
Add: Change in Law (Terminal Liabilities, Petition filing Fee & CGRF Expenses)	1.25
O&M Claimed	24.98

Commission's Analysis

5.59 On scrutinizing the material on record the Commission has approved the actual O&M expenses for FY 2020-21 based on Audited Accounts for FY 2020-21 is given below.

Table 34: Actual O&M Expenses (Rs. Crore) as per Audited Accounts considered by the Commission

Particulars	Approved
Employee Expenses (excluding Terminal Liabilities)	7.97
A&G Expenses (excluding filing & CGRF Expenses)	5.56
R&M Expenses	7.46
Actual O&M Expenses	20.99

5.60 In accordance with JSERC Distribution Tariff Regulation 2015, the Commission has approved the O&M Expenses as reproduced below:

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

$$\mathbf{O\&M_n = (R\&M_n + EMP_n + A\&G_n) * (1 - X_n) + Terminal Liabilities}$$

Where,

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

EMP_n – Employee Costs of the Licensee for the nth year excluding



terminal liabilities; A&G_n – Administrative and General Costs of the Licensee for the nth year;

X_n – is an efficiency factor for nth year. The value of X_n will be determined by the Commission in its first MYT order for the Control Period;

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

*a) $R\&M_n = K * GFA$ Where,*

‘K’ is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and will be calculated based on the % of R&M to GFA of the preceding year of the Base Year;

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

b) EMP_n (excluding terminal liabilities) + A&G_n = (EMP_{n-1} + A&G_{n-1})(INDX_n/ INDX_{n-1}) + G_n*

Where,

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

G_n – Increase in Employee Expenses in nth year due to increase in consumer base/ load growth. Value of G for each year of the Control Period shall be determined by the Commission in the MYT Tariff order based on Licensee’s filing, benchmarking with the efficient utilities, actual cost incurred by the licensee due to increase in consumer base/load growth in past, and any other factor considered appropriate by the Commission;

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

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



variation, for the Control Period;

Note 2: Any variation due to changes recommended by the Pay Commission etc. will be considered separately by the Commission.

Note 3: Terminal Liabilities will be approved as per actual submitted by the Licensee or be established through actuarial studies.

- 5.61 It is observed by the Commission that the Regulations have the provision for consideration of impact of load growth only in the Employee Expenses. Accordingly, the Commission has taken the impact of load growth only in approving the Employee Expenses.
- 5.62 The Commission approves the normative A&G Expenses for FY 2020-21, based on the approved normative A&G Expenses for FY 2019-20 and the actual inflation factor as (4.14%) and load growth as (8.80%) for FY 2020-21.

Table 35: Normative Employee Expenses (Rs. Crore) as approved by the Commission for FY 2020-21.

Particulars	UoM	Approved
Employee Cost of Previous Year	Rs. Cr.	9.94
Connected Load of Previous Year	kVA	2,57,626
Employee Cost/kVA	Rs./kVA	385.87
Inflation Factor	%	4.14%
Employee Cost/kVA including Inflation	Rs./kVA	401.85
Connected Load (kVA) for Current Year	kVA	2,80,308
Normative Employee Cost (excluding Terminal liabilities)	Rs. Cr.	11.26
Load growth		8.80%
Normative Employee Cost (excluding Terminal Liabilities)		12.26

- 5.63 The Commission has calculated the normative A&G Expenses for FY 2020-21, based on the normative A&G Expenses (A&G Expenses excluding petition filing fee and CGRF Expenses) approved during true up for FY 2019-20 vide Order dated November 24, 2022 and the inflation factor as 4.14% for FY 2020-21. Accordingly, the Commission approves the normative A&G Expenses.



- 5.64 The Commission approves the Petition filing fees and CGRF Expenses based on actual as the same are non-escalable expenses.
- 5.65 For the purpose of evaluating the normative R&M Expenses, the Commission has considered the approved opening value of GFA for FY 2020-21 and multiplied it with the 'k' factor of 2.54% as approved in the MYT Order dated February 28, 2017.
- 5.66 The terminal benefits (Contribution to Provident & other funds) is approved as per the Audited Accounts for FY 2020-21.
- 5.67 The Normative O&M Expenses is calculated based on the Methodology discussed above and is summarized in the table below:

Table 36: Normative O&M Expenses (Rs. Crore) as approved by the Commission for FY 2020-21

Particulars	Approved
Employee Expenses (excluding Terminal Liabilities)	12.26
A&G Expenses (excluding filing & CGRF Expenses)	2.89
R&M Expenses	7.05
Normative O&M Expenses	22.20
Terminal Liabilities	0.64
Petition Filing Fee	0.47
CGRF Expenses (Rent & Remuneration)	0.15
Normative O&M Expenses	23.46

- 5.68 Considering the above Table, it is clear that the Actual O&M Expenses is lower as compared to the normative O&M Expenses calculated as per the Regulations. Hence, the Commission has approved the O&M Expenses based on the Actual value calculated and has approved gain to be shared with the consumers as per the Regulations as shown below.

Table 37: Sharing of Gain/Loss (Rs. Crore) on account of O&M Expenses as approved by the Commission FY 2020-21

Particulars	Petition	Approved
Normative O&M Expenses	25.56	22.20
Actual O&M Expenses	20.99	20.99
Gain/(Loss)	4.57	1.21
Sharing of Gain/Loss	2.74	0.73



Particulars	Petition	Approved
Terminal Benefits, Petition Filing Fees and CGRF Expenses	1.25	1.25
O&M Approved	24.98	22.97

Non-Tariff Income

Petitioner's Submission

5.69 The Petitioner has claimed Rs. 1.18 Crore towards Non-Tariff Income for FY 2020-21 based on audited account.

Table 38: Non-Tariff Income (Rs. Crore) as submitted by the Petitioner for FY 2020-21

Particulars	ARR	Petition
Non-Tariff Income	0.85	1.18

Commission's Analysis

5.70 The Commission has scrutinized and analysed the Audited Accounts and finds that the NTI includes Non-Tariff Income excluding Other Income, Interest Income, scrap sale, Misc Income in accordance with the Tariff Regulations, 2015. Accordingly, the Commission approves the Non-Tariff Income as claimed by the Petitioner.

Table 39: Non-Tariff Income as approved by the Commission (Rs. Crore)

Particulars	ARR	Petition	Approved
Non-Tariff Income	0.85	1.18	1.18

Revenue from Sale of Power

Petitioner's Submission

5.71 The Petitioner has submitted that the revenue from Sale of Power as per the Audited Accounts, comprising of Demand Charges, Energy Charges, Revenue from FPPPA Charge, Power Factor Surcharge, Rebates, etc., as Rs. 328.42 Crore for FY 2020-21.

Commission's Analysis

5.72 On scrutinizing and analysis of the Audited Accounts submitted by the Petitioner, the Commission approves the Revenue from Sale of Power as



Rs. 328.42 Crore based on the Audited Accounts for FY 2020-21 submitted by the Petitioner along with the Petition.

Table 40: Revenue (Rs. Crore) as approved by the Commission for FY 2020-21

Particulars	Petition	Approved
Revenue	328.43	328.43

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

Petitioner's Submission

5.73 The Petitioner has projected a Revenue Gap of Rs 1.03 Crore for FY 2020-21 based on the audited accounts and normative claimed in the Petition and has requested the Commission to approve the same.

Commission's Analysis

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

Table 41: Summary of ARR (Rs. Cr.) as approved by the Commission for for FY 2020-21

Particulars	ARR	Petition	Approved
Power Purchase Cost	311.34	274.21	271.44
O&M Expenses including sharing of Gain/(Loss)	22.17	24.98	22.97
Depreciation	9.26	9.68	9.09
Interest and Finance Charges	5.01	5.02	5.17
Interest on Consumer Security Deposit	6.46	6.20	6.20
Interest on Working Capital	0.00	0.00	0.00
Return on Equity	10.32	10.55	10.48
Less: Non-Tariff Income	0.85	1.18	1.18
Annual Revenue Requirement	363.71	329.46	324.17
Revenue from Sale of Power	293.77	328.42	328.43
Revenue Gap/(Surplus)	69.94	1.03	(4.26)



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



Chapter 6: ANNUAL PERFORMANCE REVIEW FOR FY 2021-22

6.1 As per Clause 9.2 of the Tariff Regulations, 2015:

“9.2 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 11 of these Regulations to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including audited/ authenticated accounts and the tariff worked out in accordance with these Regulations;”

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

Commission's view

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



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

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

Commission's view

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



Chapter 8: REVENUE GAP AND ITS TREATMENT

Revenue Gap/(Surplus)

Petitioner's Submission

- 8.1 The Petitioner has estimated the cumulative Revenue Gap/ (Surplus) of Rs. 21.59 Crore till FY 2020-21.
- 8.2 The Petitioner has further submitted that based on the Revenue Gap for FY 2016-17, FY 2017- 18, FY 2018-19, and FY 2019-20 as approved in previous tariff orders and the submissions of FY 2020-21 and FY 2021-22 in current petition, the cumulative revenue gap/ (surplus) till FY 2021-22 as per the methodology adopted by the Commission has been summarized below:

Table 42: Cumulative Revenue Gap till FY 2020-21 as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Opening Revenue Gap/(Surplus) as on 1 st April of FY	20.45	7.52	(8.70)	(5.81)	18.37	21.59
Revenue Gap/(Surplus) created during the year	(12.15)	(15.26)	3.72	23.44	1.03	23.62
Rate of Interest	12.80%	12.60%	12.20%	12.55%	11.65%	10.50%
Carrying Cost on Opening Gap/(Surplus)	-	-	(1.06)	(0.73)	2.14	2.27
Carrying Cost on Gap/(Surplus) during the FY	(0.78)	(0.96)	0.23	1.47	0.06	1.24
Total Gap/(Surplus) including Carrying Cost	7.52	(8.70)	(5.81)	18.37	21.59	48.72

Commission's Analysis

- 8.3 The Commission has considered the Revenue Gap of Rs. 13.27 Crore till Truing up for FY 2019-20 as approved in Tariff Order dated November 24, 2022.



8.4 Based on the approved value of Truing up for FY 2019-20, the cumulative Revenue Gap/(Surplus) has been approved by the Commission till FY 2020-21 is given below:

Table 43: Cumulative Gap/(Surplus) (in Rs. Crore) as approved by the Commission till FY 2020-21.

Particulars	Approved
Opening Gap/(Surplus)	13.27
Revenue Gap/(Surplus) during FY 2020-21	(4.26)
Rate of Carrying Cost (%)	11.65%
Carrying Cost on Opening Revenue Gap/(Surplus)	1.55
Carrying Cost on Revenue Gap/(Surplus) during FY 2020-21	(0.25)
Closing Revenue Gap/(Surplus)	10.31

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



Chapter 9: STATUS OF EARLIER DIRECTIVES

9.1 The directives issued by the Commission in its earlier Orders, its compliance by the Petitioner and further view of the Commission on compliance is tabulated below:

Directives	Status	Views of the Commission
Publicising Tariff Approved by the Commission		
The Commission directs the Petitioner to submit a draft Notice to the Commission on the Tariff Approved by the Commission along with the Terms and Conditions of Supply for approval and publishing in the newspapers within a week of issue of this Order for enhancing the consumer awareness of the applicable Rate Schedule and salient features of the Order impacting general consumers in the Licensee area.	Petitioner has sent the same for approval of the Hon'ble Commission.	The Commission has noted the submission of the Petitioner.
Submission of Fixed Assets Register		
The Commission directs the Petitioner to maintain the Fixed Assets Register (FAR) considering the depreciation rates as specified in JSERC Distribution Tariff Regulations, 2020 and submit the status report to the Commission along FAR in next tariff filling	Depreciation rates were changed in the JSERC Distribution Tariff Regulations, 2020. Subsequently these rates were implemented. However, in case of already capitalised assets, a derived rate for already capitalised assets was calculated considering new rate, resultant useful life and maximum value upto which asset is allowed to be depreciated. Petitioner will again review the same and will communicate to the Hon'ble Commission.	The Commission has noted the submission of the Petitioner.
Submission of Capital Expenditure Plan		
The Commission directs the Petitioner to submit the approval of Capital	Petitioner has already included this subject in Chapter 9.00 of this petition.	The Commission has noted the submission of the



Directives	Status	Views of the Commission
<p>Expenditure Plan, including the spill over schemes, duly approved by CEC/Board Investment to the Commission, before carrying out actual operations at the ground</p> <p>Further, the petitioner is directed to submit revised Capital Expenditure Plan duly approved by CEC/Board to the Commission in next tariff filling petition.</p>		Petitioner.



Chapter 10: DIRECTIVES

Submission of Fixed Asset Register

10.1 The Commission directs the Petitioner to maintain the Fixed Assets Register (FAR) considering the depreciation rates as specified in JSERC Distribution Tariff Regulations, 2020 and submit the status report to the Commission along with FAR in next tariff filing. The Petitioner is directed to specifically comply with observations of statutory authorities/auditors on the matter of Verification & Monitoring of Fixed Assets/CAPEX/Inventory and Maintenance of proper records preferably in digital form for observance of statutory provisions. The Petitioner should also put in place a robust Integrated Accounts & Financial Management System to minimize the time for preparation of Annual Accounts & filing of Petitions/Business Plans/APR's. in time.

Stores and Scraps

- 10.2 The Petitioner is directed to submit the itemized details of scraps and store items along with the estimated values within 3 months from the issue of this Order.
- 10.3 The Petitioner is directed to review the comments of the Commission and comply with the directives issued by the Commission with utmost sincerity failing which necessary action in accordance to law shall be initiated.

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

Date: 29.09.2023

Place: Ranchi

Sd/-	Sd/	Sd/
(Atul Kumar)	(Mahendra Prasad)	(Justice Amitav Kumar Gupta)
MEMBER (Technical)	MEMBER (Legal)	Chairperson



Chapter 11: ANNEXURE

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

Sr. No.	Name	Address/Organization
1	Kade Manjhi	Kandra
2	Amit Gupta	Adityapur
3	Sandeep Mishra	Adityapur
4	Mala Rani Bhakat	Sudhapur
5	Parmila Mahto	Baramari
6	D. Mishra	S.E. Railways, Tata Nagar
7	S. B. Ram	S.E. Railways, Adityapur
8	Sushil Mardi	Kandra
9	Amit	Sakchi
10	Sharad Kumar	Tata Nagar
11	Rajendra Kumar	BMW Industries Limited
12	Amod Kumar	BMW Industries Limited
13	Md. Ehtesham	BMW Industries Limited
14	Dharmu Manjhi	Kendra
15	Mani Panday	TSUISL
16	Pintu Mukhi	CGRF (TSL)
17	Nitesh Dhwi	Singhbhum Chamber of Commerce
18	R. Mallick	Kandra
19	S.K. Mohsob	Kandra
20	M.P. Verma	Adityapur
21	Sahil Garamik	Kadma
22	Sidheshwar	Adityapur
23	Aditi	TSUISL
24	Rishav Kumar	TSUISL
25	Alok Parixit	TSUISL
26	Ritesh Gupta	Tata Steel Limited
27	Ram Poddar	Mango
28	Manoj Harnathka	Bharat Mallfaberic Pvt. Limited
29	Vinod Kr. Sharma	Karma Steel Pvt. Ltd.
30	Gyan Jaiswal	Moken Casting
31	O. S. Jha	TSUISL
32	Nirmal Kumar Singh	TSUISL
33	Utam Kumar	PRE-WN Enggs. (P) Ltd, Adityapur
34	Saurabh Choudhary	Mikasu Metreat, Phase-I
35	Sameer Singh	Singhel Engg.
36	Vishal Yadav	Adityapur



Sr. No.	Name	Address/Organization
37	Hans Raj Singh	Adityapur
38	Rajesh S. Chawda	Autmeek, EMC
39	Suman Mandal	TSUISL
40	V.P. Singh	TSUISL
41	Dilip Prasad	JVBNL
42	N. Leena	TSUISL
43	S.C. Sharma	Purvi Iron Ltd
44	J. P. Pallav	TSUISL
45	Ranjeet Mandal	Gamharia
46	S.N. Jha	Adityapur
47	A.K. Tripathi	Golmauri
48	Suman Deuni	PSD & ROW
49	A. K. Nayak	Industrial Forge
50	Shayamal Chakrabarty	Akshay Steel Works
51	K. M. Pandey	TSUISL
52	Samendra Tiwari	Adityapur
53	S. K. Singh	TSUISL
54	S. N. Tiwari	Auto Cluster
55	Inder Agarwal	President Asia
56	Santokh Singh	V. P. Asia
57	Sanwar Mal Sharma	SCCI Industrial
58	Keshav Sharma	SCCI Industrial
59	Ashok Kr. Bihary	Asia
60	Tushar Raj	Sonari
61	Chandan Kumar	Danik Jagaran
62	Md. Ijhar	Bigurpur
63	S. N. Tiwary	Adityapur
64	Suresh Dhari	Adityapur
65	Dashrath Upadhya	Gen. Sec. Asia
66	S. Mahendra	TSUISL
67	Deepak Kumar	TSUISL