Jharkhand State Electricity Regulatory Commission

Order

on

True-up for FY 2023-24 and FY 2024-25

for

Tenughat Vidyut Nigam Limited

(A Govt. of Jharkhand Undertaking)

Hinoo, Doranda, Ranchi-834002

Ranchi

September 18, 2026

Contents

List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
BOQ	Bill of Quantity
CCL	Central Coal Fields
CEA	Central Electricity Authority
COD	Date of Commercial operation
DPR	Detailed Project Report
EA	Electricity Act
ECR	Energy Charge Rate
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GOI	Government of India
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
IDC	Interest During Construction
Kcal	Kilocalorie
Kg	Kilogram
kWh	Kilowatt-Hour
MAT	Minimum Alternative Tax
Ml	Milliliter
PLMT	Metric Tonnes
MU	Million Units
MW	Megawatt
MYT	Multi Year Tariff
NAPAF	Normative Annual Plant Availability Factor
O&M	Operation and Maintenance
PAF	Plant Availability Factor
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
R&M	Repair and Maintenance

Abbreviation	Description
RoE	Return on Equity
Rs	Rupees
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SFC	Secondary Fuel Consumption
SLDC	State Load Dispatch Centre
SLM	Straight Line Method
TTPS	Tenughat Thermal Power Station

List of Tables

BEFORE

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 05 of 2026

In the matter of:

Petition for

True-up of FY 2023-24 & FY 2024-25
of the Third Control Period (FY 2021-22 to FY 2025-26)

In the matter:

Tenughat Vidyut Nigam Limited
Hinoo, Doranda,
Ranchi-834002.. **Petitioner**

PRESENT

Hon'ble Justice Navneet Kumar	Chairperson
Hon'ble Mahendra Prasad	Member (Law)

Order dated

September 18, 2026

Tenughat Vidyut Nigam Limited (hereinafter referred to as 'TVNL' or 'the Petitioner') has filed the Petition dated April 01, 2026 for approval of Truing-up for the FY 2023-24 and FY 2024-25.

Chapter 1: INTRODUCTION

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 Commission's 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.

Tenughat Vidyut Nigam Limited

1.8 Tenughat Vidyut Nigam Limited is a power generating company incorporated on 26th November 1987 under Indian Company's Act, 1956. With the creation of Jharkhand State on 15th November 2000 from the erstwhile Bihar State, TVNL became an undertaking of the Government of Jharkhand. TVNL owns and operates an installed power generation capacity of 420 MW with two units of 210 MW each at Tenughat Thermal Power Station located at Lalpania at the banks of Tenughat reservoir in Bokaro district with its head office at Ranchi. The units are under commercial operation from below timelines:

a) Unit I - September 1996

b) Unit II - September 1997

1.9 Tenughat Thermal Power Station (TTPS) is located at village Lalpania in the District of Bokaro (Jharkhand). It is situated on the left bank of Tenughat reservoir. The nearest railway station is Gomia which is at a distance of 20 km (approx.) by road. The project site is developed with all modern infrastructure like school, hospital, bank, post office, market complex etc.

1.10 TTPS has an acquired land of 1800 acres (approx.) TVNL has planned its future expansion of existing site/plant by addition of 2x660 MW super critical units. The consultant for extension project has been appointed and the consultancy work is under progress. The DPR has been prepared and global tender for selection of EPC contractor shall be floated shortly for installation of 2x660 MW units. The needed fuel requirement will be met from its allocated coal block Rajbhar E & D located in the district of Latehar. Activity for commencement of coal mining is under progress. Water requirement will be met from Tenu Reservoir of Water Resources Department of the Govt. of Jharkhand. With grey field expansion the total installed capacity of 1740 (2x210 + 2x660 MW) MW of TTPS shall be dedicated to the service of the State/Nation.

Petitioner's Prayer

1.11 The Petitioner in the Filing of Petition for True up of the third control period i.e. FY 2023-24 to FY 2024-25 has prayed before the Commission:

(a) To admit this true-up Petition for FY 2023-24 and FY 2024-25 of Third Control Period.

(b) To approve Revenue Requirement and Capital Expenditure for FY 2023-24 and FY 2024-25 of Third Control Period.

(c) To approve the operational and financial parameters as proposed by TVNL considering the constraints of the old machines and consider the same for recovery of full fixed cost.

(d) To approve the Station's operating parameters viz. PAF, Auxiliary Consumption, Station Heat Rate, Transit Loss, Specific Oil Consumption and actual fuel rate for recovery of variable cost considering the constraints of the old machines as well as site specific constraints.

(e) To condone the delay in filing this Petition.

(f) To grant any other relief as the Hon'ble Commission may consider appropriate.

(g) To approve the ARR based on the operating parameters as per the norms provided in the Regulation and allow the Petitioner to retain the gains on account of the efficiency improvement in the Operating Parameters.

(h) The Petitioner craves leave of the Hon'ble Commission to allow further submissions, addition and alteration to this Petition as may be necessary from time to time.

(i) Pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

Chapter 2: PROCEDURAL HISTORY

Chapter 2: PROCEDURAL HISTORY

Background

2.1 The Commission issued the Tariff Order for Tenughat Vidyut Nigam Limited (TVNL) for FY 2004-05 on 23rd August 2004.

2.2 Subsequently, the Commission issued the Tariff Order for TVNL for FY 2005-06 on 30th March 2006.

2.3 The Tariff Order for TVNL for FY 2007-08 was issued by the Commission on 3rd January 2008.

2.4 The Commission, vide its Order dated 5th March 2010, approved the Annual Revenue Requirement (ARR) and Determination of Generation Tariff of TVNL for FY 2008-09 & 2009-10.

2.5 The Commission issued the Tariff Order on ARR and Determination of Generation Tariff for TVNL for FY 2009-10 and FY 2010-11 on 22nd November 2010.

2.6 Thereafter, the Commission issued the Tariff Order on ARR and Determination of Generation Tariff for TVNL for FY 2010-11 and FY 2011-12 on 31st May 2011.

2.7 The Commission issued the Multi Year Tariff (MYT) Order on the Business Plan, ARR and Determination of Generation Tariff for the First Control Period, i.e., FY 2012-13 to FY 2015-16, for TVNL on 30th May 2012.

2.8 The Commission issued the Order on the Annual Performance Review (APR) Petition of TVNL for FY 2012-13, including truing-up of FY 2011-12, on 2nd July 2014.

2.9 The Commission issued the Order on the APR Petition of TVNL for FY 2014-15, including truing-up of FY 2012-13 and FY 2013-14, on 30th September 2016.

2.10 The Commission issued the MYT Order for the period FY 2017-18 to FY 2020-21, including truing-up of FY 2014-15 and provisional truing-up of FY 2015-16, for TVNL on 28th February 2020.

2.11 The Commission issued the Order on the True-up Petition of TVNL for the Second Control Period, i.e., FY 2012-13 to FY 2015-16, on 14th December 2023.

2.12 In the instant petition, the Petitioner has sought approval for Truing-up for FY 2023-24 and FY 2024-25 based on audited accounts as submitted by the Petitioner.

Information Gaps in the Petition

2.13 In exercise of Tariff determination process, several deficiencies/information gaps were found in the Petition and the same were communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no: 05 of 2026/178 dated 08.06.2026. In this regard, a reminder letter is also issued to the Petitioner in this regard vide letter no. JSERC/Case (Tariff) no: 05 of 2026/299 dated 01.07.2026.

2.14 In response, the Petitioner furnished additional data/information to the Commission vide letter no**:** Ref 478/26-27 dated 07.07.2026.

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 July 27th, 2026.

Inviting Public Comments/Suggestions

2.17 On scrutiny of the Petition, the Commission had 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

Newspaper	Language	Date of Publication
Prabhat Khabar	Hindi	22.05.2026 & 23.05.2026
Dainik Bhaskar	Hindi	22.05.2026 & 23.05.2026
Hindustan Times	English	22.05.2026 & 23.05.2026
Times of India	English	22.05.2026 & 23.05.2026

2.19 The Commission also published a Public Notice on its website www.jserc.org and various newspapers giving time till June 12th, 2026, to various Stakeholders to submit their comments/suggestions. Further 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, the Commission also held a public hearing on 27th July 2026.

2.20 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	09.07.2026 & 26.07.2026
Dainik Bhaskar	Hindi	09.07.2026, 22.07.2026 & 26.07.2026
The Times of India	English	09.07.2026, 22.07.2026 & 26.07.2026
Hindustan Dainik	Hindi	22.07.2026
The Hindustan Times	English	26.07.2026
The Morning India	English	09.07.2026 & 22.07.2026

Submission of Comments/Suggestions and Conduct of Public Hearing

2.21 No comments/Suggestions on the Petition have been received upon publication of public notice, however comments were raised during public hearing of the petition which has been discussed in details 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 for truing-up of FY 2023-24 and FY 2024-25 as filed by the Petitioner for Commission's approval.

True-up for FY 2023-24 to FY 2024-25:

Plant Availability Factor

3.2 The Plant Availability Factor as submitted by the Petitioner is given below:

Table 3 Plant Availability Factor submitted by Petitioner *(%)*

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Plant Availability Factor	%	85.00%	76.41%	85.00%	75.38%

Gross Generation and Plant Load Factor

3.3 The gross generation and Plant Load Factor as submitted by the Petitioner for the third control period is given below:

Table 4 Gross Generation *(MUs)* and Plant Load Factor *(%)* submitted by Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Gross generation	MU	3,127	2374.60	3,127	2250.02
Plant Load Factor	%	85.00%	64.36%	85.00%	61.16%

Auxiliary Consumption & Net Generation

3.4 The auxiliary consumption and net generation for the third control period as submitted by the Petitioner is given below:

Table 5 Auxiliary Consumption *(%)* & Net Generation *(MUs)* submitted by the Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Auxiliary Consumption	%	9.50%	9.70%	9.50%	9.62%
Net Generation	MU	2,830.22	2144.19	2,830.22	2033.65

Station Heat Rate & Specific Oil Consumption

3.5 The station heat rate and specific oil consumption of the plant as submitted by the Petitioner FY 2023-24 & FY 2024-25 is given below:

Table 6 Station Heat Rate *(kCal/kWh)* & Specific Oil Consumption *(ml/kWh)* submitted by the Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Station Heat Rate	kcal/kWh	2,547.00	2,564.73	2,547.00	2,569.31
Secondary Fuel Oil Consumption	ml/kWh	1.00	0.9	1.00	1.13

Gross Calorific value of Primary fuel & Secondary Fuel

3.6 The gross calorific value of primary fuel and secondary fuel as submitted by the Petitioner for the FY 2023-24 to FY 2024-25 is given below:

Table 7 Gross Calorific value of Primary fuel *(kCal/kg)* and Secondary Fuel *(kCal/L)* as submitted by the Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
GCV of Primary Fuel	kcal/kg	3583.15	3491.12	3583.15	3431.34
GCV of Secondary Fuel	kcal/kL	9,359.00	9,359.00	9,359.00	9,359.00

Cost of Primary Fuel

3.7 The cost of primary fuel as submitted by the Petitioner for the FY 2023-24 to FY 2024-25 is given below:

Table 8 Cost of Primary fuel as submitted by the Petitioner *(Rs./MT)*

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Cost of coal per MT	Rs./MT	3349.81	3881.18	3,349.81	4236.12

Energy Charge Rate

3.8 The Energy Charge rate of the plant as submitted by the Petitioner for the FY 2023-24 to FY 2024-25 is given below:

Table 9 Energy Charge Rate as submitted by the Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Capacity	MW	420.00	420.00	420.00	420.00
Plant Availability Factor	%	85.00%	76.41%	85.00%	75.38%
PLF	%	85.00%	64.36%	85.00%	61.16%
Gross generation	MU	3,127.00	2374.60	3,127.00	2250.02

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Auxiliary consumption	%	9.50%	9.70%	9.50%	9.62%
Net generation	MU	2,830.22	2144.19	2,830.22	2033.65
Station Heat Rate	kcal/kWh	2,547.00	2564.73	2,547.00	2569.31
Specific oil consumption	ml/kWh	1.00	0.90	1.00	1.13
Calorific value of oil	kcal/kL	9,359.00	9,359.00	9,359.00	9,359.00
Calorific value of coal	kcal/kg	3,583.15	3491.12	3,583.15	3431.34
Cost of coal per MT	Rs./MT	3,349.81	3881.18	3,349.81	4236.12
Cost of oil per kL	Rs./kL	40,083.17	81071.61	40,083.17	77473.13
Transit Loss	%	0.80%	0.80%	0.80%	0.80%
Total quantum of oil	kL	3,127.32	2126.29	3,127.32	2553.40
Total coal cost	Rs. Cr.	747.90	680.30	747.90	716.47
Total oil cost	Rs. Cr.	12.54	17.24	12.54	19.78
Energy Charge Rate	**Rs./kWh**	**2.69**	**3.25**	**2.69**	**3.62**

Non-Tariff Income

3.9 The non-tariff income as submitted by the Petitioner for the third control period of the plant is given below:

Table 10 Non-Tariff income as submitted by the Petitioner *(Rs. Crore)*

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Non-Tariff Income	Rs. Cr.	18.00	25.53	18.86	28.73

Total Charge

3.10 The detailed fixed cost and Energy Charge of the Plant as submitted by the Petitioner for the FY 2023-24 & FY 2024-25 of the Third Control Period is summarized below:

Table 11 Aggregate Revenue Requirement as submitted by the Petitioner *(Rs. Crore)*

S. No	Particulars	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
A	Employee Expense including Terminal Liability	65.83*	140.92	69.84*	134.66
B	A&G Expense	26.13	9.60	27.72	10.02
C	R&M Expense	69.84	122.69	74.09	104.97
1	O&M Expenses	161.8	273.21	171.65	249.65
2a	Water Expense	12.00	9.15	12.00	17.76
2b	Security Expense	-	21.07	-	23.06

S. No	Particulars	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
3	Depreciation	18.31	12.41	18.31	14.14
4	Interest on loans	10.15	104.23	8.50	103.22
5	Return on Equity	27.70	34.81	27.70	34.81
6	Interest on working capital	29.05	43.04	29.48	44.18
7	Special Allowance		39.90		39.90
8	Non-Tariff Income	19.75	25.53	20.69	28.73
9	Annual Fixed Charge	239.26*	512.30	246.95*	497.99
10	Total Energy Charges		697.54		736.25
12	**Annual Revenue Requirement**		**1209.84**		**1234.25**

**Excluding Terminal Liabilities*

Revenue Gap/Surplus

3.11 The Revenue Gap/Surplus as submitted by the Petitioner for the FY 2023-24 & FY 2024-25 of the Third Control Period after consideration of fixed charges and variable charge is summarized below:

Table 12 Total Fixed and Variable Charges including gap/(surplus) as submitted by Petitioner *(Rs. Crore)*

Particulars	FY 2023-24	FY 2024-25
Gap/(Surplus) for the Year	348.48	295.78
Carrying Cost	120.05	61.45
Total Revenue Gap/(Surplus)	**468.54**	**357.23**
Total Revenue Gap/(Surplus) for the FY 2023-24 & FY 2024-25	**825.76**	

Chapter 4: PUBLIC CONSULTATION PROCESS

Chapter 4: PUBLIC CONSULTATION PROCESS

4.1 On the Petitioner's petition several stakeholders have responded. A Public Hearing was held by the Commission on July 27, 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 voiced their comments and suggestions and the list of the attendees is mentioned in Chapter-9 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 any significance to petition have not been discussed in this Chapter.

Plant Availability Factor (PAF)

Public Comments/Suggestions

4.3 The PAF for TVNL is 76.41% in FY 23-24 and 75.38% in FY 24-25 against the approved figure of 85%. Plant Availability Factor (PAF) is a controllable parameter under Regulation 6.11(a). Further, Regulation 6.13 prohibits recovery of financial loss arising from under-performance of controllable parameters. Any loss in PAF due to coal shortage is internal efficiency of TVNL and cannot be passed on to the consumers. Hence, the non-achievement of Plant Availability Factor should be disallowed by the Hon'ble Commission,

Petitioner's Response

4.4 The Petitioner submitted that the actual Plant Availability Factor for FY 2023-24 and FY 2024-25 has been claimed on the basis of plant operational records and SLDC certification, which have already been placed before the Hon'ble Commission.

4.5 The lower PAF was not on account of genuine operational constraints. During FY 2023-24, Unit-I remained under shutdown from for reasons like Capital Overhauling, HP turbine shaft vibration. Unit-Il was also under shut down for maintenance work. During FY 2024-25, Unit-I remained under shutdown to attend hydrogen leakage from the generator, rectification of ID Fan-1A. Unit-II remained under shutdown for Annual Overhauling, impacted by frequent tripping on account of high HPT shaft vibration after AOH.

4.6 Further, the Hon'ble Commission has already acknowledged in the MYT Order dated 14.12.2023 that the generating units have experienced reduction in efficiency levels over time due to ageing, requiring enhanced repair and maintenance for which corrective measures are being taken from time to time.

4.7 Accordingly, TVNL humbly requests the Hon'ble Commission to approve the actual PAF for FY 2023-24 and FY 2024-25 after prudence check.

Views of the Commission

4.8 The Commission has considered the submissions of the Stakeholder and the response by the Petitioner.

Plant Load Factor (PLF)

Public Comments/Suggestions

4.9 TVNL seeks approval for PLF as 64.36% in FY 23-24 and 61.16% in FY 24-25 against the approved figure of 85%. The claimed PLF is well below the target level approved by the Hon'ble Commission.

Petitioner's Response

4.10 The Petitioner submitted that the Plant Load Factor is directly linked with actual availability, shutdowns, overhauling, maintenance events and other station operating constraints. The operational reports for low PLF are provided in the above explanation.

4.11 Further, TVNL has submitted the relevant supporting details, including SLDC certification, operational reports and unit-wise shutdown records, for consideration of the Hon'ble Commission. Accordingly, TVNL humbly requests the Hon'ble Commission to approve the actual PLF for FY 2023-24 and FY 2024-25 after prudence check.

Views of the Commission

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

Auxiliary Consumption

Public Comments/Suggestions

4.13 Against the approved figure of 9.5% for auxiliary consumption, the plant achieved 9.70% in FY 23-24 and 9.62% in FY 24-25. TVNL states about the compensation for auxiliary consumption and Station Heat Rate on account of partial load operations. CERC Order dated 5th May 2017 Central Generating Stations have been granted relief on account of part load operation and multi start/stop of units and accordingly, are claiming the compensation charge to beneficiaries. The plant operating under a flexible operation mode and nearing the completion of its useful life of 25 years, TVNL respectfully requests the Hon'ble Commission to exercise its power of relaxation under Section A 33 of the JSERC

Regulations, 2020.

4.14 TVNL has missed the point that compensation in case of partial load operations is allowed only if it is due to SLDC request to help the grid, then only compensation is allowed (flexibilisation on request of SLDC). Based on this, asking for relaxation is not a good idea and should not be allowed to TVNL. Also, there is no such provision in JSERC generation regulations and hence, any loss due to auxiliary consumption should not be passed on to the consumer

Petitioner's Response

4.15 The Petitioner submitted that the marginal deviation from the normative auxiliary consumption was due to unavoidable operational constraints during the relevant period. Partial load operation, reserve shutdowns, start-up/shutdown instances and frequent cycling of units have a direct technical bearing on auxiliary consumption. The deviation was therefore a consequence of genuine operating conditions and not due to avoidable inefficiency.

4.16 The Petitioner has submitted month-wise Auxiliary Power Consumption data certified by the Auditor, unit-wise details of partial load operation, forced outages, tripping instances and start-up/shutdown details, including reserve shutdowns, for the consideration of the Hon'ble Commission. Accordingly, TVNL humbly requests the Hon'ble Commission to approve the actual Auxiliary Consumption for FY 2023-24 and FY 2024-25 after prudence check.

Views of the Commission

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

Net Generation

Public Comments/Suggestions

4.18 TVNL claimed net generation of 2,144.19 MUs and 2033.65 MUs in FY 23-24 and FY 24-25 as against the approved 2830 MUs.

Petitioner's Response

4.19 The Petitioner submitted that the claimed net generation of 2,144.19 MUs for FY 2023-24 and 2,033.65 MUs for FY 2024-25 is based on actual operational performance during the respective years. The variance from approved values is principally attributable to reduced PAF and PLF resulting from shutdowns, overhauling, HP turbine shaft vibration, hydrogen leakage from generator, HPT shaft vibration after AOH, other maintenance works and coal-related constraints during the year.

4.20 TVNL has submitted month-wise net generation data certified by the Auditor, along with supporting records, for verification. The Petitioner humbly requests the Hon'ble Commission that actual net generation be approved for true-up after prudence check.

Views of the Commission

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

Station Heat Rate (SHR)

Public Comments/Suggestions

4.22 The actual SHR as claimed by TVNL is 2564.73 kcal/unit and 2569.31 kcal/unit as against approved 2547 kcal per unit.

4.23 SHR is a controllable parameter as per Regulation 6.11 and 6.13 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and the deviation cannot be passed to beneficiaries. So, SHR needs to be maintained at a lower level by the Genco. Any slippage in SHR shows the inefficiency of the power plant and should be disallowed. The plea that the SHR be allowed for partial load operation and flexible operation mode for TVNL does not have any logic and should be discarded. Also, SLDC backing down instructions have been annexed in the petition to prove its claim of partial load operations.

Petitioner's response

4.24 The Petitioner submitted that the higher SHR in FY 2023-24 and FY 2024-25 is primarily attributable to operational constraints arising from the ageing condition of the generating units, prolonged partial load operation and reserve shutdowns. The Hon'ble Commission has acknowledged in the MYT Order dated 14.12.2023 that efficiency levels of the units have reduced over time due to ageing and that enhanced repair and maintenance is required for sustained operation. These ageing-related constraints, combined with the partial load operation and reserve shutdowns, impacted turbine efficiency and heat rate.

4.25 The Petitioner has submitted month-wise SHR data duly certified by the Auditor, along with operational records indicating partial load operation and reserve shutdowns. The deviation is not indicative of avoidable inefficiency, and accordingly TVNL humbly requests the Hon'ble Commission to approve actual SHR after prudence check.

Views of the Commission

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

Specific Oil Consumption

Public Comments/Suggestions

4.27 TVNL has claimed 0.90 ml per unit and 1.13 ml per unit for FY 23-24 and FY 24-25 as against the approved 1 ml per unit in MYT order. TVNL claimed that there has been a constant improvement in specific oil consumption due to various R&M activities undertaken.

4.28 However, TVNL should explain why the specific oil consumption has increased from 0.90 in FY 23-24 to 1.13 in FY 24-25. Any increase in specific oil consumption should be disallowed by Hon'ble Commission.

Petitioner's response

4.29 The Petitioner submitted that that the specific oil consumption for FY 2023-24 was below the normative level. For FY 2024-25, the increase was associated with operational events including start-up/shutdown instances, annual overhauling, unit tripping and part-load operation, all of which have a bearing on secondary fuel consumption. The consumption has been claimed as per actual records and may be verified against supporting operational data. As such, TVNL humbly requests the Hon'ble Commission to consider the actual specific oil consumption after prudence check.

Views of the Commission

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

GCV and Price of Primary Fuel

Public Comments/Suggestions

4.31 TVNL claimed the GCV of primary fuel to be 3491.12 kcal/kg in FY 23-24 and 3431.34 kcal/kg in FY 24-25 as against the approved figure of 3583.15 kcal per kg. The price as per MYT approved is Rs. 3349.81 per MT. However, the cost of primary fuel is Rs. 3881.18 per MT in FY 23-24 and Rs. 4237.09 per MT in FY 24-25.

4.32 The GCV of Coal has decreased for TVNL for both the years, it has deteriorated in FY 24-25 (a decrease around 150 kcal per kg). However, the corresponding cost of primary fuel has increased around Rs. 900 per MT in FY 24-25. The reasons for such deterioration of coal quality and increase in price has not been explained by TVNL. Hence, these cost increases should be disallowed by the Hon'ble Commission.

Petitioner's response

4.33 The Petitioner submitted that the GCV and landed price of coal have been claimed on the basis of actual coal procurement and audited/certified records. The variation in landed price is due to actual cost elements directly associated with procurement and handling of coal under the applicable fuel supply arrangements. These include coal invoices, transportation/freight and other cost elements that are necessary for ensuring coal supply to the station.

4.34 TVNL has submitted copies of coal invoices for FY 2023-24 and FY 2024-25 and Auditor certification confirming the landed price computation for verification. Accordingly, TVNL humbly requests the Hon'ble Commission that actual GCV and landed price of coal be considered and allowed after prudence check.

Views of the Commission

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

Energy Charge Rate

Public Comments/Suggestions

4.36 ECR for FY 23-24 has been increased to 20.8% and in FY 24-25, the ECR has been increased to around 34.5%. Such a huge ECR increase is not acceptable and should be disallowed by the Hon'ble Commission.

4.37 The resultant of non-adherence to specific parameters by TVNL is reflected in the energy charge rate as claimed by TVNL. As against the approved Rs. 2.69 per unit, the ECR has been claimed to be Rs. 3.25 per unit in FY 23-24 and Rs. 3.62 per unit in FY 24-25.

Petitioner's response

4.38 The Petitioner submitted that Energy Charge Rate is a derived figure based on actual primary fuel cost, GCV, SHR and other operational parameters considered in accordance with the applicable tariff methodology. The increase in ECR is not an independent claim but the resultant of actual fuel and operational data for the true-up years. TVNL has submitted the relevant auditor-certified data and supporting documents for scrutiny.

4.39 Accordingly, TVNL humbly requests that the ECR be considered on the basis of actual admissible fuel cost and operational parameters after prudence check by the Hon'ble Commission.

Views of the Commission

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

Additional Capitalisation

Public Comments/Suggestions

4.41 TVNL has stated about an additional expenditure of Rs. 2.06 Cr in FY 23-24 and Rs. 29.2 Cr in FY 24-25 but not claimed in its true up. It stated that since both Unit-1 and Unit-2 completed 25 years of operation prior to the commencement of the financial year, TVNL is eligible to opt for the Special Allowance as per Regulations 14.11 and 14.12 of the JSERC Tariff Regulations, 2020. These regulations allow the Generating Company, at its discretion, to claim a Special Allowance as compensation for expenses including renovation and modernization beyond the useful life of the generating station. Accordingly, TVNL is not claiming any additional capitalisation for either unit during FY 2023-24 and FY 2024-25, and has instead opted for the Special Allowance. As per TVNL, it has surpassed its useful life of 25 years. As required, they have not done any residual life assessment (RLA) for both the units of power plant and the condition of the power plant is not known. Though, they are claiming that the RLA for Unit-1 was done but JBVNL has not received any copy of the said RLA.

4.42 As per Regulation 14.1 to 14.4 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, additional capitalization should be allowed only for safety, environmental norms, replacement of damaged equipment, change in law or deferred works within the cutoff date. It is strange that TVNL has not claimed the additional expenditure in its ARR and the reasons for this additional expenditure but would like to avail the special allowance as compensation. However, the special compensation proposition has caveats such as the generating units keeping performance at baseline operating benchmarks. Without performance benchmark performance by TVNL, it has gone for claiming special allowance. Regulation 14.11 states that revision of capital cost shall not be allowed and operational norms shall not be relaxed, and that such option shall not be available for a generating station or unit which is in depleted condition or operating under relaxed operational and performance norms. Without knowing the actual condition of the plant, special allowance should be disallowed. Also, what would happen if such claim is allowed but the plant fails to operate at benchmark parameters. The penalty system has not been spelled out clearly by the Commission.

Petitioner's response

4.43 The Petitioner submitted that TVNL has not claimed additional capitalization for the true-up years and has exercised the regulatory option to claim Special Allowance in accordance with Clauses 14.11 and 14.12 of the JSERC Tariff Regulations, 2020. The conditions for grant of Special Allowance are completion of useful life of the generating unit and exercise of option by the generating company in lieu of R&M/additional capitalization. Unit-I and Unit-II have crossed their useful life and continue to be operational. Further, TVNL has also submitted details of CAPEX/expenditure and Residual Life Assessment records for the consideration of the Hon'ble Commission.

4.44 Accordingly, TVNL humbly submits that the claim for Special Allowance is in accordance with the regulatory framework and may kindly be allowed after prudence check.

Views of the Commission

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

Operation and Maintenance (O&M)

Public Comments/Suggestions

4.46 As per 2.11.5 from petition, as per para 6.40 of MYT order for Third control period dated 14th December 2023, in the absence of audited data for FY 2017-21 the Commission considered the figures approved for the second control period and escalated the same with escalation factor of 6.09%.

4.47 The employee expenses claimed by TVNL is Rs. 140.92 Cr as against approved Rs. 65.83 Cr in FY 23-24 and Rs. 134.66 Cr in FY 24-25 as against approved Rs. 69.84 Cr. It is more than 200% increase from the approved figures. Similar is the case for R&M expenses for FY 23-24 and FY 24-25.

4.48 This shows the condition of the plant is deteriorating rapidly. This clearly indicates the condition of the power plant is deteriorating day by day. Further, without going for any renovation and modernization work, TVNL is claiming the special allowance. The stupendous rise in such costs should be disallowed by the Hon'ble Commission. The loss arising due to higher O&M than approved figures should be completely borne by TVNL and hence only normative O&M should be allowed to TVNL.

Petitioner's response

4.49 The Petitioner submitted that that the claim of O&M expenses on actual basis is in line with the approach recognized by the Hon'ble Commission in para 6.40 of the MYT Order dated 14.12.2023, where the Commission recorded that O&M figures were estimated in the absence of audited data for earlier years and that additional expenditure, if any, would be considered at the time of true-up subject to supporting audited accounts.

4.50 TVNL has provided detailed justification for claiming O&M on actual basis, including reasons for variation in actual O&M expenses compared with earlier years and supporting documents.

4.51 Accordingly, TVNL humbly requests the Hon'ble Commission that O&M expenses, including stores and spares as claimed, be considered as per actual audited accounts after prudence check

Views of the Commission

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

Other Charges

Public Comments/Suggestions

4.53 In other charges, the security expenses as claimed by TVNL for FY 23-24 and FY 24-25 is Rs. 21.07 Cr and Rs. 23.06 Cr respectively. Similarly, the water charges as claimed by TVNL is Rs. 9.15 Cr and Rs. 17.76 Cr as against Rs. 12 Cr as approved in MYT order. It is astonishing that the water charges have increased around 100% from FY 23-24 to FY 24-25 (from Rs. 9.15 Cr to Rs. 17.76 Cr).

4.54 Other charges as claimed by TVNL is very high and should be properly scrutinized by the Hon'ble Commission before approval. In this case, the security expenses are way higher than expected and the details of the same have not been provided with the petition.

Petitioner's response

4.55 The Petitioner submitted that security expenses, water charges and other charges have been claimed on the basis of actual books of accounts and operational requirements of the generating station. These expenses are necessary for safe, secure and continuous operation of the plant and allied facilities. TVNL requests the Hon'ble Commission that the audited accounts may kindly be considered to approve the charges as per actuals.

Views of the Commission

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

Depreciation

Public Comments/Suggestions

4.57 Depreciation as claimed by TVNL is Rs. 12.41 Cr in FY 23-24 and Rs. 14.14 Cr in FY 24-25. TVNL claimed that the actual life of the plant has been surpassed. As such no details have been provided by TVNL for its claim of depreciation.

Petitioner's response

4.58 The Petitioner submitted that that depreciation has been claimed as per the books of accounts which are under depreciation. It has also been clarified that assets funded through Special Allowance, grants or consumer contributions have been excluded from capitalization, in compliance with applicable regulatory provisions. As such, TVNL humbly requests the Hon'ble Commission that the claimed depreciation be allowed after prudence check.

Views of the Commission

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

Interest on Loan

Public Comments/Suggestions

4.60 As per 2.14.3, as against the approved figures of Rs. 10.15 Cr in FY 23-24, TVNL claimed Rs. 104.23 Cr and as against Rs. 8.50 Cr in FY 24-25, TVNL claimed Rs. 103.22 Cr in FY 24-25. The Petitioner submitted that it is difficult for TVNL to service its debt timely due to delayed and partial payments being made by JBVNL. Due to late payment of dues by JBVNL to TVNL, debt could not be serviced timely in the past and hence TVNL had to pay penalties along with interest on loan.

4.61 TVNL has not elaborated upon the nature of loan, the rate of interest and directly put a figure for interest on loan. Interest must be calculated based on the actual loan portfolio supported by the audited accounts. This may be misused by the power plants.

Petitioner's response

4.62 The Petitioner submitted that the interest on loan has been claimed on the basis of the audited accounts and includes interest accrued on long-term loans as well as penal interest. It is to reiterate that TVNL has not been able to repay instalments of long-term loans availed from the State Governments of Bihar and Jharkhand, resulting in accumulation of interest liability over the years.

4.63 Further, due to delayed payments from JBVNL and substantial dues, TVNL faced severe liquidity constraints, which affected timely debt servicing and led to additional interest burden, including penal interest. TVNL has submitted audited accounts, details of loans and correspondence with the beneficiary in lieu of payment for verification.

4.64 Accordingly, TVNL humbly requests that the actual interest on loan be approved after prudence check.

Views of the Commission

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

Interest on working capital

Public Comments/Suggestions

4.66 Total working capital as claimed by TVNL is way too high and thus, interest on working capital at 12% becomes very high as claimed in ARR. As against the approved Rs. 29.05 Cr in FY 23-24, TVNL claimed-Rs. 43.04 Cr. In FY 24-25, as against approved Rs. 29.48 Cr, TVNL claimed Rs. 44.18 Cr.

Petitioner's response

4.67 The Petitioner submitted that Interest on Working Capital has been computed in accordance with the applicable JSERC regulations and the methodology applicable for true-up. The computation is based on admissible components and actual data placed before the Hon'ble Commission, subject to regulatory scrutiny.

4.68 Accordingly, TVNL humbly requests the Hon'ble Commission that Interest on Working Capital be considered and allowed after prudence check as per the applicable regulations.

Views of the Commission

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

Return on Equity

Public Comments/Suggestions

4.70 The closing balance of ROE for FY 23-24 and FY 24-25 is not matching for TVNL. As against approved ROE of Rs. 184.64 Cr, TVNL claimed Rs. 232.07 Cr based on which it asks for ROE.

4.71 ROE should be calculated based on the approved ROE by the Hon'ble Commission.

Petitioner's response

4.72 The Petitioner submitted that TVNL has provided all available justification and supporting documents and requests the Hon'ble Commission to allow RoE after prudence check. Return on Equity has been claimed in accordance with the applicable regulatory provisions and based on the capital base/equity eligible for consideration at true-up. TVNL humbly requests that RoE be allowed on admissible equity/capital base after reconciliation by the Hon'ble Commission.

Views of the Commission

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

Special Allowance

Public Comments/Suggestions

4.74 As per 2.17.4 TVNL claimed that it has exercised its regulatory option to claim Special Allowance for Unit-1 and Unit-2 for FY 2023-24 and FY 2024-25 as the unit has completed useful life of 25 years, continues to be in operational condition and has not been proposed for any capital addition or R&M expenditure for the said period. TVNL has submitted RLA Report conducted by M/s Becquerel Industries Pvt. Ltd. dated 29th September 2023 and claimed Rs. 39.90 Cr for FY 23-24 and FY 24-25.

4.75 However, it forgot to mention about the operating condition of power plant and whether it maintains the parameters fixed by the Hon'ble Commission. TVNL is silent on overall health of the plant, balance of plants and what is required to make it operate in optimal condition. No copy of the RLA was submitted to JBVNL. It is not known what part of the unit was taken for FRIA. The ask for special allowance should be disallowed as details of condition of the plants operations are of not shared and the plants are deteriorating as found by the higher O&M and R&M expenses. TVNL claimed useful life of 35 years as evident from its depreciation calculation. Also, TVNL does not propose any R&M work and the nature of work it will undertake to avail special allowance.

Petitioner's response

4.76 The Petitioner submitted that Special Allowance for Unit-l and Unit-II has been claimed in accordance with Clauses 14.11 and 14.12 of the JSERC Tariff Regulations, 2020. Both units have crossed their useful life and continue to be operational. TVNL has e exercised the option to claim Special Allowance in lieu of R&M/additional capitalization for the relevant period. Further, TVNL has submitted the Residual Life Assessment records and requisite details of work/expenditure for the Hon'ble Commission's consideration.

4.77 Accordingly, TVNL humbly submits that the claim is regulatory in nature and may kindly be allowed after prudence check, after considering the operational condition, useful life and supporting records already submitted.

Views of the Commission

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

Secondary Fuel Oil Cost

Public Comments/Suggestions

4.79 Secondary fuel oil consumption is a controllable parameter. Hence excess secondary fuel cost cannot be passed through tariff.

Petitioner's response

4.80 The Petitioner submitted that secondary fuel oil consumption has been claimed on the basis of actual records. The specific oil consumption in FY 2023-24 was below the normative level, and the FY 2024-25 increase is linked to operational events such as start-up/shutdown instances, overhauling and tripping.

4.81 TVNL is not seeking any inadmissible pass-through and humbly requests the Hon'ble Commission to consider the actual and admissible secondary fuel oil cost after prudence check

Views of the Commission

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

Summary of Fixed Cost

Public Comments/Suggestions

4.83 Total fixed cost claimed by TVNL is Rs. 512.30 Cr in FY 23-24 and Rs. 497.99 Cr in FY 24-25 as against Rs. 239.26 Cr in FY 23-24 and Rs. 246.95 Cr in FY 24-25.

4.84 Total fixed cost as claimed by TVNL is 114% more for FY 23-24 and around 100% more from approved figures for FY 24-25.

Petitioner's response

4.85 The Petitioner submitted that the fixed cost claim is an aggregation of individual components such as O&M expenses, depreciation, interest on loan, interest on working capital, RoE, Special Allowance and other costs, each of which has been submitted with supporting justification and documents. The increase in fixed cost is therefore not an independent claim but the result of component-wise true-up based on actual/admissible data.

Views of the Commission

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

Revenue Gap Surplus & Carrying cost

Public Comments/Suggestions

4.87 TVNL claimed that as against net ARR of Rs. 1209.84 Cr, the total amount billed is Rs. 861.36 Cr in FY 23-24 having a revenue gap of Rs. 348.48 Cr in FY 23-24. For FY 24-25, the gap is Rs. 295.78 Cr. TVNL also claimed carrying cost of Rs. 120.05 Cr in FY 23-24 and Rs. 61.45 Cr in FY 24-25 despite not filing the petitions on time.

4.88 In generation regulations 2020, clause no. 7.4 states that no carrying cost on the duration of delay shall be allowed on unrecovered gap if the Generating Company fails to submit the Petition as per timelines stipulated in Section A 39.

Petitioner's response

4.89 The Petitioner submitted that the revenue gap has been computed on the basis of the true-up of ARR vis-à-vis the actual billed revenue for FY 2023-24 and FY 2024-25. It is further submitted that TVNL is already under significant financial stress on account of the prolonged delay in realizing payments from its beneficiary utilities and its impact on repayment of loans has adversely impacted on its cash flows and overall financial position. In such circumstances, any disallowance or non-recognition of the carrying cost, coupled with the existing financial burden arising from delayed payments, would further aggravate the financial hardship faced by TVNL and may adversely affect its operational and financial sustainability.

4.90 Therefore, TVNL humbly prays that the revenue gap and the corresponding carrying cost be considered and allowed, considering the submitted records, audited accounts and prevailing financial constraints of TVNL.

Views of the Commission

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

Chapter 5: TRUE-UP FOR FY 2023-24 to FY 2024-25

Chapter 5: TRUE-UP FOR FY 2023-24 to FY 2024-25

5.1 The Commission, vide its Order dated 14th December 2023, approved the MYT Order for the 3rd Control Period i.e. FY 2021-22 to FY 2025-26 and determined the Energy Charge Rate and Fixed Charges for the said period in accordance with the principles specified in the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

5.2 In the instant petition, the Petitioner has now sought approval for True-up for FY 2023-24 to FY 2024-25, based on the Audited Accounts taking into consideration the provisions of the Tariff Regulations 2020 and the methodology adopted by the Commission in the previous Orders.

5.3 While conducting the true up of FY 2023-24 to FY 2024-25, the Commission has taken into consideration:

(a) Audited accounts for FY 2023-24 to FY 2024-25 of the Petitioner;

(b) Principles and provisions laid down in the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and its amendments thereof;

(c) Materials placed before the Commission;

(d) Methodology adopted by the Commission in its previous Orders.

5.4 The component-wise details, filed by the Petitioner and the Commission's analysis and discussion is made in the upcoming paragraph.

Plant Availability Factor (PAF) & Plant Load Factor (PLF)

Petitioner's Submission

5.5 The Petitioner in its Tariff Petition has submitted the PAF for FY 2023-24 to FY 2024-25 as per actual data as shown in table below against the PAF of 85% as approved by the Commission in its previous MYT Tariff Order for the third control period.

Table 13 Plant Availability factor as submitted by the Petitioner *(%)*

Particulars	FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition
Plant Availability Factor	85.00%	76.41%	85.00%	75.38%

5.6 The Petitioner in its Tariff Petition has submitted the PLF for FY 2023-24 to FY 2024-25 as per actual data available as shown in the table below against PLF of 85% as approved by the Commission in its previous MYT Tariff Order for the third control period.

Table 14 Plant Load Factor as submitted by the Petitioner *(%)*

Particulars	FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition
Plant Load Factor	85.00%	64.36%	85.00%	61.16%

5.7 The Petitioner has submitted reasons for low PAF for the third control period and not being able to achieve the Commission approved PAF due to the following reasons:

(a) The Petitioner has submitted that the lower Plant Availability Factor (PAF) for FY 2023-24 and FY 2024-25, as compared to the normative value of 85%, is primarily attributable to factors beyond the control of the Petitioner. During FY 2023-24, Unit-1 was put under shut down from 15.07.2023 to 06.09.2023 (55 Days) for Capital Overhauling. Again Unit-I was put under shut down from 17.09.2023 to 23.09.2023 (6 Days) to attend the HP turbine shaft vibration after COH by M/s BHEL. Unit-II was on shut down from 05.06.2023 to 14.06.2023 (9 days) to attend the minor maintenance work. This situation significantly impacted the overall availability of the station.

(b) The Petitioner further submitted that for FY 2024-25, the PAF is 75.38%, which is lower than the normative level. Unit-I was put under shut down from 13.06.2024 to 18.06.2024 (6 Days) to attend the Hydrogen leakage from Generator. Unit-I was put under shut down from 28.02.2025 to 04.03.2025 (5 Days) to rectify the problem of ID Fan-1A. Unit-II was on shut down from 22.08.2024 to 03.10.2024 (43 days) for Annual Overhauling of the Unit. Less Generation from Unit-II is also due to frequent tripping of the unit due to HPT shaft vibration very high after AOH.

(c) Petitioner also quoted the Commission's MYT Order dated 14th December 2023, in which Commission acknowledge that the generating units have experienced a reduction in efficiency levels over time due to ageing, which necessitates enhanced repair and maintenance activities for sustained operation. These inherent limitations, combined with above constraints, contributed to the lower PAF during the relevant period.

(d) Petitioner also attached the supporting document evidence, including SLDC certification.

Commission's Analysis

5.8 The Commission has scrutinized and verified the actual plant load factor and actual plant availability for FY 2023-24 and FY 2024-25 based on the SLDC certificates provided by the Petitioner in Annexure-1 and Annexure-2 of its response against the data gaps respectively and, accordingly, approves the plant load factor and plant availability as presented in table below:

Table 15 Plant availability factor as approved by the Commission (%)

Particulars	FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved
Plant Availability Factor	85.00%	76.41%	76.41%	85.00%	75.38%	75.38%

Table 16 Plant Load Factor as approved by the Commission (%)

Particulars	FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved
Plant Load Factor	85.00%	64.36%	64.36%	85.00%	61.16%	61.16%

Gross Generation

Petitioner's Submission

5.9 The Petitioner in its Tariff Petition has submitted that the actual gross generation for both units during FY 2023-24 & FY 2024-25 is as mentioned in table below:

Table 17 Gross Generation submitted by the Petitioner (MUs)

Particulars	FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition
Gross generation	3,127	2,374.60	3,127	2,250.02

Commission's Analysis

5.10 The Commission, upon scrutinizing and verifying the documents submitted by the Petitioner and considering the PLF as approved in para above, approves gross generation of the plant for FY 2023-24 and FY 2024-25 as stipulated in the table below:

Table 18 Gross Generation as approved by the Commission (MUs)

Particulars	FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved
Gross Generation	3,127.32	2,374.60	2,374.60	3,127.32	2,250.02	2,250.02

Auxiliary Consumption

Petitioner's Submission

5.11 The Petitioner has submitted that the actual auxiliary consumption for both the units during FY 2023-24 to FY 2024-25 is mentioned in the table below:

Table 19 Auxiliary Consumption as submitted by the Petitioner (%)

Particulars	FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition
Auxiliary Consumption	9.50%	9.70%	9.50%	9.62%

5.12 The Petitioner has also submitted that deviation from normative auxiliary consumption values is due to operational constraints arising from coal shortages. The coal shortage necessitated operation of generating units at partial load and, at times, required frequent cycling between units, both of which adversely affect auxiliary consumption efficiency. The increase is thus a technical consequence of unavoidable operating conditions and not due to plant inefficiency.

5.13 The Petitioner has also referred to the provisions of Regulation 6.3B of the CERC (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016, which provide for compensation to generating stations on account of partial-load operation and multiple start-stop conditions. TVNL submitted that similar considerations may be extended to the plant in view of its ageing equipment and operation in flexible load conditions.

5.14 The Petitioner has further contended that the Tenughat Thermal Power Station (TTPS) has already completed more than 25 years of operation, and in light of the plant operating under a flexible operation mode and completion of its useful life of 25 years, TVNL respectfully requests the Commission to exercise its power of relaxation under Section A 33 of the JSERC Regulations, 2020. TVNL seeks approval for Auxiliary Consumption based on actual values.

Commission's Analysis

5.15 The Commission has examined the submissions of the Petitioner and the supporting data furnished for FY 2023-24 and FY 2024-25. It is observed that the actual auxiliary consumption marginally exceeded the normative values approved in the MYT Order for both years.

5.16 Clause 6.11 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 stipulates that performance parameters, including Auxiliary Consumption, are deemed to be controllable in nature. The Commission further notes that Regulation A16 of the JSERC (Terms and Conditions for Determination of Generation Tariff) (First Amendment) Regulations, 2023 specifies the normative auxiliary consumption applicable for coal-based thermal generating stations.

5.17 Accordingly, the Commission is of the view that any deviation from the approved normative auxiliary consumption cannot be passed on to the beneficiaries, as auxiliary consumption is a controllable parameter. Therefore, for the purpose of True-up of FY 2023-24 and FY 2024-25, the Commission approves the normative auxiliary consumption as per the applicable Regulations.

Table 20 Auxiliary Consumption as approved by the Commission (%)

Particulars	FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved
Auxiliary Consumption	9.50%	9.70%	9.50%	9.50%	9.62%	9.50%

Net Generation

Petitioner's Submission

5.18 The Petitioner has submitted the net generation of the plant for FY 2023-24 to FY 2024-25 as mentioned in the table below:

Table 21 Net Generation as submitted by the Petitioner (MUs)

Particulars	FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition
Net Generation	2,830.22	2,144.19	2,830.22	2,033.65

Commission's Analysis

5.19 Upon scrutiny of the documents submitted by the Petitioner, the Commission observed a discrepancy between the net generation data furnished by the Petitioner and the actual net energy exported to JBVNL during the relevant period. Accordingly, after conducting a prudence check of the submitted records, the Commission has approved the net generation for FY 2023-24 and FY 2024-25 based on the normative parameters determined and approved in the foregoing paragraphs. The approved net generation figures are presented in the table below:

Table 22 Net Generation as approved by the Commission (MUs)

Particulars	FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved
Net Generation	2,830.22	2144.19	2,149.02	2,830.22	2033.65	2,036.27

Station Heat Rate

Petitioner's Submission

5.20 The Petitioner has submitted the actual Station heat rate for the third control period i.e. FY 2023-24 to FY 2024-25 as mentioned in the table below:

Table 23 Station Heat Rate as submitted by the Petitioner (kcal/kWh)

Particulars	FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition
Station Heat Rate	2,547.00	2,564.73	2,547.00	2,569.31

5.21 The Petitioner has also submitted that higher Station Heat Rate (SHR) of 2,564.73 kcal/kWh for FY 2023-24 and 2569.31 kcal/kWh for FY 2024-25, as compared to the normative value of 2,547 kcal/kWh, is primarily attributable to operational constraints arising from the ageing condition of the generating units. As acknowledged by the Commission itself in the MYT Order dated 14th December 2023, the efficiency levels of the units have reduced over time, necessitating enhanced focus on repair and maintenance activities for sustained operation. These ageing-related challenges were compounded by prolonged partial load operation and reserve shutdowns due to acute coal shortages, which further impacted turbine efficiency and contributed to an increase in heat rate.

5.22 The Petitioner submits that this deviation from the normative SHR is not indicative of operational inefficiency but is a consequence of factors beyond its control, including the inherent limitations of ageing equipment.

Commission's Analysis

5.23 Clause 6.11 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 stipulates that performance parameters are deemed to be controllable in nature. As such, the Commission approves the Gross Station Heat Rate in accordance with Regulation A 16 of the JSERC (Terms & Conditions for Determination of Generation Tariff) (First Amendment) Regulations, 2023:

Table 24 Station Heat Rate as approved by the Commission (kcal/kWh)

Particulars	FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved
Station Heat Rate	2,547.00	2,564.73	2,547.00	2,547.00	2,569.31	2,547.00

Secondary Fuel Oil Consumption

Petitioner's Submission

5.24 The Petitioner has submitted secondary fuel oil consumption for FY 2023-24 & FY 2024-25 as mentioned in table below:

Table 25 Secondary fuel oil consumption as submitted by the Petitioner (ml/kWh)

Particulars	FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition
Secondary Fuel Oil Consumption	1.00	0.90	1.00	1.13

5.25 The Petitioner has also submitted that from the actual values of specific oil consumption for FY 2023-24 and FY 2024-25, it is evident that the Petitioner is in constant endeavor to improve its specific oil consumption which has improved significantly from 4.21 ml/kWh in FY 2016-17 to 1.13 ml/kWh in FY 2024-25 because of various R&M works undertaken during the period.

5.26 The Petitioner further submitted that against the actuals for the FY 2023-24 and FY 2024-25, the Commission had approved specific oil consumption of 1 ml/kWh for Third control period in the MYT order dated 14th December 2023 based on "Generation Tariff Regulations, 2020", where the normative specific oil consumption for TTPS has been specified as 1 ml/kWh.

Commission's Analysis

5.27 The Commission has considered the submissions made by the Petitioner in accordance with the Commission's MYT Order dated 14th December 2023 and the JSERC (Terms and Conditions for Determination of Generation Tariff) (First Amendment) Regulations, 2023. Accordingly, the Commission approves the secondary fuel oil consumption in terms of the aforesaid Order and the provisions of the JSERC (Terms and Conditions for Determination of Generation Tariff) (First Amendment) Regulations, 2023.

Table 26 Secondary fuel oil consumption as approved by the Commission (ml/kWh)

Particulars	FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved
Secondary Fuel Oil Consumption	1.00	0.9	0.9	1.00	1.13	1.00

Gross Calorific Value (GCV) of Primary and Secondary Fuel

Petitioner's Submission

5.28 The gross calorific value of coal and secondary fuel as submitted by the Petitioner for FY 2023-24 to FY 2024-25 is mentioned in table below:

Table 27 GCV of Primary fuel & Secondary Fuel as submitted by the Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
GCV of Primary Fuel	kcal/kg	3583.15	3,491.12	3,583.15	3,431.34
GCV of Secondary Fuel	kcal/kL	9,359.00	9,359.00	9,359.00	9,359.00

Commission's Analysis

5.29 The calorific value of a fuel represents the amount of heat released upon burning of one unit of fuel. Accordingly, a higher GCV indicates better quality of fuel and results in lower fuel costs, as a lesser consumption of fuel needed to generate a given amount of energy.

5.30 The Commission had directed the Petitioner to furnish the details regarding the consumption and GCV of fuel for the FY 2023-24 and FY 2024-25 as part of the additional information sought during the preliminary scrutiny of the Petition.

5.31 The Commission, upon prudence check of the documents submitted by the Petitioner, has analyzed month wise coal quantity and GCV as fired data submitted by the Petitioner and accordingly approves the GCV of coal for during FY 2023-24 & FY 2024-25 as mentioned in table below:

Table 28 GCV of Primary Fuel as approved by the Commission

Particulars	UoM	FY 2023-24			FY 2024-25		
		MYT	Petition	Approved	MYT	Petition	Approved
GCV of Primary Fuel	kcal/kg	3,583.15	3,491.12	3,491.12	3,583.15	3,431.34	3,431.34

5.32 The Commission observes that the Petitioner has not submitted the actual GCV of the secondary fuel for FY 2023-24 and FY 2024-25. Instead, the Petitioner has submitted the GCV value of secondary fuel as 9,359 kCal/ltr as approved in the MYT Order. The Commission has taken note of the same and has approved the GCV of secondary fuel for the FY 2023-24 and FY 2024-25 as mentioned in the table below:

Table 29 GCV of Secondary Fuel as approved by the Commission

Particulars	UoM	FY 2023-24			FY 2024-25		
		MYT	Petition	Approved	MYT	Petition	Approved
GCV of Secondary Fuel	kcal/kL	9,359.00	9,359.00	9,359.00	9,359.00	9,359.00	9,359.00

Cost of Primary Fuel

Petitioner's Submission

5.33 The Petitioner has submitted the actual cost of primary fuel for FY 2023-24 to FY 2024-25 as mentioned below:

Table 30 Cost of Primary Fuel as submitted by Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Cost of coal per MT	Rs./MT	3,349.81	3,881.18	3,349.81	4,236.12

Commission's Analysis

5.34 The Commission, upon scrutinizing and analyzing the documents submitted by the Petitioner, and upon verification of the figures as per audited accounts, approves the cost of primary fuel for the third control period. For the FY 2023-24 and FY 2024-25, the Petitioner's claim is less than the submission in the audited account, the Commission approves the Petitioner's values. The details are as follows:

Table 31 Cost of Primary Fuel as approved by the Commission

Particulars	UoM	FY 2023-24			FY 2024-25		
		MYT	Petition	Approved	MYT	Petition	Approved
Cost of coal per MT	Rs./MT	3,349.81	3,881.18	3,881.18	3,349.81	4,236.12	4,236.12

Transit Loss

Petitioner's Submission

5.35 The Petitioner has submitted the actual Transit Loss in all types of Coal as 0.8%. The transit loss for other category of coal had been considered by the Petitioner as per the norms given in Clause 17.11 of the Generation Tariff Regulations 2020.

Table 32 Transit Loss as submitted by the Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Transit Loss	%	0.80%	0.80%	0.80%	0.80%

Commission's Analysis

5.36 The Commission has scrutinized the detail along with the auditor's certificate certifying the transit loss as submitted by the Petitioner and approves the transit loss at a normative value of 0.80% as per Clause

17.11 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

Table 33 Transit Loss as approved by the Commission

Particulars	UoM	FY 2023-24			FY 2024-25		
		MYT	Petition	Approved	MYT	Petition	Approved
Transit Loss	%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%

Summary of Plant Parameters & Fuel Cost Determinants as approved by the Commission for FY 2023-24 & FY 2024-25

Table 34 Approved Energy Charge Rate for FY 2023-24 & FY 2024-25 *(Rs./kWh)*

S. No	Particulars	UoM	FY 2023-24			FY 2024-25		
			MYT	Petition	Approved	MYT	Petition	Approved
1	Capacity	MW	420.00	420.00	420.00	420.00	420.00	420.00
2	Plant Availability Factor (PAF)	%	85.00%	76.41%	76.41%	85.00%	75.38%	75.38%
3	Plant Load Factor (PLF)	%	85.00%	64.36%	64.36%	85.00%	61.16%	61.16%
4	Gross generation	MU	3,127.32	2,374.60	2,374.60	3,127.32	2250.02	2,250.02
5	Auxiliary consumption	%	9.50%	9.70%	9.50%	9.50%	9.62%	9.50%
6	Net generation	MU	2,830.22	2,144.19	2,149.02	2,830.22	2033.65	2,036.27
7	Station Heat Rate	kcal/kWh	2,547.00	2564.73	2,547.00	2,547.00	2569.31	2,547.00
8	Specific oil consumption	ml/kWh	1.00	0.9	0.90	1.00	1.13	1.00
9	Calorific value of oil	kcal/kL	9,359.00	-	9,359.00	9,359.00	-	9,359.00
10	Calorific value of coal	kcal/kg	3,583.15	3491.12	3,491.12	3,583.15	3431.34	3,431.34
11	Cost of coal per MT	Rs./MT	3,349.81	3881.18	3,881.18	3,349.81	4236.12	4,236.12
12	Cost of oil per kL	Rs./kL	40,083.17	81071.61	81,071.61	40,083.17	77473.13	77,473.13
13	Transit Loss	%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
14	Total quantum of oil	kL	3,127.32	2126.29	2,137.14	3,127.32	2553.4	2,250.02
15	Total coal cost	Rs. Cr.	747.90	680.3	675.57	747.90	716.47	710.57
16	Total oil cost	Rs. Cr.	12.54	17.24	17.33	12.54	19.78	17.43
17	**Total Energy Cost (17=15+16)**	**Rs. Cr.**	**760.44**	**697.54**	**692.89**	**760.44**	**736.25**	**728.01**
18	**Energy Charge Rate** ***(Total Energy Cost*10/Net Generation)***	**Rs./kWh**	**2.69**	**3.25**	**3.22**	**2.69**	**3.62**	**3.58**

MYT: Values approved in MYT order dated 14.12.2023

Determination of Fixed Cost

Operation & Maintenance Expense

Petitioner's Submission

5.37 The Petitioner has submitted the details of the O&M Expenses divided into A&G Expenses, R&M Expenses and Employee Expenses and has claimed as per approved in MYT order.

5.38 The Petitioner has clarified that employee expenses as submitted consists of salaries, overtime allowance, leave salary and expenses for staff & officers' welfare.

5.39 The Petitioner has submitted that Repair and Maintenance is meant for the upkeep of the generating station. Further, as every asset requires repair and maintenance at some point, to keep the thermal generating station healthy and reliable the Petitioner must infuse certain amounts of funds on R&M activities. The Petitioner has claimed that it is trying its best to ensure achievement of parameters as specified by the Commission and accordingly making necessary expenditure on R&M activities.

5.40 The Petitioner has submitted that Administrative and General expenses mainly consist of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.

5.41 The Petitioner submitted that the Commission, in Paragraph 6.40 of the MYT Order dated 14th December 2023, had observed as under:

> *"The Commission has analyzed the submissions made by the Petitioner and has noted the fact that the Petitioner has not conducted True-up of the Second Control Period. In the absence of audited data for FY 2017-21, the Commission has considered the figures approved by the Commission for the Second Control Period and has accordingly escalated the same with an escalation factor of 6.09% and has arrived at the figures for the Third Control Period. However, the Commission shall consider additional expenditure incurred, if any, towards O&M expenses during True-up of the respective years of the Third Control Period, provided that the same is supported by audited accounts."*

5.42 The Petitioner stated that, the Commission, in its MYT Order for the third control period, had clearly stated that in the absence of audited data for FY 2017–21, O&M figures were estimated by escalating the previously approved values, and further noted that additional expenditure, if any, towards O&M shall be considered at the time of true-up, provided it is supported by audited accounts.

5.43 The Petitioner respectfully submits that the Operation and Maintenance (O&M) expenses for FY 2023-24 and FY 2024–25 may kindly be considered on an actual basis, as reflected in the books of accounts. It is also concluded that TVNL has been making continuous efforts to improve operational reliability and plant availability, which has led to a rise in certain maintenance-related costs. These expenditures are essential for sustaining performance, ensuring compliance, and maintaining equipment health.

5.44 The Petitioner requested the Commission to approve the O&M expenses as per the actuals for FY 2023-24 and FY 2024-25.

Table 35 O&M Expense as submitted by the Petitioner

S. No	Particulars	UoM	FY 2023-24		FY 2024-25	
			MYT	Petition	MYT	Petition
1	Employee Expenses	Rs. Cr.	65.83	140.92	69.84	134.66
2	A&G Expenses	Rs. Cr.	26.13	9.60	27.72	10.02
3	R&M Expenses	Rs. Cr.	69.84	122.69	74.09	104.97
4	Water Charges	Rs. Cr.	12.00	9.15	12.00	17.76
5	Security Expenses	Rs. Cr.	-	21.07	-	23.06
6	**Total O&M expenses including water and security charges**	**Rs. Cr.**	**173.80**	**303.43**	**183.65**	**290.47**

5.45 As per JSERC (Terms and Conditions for Determination of Generation Tariff) First amendment, 2023 principal Regulations Clause 15.46 shall be substituted as follows:

"15.46. The Water Charges, Security Expenses and Capital Spares for thermal generating stations shall be allowed separately after prudence check:

Provided that Water Charges shall be allowed based on water consumption, depending upon type of plant, type of cooling water system, subject to prudent check. The details regarding the same shall be furnished along with the Petition.

Provided that the generating station shall submit the details of year wise actual capital spares consumed at the time of truing up with appropriate justification for incurring the same and substantiating that the same is not funded through special allowance as per Clause 14.11 and 14.12 of the Regulation or claimed as a part of additional capitalisation or consumption of stores and spares and *renovation and modernization."*

Commission's Analysis

5.46 For the purpose of approval of Operation and Maintenance (O&M) expenses, the Commission refers to clauses 15.35 and 15.40 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 reproduced below:

> *"15.35 Operation and Maintenance (O&M) expenses shall comprise of the following:*
>
> *1. Salaries, wages, pension contribution and other employee costs;*
>
> *2. Administrative and General costs;*
>
> *3. Repairs and maintenance expenses;*
>
> *Existing Thermal Generating Stations:*
>
> *15.40 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 Generating Company, estimates of the actual for the Base Year, prudence check and any other factor considered appropriate by the Commission".*

5.47 The Commission has examined the submissions of the Petitioner, the actual audited accounts furnished for FY 2023-24 and FY 2024-25, and the provisions of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and its First Amendment, 2023.

5.48 The Commission notes that, in Paragraph 6.40 of the MYT Order dated 14th December 2023, the O&M expenses for the third Control Period were approved based on the escalation of previously approved values owing to the non-availability of actual audited accounts for the Second Control Period. The said Order further provided that any additional expenditure, if any, would be considered at the time of True-up based on audited accounts.

5.49 The Commission further notes that O&M expenses consist of three major components, namely Employee Expenses, Repair & Maintenance (R&M) Expenses, and Administrative & General (A&G) Expenses, which are assessed on a normative basis using appropriate inflation, growth, and "K-factor" parameters as approved by the Commission in earlier Orders.

Normative Employee Expenses

5.50 Based on the facts and circumstances of the Petition, the Commission has approved the Normative Employee Expenses for FY 2023-24 and FY 2024-25 by applying the actual inflation and growth factors to the previous year's approved employee expenses.

5.51 The employee count for the TVNL is reducing over the years showcasing no growth. As per clause 15.42 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and its subsequent amendments:

> *"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 Generating Company Filing, benchmarking and any other factor that the Commission feels appropriate;*
> *"*

5.52 Therefore, the Commission has considered a growth factor at 0% and subsequently, the employee cost has been determined as follows, considering the escalation only by actual inflation factor of 3.72% and 3.12%, respectively.:

Table 36 Normative Employee Expenses as approved by the Commission

Particulars	UoM	FY 2023-24	FY 2024-25
Employee Expenses (n-1) Year	Rs. Cr.	63.00	65.34
Inflation Factor	%	3.72%	3.12%
Growth Factor	%	0.00%	0.00%
Normative Employee Expenses	**Rs. Cr.**	**65.34**	**67.38**

Normative A&G Expenses

5.53 Likewise, the Commission has computed the Normative Administrative & General (A&G) Expenses for FY 2023-24 and FY 2024-25 based on the approved A&G Expenses of the previous year, escalated by the actual inflation factor of 3.72% and 3.12%, respectively.

Table 37 Normative A&G Expenses as approved by the Commission

Particulars	UoM	FY 2023-24	FY 2024-25
A&G Expenses (n-1) Year	Rs. Cr.	25.00	25.93
Inflation Factor	%	3.72%	3.12%
Normative A&G Expenses	**Rs. Cr.**	**25.93**	**26.74**

Normative R&M Expenses

5.54 The Commission has computed the Normative R&M expenses as per the method provided in the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020. As per clause 15.42 of the same regulations,

> "The above components shall be computed in the manner specified below
>
> *a) (Repair & Maintenance) n = K*GFA*(INDXn/ INDXn-1)*
>
> *Where,*
>
> *'K' is a constant (expressed in %) governing the relationship between Repair &Maintenance costs and Gross Fixed Assets (GFA) and shall be calculated based on the % of Repair &Maintenance to GFA of the preceding years 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; …"*

5.55 The Commission has noted in its MYT Order dated 14th December 2023 that the K-factor (representing the ratio of R&M expenses to Gross Fixed Assets) shall be reviewed and finalized at the time of True-up of the respective years of the Third Control Period based on actual audited data.

5.56 In the present True-up, the Commission has determined the K-factor for the Third Control Period based on the audited financial data for FY 2015-16 to FY 2019-20, as shown below. The K-factor represents the ratio of R&M expenditure to the opening Gross Fixed Assets (GFA) for each year, normalized for any abnormal items. This approach is consistent with the methodology previously adopted by the Commission, as set out in the last Tariff Order dated 24.03.2026 and in Clause 5.53 of the True-up Order for FY 2021-22 and FY 2022-23.

Table 38 'K-Factor' as approved by the Commission

Particulars	FY 16	FY 17	FY 18	FY 19	FY 20
Opening GFA	1,491.74	1,493.00	1,551.21	1,562.45	1,566.53
R&M Approved	79.14	45.81	48.69	51.76	55.02
K - Factor	5.31%	3.07%	3.14%	3.31%	3.51%
Average K-Factor			**3.67%**		

5.57 Accordingly, the Commission adopts a K-factor of **3.67%** for computation of the normative R&M expenses for FY 2023-24 and FY 2024-25. The approved R&M expenses have been derived by applying the approved K-factor and the respective inflation factors of 3.72% and 3.12% to the opening GFA of each year.

Table 39 Normative R&M Expenses as approved by the Commission

Particulars	UoM	FY 2023-24	FY 2024-25
Opening GFA	Rs Cr.	1,581.77	1,581.77
Inflation Factor	%	3.72%	3.12%
K Factor	%	3.67%	3.67%
Normative R&M Expenses	**Rs Cr.**	**60.17**	**59.82**

Security Expense

Petitioner's Submission

5.58 The Petitioner has claimed a security expense of Rs. 21.07 Cr. and Rs. 23.06 Cr. in FY 2023-24 and FY 2024-25 respectively.

Commission's Analysis

5.59 The Commission has taken into consideration the audited accounts of the Petitioner to verify the expense towards security expenses and approves the value of Rs. 21.07 Cr. and Rs. 23.06 Cr. in FY 2023-24 and FY 2024-25 respectively.

5.60 Based on the above discussion, the Commission summarizes the O&M expenses as given below.

Table 40 O&M Expense as approved by the Commission

S.No	Particulars	UoM	FY 2023-24			FY 2024-25		
			MYT	Petition	Approved	MYT	Petition	Approved
1	Employee Expenses	Rs. Cr.	65.83	73.35	65.34	69.84	79.54	67.38
2	Terminal liabilities	Rs. Cr.	-	67.57	67.57	-	55.12	55.12
3	Employee Expense, including Terminal Liability	Rs. Cr.	65.83	140.92	132.91	69.84	134.66	122.51
4	A&G Expenses	Rs. Cr.	26.13	9.60	25.93	27.72	10.02	26.74
5	R&M Expenses	Rs. Cr.	69.84	122.69	60.17	74.09	104.97	59.82
6	**Total O&M Expenses**	**Rs. Cr.**	**161.80**	**273.21**	**219.01**	**171.65**	**249.65**	**209.07**
7	Water Charges	Rs. Cr.	12.00	9.15	9.15	12.00	17.76	17.76
8	Security Expenses	Rs. Cr.	-	21.07	21.07	-	23.06	23.06

S.No	Particulars	UoM	FY 2023-24			FY 2024-25		
			MYT	Petition	Approved	MYT	Petition	Approved
9	**Total O&M Expenses including water and security charges**	Rs. Cr.	173.80	303.43	249.23	183.65	290.47	249.89

5.61 The terminal liabilities claimed by the Petitioner are Rs. 67.57 crore and Rs. 55.12 crore for FY 2023-24 and FY 2024-25, respectively. The terminal liabilities comprise leave encashment, gratuity, and pension. The Commission scrutinised the claimed amount with reference to the audited accounts and approved the same on an actual basis.

Additional capitalization

Petitioner's Submission

5.62 The Petitioner has submitted that the additional capitalisation for FY 2023-24 and FY 2024-25 has been computed in accordance with Clauses 14.1, 14.2, 14.3, and 14.4 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, which specify the admissibility of additional capital expenditure incurred after the date of commercial operation, subject to prudence check.

"14.1 The additional capital expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original Scope of Work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

a) Undischarged liabilities recognized to be payable at a future date;

b) Works deferred for execution;

c) Procurement of initial capital spares within the original scope of work, subject to ceiling norms specified in this Regulation;

d) Liabilities to meet award of arbitration or for compliance of the order or directions of any statutory authority, or order or decree of any court of law;

e) On account of change in law or in compliance to any existing law; and

f) Capital Expenses incurred due to force majeure conditions:

Provided that in case of any replacement/up gradation of the assets, the additional capitalisation shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the *assets replaced on account of decapitalisation;*

Provided further that the details of work included in the original scope of work along with estimates of expenditure, undischarged liabilities and works deferred for execution shall be submitted along with the application for determination of tariff.

14.2 The additional capital expenditure incurred or projected to be incurred in respect of an existing project or a new project within the original scope of work and after the cut-off date may be admitted by the Commission, subject to prudence check on the following counts:

a) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;

b) Change in law or compliance of any existing law;

c) Deferred works relating to ash pond or ash handling system in the original scope of work;

d) Liability for works executed prior to the cut-off date;

e) Force Majeure events;

f) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and

g) Raising of ash dyke as a part of ash disposal system………"

5.63 It has been submitted by the Petitioner that the capital expenditure incurred post-COD for both units is reflected in the books of accounts for the respective financial years. As per the books of accounts for FY 2023–24, TVNL has incurred additional capital expenditure amounting to Rs. 2.06 crore, and for FY 2024–25, Rs. 29.2 crore. Since both Unit-1 and Unit-2 completed 25 years of operation prior to the commencement of the financial year, TVNL is eligible to opt for the Special Allowance as per Regulations 14.11 and 14.12 of the JSERC Tariff Regulations, 2020. These regulations allow the Generating Company, at its discretion, to claim a Special Allowance as compensation for expenses including renovation and modernization beyond the useful life of the generating station.

5.64 Accordingly, TVNL is not claiming any additional capitalisation for either unit during FY 2023–24 and FY 2024–25, and has instead opted for the

Special Allowance, as detailed in the subsequent section.

Table 41 Additional Capitalisation as submitted by the Petitioner

Particulars	Units	FY 2023-24	FY 2024-25
Opening GFA	Rs. Cr.	1,581.77	1,581.77
Additional Capitalisation (Rs. Cr.)	Rs. Cr.	0.00	0.00
Closing GFA	Rs. Cr.	1,581.77	1,581.77

Commission's Analysis

5.65 The Commission has outlined Clause 14.1 to Clause 14.6 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 for approval of any additional capitalisation for a generating station, as reproduced below:

"Additional Capitalisation

14.1 The additional capital expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original Scope of Work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

(a) Undischarged liabilities recognized to be payable at a future date;

(b) Works deferred for execution;

(c) Procurement of initial capital spares within the original scope of work, subject to ceiling norms specified in this Regulation;

(d) Liabilities to meet award of arbitration or for compliance of the order or directions of any statutory authority, or order or decree of any court of law;

(e) On account of change in law or in compliance to any existing law; and

(f) Capital expenses incurred due to force majeure conditions:

Provided that in case of any replacement/upgradation of the assets, the additional capitalisation shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of decapitalisation;

Provided further that the details of work included in the original scope of work along with estimates of expenditure, undischarged liabilities and works deferred for execution shall be submitted along with the application for determination of tariff.

14.2 The additional capital expenditure incurred or projected to be incurred in respect of an existing project or a new project within the original scope of work and after the cut-off date may be admitted by the Commission, subject to prudence check on the following counts:

(a) Liabilities to meet award of arbitration or for compliance of the directions or order of any statutory authority, or order or decree of any court of law;

(b) Change in law or compliance of any existing law;

(c) Deferred works relating to ash pond or ash handling system in the original scope of work;

(d) Liability for works executed prior to the cut-off date;

(e) Force majeure events;

(f) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and

(g) Raising of ash dyke as a part of ash disposal system.

14.3 In case of replacement/ upgradation of assets deployed under the original scope of the existing project after the cut-off date, the additional capitalisation may be admitted by the Commission, after necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:

(a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;

(b) The replacement of the asset or equipment is necessary on account of change in law or force majeure conditions;

(c) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and

(d) The replacement of such asset or equipment has otherwise been allowed by the Commission.

14.4 The capital expenditure, in respect of existing generating station incurred or projected to be incurred on the following counts beyond the original scope, may be admitted by the Commission, subject to prudence check:

(a) Liabilities to meet award of arbitration or for compliance of order or directions of any statutory authority, or order or decree of any court of law;

(b) Change in law or compliance of any existing law;

(c) Force majeure events;

(d) Any additional works/services, which have become necessary for efficient and successful operation of the generating station, but not included in the original project cost;

(e) Need for higher security and safety of the plant as advised or directed by appropriate Indian Government Instrumentality or statutory authorities responsible for national or internal security;

(f) Deferred works relating to ash pond or ash handling system in addition to the original scope of work, on case-to-case basis:

Provided also that if any expenditure has been claimed under Renovation and Modernisation or Repairs and Maintenance under O&M expenses, the same shall not be claimed under this Regulation;

(g) Usage of water from sewage treatment plant in thermal generating station.

14.5 In case there is additional capitalisation proposed during the fag end of the project (at least 5 years before the useful life or extended useful life) of the plant, the Generating Company is required to submit detailed justification of its necessity, cost-benefit analysis, DPR (if any), and rate reasonability along with the residual life assessment report of the Project. The Commission may carry out prudence check before approval of such additional capitalisation.

14.6 In case of de-capitalisation of assets of a Generating Company, the original cost of such asset as on the date of decapitalisation duly certified by its Statutory Auditor shall be deducted from the value of gross fixed asset and corresponding outstanding loan on such assets as well as equity shall be deducted from loan and the equity balances respectively."

5.66 The Commission observes that the Petitioner has incurred additional capitalisation of Rs.2.06 crore in FY 2023-24 and Rs.29.2 crore in FY 2024-25, based on the audited financial statements; however, the Petitioner has not claimed any amount against the additional capitalization for both years, as the Petitioner's both Unit (Unit – 1 and Unit -2) completed 25 years of operation prior to the commencement of the financial year, hence, the TVNL has opted for the Special Allowance mechanism under Regulations 14.11 and 14.12 of the JSERC Generation Tariff Regulations, 2020. The Commission's analysis and approval of the Special Allowance claimed by the Petitioner is discussed in a later section of this Order.

5.67 Based on the Petitioner's claimed and opted out for the special allowance for both the years, the Commission finds that not claiming the additional capitalisation for both FY 2023-24 and FY 2024-25 is in compliance with Regulations. 14.1(a), (b), and (f) of the JSERC Generation Tariff Regulations, 2020. Accordingly, the Commission approves the same as detailed below.

Table 42 Additional Capitalisation approved by the Commission

Particulars	Units	FY 2023-24		FY 2024-25	
		Petition	Approved	Petition	Approved
Opening GFA	Rs. Cr.	1,581.77	1,581.77	1,581.77	1,581.77
Additions	Rs. Cr.	-	-	-	-
Closing GFA	Rs. Cr.	1,581.77	1,581.77	1,581.77	1,581.77
Addition in Debt (70%)	**Rs. Cr.**	**-**	**-**	**-**	**-**
Addition in Equity (30%)	**Rs. Cr.**	**-**	**-**	**-**	**-**

Depreciation

Petitioner's Submission

5.68 The Petitioner has submitted depreciation expenses for FY 2023-24 & FY 2024-25 as mentioned in the table below:

Table 43 Depreciation as submitted by the Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Depreciation	Rs. Cr.	18.31	12.41	18.31	14.14

5.69 The Petitioner has submitted that the depreciation for the FY 2023-24 to FY 2024-25 has been computed based on the asset classification, cost of acquisition and additional capitalisation of assets during the Control Period.

Commission's Analysis

5.70 The Commission has examined the depreciation details submitted by the Petitioner and verified the same with reference to the actual audited accounts for of FY 2023-24 and FY 2024-25.

5.71 In view of the above and based on the actual audited accounts submitted by the Petitioner, the Commission approves the depreciation for FY 2023-24 and FY 2024-25 as claimed by the Petitioner. The approved depreciation is presented in the table below:

Table 44 Depreciation as approved by the Commission

Particulars	UoM	FY 2023-24			FY 2024-25		
		MYT	Petition	Approved	MYT	Petition	Approved
Depreciation	Rs. Cr.	18.31	12.41	12.41	18.31	14.14	14.14

Interest on Debt

Petitioner's Submission

5.72 The Petitioner has submitted the interest & finance charges for FY 2023-24 to FY 2024-25 as per table below: -

Table 45 Interest on Loan as submitted by the Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Interest on Loan	Rs. Cr.	10.15	104.23	8.50	103.22

5.73 The Petitioner has also submitted that it is difficult for TVNL to service its debt timely due to delayed and partial payments being made by JBVNL. Due to the late payment of dues by JBVNL to TVNL, debt could not be serviced timely in the past and hence in the Third Control Period for FY 2023-24 and FY 2024-25 TVNL had to pay penalties along with the Interest on Loan.

5.74 The Petitioner has requested the Commission to approve the actual interest on loan as per the audited accounts for FY 2023-24 and FY 2024-25, amounting to Rs.104.23 crore and Rs.103.22 crore respectively.

Commission's Analysis

5.75 The Commission sought detailed justification from the Petitioner regarding the significant increase in the Interest on loan claimed for FY 2023-24 and FY 2024-25, along with loan-wise details, repayment schedules, details of penal interest, if any, and auditor certification. In response, the Petitioner submitted that it has not been able to repay any installment of the long-term loans availed from the State Governments of Bihar and Jharkhand, resulting in accumulation of interest liability over the years. Further, it was submitted that due to partial and delayed payments from JBVNL, the Petitioner has faced severe liquidity constraints, which has further delayed loan servicing and led to additional interest burden, including penal interest.

5.76 The Commission also noted that the claimed interest amount is as per audited accounts of the Petitioner.

5.77 Therefore, the Commission, while approving interest on loan has taken into consideration the covenants of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 reproduces as follows:

> *"15.13 The loans arrived at in the manner indicated in Clause 15.6 and Clause 15.7 of these Regulations, shall be considered as gross normative loan for calculation of Interest on Loan.*
>
> *15.14 The normative loan outstanding as on April 01, 2021 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2021 from the gross normative loan.*
>
> *15.15 The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that financial year.*
>
> *15.16 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.*
>
> *15.17 Notwithstanding any moratorium period availed by the Generating Company, the repayment of loan shall be considered from the first year of operation of the scheme/asset.*
>
> *15.18 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 Generating Company:*
>
> *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 Bank Rate as on April 01of the respective year of the Control Period plus 200 basis points;*
>
> *Provided also that, in case of new Generating Company commencing its operation after the date of effectiveness of these Regulations, and which does not have actual loan portfolio, the rate of interest shall be considered on normative basis and shall be equal to Bank Rate as on April 01of the respective year of the Control Period plus 200 basis points.*
>
> *15.19 The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of*

interest;

15.20 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 Generating Company."

5.78 Accordingly, the Commission has computed the Interest on Loan at SBI MCLR rate plus 200 basis points on a normative basis as per the below table:

Table 46 Interest on Loan as approved by the Commission

S.No	Particulars	Units	FY 2023-24	FY 2024-25
			Approved	Approved
1	Opening Balance	Rs. Cr.	363.15	350.74
2	Addition	Rs. Cr.	-	-
3	Repayment	Rs. Cr.	12.41	14.14
4	Closing Balance	Rs. Cr.	350.74	336.59
5	Average Loan	Rs. Cr.	356.94	343.66
6	Rate of Interest	%	10.50%	10.65%
7	**Interest on Loan**	**Rs. Cr.**	**37.48**	**36.60**

Return on Equity

Petitioner's Submission

5.79 The Petitioner has submitted return on equity for the third control period i.e. FY 2023-24 & FY 2024-25 as per details mentioned in table below:

Table 47 Return on Equity as submitted by the Petitioner

S. No	Particulars	UoM	FY 2023-24		FY 2024-25	
			MYT	Petition	MYT	Petition
1	Opening Balance	Rs. Cr.	184.64	232.07	184.64	232.07
2	Addition	Rs. Cr.	-	-	-	-
3	Closing Balance	Rs. Cr.	184.64	232.07	184.64	232.07
4	Average Equity	Rs. Cr.	184.64	232.07	184.64	232.07
5	Rate of Equity	%	15.00%	15.00%	15.00%	15.00%
6	**Return of Equity**	**Rs. Cr.**	**27.70**	**34.81**	**27.70**	**34.81**

5.80 The Petitioner has also submitted that since there is no income tax paid by the Petitioner during the FY 2023-24 to FY 2024-25, the post-tax rate of equity has been considered.

Commission's Analysis

5.81 The Commission has outlined clause 6.1 of Generation Tariff (1st Amendment), Regulation 2023 for approval of Return on Equity for a generating station as reproduced below:

Clause 6.1 states that:

The return on equity shall be computed on post-tax basis at the base rate of 14.50% for thermal generating stations, and run of the river hydro generating station, and at the base rate of 15.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run of river generating station with pondage for generating stations whose Date of Commercial Operation is after April 01, 2021:

The return on equity shall be computed on post-tax basis at the base rate of 15.00% for thermal generating stations, and run of the river hydro generating station, and at the base rate of 16.00% for the storage type hydro generating stations including pumped storage hydro generating stations and run of river generating station with pondage for generating stations whose Date of Commercial Operation is before April 01, 2021:

5.82 The Commission has scrutinized and verified the documents submitted by the Petitioner and accordingly, the Commission approves Return on Equity as per the details mentioned in the below table:

Table 48 Return on Equity as approved by the Commission

Particulars	UoM	FY 2023-24			FY 2024-25		
		MYT	Petition	Approved	MYT	Petition	Approved
Opening Balance	Rs. Cr.	184.64	232.07	232.07	184.64	232.07	232.07
Addition	Rs. Cr.	-	-	-	-	-	
Closing Balance	Rs. Cr.	184.64	232.07	232.07	184.64	232.07	232.07
Average	Rs. Cr.	184.64	232.07	232.07	184.64	232.07	232.07
Return of Equity	%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Return of Equity	**Rs. Cr.**	**27.70**	**34.81**	**34.81**	**27.70**	**34.81**	**34.81**

Interest on Working Capital

Petitioner's Submission

5.83 The Petitioner while computing the working capital and Interest thereon as per the JSERC Generation Tariff Regulations, 2020 the norms for calculation of interest on working capital is as follows:

i. Cost of coal or lignite and limestone towards stock, if applicable, for 10days for pit-head generating stations and 20 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal/lignite stock storage capacity, whichever is lower;

ii. Cost of coal or lignite and limestone for 30 days for generation corresponding to normative annual plant availability factor;

iii. Cost of secondary fuel oil for two months for generation corresponding to the Normative Annual Plant Availability Factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;

iv. Operation and Maintenance expenses, including water charge and security expenses for one month;

v. Maintenance spares @ 20% of Operation and Maintenance Expenses;

vi. Receivables equivalent to 45 days of capacity charges and energy charges for sale of electricity calculated on the Normative Annual Plant Availability Factor:"

5.84 Against the actual values of interest on working capital (In Rs. Cr.) for FY 2023-24 and FY 2024-25, the values of interest on working capital (In Rs. Cr.) as approved by the Commission in MYT Order dated 14th December 2023 are provided below:

Table 49 Interest on Working Capital as submitted by the Petitioner

S.No	Particulars	UoM	FY 2023-24		FY 2024-25	
			MYT	Petition	MYT	Petition
1	Cost of coal for 40 days considering NAPAF	Rs. Cr.	102.45	97.46	102.45	108.23
2	Cost of secondary fuel oil for 2 months	Rs. Cr.	2.06	4.22	2.06	4.04
3	O&M expenses for 1 month	Rs. Cr.	14.48	25.286	15.30	24.21
4	Maintenance of Spares @20% of O&M expenses	Rs. Cr.	34.76	60.687	36.73	58.10
5	45 days receivables (capacity & energy charges @NAPAF)	Rs. Cr.	123.24	171.02	124.19	169.12
6	Working capital requirement	Rs. Cr.	276.71	358.68	280.73	363.69
7	Interest rate applicable	%	10.50%	12.0%	10.50%	12.15%
8	**Interest on working capital**	**Rs. Cr.**	**29.05**	**43.04**	**29.48**	**44.18**

Commission's Analysis

5.85 The Commission has outlined clause 15.23 to clause 15.26 JSERC Generation Tariff Regulation 2020 for approval interest on working capital for a generating station as reproduced below:

15.23 The Commission shall determine the Working Capital requirement on normative basis for coal-based generating stations, which shall comprise the following components:

1. Cost of coal or lignite and limestone towards stock, if applicable, for 10 days for pit-head generating stations and 20 days for non-pit-head generating stations for generation corresponding to the normative annual plant availability factor or the maximum coal/lignite stock storage capacity, whichever is lower;

2. Cost of coal or lignite and limestone for 30 days for generation corresponding to normative annual plant availability factor;

3. Cost of secondary fuel oil for two months for generation corresponding to the Normative Annual Plant Availability Factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;

4. Operation and Maintenance expenses, including water charge and security expenses for one month;

5. Maintenance spares @ 20% of Operation and Maintenance Expenses;

6. Receivables equivalent to 45days of capacity charges and energy charges for sale of electricity calculated on the Normative Annual Plant Availability Factor:

Provided that the cost of primary fuel shall be based on the landed cost incurred (taking into account normative transit and handling losses) by the generating station and gross calorific value of the fuel on 'as received basis' as per actual weighted average for three months preceding the first month for which tariff is to be determined:

Provided further that in case of new generating station, the cost of fuel for the first financial year shall be considered based on landed fuel cost (taking into account normative transit and handling losses) and gross calorific value of the fuel as per actual weighted average for three months, as used for infirm power, preceding date of commercial operation for which tariff is to be determined

15.26 The rate of Interest on Working Capital shall be on normative basis and shall be equal to Bank Rate plus 350 basis points as on September 30 of the financial year in which the MYT Petition is filed as on April 01, of the year during the Control Period from FY 2021-22 to FY 2025-26 in which the generating station or a Unit thereof, *is declared under commercial operation, whichever is later:*

Provided that the rate of interest on working capital shall be trued up on the basis of Bank Rate plus 350 basis points as applicable on April 01, of the respective financial year at the time of true up".

5.86 Taking into account the above provision of regulation, the Interest on Working capital has been calculated at an interest rate of 12.00% and 12.15% (Bank Rate plus 350 basis points) for the FY 2023-24 and FY 2024-25 respectively as specified in the clause 15.26 JSERC Generation Tariff Regulation, 2020 is given below.

Table 50 Interest on Working Capital as approved by the Commission

S.No	Particulars	UoM	FY 2023-24			FY 2024-25		
			MYT	Petition	Approved	MYT	Petition	Approved
1	Cost of coal for 40 days considering NAPAF	Rs. Cr.	102.45	97.46	97.47	102.45	108.23	108.23
2	Cost of secondary fuel oil for two months	Rs. Cr.	2.06	4.22	4.23	2.06	4.04	4.04
3	O&M expenses for 1 month	Rs. Cr.	14.48	25.286	20.77	15.30	24.21	20.82
4	Maintenance of Spares @20% of O&M expenses	Rs. Cr.	34.76	60.687	49.85	36.73	58.10	49.98
5	45 days receivables (capacity & energy charges @NAPAF)	Rs. Cr.	123.24	171.02	155.65	124.19	169.12	167.82
6	Working capital requirement	Rs. Cr.	276.71	358.68	327.96	280.73	363.69	350.89
7	Interest rate applicable	%	10.50%	12.00%	12.00%	10.50%	12.15%	12.15%
8	**Interest on working capital**	**Rs. Cr.**	**29.05**	**43.04**	**39.36**	**29.48**	**44.18**	**42.63**

Special Allowance

Petitioner's Submission

5.87 The Petitioner has submitted that as per Regulation 14.11 and 14.12 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, a generating company operating a coal-based thermal unit beyond its useful life of 25 years may, at its discretion, opt to avail a Special Allowance in lieu of claiming any capital cost revision or Renovation & Modernisation (R&M) expenditure.

5.88 The relevant provisions of the Regulations are reproduced below:

"14.11 In case of coal fired generating stations, the Generating

Company, at its discretion, may opt to avail a special allowance in accordance with the norms specified in this Regulation, as compensation for meeting the requirement of expenses including renovation and modernization beyond the Useful Life of the generating station or a Unit thereof, and in such an event revision of the capital cost shall not be allowed and the applicable operational norms shall not be relaxed but the special allowance shall be included in the annual fixed cost:

Provided also that such option shall not be available for a generating station or Unit, which is in a depleted condition or operating under relaxed operational and performance norms.

14.12 A Generating Company (coal-based/lignite fired thermal generating station) on opting for Special Allowance shall be allowed @ Rs. 9.50 lakh/MW/year for the Control Period from FY 2021-22 to FY 2025-26, unit-wise from the financial year following the completion of useful life of the respective unit of the generating station:

Provided that if a unit is in commercial operation for more than 25 years as on April 01, 2021, this allowance shall be admissible from FY 2021-22:

Provided further that if special allowance is granted by the Commission, the expenditure incurred or utilized from special allowance shall be maintained separately by the generating station and details of the same shall be made available to the Commission immediately thereafter."

5.89 The Petitioner submitted that Unit–1 and Unit-2 of Tenughat Thermal Power Station (2x210 MW), having completed 25 years of useful life, qualifies for Special Allowance in accordance with the provisions of Regulation 14.11 and 14.12 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

5.90 As per the said regulation, a generating company operating a coal-fired thermal unit beyond its useful life may, at its discretion, opt for Special Allowance in lieu of capital cost revision or renovation and modernization (R&M). The allowance is admissible unit-wise, at the rate of Rs. 9.50 lakh/MW/year for the period from FY 2021–22 to FY 2025–26.

5.91 Accordingly, TVNL has exercised its regulatory option to claim Special Allowance for Unit–1 & Unit-2 for FY 2023–24 & FY 2024-25, as the unit:

- Has completed its useful life of 25 years as per the prescribed norms;
- Continues to be in operational condition, and
- Has not been proposed for any capital addition or R&M expenditure for the said period.

5.92 In support of the above, TVNL has already submitted a Residual Life Assessment (RLA) Report conducted by M/s Becquerel Industries Pvt. Ltd., dated 29th September 2023, which certifies the turbine and generator of Unit–1 to be fit for continued operation for a further period of 5 years, subject to routine condition monitoring and non-destructive testing (NDT). This assessment confirms the structural and operational integrity of the unit and affirms that the unit is not in a depleted condition.

5.93 The Petitioner requested the Commission to approve the Special Allowance for Unit - I and Unit – II for FY 2023-24 and FY 2024-25 at the applicable normative rate of Rs. 9.50 lakh/MW/year as tabulated below:

Table 51 Special Allowance as submitted by the Petitioner

Particulars	UoM	FY 2023-24	FY 2024-25
Special Allowance	Rs. Cr.	39.90	39.90

Commission's Analysis

5.94 The Commission has referred to Clauses 14.11 and 14.12 of the JSERC Generation Tariff Regulations, 2020, governing the approval of Special Allowance for a generating station. The relevant provisions are reproduced below:

> *14.11 In case of coal fired generating stations, the Generating Company, at its discretion, may opt to avail a special allowance in accordance with the norms specified in this Regulation, as compensation for meeting the requirement of expenses including renovation and modernization beyond the Useful Life of the generating station or a Unit thereof, and in such an event revision of the capital cost shall not be allowed and the applicable operational norms shall not be relaxed but the special allowance shall be included in the annual fixed cost:*
>
> *Provided also that such option shall not be available for a generating station or Unit, which is in a depleted condition or operating under relaxed operational and performance norms.*
>
> *14.12 A Generating Company (coal-based/lignite fired thermal*

> *generating station) on opting for Special Allowance shall be allowed@ Rs. 9.50 lakh/MW/year for the Control Period from FY 2021-22 to FY 2025-26, Unit-wise from the financial year following the completion of useful life of the respective Unit of generating station:*
>
> *Provided that if a Unit is in commercial operation for more than 25 years as on April 01, 2021, this allowance shall be admissible from FY 2021-22:*
>
> *Provided further that if special allowance is granted by the Commission, the expenditure incurred or utilized from special allowance shall be maintained separately by the generating station and details of same shall be made available to the Commission immediately thereafter.*

5.95 The Commission has examined the submissions made by the Petitioner and notes that Unit–1 and Unit–2 of the Tenughat Thermal Power Station have completed their useful life of 25 years. The Commission further notes that the Petitioner has exercised the regulatory option to avail Special Allowance, in lieu of Renovation and Modernisation (R&M)/additional capitalisation, for Unit–1 and Unit–2 for FY 2023–24 and FY 2024–25.

5.96 The Commission observes that the Petitioner has claimed Special Allowance for Unit–II for FY 2023–24 and FY 2024–25, while also submitting that the Residual Life Assessment (RLA) of Unit–II is yet to be undertaken and is proposed to be carried out during the next Capital Overhauling cycle. Accordingly, through the Data Gap queries, the Petitioner was directed to submit the RLA report for Unit–II and justify the admissibility of the claimed Special Allowance in the absence of such report. In response, the Petitioner submitted that the applicable Regulations prescribe two conditions for the grant of Special Allowance, namely: (i) completion of the useful life of the generating unit, and (ii) exercise of the option by the generating company in lieu of undertaking R&M/additional capitalisation. The Petitioner further submitted that both generating units have crossed their useful life and continue to remain operational.

5.97 The Commission has carefully considered the submissions of the Petitioner, including the unit-wise treatment of capitalisation, the justification for opting for Special Allowance, and the reconciliation of the capitalisation reflected in the audited accounts vis-à-vis the amounts claimed under additional capitalisation and Special Allowance.

Based on its examination and in accordance with the provisions of the applicable Regulations, the Commission observes that the Petitioner has claimed Special Allowance of Rs. 39.90 Crore for FY 2023–24 and FY 2024–25 in respect of Unit–1 and Unit–2, computed at the normative rate of Rs. 9.50 lakh/MW/year.

5.98 The Commission further notes that the Petitioner has furnished details of the capital expenditure incurred post-COD for both generating units, as reflected in the actual audited accounts for the respective financial years. The Commission observes that additional capital expenditure of Rs. 2.06 Crore and Rs. 29.20 Crore was incurred during FY 2023–24 and FY 2024-25 respectively. The Commission also notes that both Unit-1 and Unit-2 had completed their useful life prior to the commencement of the relevant financial years and were therefore eligible to avail Special Allowance in accordance with the provisions of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

5.99 Considering the submissions of the Petitioner and the applicable regulatory provisions, the Commission approves the Special Allowance of Rs.39.90 crore for both Units for FY 2023-24 and FY 2024-24. The Commission further notes that the Petitioner has exercised the option of availing Special Allowance in lieu of Renovation & Modernisation (R&M) and capital additions, no further GFA additions or capitalisation for Unit–1 and Unit-2 shall be permitted going forward, except as expressly allowed under the Regulations.

5.100 Accordingly, the Special Allowance of Rs.39.90 crore is hereby approved for FY 2023-24 and FY 2024-25, and the methodology adopted by the Petitioner for allocation of capitalisation between Unit–1 and Unit–2 is accepted. The Commission shall continue to apply the principle that, once Special Allowance is availed, no further GFA additions or capitalisation for that unit will be admissible during the period of claim.

Table 52 Special Allowance approved by the Commission

Particulars	UoM	FY 2023-24	FY 2024-25
Special Allowance	Rs. Cr.	39.90	39.90

5.101 As per the second proviso to clause 14.12 of the JSERC Generation Tariff Regulation 2020, TVNL needs to maintain a separate account for special allowance expenditure; if special allowance is granted by the Commission, the expenditure incurred or utilized from special allowance shall be maintained separately by the generating station and details of same shall be made available to the Commission immediately thereafter.

In the data gap query, the Commission asks the same to the Petitioner, the exact query is raised again here for better reference.

> *"The Petitioner has claimed special allowance for the plant which was approved in the tariff order dated 24.03.2026. As per the covenants of Regulation 14.12 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, the Petitioner to provide the expenditure incurred or utilized from special allowance thus approved by the Commission during FY 2021-22 to FY 2024-25."*

5.102 In reply to the query, the Petitioner provided the year wise details of the expenditure occurred from the Special Allowances, that is reproduced here for the ready reference.

FY 2022-23

Description	Asset Addition / Expenditure (Rs.)
Furniture & Fixture	25,28,187.00
Office Equipment	7,01,640.00
Plant & Machinery	8,15,12,648.00
Communication Equipment	5,100.00
Total Asset Addition (1)	**8,47,47,575.00**
CWIP	10,44,09,916.58
Total CWIP Addition (2)	**10,44,09,916.58**
R & M Expenses	24,37,72,699.71
Total R & M Expenses (3)	24,37,72,699.71
TOTAL EXPENDITURE (1+2+3)	**43,29,30,191.29**

FY 2023-24

Description	Asset Addition / Expenditure (Rs.)
Building Resident	7,62,995.28
Building non-residence	12,31,329.76
Furniture & Fixture	2,70,314.00
Office Equipment	4,46,848.50
Plant & Machinery	1,26,04,585.72
Communication Equipment	1,19,534.00
IT & Software	37,21,796.77
Road, Bridge, Culvert-Town	6,96,663.06
MGR Track-Sign Sys	7,46,495.93
Total Asset Addition (1)	**2,06,00,563.02**

Description	Asset Addition / Expenditure (Rs.)
Building Resident	7,62,995.28
CWIP	21,89,72,709.10
Total CWIP Addition (2)	**21,89,72,709.10**
R & M Expenses	42,12,69,962.21
Total R & M Expenses (3)	**42,12,69,962.21**
TOTAL EXPENDITURE (1+2+3)	**66,08,43,234.33**

FY 2024-25

Description	Asset Addition / Expenditure (Rs.)
Building Non-Residence	3,86,502.00
Furniture & Fixture	40,13,133.33
Office Equipment	22,40,281.24
Plant & Machinery	28,49,33,350.58
IT & Software	12,47,715.00
Total Asset Addition (1)	**29,28,20,982.15**
CWIP	32,81,32,318.40
Total CWIP Addition (2)	**32,81,32,318.40**
TOTAL EXPENDITURE (1+2)	**62,09,53,300.55**

5.103 Petitioner submits that expenditure incurred against the Special Allowance is accounted for under separate General Ledger (G/L) account heads ranging 10020 to 710150 for total asset addition and CWIP addition and 235903 for R&M expenses. Asset additions are recorded under respective asset categories such as Building, Furniture & Fixture, Office Equipment, Plant & Machinery, Communication Equipment, IT & Software, Road/Bridge/Cul-Town and MGR Track-Sign System. CWIP is separately accounted for under G/L Account 710150, while R&M expenditure is separately accounted for under G/L Account 235903. Accordingly, the expenditure incurred against the Special Allowance can be separately identified and reconciled from the books of accounts for the respective financial years.

Non-Tariff Income

Petitioner's Submission

5.104 The Petitioner has submitted the non-tariff income for FY 2023-24 to FY 2024-25 as per details mentioned in the table below:

Table 53 Non-Tariff Income as submitted by the Petitioner

Particulars	UoM	FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition
Non-Tariff Income	Rs. Cr.	19.75	25.53	20.69	28.73

Commission's Analysis

5.105 The Commission has scrutinized the non-tariff income of the Petitioner from the audited annual accounts and has found that it is accrued through various income sources including sale of tender paper, rent received, interest on fixed deposits, miscellaneous receipts etc. The major contribution is from interest on fixed deposits.

5.106 The Commission approves the Non-Tariff income for FY 2023-24 to FY 2024-25 as per audited accounts submitted by the Petitioner as below:

Table 54 Non-Tariff Income approved by the Commission

Particulars	UoM	FY 2023-24			FY 2024-25		
		MYT	Petition	Approved	MYT	Petition	Approved
Non-Tariff Income	Rs. Cr.	19.75	25.53	25.53	20.69	28.73	28.73

Chapter 6: Summary of Fixed Cost Determinants & Annual Revenue Requirement

Chapter 6: Summary of Fixed Cost Determinants & Annual Revenue Requirement

6.1 Regulation 15.3 of the Generation Tariff Regulations, 2020 states that the annual fixed cost of a thermal generating station shall consist of the following:

1. Return on Equity;
2. Interest on Loan Capital;
3. Depreciation;
4. Interest on Working Capital;
5. Operation & Maintenance Expenses, and
6. Less: Non-Tariff Income, and
7. Less: Income from Other Business as specified under Clause15.50& Clause 15.51:

Provided that Special Allowance in lieu of Renovation & Modernization (R&M), where opted in accordance with Clause 14.11 and Clause 14.12 of these Regulations, shall be recovered separately and shall not be considered for computation of Working Capital.

6.2 The Commission, after due diligence and prudence check of the documents and information submitted by the Petitioner approves the fixed cost determinant for FY 2023-24 & FY 2024-25 in terms of the Petitioner’s submission and the approval granted by the Commission as mentioned in the following table:

Table 55 Summary of ARR & Fixed cost approved by the Commission for the third Control Period

S.No	Particulars	UoM	FY 2023-24			FY 2024-25		
			MYT	Petition	Approved	MYT	Petition	Approved
A	Employee Expense including Terminal Liability	Rs. Cr.	65.83	140.92	132.91	69.84	134.66	122.51
B	A&G Expense	Rs. Cr.	26.13	9.60	25.93	27.72	10.02	26.74
C	R&M Expense	Rs. Cr.	69.84	122.69	60.17	74.09	104.97	59.82
1	O&M Expenses (1= A+B+C)	Rs. Cr.	161.80	273.21	219.01	171.65	249.65	209.07
2a	Water Expense	Rs. Cr.	12.00	9.15	9.15	12.00	17.76	17.76
2b	Security Expense	Rs. Cr.	-	21.07	21.07	-	23.06	23.06
3	Depreciation	Rs. Cr.	18.31	12.41	12.41	18.31	14.14	14.14
4	Interest on loans	Rs. Cr.	10.15	104.23	37.48	8.50	103.22	36.60
5	Return on Equity	Rs. Cr.	27.70	34.81	34.81	27.70	34.81	34.81
6	Interest on working capital	Rs. Cr.	29.05	43.04	39.36	29.48	44.18	42.63
7	Total Fixed Cost (7=1+2a+2b+3+4+5+6)	Rs. Cr.	**259.01**	**497.93**	**373.29**	**267.64**	**486.83**	**378.08**
8	Non-Tariff Income	Rs. Cr.	19.75	25.53	25.53	20.69	28.73	28.73
9	**Annual Fixed Charge (9=7-8)**	Rs. Cr.	**239.26**	**472.40**	**347.76**	**246.95**	**458.10**	**349.35**
10	Total Energy Charges	Rs. Cr.		**697.54**	**692.89**		**736.25**	**728.01**
11	Special Allowance	Rs. Cr.	-	39.90	39.90		39.90	39.90
12	**Annual Revenue Requirement**	Rs. Cr.		**1,209.84**	**1,080.55**	**246.95**	**1,234.25**	**1,117.26**

** Excluding Terminal Liabilities*

Chapter 7: Gap/(Surplus) for FY 2023-24 & FY 2024-25

Chapter 7: Gap/(Surplus) for FY 2023-24 & FY 2024-25

Petitioner's Submission

7.1 The Petitioner has submitted Gap/(Surplus) for FY 2023-24 & FY 2024-25 as per below table:

Table 56 Gap/(Surplus) as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25
Gap/(Surplus) for the Year	348.48	295.78
Carrying Cost	120.05	61.45
Total Revenue Gap/(Surplus)	**468.54**	**357.23**
Total Revenue Gap/(Surplus) for the FY 2023-24 & FY 2024-25	**825.76**	

Commission's Analysis

7.2 The Commission after consideration of total fixed cost and total energy charges as approved with respect to revenue realized by the Petitioner has calculated and approved the gap/(surplus) for FY 2023-24 to FY 2024-25 as per JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 regarding recovery or refund of revenue gap or surplus after True-up are reproduced below for reference:

> *"7.3 Where after the truing up, the revenue recovered is less than the trued up value approved by the Commission under these Regulations, the Generating Company shall recover from the Beneficiaries, the gap amount in accordance with Clause7.4 of these Regulations.*
>
> *7.4 The amount under-recovered or over-recovered, along with simple interest at the rate equal to Bank Rate as on April 01 of the respective year plus 350 basis points, shall be recovered or refunded by the Generating Company in six equal monthly instalments starting within three months from the date of the Tariff Order issued by the Commission: Provided that no carrying cost on the duration of delay shall be allowed on unrecovered gap if the Generating Company fails to submit the Petition as per timelines stipulated in Section A 39…"*

7.3 The Commission notes that the Petitioner has not filed the True-up Petition within the stipulated timelines prescribed under Section A 39 of the Regulations. Accordingly, in line with the proviso to Regulation 7.4, the Commission disallows the carrying cost claimed by the Petitioner for the revenue gap pertaining to FY 2023-24 and FY 2024-

25.

7.4 Based on the above, the Commission approves only the principal revenue gap for FY 2023-24 and FY 2024-25, without any carrying cost, as summarized below.

Table 57 Gap/(Surplus) as approved by the Commission (Rs. Crore)

S. No	Particulars	FY 2023-24		FY 2024-25	
		Petition	Approved	Petition	Approved
1	ARR	1,209.84	1080.55	1,234.25	1,117.26
2	Revenue	861.36	861.36	938.48	938.48
3	Opening Gap/(Surplus)		223.05		442.25
4	**Addition during the FY**	**348.48**	**219.20**	**295.78**	**178.78**
5	Closing Gap/(Surplus)		442.25		621.03
6	Average Gap/(Surplus)		332.65		531.64
7	Interest Rate		-		-
8	Carrying Cost for respective FY	120.05	-	61.45	-
9	**Gap/(Surplus) inclusive of Carrying Cost**	**468.54**	**442.25**	**357.23**	**621.03**

7.5 The Petitioner and its beneficiaries are directed to settle the overall gap/(surplus) in accordance with the table above, in line with Clause 7.4 of the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

Chapter 8: DIRECTIVES

Chapter 8: DIRECTIVES

Conversion of loan to grant

8.1 The Commission observed in the earlier Petition and had already issued a directive in the last Tariff Order regarding the Petitioner's inability to service its loan obligations in a timely manner due to external constraints. Further, the Commission observed that the Petitioner has been incurring penal interest on a regular basis while servicing its loan obligations.

In this regard, the Petitioner is directed to proactively pursue the matter with the Government of Jharkhand for conversion of the loan into a grant, with a view to reducing the financial burden on the beneficiaries and, consequently, the end consumers of the Power Plant.

Improvement in performance of Operational parameters

8.2 The Commission notes with concern that the operational performance of the Petitioner is very low. In particular, the SHR and PLF can be improved further to the extent of approved operational norms. The Commission re-directs the Petitioner, same as directive in the previous tariff order to submit an improvement plan for both its units within three months of the issue of this order.

Ash Utilization & Management

8.3 The Commission has observed that the Petitioner has only mentioned regarding ash utilization and its management; which can be looked upon as a source of revenue; in the FY 2023-24 and not in FY 2024-25. Moreover, Ministry of Environment, Forest and Climate Change on 31st December 2021 has notified the norms for fly ash utilization by coal fired power plants. In this regard the Commission directs the Petitioner to submit information of the existing practice adopted by the Petitioner.

Accounting for R&M through Special Allowance

8.4 As per regulation 14.12 of JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020

> *"14.12 A Generating Company (coal-based/lignite fired thermal generating station) on opting for Special Allowance shall be allowed@ Rs. 9.50 lakh/MW/year for the Control Period from FY 2021-22 to FY 2025-26, Unit-wise from the financial year following the completion of useful life of the respective Unit of generating station:*

> *Provided that if a Unit is in commercial operation for more than 25 years as on April 01, 2021, this allowance shall be admissible from FY 2021-22:*
>
> *Provided further that if special allowance is granted by the Commission, the expenditure incurred or utilized from special allowance shall be maintained separately by the generating station and details of same shall be made available to the Commission immediately thereafter."*

Accordingly, The Petitioner is directed to maintain separate accounts for the works undertaken by the funding of the special allowance and duly submit it in filing of the next petition, since when the Special Allowance is granted by this Commission.

Timely Repayment of Loan and Avoidance of Penal Charges

8.5 The Commission directs the Petitioner to take all necessary and proactive measures to ensure timely servicing and repayment of its outstanding loans and to avoid any levy of penalty, interest on delayed payment, or other financial charges arising on account of delayed debt servicing. The Petitioner shall make all requisite efforts, including timely follow-up and appropriate correspondence with JBVNL for recovery of outstanding dues, to ensure availability of adequate funds for servicing its debt obligations within the stipulated timelines.

8.6 The Petitioner shall also maintain proper records of the efforts undertaken in this regard and submit the same to the Commission, as and when required. Any penalty or additional financial liability arising due to delay in servicing of loans, where such delay could have been avoided through timely and diligent action by the Petitioner, shall be subject to scrutiny by the Commission and may not be allowed in the Aggregate Revenue Requirement (ARR), as per the applicable Regulations and norms.

Recovery of Pending Dues from JBVNL

8.7 It appears from the Petition that, as per note 16 of the audited account for FY 2024-25, the Petitioner has trade receivable amounting to Rs. 6207.82 Cr. Since JBVNL is the only distribution licensee purchasing electricity from the Petitioner, the majority of the aforesaid receivables are attributable to JBVNL.

8.8 In order to make generating company/Petitioner viable, the Commission directs the Petitioner to take appropriate steps for recovery of pending dues from JBVNL within a month from the issue of this order and submit report in this Commission in this regard.

Submission of RLA Report for Unit-II

8.9 The Commission notes that the Petitioner has submitted only a recommendation/fitness certificate based on NDT, indicating that the boiler assembly may continue to operate for a further period of six years. However, the complete RLA report, including the detailed scope of work, assessment methodology, component-wise NDT findings, test reports, residual life evaluation, and the technical basis for recommending a six-year life extension, has not been furnished. Accordingly, the Petitioner is directed to submit the complete RLA report for Unit-II before the next true-up petition, along with all supporting technical documents, test reports, and recommendations issued by the competent third-party agency.

8.10 The Commission further observes from the RLA report submitted for Unit-I that the unit has already been granted a life extension of six years and is approaching the expiry of the said extended operating period. Therefore, in the event the Petitioner proposes to continue operation of Unit-I beyond the currently approved extended life, the Petitioner shall undertake a fresh RLA study and submit the corresponding RLA report covering all relevant major components and critical equipment. The report shall be accompanied by the supporting technical documents referred to above, together with the recommendations of the competent third-party agency regarding the feasibility and extent of any further extension of the unit's operational life.

Ensuring Safety of the Plant and Statutory Certification

8.11 The Petitioner is directed to undertake and maintain all necessary electrical and plant safety measures at the generating station in accordance with the applicable safety standards, rules and regulations. The Petitioner shall also get the generating station inspected by the Electrical Inspector or any other competent authority, as applicable, and submit the latest Electrical Safety Inspection Report/Certificate along with the compliance status of the observations, if any, raised therein, to the Commission within six month of passing of this order.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on September 18, 2026 (September Eighteen, Two Thousand Twenty-Six).

Date: 18.09.2026

Place: Ranchi

Sd/-	**Sd/-**
(Mahendra Prasad)	**(Justice Navneet Kumar)**
MEMBER (Law)	**CHAIRPERSON**

Chapter 9: ANNEXURE

Chapter 9: ANNEXURE

List of participants in the Public hearing held on 27th July 2026 at Shyamali Guest House, Tenughat Thermal Power Station, Lalpaniya.

Sr. No.	Name	Address/Organization
1	Shri Ram Singh	ESE, TVNL
2	Ashish Kumar Sharma	ESE, TVNL
3	Rakesh Kumar Singh	DDP, TVNL
4	Birendra Kisku	Sr. Manager (PGT), JBVNL
5	Radha Krishna Tripathy	Consultant, JBVNL
6	Vijay Ukani	Crisil (Consultant, TVNL)
7	Nikit Bhardwaj	PwC (Consultant, TVNL)
8	Krishna Kumar Singh	DDA, TVNL
9	Anil Kr Sharma	HD, TVNL
10	Imroz Alam	TVNL
11	Ashok Prasad	ESE, TVNL
12	Dharmendra Kumar	ESE, TTPS
13	Pradeep Dungdung	ESE, TTPS
14	Rajesh Birua	AEE, JBVNL
15	Sunil Kumar	EEE, TVNL
16	Vijay Kumar Chaudhary	AEE (HR)
17	Rajan Kumar	JBVNL
18	Mahadeo K.	B.D.O. Gonta
19	Sukhdeo Mahto	Personnel Officer, TTPS