Jharkhand State Electricity Regulatory Commission

Order on

True-up for FY 2022-23,

Annual Performance Review for FY 2023-24, and

Aggregate Revenue Requirement & Tariff for

FY 2024-25, and Business Plan for 11 kV

for

Damodar Valley Corporation (DVC)

September 30, 2024

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List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
CEA	Central Electricity Authority
COD	Commercial Operation Date
CFBC	Circulating Fluidized Bed Combustion
CCL	Central Coalfield Limited
CIL	Coal India Limited
ECR	Energy Charge Rate
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GHR	Gross Station Heat Rate
GoI	Government of India
GoJ	Government of Jharkhand
IoWC	Interest on Working Capital
IPL	Inland Power Limited
JBVNL	Jharkhand Bijli Vitran Nigam Limited
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
JUVNL	Jharkhand Urja Vikas Nigam Limited
kCal	Kilocalorie
kg	Kilogram
kWh	Kilowatt-hour
MAT	Minimum Alternative Tax
ML	Millilitre
MOU	Memorandum of Understanding
MT	Metric Tonnes
MU	Million Units
MW	Megawatt
MYT	Multi-Year Tariff
NAPAF	Normative Annual Plant Availability Factor
O&M	Operations and Maintenance
PAF	Plant Availability Factor
PLF	Plant Load Factor
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
RoE	Return on Equity
Rs.	Rupees
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SLDC	State Load Dispatch Centre
SLM	Straight Line Method

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Before

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 12 of 2023 & 01 of 2024

In the matter of:

Petition for
True-up for FY 2022-23,
Annual Performance Review for FY 2023-24,
Aggregate Revenue Requirement & Tariff for FY 2024-25, and
Business Plan towards investment for creation of necessary Infrastructure to provide supply of electricity to Consumer at voltage level 11 kV and both in state of Jharkhand

In the matter:

Damodar Valley Corporation (DVC) ....**Petitioner**

PRESENT

Shri Mahendra Prasad	**Member (Law)**
Sri Atul Kumar	**Member (Technical)**

Order dated September 30, 2024

Damodar Valley Corporation (hereinafter referred to as 'DVC' or the 'Petitioner') filed a Petition dated December 12, 2023 for the approval of True-up for FY 2022-23, Annual Performance Review for FY 2023-24, Aggregate Revenue Requirement & Tariff for FY 2024-25 and Business Plan towards investment for creation of necessary Infrastructure to provide supply of electricity to Consumer at voltage level 11 kV and both for the distribution of electricity in its licensed area in the State of Jharkhand.

Chapter 1: Introduction

Jharkhand State Electricity Regulatory Commission

1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as "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 maybe, 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 came into force, the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the JSERC is discharging its functions as prescribed in Section 86 of the Act.

1.4 In accordance with provisions of the said Act, the JSERC discharges the following functions: -

a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

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

c) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;

d) facilitate intra-state transmission and wheeling of electricity;

e) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;

f) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;

g) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;

h) levy fee for the purposes of this Act;

i) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;

j) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;

k) fix the trading margin in the intra-state trading of electricity, if considered, necessary;

l) discharge such other functions as may be assigned to it under this Act.

1.5 The Commission advises the State Government 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) reorganisation 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 guided by the National Tariff Policy framed and published by Government of India under the provisions of Section 3 of the Act. The objectives of the present National Tariff Policy are to: -

a) ensure availability of electricity to consumers at reasonable and competitive rates;

b) ensure financial viability of the sector and attract investments;

c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;

d) promote competition, efficiency in operations and improvement in quality of supply.

The Petitioner - Damodar Valley Corporation (DVC)

1.8 Damodar Valley Corporation (hereinafter referred to as DVC or the Petitioner), is a statutory body incorporated under the Damodar Valley Corporation Act, 1948, having multifarious functions. Regarding the electricity, DVC undertakes generation of electricity and is therefore a generating company within the meaning of Section 2 (28) of the Electricity Act, 2003. DVC also undertakes transmission of electricity in the Damodar valley area which falls within the territorial limits of the two states namely, West Bengal and Jharkhand. It, therefore, undertakes inter-state transmission of electricity and operates inter-state transmission system within the meaning of Section 2 (36) of the Electricity Act, 2003. DVC also undertakes the sale of electricity to

West Bengal State Electricity Distribution Company Limited (WBSEDCL) and Jharkhand Bijli Vitran Nigam Limited (JBVNL) in its capacity generally as a generating company. This is bulk sale of electricity by a generating company to a distribution licensee within the meaning of Section 62 (1) (a) of the Electricity Act, 2003. In addition to the above, DVC undertakes the retail sale and supply of electricity to the consumers in the Damodar Valley area under the provisions of Section 62 (d) read with Section 86 (1) of the Electricity Act, 2003.

1.9 DVC, being a statutory body constituted under the DVC Act, 1948, is a Public Sector Undertaking (PSU). As envisaged under Section 79 (1) (a) of the Electricity Act, 2003, the tariff for generation of electricity is to be decided by the Central Electricity Regulatory Commission (CERC). Similarly, with regards to the inter-state transmission, DVC again is regulated by CERC and tariff for composite (inter-state) generation & transmission is to be determined by the CERC in terms of Section 79 (1) (c) and (d) of the Electricity Act, 2003.

1.10 With regards to the retail sale and supply of electricity, DVC covers the entire Damodar Valley area which falls in two contiguous States, namely, the State of West Bengal and the State of Jharkhand. Thus, tariff for retail sale and supply of electricity in the Damodar Valley area is governed by the provisions of Section 62 (d) read with Section 86 (1) of the Electricity Act, 2003 and has to be determined by the respective Electricity Regulatory Commissions in the states of West Bengal and Jharkhand. The Petitioner is a Distribution Licensee under the provisions of the Electricity Act, 2003 (EA, 2003) having license to supply electricity in the State of Jharkhand.

The Petitioner's Prayers

1.11 The Petitioner in these Petitions have made the following prayers: -

a) Admit the present petition, undertake the True-up for FY 2022-23, determine the Annual Performance Review (APR) for FY 2023-24 and Aggregate Revenue Requirement (ARR) & Retail Tariff for FY 2024-25 and Business Plan towards investment for creation of necessary Infrastructure to provide supply of electricity to Consumer at voltage level 11 kV and both based on the submissions herein made by DVC;

b) Determine the tariff schedule for applicable category of consumers/licensees based on the submissions made in the present petition;

c) Modify the ARR for the period FY 2014-15 to 2018-19 determined vide previous true-up orders, based on the latest Trued-up AFC in respect of the Generating stations and T&D Network of DVC as approved by Hon'ble CERC and as explained above.

d) Determine the Revenue Gap/Surplus for the period starting from FY 2012-13 to FY 2022-23 as explained above.

e) Admit and pass the regulatory assets created from FY 2012-13 to FY 2022-23 as proposed by DVC in line with the National Tariff Policy 2016.

f) Settle other commercial terms and conditions as proposed in the instant petition;

g) Pass such other order(s) as this Hon'ble Commission may deem fit and proper keeping in view the facts and circumstances of the case.

Chapter 2: Procedural History

Background

2.1 The Commission has issued Order on True-up for FY 2016-17, Annual Performance Review for FY 2017-18 & FY 2018-19 and determination of ARR & Tariff for FY 2019-20, dated May 28, 2019.

2.2 The Commission has also issued Order on True-up for FY 2017-18 vide its Order dated September 29, 2020.

2.3 The Commission has approved the True up for FY 2018-19, Annual Performance Review for FY 2019-20 and ARR & Tariff for FY 2020-21 on September 30, 2020 while disposing the Petition No. 01 of 2020 & 02 of 2020.

2.4 The Commission has approved the True-up for FY 2019-20 and Annual Performance Review for FY 2020-21 vide Order dated January 30, 2023.

2.5 Further, the Commission vide Order dated January 30, 2023 has approved the Petition for MYT for the Control Period from FY 2021-22 to FY 2025-26 and Tariff determination for FY 2021-22.

2.6 The Commission has passed the Order on True-up for FY 2020-21, APR for FY 2021-22 and ARR & Tariff for FY 2022-23 vide Order dated January 22, 2024.

2.7 The Commission had passed the True-up for FY 2021-22, Annual Performance Review for FY 2022-23, and Aggregate Revenue Requirement & Tariff for FY 2023-24 vide Order dated January 22, 2024 before the Commission.

DVC Case History

2.8 Central Electricity Regulatory Commission (CERC) by Order dated October 03, 2006 decided the tariff for DVC for its functions of inter-state generation and transmission of electricity and directed that the tariff so determined should be made effective for the period April 01, 2006 to March 31, 2009.

2.9 DVC, aggrieved by the order dated October 3, 2006 passed by CERC, had filed an appeal against the said Order before the Hon'ble APTEL. Hon'ble APTEL, before passing its final Judgment in the appeal filed by DVC against the aforementioned Order by CERC, issued several interim orders dated December 6, 2006, January 15, 2007 and February 26, 2007, restraining the State Commissions of West Bengal and Jharkhand from passing orders for determination of distribution and retail tariffs for DVC till its final judgment. Hon'ble APTEL, by Judgment and Order dated November 23, 2007, allowed the appeal filed by DVC and directed CERC to determine the revenue requirements and inter-state generation and transmission tariff for DVC for the period FY 2006-07 to FY 2008-09, de-novo, in the terms laid down in its Order. Subsequently, the CERC, in accordance with the directions of the Hon'ble APTEL revised the ARR and tariff for inter-state generation and transmission of electricity for the period FY 2006-07 to FY 2008-09 by its Order dated August 6, 2009.

2.10 Aggrieved by the Order passed by the CERC on August 6, 2009, DVC again filed an appeal against the said Order before Hon'ble APTEL. Hon'ble APTEL vide Interim Order dated September 16, 2009 allowed WBERC and JSERC to fix the retail supply tariff for FY 2010-11 after considering the generation tariff as fixed by CERC in its Order dated August 6, 2009 as the input cost but not any final orders in this regard. Consequently, DVC filed the Petition for determination of ARR and retail tariffs for the period FY 2006-07 to FY 2010-11 to the Commission on October 31, 2009. Since the matter was sub-judice before the Hon'ble APTEL and there was a direction for not passing any final retail tariff Order, the Commission kept the Petition pending awaiting final order of the Hon'ble APTEL.

2.11 The Hon'ble APTEL, vide its Order dated May 10, 2010, directed DVC to implement the generation tariff as determined by the CERC in its Order dated August 6, 2009 and to give effect to any refund to its consumers arising out of implementation of the said Order. The relevant extract of the said Order is reproduced below:

> *"107. Since we do not find any substance in the grounds raised in the Appeal, we deem it fit to dismiss the Appeal as devoid of merits. Consequently,* ***we direct the Appellant (DVC) to implement the***

Tariff as determined by the Central Commission vide its Order dated, 6th August, 2009*. DVC is also directed to revise the electricity bills raised by it for electricity consumption during April, 2006 onwards of its licensees and HT consumers and* ***refund the excess amount billed and collected along with the interest at the rate of 6 per cent per annum in line with Section 62 (6) of The Electricity Act, 2003..." (Emphasis added)***

2.12 Hon'ble APTEL, by its Order dated May 10, 2010, further directed the Petitioner to approach the concerned SERCs for finalizing the retail tariffs, the relevant extract is being reproduced below:

> *"107. Thereafter, the DVC is directed to approach the concerned State Electricity Commissions for getting the final Order relating to the Retail Tariff who in turn will fix the retail Tariff according to law."*

2.13 Aggrieved by the said Order of the Hon'ble APTEL, DVC filed an appeal before the Hon'ble Supreme Court of India, being No. C.A. No. 4881/ 2010. The Hon'ble Supreme Court in its Order dated July 9, 2010, stayed refund. The relevant part of the said Order is reproduced below:

> *"In the meantime, parties will submit before us the various disputed items to be taken into account in Tariff Fixation as well as the relevant documents on which Damodar Valley Corporation would be relying upon at the final hearing...* ***Until further orders, there shall be stay on refund." (Emphasis added)***

2.14 From the said Order, it is clear that the entire Order of the Hon'ble APTEL has not been stayed by the Hon'ble Supreme Court and the stay is related to only refund.

2.15 The Commission, in line with the Judgment dated May 10, 2010 of the Hon'ble APTEL in its aforementioned Order, initiated the process of review of the Tariff Petitions submitted by the Petitioner and issued the provisional Order on ARR for FY 2006-07 to FY 2012-13 on November 22, 2012.

2.16 The Petitioner subsequently submitted the final True-up Petition for FY 2006-07 to FY 2012-13 along with the MYT Petition for the Control Period from FY 2013-14 to FY 2015-16 on February 28, 2014. The

Commission while issuing the MYT Order for the Control Period FY 2013-14 to FY 2015-16 on September 04, 2014 did not undertake the final True-up for FY 2006-07 to FY 2012-13 as the matter was sub-judice. The Commission, in the said Order, observed as follows:

"5.7 In the Tariff Order dated 22nd November 2012, the Commission had approved a cumulative revenue surplus of Rs.424.38 Cr for the period FY 2006-07 to FY 2008-09. However, as the true up for the above-mentioned years was provisional subject to the final decision of the Hon'ble Supreme Court in its appeal C.A. No. 4881/2010, the Commission had not allowed any pass through of this surplus along with the revenue gap approved for FY 2010-11 and FY 2011-12 to be adjusted once the final decision is made in this regard.

5.8 In view of above, the Commission is of the opinion that as the True up for period FY 2006-07 to FY 2008-09 is still subject to final judgement of the Hon'ble Supreme Court with respect to the appeal No. C.A. No. 4881/2010 filed by DVC against the Order of ATE dated 10th May 2010; the Commission has not made any adjustment in revenue surplus approved for this period. This would be a pass through once the final judgement is issued in this matter.

5.9 With respect to True up for FY 2009-10 to FY 2012-13 in accordance with the Final Tariff orders issued by CERC, the Commission is of the view that detailed analysis should be carried out to assess the impact of the orders. In this regard, several consumers have represented in front of the Commission for approval of compensation as per the CERC regulations due to them for refund of excess capacity charges recovered by DVC. M/s Bihar Foundry & Castings Ltd being a HT consumer within the command area of DVC has preferred an appeal before the Hon'ble Supreme Court vide appeal No. SLP (Civil) No 10945 of 2012 for refund of excess of capacity charges realised by DVC.

....

5.14 In view of above, the Commission is of the opinion that final true up for the period FY 2009-10 to FY 2012-13 shall be undertaken on *finalisation of compensation as per the CGRF and final judgement of Supreme Court in appeal no. SLP (Civil) No 10945 of 2012 for refund of excess of capacity charges realised by DVC.*

5.15 Accordingly, the Commission has not considered any true up for previous years revenue gap/surplus in this order."

2.17 One of the HT consumer of DVC, Anjaney Ferro Alloys, filed an Appeal before the Hon'ble APTEL, against the Commission's Order dated September 04, 2014 submitting that the Commission ought to have undertaken final True-up of the ARR for FY 2006- 07 to FY 2012-13. The Hon'ble APTEL, agreeing with the view of the Commission that the matter of True-up was sub-judice, upheld the Order of the Commission. Anjaney Ferro Alloys preferred an appeal before the Hon'ble Supreme Court of India (CA No. 7383/2016) against the Order dated March 23, 2016 passed by the Hon'ble APTEL.

2.18 The Hon'ble Supreme Court of India, vide its Judgment dated October 26, 2016, directed the Commission to take-up the issue of True-up of previous years and make the decision subject to the result of Civil Appeal No. 4881 of 2010. It reads as:

".. Therefore, this appeal is disposed of with a direction to Respondent No.1- Jharkhand State Electricity Regulatory Commission to take up the true-up issue and pass the required Orders within a period of six months from today.

However, the Commission is free to make the decision subject to the result of Civil Appeal No. 4881 of 2010 in case the said civil appeal is not disposed of before the said period."

2.19 In accordance with the above, the Commission issued an Order on True-up from FY 2006-07 to FY 2013-14 and Annual Performance Review for FY 2014-15 on April 19, 2017 and the Order on True-up for FY 2015-16 and ARR for FY 2016-17 to FY 2020-21 on May 18, 2018.

2.20 The Commission in its MYT Order dated May 18, 2018 has not considered the surplus till FY 2014-15 to be passed on to the consumers considering the following Judgment in Order dated 19.01.2018 in Case No 07 of 2017:

> *"In view of the said admitted position and the facts and circumstances appearing on record, we are of the view that during the pendency of Appeal No. 198 of 2017 filed by the petitioner in this case and Appeal No. 163 of 2017 filed by the respondent, DVC, before the Hon'ble Appellate Tribunal for Electricity, the order dated 19.4.2017 passed in Case (T) No. 02 of 2016 cannot be said to have attained its finality and it would not be proper to pass any order in the instant case for refund of excess charges claimed by the petitioners at this stage."*

2.21 The Hon'ble Supreme Court in its Judgment in Civil Appeal No. 4881 of 2010 dated December 3, 2018 dismissed the appeal as:

> *"… The upshot of the above discussion is that the appellant has not made out a case for interference.* ***The appeal fails and is dismissed****. The parties will bear their respective costs."*
>
> ***(Emphasis Added)***.

2.22 The Commission in its Order dated May 28, 2019 also directed the Petitioner as below:

> *"… 8.10 In addition, since the Appeal I.A. no. 1188 of 2018 & DFR No. 2430 of 2018, filed on the Order of the Commission dated May 18, 2018 is sub-judice, the Commission has not proposed any recovery for the past gaps.*
>
> *8.11 The Commission however notes that the said surplus shall increase as carrying cost is to be allowed on the amount not adjusted/refunded. It would be very difficult to refund/adjust the previous years' surplus if it is not gradually reduced.*
>
> *8.12 The Commission therefore, directs the Petitioner to propose a roadmap for adjustment of the abovementioned surplus clearly stating the period of treatment and the manner in which it proposes to do within two months of issue of this Order."*

2.23 The Petitioner has submitted a separate petition for determination of ARR and category wise tariff schedule for the period FY 2006-07 to FY 2011-12 and adjustment of Revenue Gap/(Surplus) till FY 2014-15 for distribution activity of DVC in the State of Jharkhand. The above said petition has been disposed off vide Order dated October 31, 2023.

Information Gaps in the Petition

2.24 As part of tariff determination exercise, several deficiencies/information gaps were observed in the Petition submitted by the Petitioner which was communicated to the Petitioner vide letter no. JSERC/Case (Tariff) no.: 12 of 2023 & 01 of 2024/308 dated January 12, 2024.

2.25 In response to the aforesaid letter the Petitioner has furnished additional data/information letter no. Coml./Tariff/JSERC/1411 dated January 27, 2024.

2.26 On scrutinizing the additional submission, the Commission required some more data and hence the Commission vide letter no. JSERC/Case (Tariff) no: 12 of 2023 & 01 of 2024/510 dated January 12, 2024.

2.27 In response to the aforesaid letter the Petitioner has furnished additional data/information letter no. Coml./Tariff/JSERC/1411 dated February 13, 2024.

2.28 The Commission has scrutinized the additional data/information submitted by the Petitioner in response to the discrepancies pointed out and has considered the same while passing this Order.

2.29 In order to provide adequate opportunity to all stakeholders and general public as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulation(s) framed by the Commission and further in order to ensure transparency in the process of tariff determination, the Commission decided to conduct public hearings on September 03, 2024 at Hazaribagh and on September 04, 2024 at Maithon, Dhanbad for inviting comments/suggestion/objection.

Inviting Public Comments/ Suggestions

2.30 After the initial scrutiny of Petition filed by the Petitioner, the Commission directed the Petitioner to issue a public notice inviting comments/ suggestions on the Petition from public and to make available copies of the Petition to the members of general public on request.

2.31 The aforesaid public notice was subsequently issued by the Petitioner in various newspapers and a period of twenty-one (21) days was given to the members of the general public for submitting their comments/suggestions.

Table 1: List Of Newspapers And Dates Of Publication Of Public Notice By The Petitioner

Sl. No.	Newspaper	Version	Date of Publication
1.	Hidustan	Hindi	26.02.2024
2.	Danik Bhaskar	Hindi	26.02.2024
3.	Prabhat Khabar	Hindi	27.02.2024
4.	Danik Jagarn	Hindi	27.02.2024
5.	Morning India	English	26.02.2024, & 27.02.2024
6.	Times of India	English	26.02.2024 & 27.02.2024

2.32 Subsequently, the Commission also issued a notice on its website www.jserc.org and in various newspapers for conducting the public hearing on the Petition filed by the Petitioner. The newspapers wherein the notice for public hearing was issued by the Commission are detailed hereunder:

Table 2: List Of Newspapers And Dates Of Publication Of Public Notice By The Commission

Sl. No.	Newspaper	Date of Publication
1.	Prabhat Khabar	03.09.2024 & 09.08.2024
2.	Dainik Bhaskar	03.09.2024 & 09.08.2024
3.	Times of India	03.09.2024 & 09.08.2024
4.	The Hindustan Times	03.09.2024 & 09.08.2024

Submission of Comments/ Suggestions and Conduct of Public Hearing

2.33 The public hearings were held on September 03, 2024 at Hazaribagh and on September 04, 2024 at Maithon, Dhanbad.

2.34 Comments/Suggestions on the Petition were received. The Comments/Suggestions of the Public, Petitioner's responses and Commission's views thereon are detailed in Chapter 4 of this Order.

Chapter 3: Brief Facts of the Petition

True-up for FY 2022-23

3.1 The summary of Aggregate Revenue Requirement for FY 2022-23 as approved in the MYT Tariff Order dated January 30, 2023 vis-a-vis that claimed by the Petitioner is tabulated below:

Table 3: Aggregate Revenue Requirement as Submitted By The Petitioner (Rs. Cr.)

Particulars	APR	Petition
Own Generation Cost	7,371.59	8,191.88
Power Purchase cost	465.29	1,178.36
Add: Interest on Temp Financial Accommodation	20.88	276.08
Less: Non-Tariff Income (NTI)	26.84	48.47
Add: Tariff filling & publication exp. (CERC)	7.38	4.60
Add: Legal Charges & consultancy Fees	-	10.43
Add: Environmental Protection & other Cess	0.10	0.68
Less: Gain sharing from UI export	-	3.68
Gross-ARR	7,838.39	9,609.87
ARR-Jharkhand part (in the ratio of sales)	3,732.49	4,372.80
Add: Rebate on Sale of power	40.95	53.39
Add: Cost of RE power/REC (Jharkhand)	307.53	117.82
Add: Tariff filling & publication Exp. (Jharkhand)	1.09	0.45
Add: Interest on security deposit in Jharkhand	8.75	10.06
Interest on Working Capital (Jharkhand)	4.30	66.04
Total-ARR (Jharkhand)	**4,095.11**	**4,620.56**
Sale in Jharkhand (MU)	**7,664.85**	**8,198.88**
Avg Cost of Supply (Rs./kWh)	**5.34**	**5.64**

Particulars	APR	Petition
ARR allocated in the state of Jharkhand	4,095.11	4,620.56
Revenue billed in Jharkhand (As per Audited Annual Accounts)	-	3,511.26
FPPPA Billed in FY 2021-22	-	14.34
Revenue Realized in Jharkhand	-	3,358.23

Annual Performance Review (APR) for FY 2023-24

3.2 The summary of Aggregate Revenue Requirement for FY 2023-24 as approved in the MYT Tariff Order dated January 30, 2023 vis-a-vis that claimed by the Petitioner is tabulated below:

Table 4: Aggregate Revenue Requirement as submitted by the petitioner (Rs. Cr.)

Particulars	MYT	Petition
Own Generation Cost	7,561.18	10,561.20

Particulars	MYT	Petition
Power Purchase cost	264.96	934.44
Add: Interest on Temp Financial Accommodation	22.00	56.57
Less: Non-Tariff Income (NTI)	28.29	60.61
Add: Tariff filling & publication exp. (CERC)	7.38	4.65
Add: Legal Charges & consultancy Fees	-	6.81
Add: Environmental Protection & other Cess	0.10	0.80
Less: Gain sharing from UI export	-	
Gross-ARR	7,827.33	11,503.85
ARR-Jharkhand part (in the ratio of sales)	3,764.03	5,287.38
Add: Rebate on Sale of power	41.71	121.22
Add: Cost of RE power/REC (Jharkhand)	350.26	553.56
Add: Tariff filling & publication Exp. (Jharkhand)	1.09	0.75
Add: Interest on security deposit in Jharkhand	9.38	11.79
Interest on Working Capital (Jharkhand)	4.38	86.48
Total-ARR (Jharkhand)	**4,170.86**	**6,061.19**
Sale in Jharkhand (MU)	**7,919.35**	**8,714.72**
Avg Cost of Supply (Rs./kWh)	**5.27**	**6.96**

Aggregate Revenue Requirement (ARR) for FY 2024-25

3.3 The summary of Aggregate Revenue Requirement for FY 2024-25 as approved in the MYT Tariff Order dated January 30, 2023 vis-a-vis that claimed by the Petitioner is tabulated below:

Table 5: Aggregate Revenue Requirement as submitted by the Petitioner (Rs. Cr.)

Particulars	MYT	Petition
Own Generation Cost	7,472.23	11,147.34
Power Purchase cost	273.20	963.77
Add: Interest on Temp Financial Accommodation	23.43	60.52
Less: Non-Tariff Income (NTI)	30.13	64.84
Add: Tariff filling & publication exp. (CERC)	7.38	4.69
Add: Legal Charges & consultancy Fees	-	6.94
Add: Environmental Protection & other Cess	0.10	0.84
Less: Gain sharing from UI export	-	
Gross-ARR	7,746.21	12,119.26
ARR-Jharkhand part (in the ratio of sales)	3,761.47	5,627.23
Add: Rebate on Sale of power	42.14	129.68
Add: Cost of RE power/REC (Jharkhand)	394.80	619.42
Add: Tariff filling & publication Exp. (Jharkhand)	1.09	0.78
Add: Interest on security deposit in Jharkhand	9.87	14.44
Interest on Working Capital (Jharkhand)	4.42	92.49
Total-ARR (Jharkhand)	**4,213.80**	**6,484.04**
Sale in Jharkhand (MU)	**8,182.31**	**9,267.52**
Avg Cost of Supply (Rs./kWh)	**5.15**	**7.00**

Chapter 4: Public Consultation Process

4.1 The Petition filed by the Petitioner evoked responses from several Stakeholders. Public hearings were held on September 03, 2024 at Hazaribagh and on September 04, 2023 at Maithon, Dhanbad to ensure maximum Public participation and transparency wherein Stakeholders put forth their comments and suggestions before the Commission in the presence of the Petitioner. The list of the attendees is attached as **Annexure-I** to this Order.

4.2 The Comments/Suggestion of the members of the Public along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

A. Objector: - Association of DVC HT Consumer

a. Recovery of Contribution to Sinking Fund

4.3 The Objector strongly contests the prayer of DVC seeking recovery of contribution Sinking Fund without factoring the availability factors like that applicable for recovery of the AFC consisting of elements defined in CERC Tariff Regulations.

4.4 Accordingly, the Objector prayed not to allow the contribution to sinking fund as part of the AFC while allowing cost of Generation to DVC. Accordingly, for FY 2022-23, the Hon'ble Commission is humbly requested to consider the Annual Fixed Charges (AFC) towards DVC's Gencos as shown under for the computation of Own generation cost.

Table 6: Admissible AFC towards DVC Own gencos for FY 2022-23

Particulars	AFC as per CERC Order (Excl. Ash Evacuation Expense)	Contribution to Sinking fund	Admissible AFC for the computation of own generation cost
DTPS U# 4	144.68	0	144.68
MTPS U#1 to 3	439.45	0	439.45
MTPS U#4	141.66	0	141.66
MHS	41.09	0	41.09
PHS	38.11	0	38.11
THS	12.20	0	12.20
T&D System	499.97	0	499.97
MTPS U#5 & 6	379.35	21	358.35

Particulars	AFC as per CERC Order (Excl. Ash Evacuation Expense)	Contribution to Sinking fund	Admissible AFC for the computation of own generation cost
MTPS U# 7,8	1,044.64	36.07	1,008.57
CTPS U# 7&8	579.65	38.1	541.55
DSTPS U # 1 & 2	1,070.47	74.51	995.96
KTPS U # 1 & 2	1,150.04	81.2	1,068.84
BTPS - A	735.04	0	735.04
RTPS U # 1 & 2	1,371.83	11.6	1,360.23
Total	**7,648.20**	**262.48**	**7,385.72**

4.5 Likewise, for FY 2023-24, the Hon'ble Commission is humbly requested to consider the Annual Fixed Charges (AFC) towards DVC's Gencos as shown under for the computation of Own generation cost.

Table 7: Admissible AFC towards DVC Own gencos for FY 2023-24

Particulars	AFC as per CERC Order (Excl. Ash Evacuation Expense)	Contribution to Sinking fund	Admissible AFC for the computation of own generation cost
MTPS U#1 to 3	450.95	-	450.95
MTPS U#4	146.68	-	146.68
MHS	42.78	-	42.78
PHS	39.71	-	39.71
THS	12.69	-	12.69
T&D System	506.65	-	506.65
MTPS U#5 & 6	387.64	22.47	365.17
MTPS U# 7,8	1,027.80	38.60	989.20
CTPS U# 7&8	549.32	40.77	508.55
DSTPS U # 1 & 2	1,056.92	79.73	977.19
KTPS U # 1 & 2	1,134.04	86.89	1,047.15
BTPS - A	724.27	-	724.27
RTPS U # 1 & 2	1,339.48	12.41	1,327.07
Total	**6,967.98**	**280.87**	**6,687.11**

Table 8: Admissible AFC towards DVC Own gencos for FY 2024-25

Particulars	AFC as per CERC Order (Excl. Ash Evacuation Expense)	Contribution to Sinking fund	Admissible AFC for the computation of own generation cost
MTPS U#1 to 3	450.95	-	450.95
MTPS U#4	146.68	-	146.68
MHS	42.78	-	42.78
PHS	39.71	-	39.71
THS	12.69	-	12.69

Particulars	AFC as per CERC Order (Excl. Ash Evacuation Expense)	Contribution to Sinking fund	Admissible AFC for the computation of own generation cost
T&D System	506.65	-	506.65
MTPS U#5 & 6	387.64	22.47	365.17
MTPS U# 7,8	1,027.80	38.60	989.20
CTPS U# 7&8	549.32	40.77	508.55
DSTPS U # 1 & 2	1,056.92	79.73	977.19
KTPS U # 1 & 2	1,134.04	86.89	1,047.15
BTPS - A	724.27	-	724.27
RTPS U # 1 & 2	1,339.48	12.41	1,327.07
Total	6,967.98	280.87	6,687.11

Petitioner Response

4.6 In this regard the Petitioner has submitted that the review order has been passed by APTEL against the Judgement of the same Tribunal dated 17.05.2019 passed in Appeal No. 17 of 2014. The same Appeal No. 17 of 2014 was filed by the Maithon Alloys Ltd. Against the Tariff Order fated 07.08.2013 passed by the CERC in respect of Durgapur TPS unit of DVC for the period FY 2009-14.

4.7 Therefore, in terms of the above-mentioned review order, Ld. Central Commission is the appropriate Commission to issue necessary modifications in its impugned order dated 07.08.2013.

4.8 Moreover, DVC has been claiming the Annual Fixed Cost {AFC) for its own generating plants as per the approved Tariff determined by CERC in the respective orders for the MYT control period of FY 2019-24. The relevant CERC orders issued for each of the own generating plants of DVC has already been referred in the tariff petition. The cost element of "Contribution to Sinking Fund" is part of these approved AFC as per the respective tariff orders of CERC. Itis important to note that the beneficiaries of the different DVC TPSs are paying the fixed cost as per the AFC approved by CERC.

4.9 In terms of Rule 8 of Electricity Rule, 2005, the Tariff Determined by the Central Commission shall not be re-determined by the State Commission. The relevant portion of the rule is reproduced below.

> *"Tariffs of generating companies under section 79.- The tariff determined by the Central Commission for generating companies*

under clause (a) or (b) of subsection (1) of section 79 of the Act shall not be subject to re-determination by the State Commission in exercise of functions under ciauses (a) or (b} of sub-section (1) of section 86 of the Act and subject to the above the State Commission may determine whether a Distribution Licensee in the State should enter into Power Purchase Agreement or procurement process with such generating companies based on the tariff determined by the Central Commission."

4.10 Further, it is wrong to claim that this Hon'ble Commission has the plenary jurisdiction to modify the Tariff Order issued by CERC, that too when the review order has been issued by the APTEL in a challenge made against a CERC Tariff Order. Therefore, it is not proper to dis-allow the claim of Contribution of Sinking Fund until the same is modified by the Hon'ble CERC. This issue of jurisdiction of the State Commission has also been clarified by the Hon'ble Tribunal in the recent judgment dated 05.02.2024 in Appeal No. 845 of 2023 wherein the Tribunal has held as under:

……………………………………

Even if the CERC had not taken into consideration the non-tariff income derived by the Appellant from its generation, transmission and other businesses, in determining its tariff, such an error could only have been corrected by the CERC; and the mere fact that it may have a bearing on the input cost, while determining the tariff of the Appellant's distribution business in the State of Jharkhand, would not confer Jurisdiction on the 1st Respondent to reduce such non-tariff income from the annual revenue requirement of the Appellant for its distribution business in State of Jharkhand,

…………………………………………

4.11 Moreover, the above submission of DVC is made without prejudice to its rights and contention to challenge the review order issued by Hon'ble APTEL before the appropriate court. DVC, therefore, humbly submits before this Hon'ble Commission that the generation and transmission tariff orders, already issued by CERC, can only be altered or modified by the Central Commission and not by the State Commission as urged by the objector.

Views of the Commission

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

b. Energy Charge Rate of DVC Own Generating Stations:

4.13 The Objector has claimed that the Energy Charge Rate (ECR) claimed by DVC for its Own Generating station is significantly higher than the similarly placed central Sector Generating Station (CSGS). They have also compared the Landed Price to GCV ratio of the DVC plants with the NTPC plants

4.14 The Objector in pursuit of the above has attempted to draw a comparison between Landed price (Rs./MT) to GCV (as received basis in kCal/ kg terms) ratio recorded by both DVC and NTPC. To have clarity on the such ratio, the Objector has considered a large sample size so that the variables like transportation and other costs are averaged out while computing the ratio. Moreover, the analysis carried out in the subsequent paras consider the domestic linkage coal data only (Impact of imported coal or e-market coal data is not used). The table below shows the Landed price to GCV ratio booked by NTPC during FY 2021-22 for pit head and non-pit head power plants.

Table 9: Landed price to GCV ratio of NTPC Gencos for FY 2021-22 (pit head and non-pit head)

NTPC	Pit/ Non-pit head	Landed Cost (Rs./ MT)	GCV (as received) (kCal/ kg)	Landed Price to GCV ratio
Barh-2	Non pit head	3,188.53	3,631.11	0.88
Nabinagar	Non-pit head	2,487.00	3,856.00	0.64
Kanti	Non-pit head	2,119.80	3,696.00	0.57
Tanda	Non-pit head	4,067.00	3,657.00	1.11
Simhadri	Non-pit head	1,994.86	3,210.09	0.62
Mouda	Non-pit head	2,823.29	3,118.70	0.91
Kudgi	Non-pit head	3,217.65	3,451.00	0.93
Gadarwara	Non-pit head	2,629.26	3,494.00	0.75
Barauni	Non-pit head	2,675.90	3,911.00	0.68
Unchahar	Non-pit head	2,784.00	3,751.00	0.74
Solapur	Non-pit head	2,839.19	3,538.00	0.80
Khargone	Non-pit head	2,621.86	3,686.66	0.71
Dadri	Non-pit head	2,646.00	3,663.00	0.72

NTPC	Pit/ Non-pit head	Landed Cost (Rs./ MT)	GCV (as received) (kCal/ kg)	Landed Price to GCV ratio
Wt. average (non-pit)				**0.77**
Darlipali	Pit head	1,200.70	3,033.00	0.40
Farakka	Pit head	3,492.70	3,894.00	0.90
Kahalgaon STPP	Pit head	2,725.97	3,341.00	0.82
Talcher STPP	Pit head	1,769.14	3,151.24	0.56
Vindhyachal	Pit head	2,018.00	3,595.35	0.56
Sipat	Pit head	1,795.57	3,544.00	0.51
Ramagunda m	Pit head	4,044.17	3,845.26	1.05
Singrauli	Pit head	2,073.00	3,760.00	0.55
Rihand	Pit head	2,100.00	4,048.00	0.52
Lara	Pit head	2,094.32	3,184.00	0.66
Korba	Pit head	1,850.60	3,680.18	0.50
Wt. average (pit)				**0.64**

**Source: Submissions made by NTPC to CERC during formulation of CERC Tariff regulations 2024*

4.15 While the ratio across multiple plants so vary significantly due to multitude of factors like transportation cost, etc., the Objector would like to draw the attention of the Hon'ble Commission to the Weighted average ratio for pit head and non-pit head power plants. The Landed price to GCV for a pit head plants closely resembles 0.64 whereas the same for non-pit head is 0.77 as shown in the foregoing table.

4.16 Against the above, the Landed price to GCV ratio as recorded by DVC is 0.76 and 0.94 for pit head and non-pit head respectively for the sample period Q4 of FY 2021-22 (Jan - Mar 2022) as shown under:

Table 10: Landed price to GCV ratio of DVC Gencos for FY 2021-22 (Q4 – Jan to Mar) (pit head and non-pit head)

Particulars	Pit/ Non-pit head	Landed Cost (Rs./ MT)	GCV (as received) (kCal/ kg)	Landed Price to GCV ratio
BTPS A	**Pit head**	3,330.18	4,395.51	**0.76**
CTPS 7-8	Non-pit head	3,414.30	4,071.99	0.84
DSTPS	Non-pit head	3,791.10	3,941.03	0.96
DTPS	Non-pit head	NA		
KTPS	Non-pit head	3,419.28	4,094.61	0.84
MTPS 1-4	Non-pit head	3,701.39	3,673.78	1.01
MTPS 5-6	Non-pit head	3,568.71	3,783.49	0.94
MTPS 7-8	Non-pit head	3,661.27	3,760.81	0.97

Particulars	Pit/ Non-pit head	Landed Cost (Rs./ MT)	GCV (as received) (kCal/ kg)	Landed Price to GCV ratio
RTPS	Non-pit head	3,804.77	3,613.06	1.05
Wt. Avg. (non-pit)				**0.94**

**Source: Data as per the Form 15 uploaded by DVC on its website*

4.17 It could be clearly seen that the Landed price to GCV ratio recorded by DVC is significantly inferior as against the same ratio recorded by NTPC.

4.18 On a similar footing, the Objector has assessed the Landed price to GCV ratio for DVC based on the Form 15 data for each of the FY 2022-23, FY 2023-24 and FY 2024-25. It may be noted that since the data was quite voluminous, Coal data (price and GCV) attributable to Q1 of each of FY 2022-23, FY 2023-24 and FY 2024-25 has been analyzed. The Landed price to GCV ratio booked by DVC is shown as per the table below:

Table 11: Landed price to GCV ratio of DVC Gencos for FY 2022-23 (Q1 – Apr to Jun) (pit head and non-pit head)

Particulars	Pit/ Non-pit head	Landed Cost (Rs./ MT)	GCV (as received) (kCal/ kg)	Landed Price to GCV ratio
BTPS A	**Pit head**	3,755.60	4,353.24	**0.86**
CTPS 7-8	Non-pit head	3,915.96	3,690.75	1.06
DSTPS	Non-pit head	4,088.93	3,493.63	1.17
DTPS	Non-pit head	2,879.08	3,110.68	0.93
KTPS	Non-pit head	3,829.36	3,639.48	1.05
MTPS 1-4	Non-pit head	4,465.85	3,566.81	1.25
MTPS 5-6	Non-pit head	4,323.12	3,668.49	1.18
MTPS 7-8	Non-pit head	4,262.93	3,695.52	1.15
RTPS	Non-pit head	4,562.86	3,672.47	1.24
Wt. Avg. (non-pit)				**1.13**

**Source: Data as per the Form 15 uploaded by DVC on its website*

Table 12: Landed price to GCV ratio of DVC Gencos for FY 2023-24 (Q1 – Apr to Jun) (pit head and non-pit head)

Particulars	Pit/ Non-pit head	Landed Cost (Rs./ MT)	GCV (as received) (kCal/ kg)	Landed Price to GCV ratio
BTPS A	**Pit head**	3,999.81	4,087.32	**0.98**
CTPS 7-8	Non-pit head	4,943.49	3,828.25	1.29
DSTPS	Non-pit head	4,663.07	4,080.91	1.14
DTPS	Non-pit head	NA		
KTPS	Non-pit head	4,225.51	4,080.04	1.04

Particulars	Pit/ Non-pit head	Landed Cost (Rs./ MT)	GCV (as received) (kCal/ kg)	Landed Price to GCV ratio
MTPS 1-4	Non-pit head	4,258.10	3,484.93	1.22
MTPS 5-6	Non-pit head	4,062.37	3,543.62	1.15
MTPS 7-8	Non-pit head	4,144.33	3,611.57	1.15
RTPS	Non-pit head	4,437.72	3,675.89	1.21
Wt. Avg. (non-pit)				**1.17**

**Source: Data as per the Form 15 uploaded by DVC on its website*

Table 13: Landed price to GCV ratio of DVC Gencos for FY 2024-25 (Q1 – Apr to Jun) (pit head and non-pit head)

Particulars	Pit/ Non-pit head	Landed Cost (Rs./ MT)	GCV (as received) (kCal/ kg)	Landed Price to GCV ratio
BTPS A	**Pit head**	4,148.55	3,688.78	**1.12**
CTPS 7-8	Non-pit head	4,548.87	3,564.84	1.28
DSTPS	Non-pit head	5,713.25	4,006.27	1.43
DTPS	Non-pit head	NA		
KTPS	Non-pit head	4,237.03	3,754.48	1.13
MTPS 1-4	Non-pit head	4,868.37	3,609.87	1.35
MTPS 5-6	Non-pit head	4,744.66	3,685.16	1.29
MTPS 7-8	Non-pit head	4,618.20	3,571.35	1.29
RTPS	Non-pit head	5,104.24	3,586.76	1.42
Wt. Avg. (non-pit)				**1.31**

**Source: Data as per the Form 15 uploaded by DVC on its website*

4.19 The data and analysis presented indicate a concerning trend in the landed price to Gross Calorific Value (GCV) ratio claimed and projected by Damodar Valley Corporation (DVC) for the financial years 2022-23 to 2024-25. This trend shows a noticeable deterioration, which directly impacts the Energy Charge Rate (ECR) for generating companies (Gencos). The increase in landed cost relative to GCV implies higher costs for electricity generation, which can lead to increased tariffs for end consumers.

4.20 A critical point of concern is DVC’s apparent lack of control over the landed cost and GCV of coal sourced from its linked mines. This lack of oversight and management has resulted in significant discrepancies and inefficiencies, further exacerbating the issue. Given the substantial impact this has on the overall cost structure; it is essential to address this issue comprehensively.

4.21 In light of these circumstances, it is crucial that the Hon’ble Commission conducts a thorough forensic investigation into the matter. Such an investigation would help identify the root causes of the decline in GCV and the rising costs. This would ensure accountability and protect the interests of consumers by preventing undue financial burdens stemming from inefficiencies in coal procurement and handling processes.

4.22 The table below summarizes the above contentions in respect of Landed price to GCV ratio

Table 14: Summary of Landed price to GCV ratio of DVC vs NTPC (pit head and non-pit head)

Particulars	NTPC	DVC		
	FY 2021-22	Q1-FY 2022-23	Q1-FY 2023-24	Q1-FY 2024-25
Landed Price to GCV ratio				
Pit head	0.64	0.86	0.98	1.12
Non-pit head	0.77	1.13	1.17	1.31
DVC ratio as a % of NTPC ratio				
Pit head	100%	134%	152%	175%
Non-pit head	100%	146%	151%	170%

4.23 To conclude, the ECR claimed by DVC for FY 2022-23 is 134% and 146% respectively of the ECR recorded by similarly placed Central Gencos. Similarly, the projections made by DVC for FY 2023-24 and FY 2024-25 are also grossly overstated.

4.24 The Hon'ble Commission is respectfully urged to shield consumers from the adverse effects of DVC's operational inefficiencies. Given the impact these inefficiencies have on energy costs; it is crucial to prevent consumers from bearing the burden of increased tariffs. To achieve this, the Energy Charge Rate (ECR) for DVC generating companies (Gencos) should be aligned with the ECR recorded by comparable Central Gencos. By doing so, the Commission can ensure fairness and protect consumers from the financial consequences of DVC's operational challenges, maintaining a balanced and just approach to energy pricing.

4.25 The admissible ECR for DVC Own gencos for FY 2022-23 to FY 2023-24 is shown as under:

Table 15: Energy Charge Rate for DVC Own Gencos claimed vs admissible for FY 2022-23

Particulars	ECR claimed (Rs./ unit)	% factor	ECR admissible (Rs./ unit)
	A	B	C=A/B
BTPS A	277.12	134%	206.86
CTPS 7-8	362.37	146%	247.43
DSTPS	379.32		259.00
DTPS	343.40		234.48
KTPS	353.98		241.70
MTPS 1-3	365.62		249.65
MTPS 4	374.05		255.41
MTPS 5-6	378.26		258.28
MTPS 7-8	357.70		244.24
RTPS	388.09		264.99

Table 16: Energy Charge Rate for DVC Own Gencos claimed vs admissible for FY 2023-24

Particulars	ECR claimed (Rs./ unit)	% factor	ECR admissible (Rs./ unit)
	A	B	C=A/B
BTPS A	265.25	152%	174.56
CTPS 7-8	316.45	151%	209.50
DSTPS	339.11		224.50
DTPS	NA		NA
KTPS	301.76		199.77
MTPS 1-3	374.89		248.19
MTPS 4	374.89		248.19
MTPS 5-6	353.00		233.70
MTPS 7-8	331.83		219.68
RTPS	352.36		233.27

Table 17: Energy Charge Rate for DVC Own Gencos claimed vs admissible for FY 2024-25

Particulars	ECR claimed (Rs./ unit)	% factor	ECR admissible (Rs./ unit)
	A	B	C=A/B
BTPS A	265.25	1.75	151.89
CTPS 7-8	323.07	1.70	190.40
DSTPS	345.99		203.90
DTPS	NA		NA
KTPS	301.76		177.84
MTPS 1-3	374.89		220.93
MTPS 4	381.77		224.99
MTPS 5-6	359.88		212.09
MTPS 7-8	331.83		195.56

Particulars	ECR claimed (Rs./ unit)	% factor	ECR admissible (Rs./ unit)
	A	B	C=A/B
RTPS	359.24		211.71

Petitioner Response

4.26 The Petitioner has submitted that in the instant petition, it has claimed the ECR of its Thermal Generating Stations based on the Regulation 43 of CERC Tariff Regulation 2019. As per the Regulation, ECR is calculated based on the normative values of Station Heat Rate, Auxiliary Consumption and Secondary Fuel Consumption as allowed by CERC and the actual cost of fuel and gross calorific value of fuel on as received basis. Therefore, the landed price of coal and the calorific value of coal needs to be taken based on the actual cost arrived and actual calorific value as received. As such, the price of coal and its calorific value is considered as an uncontrollable factor for tariff determination and therefore, is passed on to the consumers for ensuring cost reflective tariffs.

4.27 Now, the ECR has claimed in the instant petition along with the GCV and Landed price of the fuel has been duly Audited by Chartered Accountant firm and the Auditor's Certificate has been duly enclosed with the instant petition as Annexure-11 (at page no. 180 to 191 of the petition). It is to further submit that in the relevant Regulations of CERC there is no such procedure of comparing the ECR of ane generating station with the ECR of another generating station (for the obvious reason of different factors related to station wise ECR}) and to bill the lowest one. Moreover, the ECR claimed before this Hon'ble Commission has also been claimed from different beneficiaries of DVC located outside the valley area. As such DVC, in the instant petition has not claimed any arbitrary energy charge rate of its own thermal generating station from its firm consumers.

4.28 Now, coming to the comparison of ECR between the Generating Stations of DVC and that of NTPC Generating Stations, it is to submit that due to lack of documentary evidence, DVC could not verify the data as submitted by the objector regarding the generating stations of NTPC.

4.29 However, after scrutiny of the analysis put forth by the objector, subject to verification by this Hon'ble Commission, it is found that the objector has very tactfully compared data of FY 2021-22 for NTPC with the data of Q1 of FY 2022-23 onwards for DVC, when DVC had to resort to blending of import coal in compliance of MoP, GoI guideline issued due to persistent shortage of domestic coal in the country in order to supply uninterrupted power to its consumers/beneficiaries. It is a well-established fact that the price of the import coal compared to the GCV was high compared to the domestic coal during FY 2022-23 onwards. It seems from the above that the objector herein has been trying to mislead Hon'ble Commission by way of comparing the data of FY 2021-22 for NTPC with the data of Q1 of FY 2022-23 onwards in case of DVC, as the situation during such period was completely different than that of FY 2021-22.

4.30 Moreover, it is also not justifiable to compare the ratio of Landed Cost of coal to the GCV, as it is not statistically correlated. The data submitted by the objector, in regard with the NTPC plants itself shows wide variation of coal cost, even though GCV of coal is in a similar range. For example, the cost of coal of Ramagundam Plant (pit head) is Rs. 4044.17 per MT against GCV of 3845.26 kCal/kg, whereas, the cost of coal of Nabinagar (Non-Pit Head) is Rs. 2487 per MT against GCV of 3855.00 kCal/kg. However, as per the analysis of the objector, cost of coal of Ramagundam, being a pit head plant (lower transportation cost), should have been way lower than the coal from Nabinagar having similar GCV. As such, the analysis of the objector does not hold good on different plants of NTPC itself. Hence, such a fundamentally flawed analysis cannot be used to compare the cost of fuel of the Generating stations of DVC. Hence the objection is liable to be rejected.

4.31 Further, there are many reasons, as to why the cost of coal does not follow a linear correlation with the GCV of coal. Amongst others, Fuel Supply Agreement (FSA), Source of Coal and Mode of Transport etc. are the major factors for wide fluctuations of the Landed Cost of Coal with respect to GCV. Moreover, NTPC has many operating captive coal mines whose prices are much cheaper than the price of Coal of India. It is also important to mention here that DVC has recently started the operation of its coal mine at Tubed in Latehar District of Jharkhand. Once the production from such mine reaches to capacity, dependence on costlier coal from CIL will be reduced substantially.

4.32 Further DVC has submitted that there exists no such procedure either in the tariff regulations of CERC or JSERC which allows considering the lower rate of ECR after comparing with another utility anywhere in India. Hence the objection put forth has got no merit at all for consideration and so be rejected.

4.33 In view of above, the allegation made by the objector that lack of oversight and management of DVC caused a substantially higher energy charge rate is devoid of any merit, hence liable to be rejected. DVC should be allowed to recover the actual cost of fuel already incurred in terms of CERC Tariff Regulation, 2019,

Views of the Commission

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

c. *Incentive for Target PLF for the FY 2022-23*

4.35 The Objector has submitted that the Petitioner has claimed Incentive for its own gencos which have attained the Target PLF as provided in the CERC Tariff Regulations. In above context, Clause 42(6) of the CERC Tariff Regulations 2019 provides as under:

> *"(6) In addition to the capacity charge, an incentive shall be payable to a generating station or unit thereof @ 65 paise/ kWh for ex-bus scheduled energy during Peak Hours and @ 50 paise/ kWh for ex-bus scheduled energy during Off-Peak Hours corresponding to scheduled generation in excess of ex-bus energy corresponding to Normative Annual Plant Load Factor (NAPLF) achieved on a cumulative basis within each Season (High Demand Season or Low Demand Season, as the case may be), as specified in Clause (B) of Regulation 49 of these regulations."*

4.36 The Objector has further submitted that the Petitioner's claim for an incentive toward their own generators is fundamentally flawed. The generating stations in question, with the exception of MTPS Units 1-3 and MTPS Unit 4, supply electricity to multiple beneficiaries, including DVC's firm consumers. However, it is important to note that the command area consumers do not enjoy a firm commitment from DVC's own generating companies, unlike the bilateral beneficiaries who have specific, station-based commitments.

4.37 In this context, the ex-bus energy output linked to the Normative Annual Plant Load Factor (NAPLF) for command area consumption becomes irrelevant. Incentives should only be considered where a firm commitment exists, meaning that any calculation or admission of incentives should be based solely on those instances where DVC has made specific, enforceable commitments to supply energy from particular stations.

4.38 Furthermore, the Objector points out that the Petitioner has erroneously and perhaps deliberately attempted to link station-wise Plant Load Factor (PLF) with command area consumption. This association is illogical and unfounded, as there are no station-specific Power Purchase Agreements (PPA) governing the command area consumption. Given this lack of specific agreements, the provisions under clause 42(6) of the CERC Regulations cannot be applied. Therefore, the Petitioner’s claim should be rejected by this Hon’ble Commission.

Petitioner Response

4.39 The allegation made by the objector is out rightly rejected. DVC has claimed incentive on over achievement of target PLF as per clause 42(6) of CERC Tariff Regulations 2019.

4.40 It is pertinent to note that the incentive claimed by DVC in this petition is in accordance with the CERC regulations and has not been recovered from the other beneficiaries. Instead, the incentive herein has been claimed in the ARR is proportionate with the generation utilized for sale to the consumers.

4.41 At first, incentive has been derived for that generating station who's normative PLF is more than 85%. Thereafter, the incentive has been claimed. before the Ld. JSERC based on the % utilization of the of such generating station for the distribution activity of DVC after due apportionment between the state of West Bengal and Jharkhand based on sales ratio.

4.42 Hon'ble Commission may be pleased to appreciate that if a plant achieved PLF of more than 85%, then such generation was utilized to meet the demand of the consumers. As such, DVC firm consumers have benefited from such high-performing plants. Had such plants not achieved such high PLF, then there would have been shortfall corresponding to the underachievement, which otherwise would have been managed through power purchase from the market at higher rate or else consumers would have been underserved/undersupplied.

4.43 It is also noteworthy to mention that this Hon'ble Commission in the True-Up order dated 22.01.2024 for FY 2021-22 has allowed the claim of DVC in regards with the Incentive i.r.o CTPS 7&8 for achieving PLF for more than 85%. Relevant portion of the order is attached as annexure -1 in the Public objection reply.

4.44 As such the claim of the objector is devoid of any merit, hence liable to be rejected.

Views of the Commission

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

d. Additional AFC and ECR towards Ash Evacuation Expenses for the FY 2023-24 and FY 2024-25

4.46 The Objector has submitted that the Petitioner has claimed Annual Fixed cost of Emission Control system (FGD) in respect of DVC own generating stations based on tariff petition submitted before Hon'ble CERC under Regulation 29 of the CERC Tariff Regulations 2019.

4.47 Regulation 29 of the CERC Regulations 2019 provides as under:

> *"29. Additional Capitalization on account of Revised Emission Standards: (1) A generating company requiring to incur additional capital expenditure in the existing generating station for compliance of the revised emissions standards shall share its proposal with the beneficiaries and file a petition for undertaking such additional capitalization.*
>
> *(2) The proposal under clause (1) above shall contain details of*

proposed technology as specified by the Central Electricity Authority, scope of the work, phasing of expenditure, schedule of completion, estimated completion cost including foreign exchange component, if any, detailed computation of indicative impact on tariff to the beneficiaries, and any other information considered to be relevant by the generating company.

(3) Where the generating company makes an application for approval of additional capital expenditure on account of implementation of revised emission standards, the Commission may grant approval after due consideration of the reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission.

(4) After completion of the implementation of revised emission standards, the generating company shall file a petition for determination of tariff. Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on reasonableness of the cost and impact on operational parameters shall form the basis of determination of tariff."

4.48 The Objector further submitted that the Petitioner apprehends that the FGD system would be operational during FY 2023-24 and the Petitions towards the same are being filed before CERC in a phased manner.

4.49 At the outset, the provisions under Regulation 29 do not entitle the Petitioner to recover the Tariff towards FGD based on the filings made before CERC.

4.50 As far as the issuance of the Tariff Order for the Control Period is concerned, the CERC Regulations 2019 clearly stipulate that until the new Tariff Order is issued, consumers must be billed according to the most recent applicable charges. This ensures that billing remains consistent and fair, relying on established orders rather than speculative filings or projections. The billing process during the period when the Tariff Order is pending should therefore adhere strictly to the latest available Tariff Order. This approach maintains regulatory stability and protects consumers from potential discrepancies or unjustified increases that could arise from billing based on unapproved projections. The relevant provisions of the CERC Tariff Regulations 2019 are as follows:

> *"10. Determination of tariff*
>
> *(4) In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the long term customers at the capacity charges or the transmission charges respectively as approved by the Commission and applicable as on 31.3.2019 for the period starting from 1.4.2019 till approval of final capacity charges or transmission charges by the Commission in accordance with these regulations:*
>
> *Provided that the billing for energy charges w.e.f. 1.4.2019 shall be as per the operational norms specified in these regulations."*

4.51 By analogy with these principles, the recovery of charges on an ad-hoc basis, relying on projections, is not permitted under the CERC Regulations framework. Therefore, the Petitioner's claim for the recovery of Annual Fixed Charges (AFC) and Energy Charge Rate (ECR) related to the Flue Gas Desulfurization (FGD) system for the financial years 2023-24 and 2024-25 is impermissible and should not be accepted by this Hon'ble Commission.

4.52 Based on the aforesaid discussions, the Objector has assessed the allowable Own Generation Cost (Fixed and Energy Charges) of DVC Stations for the True up of FY 2022-23 as shown in the table below:

Table 18 : Detailed computations of the Allowable Fixed Charges for DVC Own Gencos for FY 2022-23

Station	Normative Availibility (NAPAF)	Actual PAF-Y				Annual Fixed charge (AFC) (in Rs. Lakh)	Ash Evacuation Expenses (Rs. Lakhs)	Annual Fixed Charge excluding Ash Evacuation Expenses (AFC) (in Rs. Lakh)	Recoverable AFC (in Rs. Lakh)	Share of firm consumer	Ash Evacuation Expenses (Rs. Lakhs)	Total Recoverable Fixed charge from Firm Consumers (in Rs. Lakh)
		HD-p*	**HD-op***	**LD-p***	**LD-op***							
DTPS U# 4	74%	27.44%	27.31%	8.61%	8.63%	14468.00	301.54	14468.00	2601.36	100.00%	301.54	2902.90
MTPS U#1 to 3	85%	96.87%	96.89%	81.50%	81.44%	43945.45	1236.49	43945.45	42568.38	100.00%	1236.49	43804.87
MTPS U# 4	85%	103.80%	103.35%	92.09%	92.49%	14166.28	402.18	14166.28	14166.28	100.00%	402.18	14568.46
MHS	80%	80.00%				4108.62	0.00	4108.62	4108.62	100.00%	0.00	4108.62
PHS	80%	80.00%				3811.41	0.00	3811.41	3811.41	100.00%	0.00	3811.41
THS	80%	80.00%				1219.84	0.00	1219.84	1219.84	100.00%	0.00	1219.84
T & D System	98.5%	99.69%				49997.20	0.00	49997.20	50599.47	100.00%	0.00	50599.47
SUB-TOTAL						**131716.80**	**1940.21**	**131716.80**	**119075.36**		**1940.21**	**121015.57**
MTPS U#5 & 6	85%	78.28%	78.01%	89.54%	89.78%	35835.04	1262.01	35835.04	35104.17	72.55%	915.65	26385.46
MTPS U# 7&8	85%	95.79%	95.45%	89.74%	89.70%	100857.29	2398.77	100857.29	100857.29	29.81%	715.19	30785.78
CTPS U # 7,8	85%	91.95%	91.35%	82.34%	82.03%	54155.41	1582.90	54155.41	52766.71	4.40%	69.70	2393.21
DSTPS U # 1& 2	85%	86.19%	85.46%	88.22%	88.57%	99595.92	130.98	99595.92	99595.92	67.76%	88.75	67574.32
KTPS U # 1 & 2	85%	90.29%	90.41%	89.31%	88.83%	106884.10	1142.37	106884.10	106884.10	1.67%	19.05	1801.46
BTPS 'A'	85%	93.25%	92.81%	89.94%	90.87%	73503.78	386.44	73503.78	73503.78	60.25%	232.81	44515.81
RTPS U # 1& 2	85%	68.68%	68.78%	56.61%	56.27%	136023.45	0.00	136023.45	95128.98	43.79%	0.00	41659.11
SUB-TOTAL						**606854.99**	**6903.47**	**606854.99**	**563840.96**		**2041.16**	**215115.16**
GRAND TOTAL						**738571.79**	**8843.68**	**738571.79**	**682916.32**		**3981.37**	**336130.73**

Table 19 :Detailed computations of the Allowable Energy Charges for DVC Own Gencos for FY 2022-23

Station	2022-23		
	ECR (P/Kwh)	Actual Energy (MU) for Firm Consumers	Energy charge (Rs. Lakh)
DTPS U# 4	234.5	111.48	2614.03
MTPS U#1 to 3	249.7	3123.82	77986.59
MTPS U# 4	255.4	1263.26	32264.42
MTPS Solar PV	323.0	0.0235	0.7584
KTPS Solar PV	416.0	0.0259	1.0773
MTPS U#5 & 6	258.3	2255.39	58251.70
MTPS U# 7&8	244.2	2047.49	50008.48
CTPS U # 7,8	247.4	138.07	3416.35
DSTPS U # 1 & 2	259.0	4556.26	118007.80
KTPS U # 1 & 2	241.7	114.85	2775.87
BTPS 'A'	206.9	2157.71	44634.72
RTPS U # 1&2	265.0	2312.96	61291.27
Total (Thermal)	**249.6**	**18081.34**	**451253.06**

4.53 Likewise, the allowable Own Generation Cost (Fixed and Energy Charges) of DVC Stations for the APR of FY 2023-24 and ARR of FY 2024-25 is shown in the table below:

Table 20 : Detailed computations of the Allowable Fixed Charges for DVC Own Gencos for FY 2023-24

Station	Normative Availibility (NAPAF)	Projected Yearly Availibility (PAFY)				Annual Fixed Charge (AFC) (in Rs. Lakh)	Ash Evacuation Expenses (in Rs. Lakh)	Annual Fixed Charge including Emmission Control system (AFC) (in Rs. Lakh)	Total Recoverable fixed charge according to CERC formula (in Rs. Lakh)	Share of firm consumer (%)	Recoverable AFC from Firm Consumers (in Rs. Lakh)	Ash Evacuation Expenses to be recovered from Firm consumers (Rs. Lakhs)	Total Recoverable Fixed charge from Firm Consumers (in Rs. Lakh)
		HD-p	HD-op	LD-p	LD-op								
MTPS U#1 to 3	85.0	85.0	85.0	85.0	85.0	45095.37	1290.90	45095.37	45095.37	100%	45095.37	1290.90	46386.27
MTPS U# 4	85.0	85.0	85.0	85.0	85.0	14668.40	419.88	14668.40	14668.40	100%	14668.40	419.88	15088.28
MHS	80.0	80.0				4278.36	-	4278.36	4278.36	100%	4278.36	-	4278.36
PHS	80.0	80.0				3970.52	-	3970.52	3970.52	100%	3970.52	-	3970.52
THS	80.0	80.0				1269.06	-	1269.06	1269.06	100%	1269.06	-	1269.06
T & D System	98.5	99.0				50665.45	-	50665.45	50922.64	100%	50922.64	-	50922.64
SUB-TOTAL						**119947.16**	**1710.78**	**119947.16**	**120204.35**		**120204.35**	**1710.78**	**121915.13**
MTPS U#5 & 6	85.0	85.0	85.0	85.0	85.0	38741.68	1317.55	38741.68	38741.68	72.28%	28001.98	952.31	28954.29
MTPS U# 7&8	85.0	85.0	85.0	85.0	85.0	102741.00	2514.16	102741.00	102741.00	36.77%	37775.72	924.40	38700.13
CTPS U # 7,8	85.0	85.0	85.0	85.0	85.0	54890.85	1652.56	54890.85	54890.85	4.57%	2509.14	75.54	2584.68
DSTPS U # 1& 2	85.0	85.0	85.0	85.0	85.0	105611.99	137.28	105611.99	105611.99	63.65%	67225.28	87.38	67312.66
KTPS U # 1 & 2	85.0	85.0	85.0	85.0	85.0	113316.91	1197.32	113316.91	113316.91	1.44%	1627.35	17.19	1644.55
BTPS 'A'	85.0	85.0	85.0	85.0	85.0	72427.46	405.03	72427.46	72427.46	57.37%	41549.06	232.35	41781.41
RTPS U # 1 & 2	85.0	85.0	85.0	85.0	85.0	133935.91	-	133935.91	133935.91	37.60%	50361.13	-	50361.13
SUB-TOTAL						**621665.80**	**7223.90**	**621665.80**	**621665.80**		**229049.67**	**2289.18**	**231338.86**
GRAND TOTAL						**741612.96**	**8934.68**	**741612.96**	**741870.15**		**349254.02**	**3999.96**	**353253.98**

Table 21 : Detailed computations of the Allowable Fixed Charges for DVC Own Gencos for FY 2024-25

Station	Normative Availibility (NAPAF)	Projected Yearly Availibility (PAFY)				Annual Fixed charge (AFC) (in Rs. Lakh)	Ash Evacuation Expenses (in Rs. Lakh)	Annual Fixed Charge including Emmission Control system (AFC) (in Rs. Lakh)	Total Recoverable fixed charge according to CERC formula (in Rs. Lakh)	Share of firm consumer (%)	Recoverable AFC from Firm Consumers (in Rs. Lakh)	Ash Evacuation Expenses to be recovered from Firm consumers (Rs. Lakhs)	Total Recoverable Fixed charge from Firm Consumers (in Rs. Lakh)
		HD-p	HD-op	LD-p	LD-op								
MTPS U#1 to 3	85.0	85.0	85.0	85.0	85.0	45095.37	1290.90	45095.37	45095.37	100.00%	45095.37	1290.90	46386.27
MTPS U# 4	85.0	85.0	85.0	85.0	85.0	14668.40	419.88	14668.40	14668.40	100.00%	14668.40	419.88	15088.28
MHS	80.0	80.0				4278.36	-	4278.36	4278.36	100.00%	4278.36	-	4278.36
PHS	80.0	80.0				3970.52	-	3970.52	3970.52	100.00%	3970.52	-	3970.52
THS	80.0	80.0				1269.06	-	1269.06	1269.06	100.00%	1269.06	-	1269.06
T & D System	98.5	99.0				50665.45	-	50665.45	50922.64	100.00%	50922.64	-	50922.64
SUB-TOTAL						**119947.16**	**1710.78**	**119947.16**	**120204.35**	**-**	**120204.35**	**1710.78**	**121915.13**
MTPS U#5 & 6	85.0	85.0	85.0	85.0	85.0	38741.68	1317.55	38741.68	38741.68	72.40%	28048.98	953.91	29002.88
MTPS U# 7&8	85.0	85.0	85.0	85.0	85.0	102741.00	2514.16	102741.00	102741.00	47.10%	48387.62	1184.09	49571.70
CTPS U # 7,8	85.0	85.0	85.0	85.0	85.0	54890.85	1652.56	54890.85	54890.85	4.00%	2195.63	66.10	2261.74
DSTPS U # 1& 2	85.0	85.0	85.0	85.0	85.0	105611.99	137.28	105611.99	105611.99	63.20%	66746.78	86.76	66833.54
KTPS U # 1 & 2	85.0	85.0	85.0	85.0	85.0	113316.91	1197.32	113316.91	113316.91	5.00%	5665.85	59.87	5725.71
BTPS 'A'	85.0	85.0	85.0	85.0	85.0	72427.46	405.03	72427.46	72427.46	63.20%	45774.15	255.98	46030.13
RTPS U # 1& 2	85.0	85.0	85.0	85.0	85.0	133935.91	-	133935.91	133935.91	45.11%	60414.02	-	60414.02
SUB-TOTAL						**621665.80**	**7223.90**	**621665.80**	**621665.80**		**257233.03**	**2606.70**	**259839.73**
GRAND TOTAL						**741612.96**	**8934.68**	**741612.96**	**741870.15**		**377437.37**	**4317.48**	**381754.86**

Table 22 :Detailed computations of the Allowable Energy Charges for DVC Own Gencos for FY 2023-24

Station	FY 2023-24		
	ECR (P/Kwh)	Projected Energy (MU) for Firm Consumers	Energy charge (Rs. Lakh)
MTPS U#1 to 3	248.19	3145.90	78077.10
MTPS U# 4	248.19	1009.30	25049.55
Solar PV KTPS (Ground Mounted)	462.15	7.78	359.37
Solar PV at Panchet (Ground Mounted)	-	-	-
Solar PV RTPS (Floating)	-	-	-
Solar PV MTPS (Floating)	-	-	-
Solar PV KTPS (Floating)	-	-	-
MTPS U#5 & 6	233.70	2188.21	51137.98
MTPS U# 7&8	219.68	2432.96	53446.55
CTPS U # 7,8	209.50	153.07	3206.84
DSTPS U # 1 & 2	224.50	4328.20	97166.84
KTPS U # 1 & 2	199.77	94.75	1892.90
BTPS 'A'	174.56	1896.50	33104.42
RTPS U # 1&2	233.27	2575.71	60083.33
Total	**226.29**	**17832.38**	**403524.87**

Table 23 :Detailed computations of the Allowable Energy Charges for DVC Own Gencos for FY 2024-25

Station	FY 2024-25		
	ECR (P/Kwh)	Projected Energy (MU) for Firm Consumers	Energy charge (Rs. Lakh)
MTPS U#1 to 3	220.93	3384.15	74767.61

Station	FY 2024-25		
	ECR (P/Kwh)	Projected Energy (MU) for Firm Consumers	Energy charge (Rs. Lakh)
MTPS U# 4	224.99	1148.08	25830.60
Solar PV KTPS (Ground Mounted)	462.15	17.52	809.69
Solar PV at Panchet (Ground Mounted)	462.15	14.02	647.75
Solar PV RTPS (Floating)	462.15	11.52	532.40
Solar PV MTPS (Floating)	462.15	11.52	532.40
Solar PV KTPS (Floating)	462.15	11.52	532.40
MTPS U#5 & 6	212.09	2122.85	45023.91
MTPS U# 7&8	195.56	3167.97	61951.56
CTPS U # 7,8	190.40	125.38	2387.27
DSTPS U # 1 & 2	203.90	4092.77	83452.04
KTPS U # 1 & 2	177.84	319.98	5690.51
BTPS 'A'	151.89	1927.28	29272.90
RTPS U # 1&2	211.71	3137.11	66415.85
Total	**204.11**	**19491.68**	**397846.87**

Petitioner Submission

4.54 At the outset, DVC would like to submit that the work of implementation of FGD for all the 500 MW units as a package had started from FY 20-21 and the FGD systems have already been operationalized in a number of generating stations like MTPS U#7&8, BTPS A, KTPS U#1, DSTPS U#1, RTPS U#1. For other units, the commissioning is expected to be completed by the end of this calendar year.

4.55 It can be observed from the above table that, FGDs have already been installed and operating in most of the Power Plants of DVC. As such, in terms of the CERC Tariff Regulation, the supplementary tariff for the emission control system is applicable from the Commercial Operation Date of such installation. Accordingly, DVC has filed the respective Tariff Petitions before the Hon'ble Central Commission towards determination of tariff for the FGDs of all the plants mentioned above and the orders are expected to be issued in due course.

4.56 As and when CERC determines the tariff for the FGD system, the consumers will be liable to bear the cost of such system effective from the respective CODs/ODes.

4.57 This, however, does not prohibit to charge the supplementary ECR since after start of operation of ECS system, the auxiliary consumption of thermal power plants increase and the utility starts incurring cost of reagents, lime stone etc. However, such provisional charges will be adjusted subsequently after approval of ECS Tariff by CERC.

4.58 If the cost of the FGDs is not considered now, the same shall only result in increase of the carrying cost on the same, which, in true, would increase burden on the consumers. In order to avoid delay in recovery of justified costs and prevent increase in carrying cost, it is requested to allow recovery of the cost incurred on account of implementation of FGDs as per the ODe mentioned above.

4.59 By the way of objection, JCADVC has only tried to delay the recovery of the legitimate cost on account of implementation of the FGD system which is operational as on date. Such attempt will in turn hamper the environment protection issues as directed by Hon'ble Supreme Court. This legitimate cost, if not allowed to be recovered now through Tariff, will ultimately burden the consumers in long run.

4.60 Moreover, the tariff for the FGD system claimed before the CERC, which in turn has been claimed before this Hon'ble Commission as an input cost, was based on realistic projection with conservative estimation.

4.61 Further, as the FGD system is operational in most of its power plants, DVC is raising the supplementary ECR in accordance with regulation 64 of CERC Tariff Regulation 2024. The actual supplementary ECR (paisa/kWh) in respect of the FGD system installed at various DVC power plants for last few months is tabulated below:

DVC TPSs	Jun 24	Jul 24	Aug 24
MTPS 7-8	6.8	7.1	7.4
DSTPS 1-2	4.2	7	7.2
KTPS	0	7.2	7.2
RTPS	8.1	8.2	8.1
BTPS	7.1	7.1	7.3

4.62 As such, from the above Table it is amply clear that, while submitting the instant petition, DVC has not projected the cost of the FGD system arbitrarily.

4.63 Against the above backdrop, it is submitted that the contention of the objector is devoid of any merit and hence liable for reaction,

Views of the Commission

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

e. Higher Allocation of T&D Charges to Firm Consumers:

4.65 The Objector has submitted that the Petitioner has claimed Revenue from Open Access Charges towards DVC's Transmission system to the tune of Rs. 91.16 Crore for the FY 2022-23. For FY 2023-24 and FY 2024-25, the Petitioner has projected Revenue from Open Access Charges towards DVC's Transmission system based on the True up claim of FY 2022-23 (amounting to Rs. 91.16 Crore).

4.66 The Objector has further submitted that the Revenue so booked by the Petitioner is understated.

The sale portfolio of DVC can be divided into the following categories:

- Sale to firm consumers in the States of Jharkhand and West Bengal
- Export to PPA beneficiaries under schedule mode
- Sale of power to JBVNL, SAIL-BSL, JUSCO, TATA Steel, Indian Railways etc. at some points in consumer mode through its own transmission and distribution (T&D) network.

4.67 The recoverable Fixed Charges for T&D system of DVC is based on the CERC Orders and Transmission Availability based on which the recoverable Charges towards T&D system is computed as shown in the preceding section. However, it is respectfully submitted that since the T&D network of DVC is being utilised for (i) export of power to PPA beneficiaries under schedule mode outside and (ii) sale to JBVNL, SAIL-BSL, JUSCO, TATA Steel, Indian Railways etc. in consumer mode hence, the T&D systems costs ought to be shared with all such entities as well.

4.68 The break-up of the energy sales to firm consumers and outside command area consumers as per the data submitted in the Petition is tabulated below. Further, the proportionate share of AFC pertaining to T&D system for firm consumers (command area) is also computed and provided in the table below:

Table 24: Allowable T&D Charges recoverable from firm consumers of DVC for FY 2022-23 to FY 2024-25

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Outside Command Area of DVC (MUs)	**22002.99**	**22877.35**	**20779.81**
Within Command Area (MUs)	**18318.51**	**18204.69**	**19885.37**
Total Own Generation (MUs)	**40321.51**	**40665.18**	**41082.04**
Applicable (%) for Command Area	45.43%	**44.31%**	**48.90%**
T&D Charges as per AFC and TAF for Entire system (Rs. Lacs)	50599.47	50922.64	50922.64
Allowable T&D AFCs for DVC Command Area (In ratio of Energy Utilizations) (Rs. Lacs)	**22987.91**	**22565.35**	**24901.29**

4.69 In view of the aforesaid, the summary of the proposed Disallowances in Own Generation Cost of DVC Stations and T&D System is provided in the table below:

Table 25 :Summary of Disallowances in Own Generation Cost for FY 2022-23 to FY 2024-25

(In Rs. Crores)

Particulars		FY 2022-23	FY 2023-24	FY 2024-25
Total Own Generation Cost as per Petitioner	A	10,001.30	9,709.18	11,130.19
Total Own Generation Cost as per Objector's Assessment	B	7,876.12	7,567.79	7,796.02
Disallowance in Own Generation Cost	**C=B-A**	**2,125.18**	**2,141.40**	**3,334.18**

Petitioner Submission

4.70 At the outset, the Petitioner has submitted that the objection raised by the Consumer Association is misconstrued and liable to be rejected. The Objector has wrongly conceptualized regarding the power evacuation from Generating stations of DVC to different beneficiary of DVC.

4.71 The Petitioner has further submitted that the objector has alleged that, DVC undertakes sales in three categories which utilize the integrated Transmission and Distribution network of DVC. In this regard it is humbly submitted that sale to firm consumers both in Jharkhand and West Bengal state and the sale to the open access consumers utilizes the integrated Transmission and Distribution network of DVC. Accordingly, cost of the integrated Transmission and Distribution to be shared between this two categories of consumers. In this regards, relevant portion of the order issued by the Central Commission {in petition no. 482/TT/2020, 713/TT/2020 and 87/MP/2021) is attached herewith as Annexure —2 (colly.). Accordingly, DVC has claimed the entire Annual Fixed Charge {AFC) of its integrated T&D network in the instant petition after deducting the open access charges received from the open access consumers.

4.72 It is also denied that, SAIL-Bokaro and JUSCO are open access consumer of DVC as has been alleged by the Objector. Sail-Bokaro and JUSCO are taking power from DVC in firm mode like other firm consumers of DVC and the Tariff for such sale is being determined by this Hon'ble Commission. As such, DVC has not under stated the revenue realized from the open access consumer during the FY 2022-23. The details of the open access charges received from the consumers during the FY 2022-23 has been submitted duly certified by a chartered accountant firm,

4.73 Regarding the claim that the sale made to the beneficiary on export also utilizes the integrated T&D network of DVC, it is submitted that, the sale to different licensees in scheduled mode is undertaken by DVC in its capacity as generator and is guided by CERC regulations. The scheduling to the beneficiaries is done at the Ex-bus of the respective generating stations, thereafter the responsibility of evacuation of power through CTU network lies with the beneficiaries. The tariff of CTU network is being directly recovered from such licensees by PGCIL through POC mechanism. As such, DVC's unified Transmission and Distribution network is not being utilized in the said evacuation process except in case of MTPS 5&6 and CTPS 788. As in those generating stations there is no direct connectivity with the CTU, these generating stations are connected with the CTU in the nearby DVC substation having CTU connectivity.

4.74 In this regard it is also pertinent to mention that, a portion of the power from RTPS 1-2 and MTPS 7-8 is being utilized by the firm consumers, however, such generating stations are s0lely connected with the CTU network. The firm consumers do not have to bear proportionate cost of the transmission lines evacuating power.

4.75 ERPC after extensive study, declared four nos. of 400 kV lines of DVC as Non-ISTS line carrying ISTS Power during 2017-18. CERC thereafter has separately determined the AFC for such assets and directed to recover the cost of such lines from the POC pool. Accordingly, the tariff of such assets is currently being serviced through POC mechanism. Therefore, DVC did not include AFC of such lines in the ARR of its Distribution Activity. A copy of the relevant portion of the latest CERC orders as annexed an annexure- in the public hearing reply.

4.76 This same issue was earlier raised by the objector against which DVC has already provided its detail justification. This Hon'ble Commission has persistently over the years have allowed the entire AFC of the unified T&D network of DVC as determined by CERC to recover from the firm consumers after segregating the same between the two states i.e. state of Jharkhand and state of West Bengal based on their respective sales ratio.

4.77 It is also pertinent to mention here that Hon'ble WBERC has also approved following exactly the same methodology as adopted by this Hon'ble Commission in its various orders.

4.78 Therefore, DVC prays before this Hon'ble Commission to continue with the settled methodology of the previous orders regarding the recovery of the AFC of unified T&D network of DVC utilized in the Distribution and Retail Sale activity.

4.79 In light of the above, the abjection raised by the objector is devoid of any merit and liable to be rejected.

Views of the Commission

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

f. Power purchase Cost:

4.81 The Objector has submitted that UI charges are commercial mechanism to maintain grid discipline. The UI charges penalizes whosoever causes grid indiscipline, whether generator or distributor. Accordingly, the Objector pray to disallow the amount pertaining to UI charges claimed by the Petitioner in Power Purchase Cost.

Petitioner Submission

4.82 The Petitioner has submitted that the objective of the Unscheduled Interchange (UI) mechanism is to maintain grid discipline and stability through commercial mechanism. UI is a part and parcel of Schedule and Despatch mechanism of energy accounting. It is a well settled principle that the DC/Schedule of the next day (D+1) is submitted to the respective RLDC on estimation basis in the evening of the previous day (D). Thereafter, the actual over/under injection/drawal is taken care of by the UI mechanism through commercial terms as specified in the DSM regulation, as power generated cannot be stored and has to be evacuated simultaneously. The objector has alleged that due to inefficiency or incompetency on the part of DVC, the UI cost was incurred. It can be inferred from the said contention, that in order to be efficient in operation, the day ahead estimation of DC/Schedule need to be absolutely accurate for all 96 blocks in a day and for entire 365 days in a year which is not practically possible for any human being/advanced software/Als etc. Real scenario of load generation balance actually depends on many factors and eventualities which keep on changing continuously. Under the present circumstances UI is bound to happen for maintaining grid stability and therefore, there is mechanism in place to take care of the deviation through commercial terms.

4.83 The objector has wrongly placed reliance on some old press release and discussion paper. They have not shown any concrete Regulations or Act which mandates against the cost of UI.

4.84 In fact, under the present arrangement of power drawal by the Consumers in firm mode, they are free to reduce or increase their drawal irrespective of the grid frequency. But DVC, being a grid connected entity, is responsible for making payment in the form of UI/DSM | charges for any overdrawal/underdrawal from the grid. Whenever the total generation of (DVC along with power purchase becomes insufficient to meet up the demand of the consumers, then only the net drawal of UI comes into the picture and so comes the commitment of UI payment. In fact, power so drawn through UI from the grid into the DVC system, is used by the consumers themselves.

4.85 So, in one hand while Consumers are enjoying the uninterrupted power at the time of their overdrawal without sharing any responsibility to maintain the grid frequency, on the other hand they are questioning on the UI charges being paid by DVC to make good the deficit for supply to consumers.

4.86 It has always been a commitment of DVC to maintain 24x7 power supply to our consumers except for some technical exigency which is beyond DVC's control. In doing so, the instantaneous mismatch of load and generation is equated through the UI mechanism,

4.87 Therefore, itis humbly prayed before this Hon'ble Commission to allow the cost of UI which has already been incurred to maintain the 24x7 power supply by accommodating demand variations arbitrarily caused by consumers. It is also submitted that, this Hon'ble Commission has persistently, over the years, has allowed the cost of UI in its pervious True-up orders for DVC appreciating the uncontrollable nature of the element. Hon'ble WBERC has also allowed the cost of UI in its various past True-up orders. Moreover, in accordance with the JSERC Distribution Tariff Regulation 2020 for distribution activity, Power Purchase Cost which includes the UI purchase is uncontrollable in nature.

Views of the Commission

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

g. REC Charges:

4.89 DVC has claimed Rs. 271.46 Crore towards REC charges for the FY 2022-23 in view of purchase of Solar and Non-solar REC amounting to Rs. 131.68 Crore and Rs. 139.78 Crore respectively.

4.90 In a similar manner, DVC has projected Rs. 171.27 Crore and Rs. 181.45 Crore towards REC charges for the FY 2023-24 and FY 2024-25 respectively.

4.91 It is humbly requested before the Hon'ble Commission to not allow any cost towards non fulfilment of RPO obligation. This is owing to the fact that RECs are associated with compliance but not with real exchange of power between the transacting parties. In such regard, the cost towards REC as a means of RPO fulfilment is a sunk cost.

4.92 Recognizing that the purchase of REC would result into additional burden onto the consumers without any real power being purchased, the Hon'ble Uttar Pradesh Electricity Regulatory Commission vide

Regulation 7 of the Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 provides for the creation of RPO Regulatory fund the mandate of which is as follows:

"7. RPO Regulatory Fund

If the obligated entity does not fulfill its commitment towards minimum purchase from renewable energy sources during any year as provided in these regulations, the Commission may direct the obligated entity to deposit into a separate fund such amount as the Commission may determine on the basis of the shortfall in units of renewable purchase obligation, RPO Regulatory Charges and the forbearance price. For this purpose, a fund shall be created and maintained by such obligated entity in accordance with the procedure as referred to in clause 8.2:

Provided that RPO Regulatory Charges shall be equivalent to the applicable preferential tariff for solar or non-solar renewable energy sources or any other rate as may be stipulated by the Commission:

Provided further that the RPO Regulatory Fund so created shall be utilised, as may be directed by the Commission, for purchase of the certificates or for development of transmission and distribution infrastructure in the State related to generating stations based on renewable energy sources or in any other manner as may be stipulated by the Commission:

Provided further that the Commission may empower the State Agency to procure out of the amount available in the fund the required number of certificates from the Power Exchange:

Provided also that the obligated entity shall be in breach of these regulations if it fails to deposit the amount directed by the Commission within fifteen days from the date of communication of the direction:

Provided also that where any obligated entity fails to comply with the obligation to purchase the required percentage of power from renewable energy sources and/or the renewable energy certificates, it shall be liable for action as may be decided by the Commission."

4.93 The Petitioner submits that instead of incurring additional Power purchase cost on account of REC purchase for RPO fulfilment, these

Regulations allow for the creation of RPO Regulatory fund which can be utilized for development of Capital works pertaining to Transmission and Distribution network. It is further submitted that since Utilities anyways incur Capital Expenditure for the development or upgradation of its network, the availability of such fund would make the utility draw less debt (or equity). This would relieve the burden of the consumers who would otherwise been burdened by the additional Power purchase costs.

4.94 The Respondent submits that such provision is in the interests of the Utilities and consumers, thereby it is respectfully submitted before the Hon'ble Commission to make suitable amendments in the Tariff provisions to reduce the burden on the consumers of the state.

4.95 In view of the submissions made above, the Hon'ble Commission is requested to direct the Petitioner to deposit the amount equivalent to RPO shortfall in a separate RPO Fund which shall assist Utility in other development purposes and disallow the REC Cost amounting to Rs. 271.46 Crore.

Petitioner Submission

4.96 The objector has cited a regulation of Hon'ble Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) and has stressed upon for creation of a separate fund in place of purchase of REC. Ultimately, they have claimed that the cost of Renewable Energy Certificate (REC) is to be disallowed as it is not consistent with the UPERC Regulation.

4.97 In this regards it is submitted that, such claim of the objector against the instant petition is unjustified and misleading. The objector must be well versed with the rules & regulations of the electricity sector; hence they could have raised such issue during the formulation of the Tariff Regulation by the Hon'ble Regulators itself. Instead of raising such concerns at an appropriate time, they are misleading this Hon'ble Commission by citing a regulation of another state.

4.98 In fact, the referred clause itself clearly states that the separate fund provided in the regulations may be used for purchase of certificates, (i.e. the Renewable Energy Certificates). The relevant clause is again reproduced here,

> *"Provided further that the RPO regulatory fund so created shall be utilized, as may be directed by the Commission, for purchase of the certificates or for development of transmission and distribution infrastructure in the state related to generating stations based on renewable energy sources or in any manner as may be stipulated by the Commission."*

4.99 Moreover, the regulations do not provide anywhere that the Cost for RPO compliance should be enforced through maintaining a separate fund which could be utilized for fulfilling of RPO directly or indirectly.

4.100 Disallowance of cost incurred for RPO compliance, shall only deter the obligated entities to plan for the compliance of the regulations set by the Hon'ble Commission. REC {green attributes of RE power) is a mechanism which allows the obligated entities to comply with the RPO set by the respective SERCs, in case they are not able to purchase power from the renewable energy sources. DVC at present has very limited capacity of renewable energy sources and is planning for significantly increasing its renewable energy capacity gradually in the next 4-5 years and relevant efforts are in the progress. However, till such time, DVC needs to purchase RECs to comply with the RPO regulations.

4.101 Needless to say, here that as per Regulation A6 of the JSERC (Renewable Energy Purchase 'obligation and its compliance) Regulation 2016, REC is a valid instrument for fulfilment of Renewable Purchase Obligation.

4.102 Accordingly, DVC has already acted upon in terms of such regulation notified by this Hon'ble Commission and purchased a considerable amount of REC to fulfil its RPO. Therefore, DVC humbly prays before this Hon'ble Commission to allow the cost of REC purchase as already incurred by DVC.

4.103 As such the observation of the objector is incorrect.

Views of the Commission

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

h. Interest on Temporary Financial Accommodation:

4.105 The Objector has submitted that the Petitioner has claimed towards Interest on temporary financial accommodation violates provisions contained in the erstwhile JSERC Distribution Tariff Regulations 2020. It is well settled in law that the Appropriate Commission is bound to follow its own Regulations while framing Orders. There is no ARR item such as Interest on temporary financial accommodation in the JSERC Distribution Tariff Regulations 2020 and hence, such claim ought to be disallowed. Any reference to WBERC Regulations/ Order will not entitle DVC to claim such amount before Hon'ble JSERC.

4.106 The framework of the Tariff Regulations (Interest on Working Capital) along with Supply Code (Security Deposit) provide sufficient cushion and margin towards Working capital requirements.

4.107 The Petitioner has failed to provide any explanation or justification regarding the necessity of the funds in question or the specific amount required by the Licensee. Without any supporting evidence or documentation to substantiate these claims, the Petitioner's argument is unconvincing and lacks credibility. This omission leaves the claim ungrounded, devoid of any substantial reasoning, and it does not offer any insight into why the funds were needed or how the amounts were calculated. Consequently, the claim appears baseless and unsupported by any logical or factual foundation, rendering it unpersuasive and insufficiently justified.

4.108 The approach of claiming Interest on Temporary Financial Accommodation is penalizing the timely paying customers at the cost of defaulting consumers. Such an approach promotes inefficiency and is against the interest of justice.

Table 26: Proposed Disallowance in Interest on temporary Financial Accommodation

(In Rs. Crores)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Interest on temporary Financial Accommodation claimed by the Petitioner	0.27	0.29	0.36

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Disallowance as per Objector's assessment	**0.27**	**0.29**	**0.36**

Petitioner Submission

4.109 The Petitioner has submitted that the grounds that have been raised now by the objector were also raised by them on the earlier occasions. DVC has already submitted detailed justifications for requirement of Interest on temporary financial accommodation to be passed through in tariff in its True-up petition for FY 2016-17 submitted vide letter dated 10.10.2018. In the said petition, DVC referred to various APTEL judgements which validates that interest on temporary financial accommodation is to be passed through in Tariff in lieu of the delayed payment surcharge (DPS) being deducted from the ARR as NTI. Relevant portion of the order passed by this Hon'ble Commission dated 28.05.2019 for truing up of 2016-17 as annexed as Annexure-4 in reply.

4.110 It is to be appreciated that, bills against DPS is raised when there is a delay in recovery of the bill amount within the due date. The Interest on the working capital (IWC) should be allowed to cover the expenditure upto the due date of payment. When a consumer makes the payment beyond the due date, the licensee has to bear the additional cost of arranging such shortfall in cash flow beyond the due date upto the date when the payment is actually realised by taking loan from the market. Working capital and the cost thereto is already a defined and determined part of tariff and does not cover any unpaid bill. This additional burden is not serviced through the Tariff as determined by this Hon'ble Commission. However, on the other hand, the entire DPS claimed from defaulting consumer on account of delay in payment is deducted from ARR as NTI.

4.111 As the DPS is considered as NTI and is deducted from the ARR, the timely paying consumers are getting benefit on account of the penalty being paid by some others. In this regard, this Hon'ble Commission in its previous tariff orders dated 18.05.2018, 28.05.2019, 29.09.2020, 30.09.2020, 30.01.2023 and 22.01.2024 has justifiably allowed the Interest on Temporary Financial Accommodation against the deduction of DPS from the ARR. Relevant portion of the tariff order dated 30.09.2020 (True-up for FY 2018-19) is reproduced below:

> *"The Commission is of the view that the Petitioner be allowed the Interest on Temporary Financial Accommodation on the principal amount of the Delayed Payment Surcharge. it is observed that the DPS amount is charged at 18.00% p.a. on the Principal Amount, whereas the interest rates for accommodating such shortfall is 12.20%. However, as per the submissions made by Petitioner, it is observed that the amount claimed for Interest on Temporary Financial Accommodation is higher than the Delayed Payment Surcharge claimed. The Commission has approved the interest of 12.20% on the principal amount outstanding on which DPS was charged for improving the liquidity of the Petitioner."*

4.112 Thus, it is clear from the above-mentioned portion of the tariff order that the matter related to Interest on Temporary Financial Accommodation is already settled by the Hon'ble Commission through its previous orders. Thus, the objection raised by the Consumers Association is baseless and liable to be rejected.

Views of the Commission

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

i. Rebate on sale of power for Consumer of Jharkhand:

4.114 The Objector has submitted that each of the rebate prescribed in the terms and condition of supply is either provided to the consumer as such rebate facilitates optimization of cost for DVC or is in the form of disincentive to DVC for inaction. The same is explained below:

- Voltage Rebate – Such a rebate is to encourage consumers to move to higher voltage level as the losses on higher voltage is lower thereby leading to lower cost of service to DVC.
- Load Factor Rebate – Load Factor Rebate incentivizes energy consumption by customers and it leads to better capacity utilization of infrastructure to DVC and reduced losses. High load factor of consumers reduces the transmission losses and consequently power purchase cost. Higher load factor also reduces the transformer losses.

- Rebate for Online Payment and Due Date Payment – Timely and prompt payment reduces the working capital cost of DVC. Online payment optimises the O&M costs for DVC.

- Rebate for Prepaid Metering – Prepaid metering reduces the working capital cost of DVC and also optimises the O&M costs.

- Rebate for Delayed Billing – This rebate is provided to consumers to promote prompt and timely billing by DVC. This is in the nature of a disincentive.

4.115 It is evident that the rebates in question either serve to optimize the cost structure of DVC or act as a disincentive. Including these rebates in the Aggregate Revenue Requirement (ARR) would contradict the very purpose of offering them. Rebates are typically designed to reduce costs or incentivize certain behaviors, and their inclusion in the ARR would negate these intended effects. Furthermore, it is important to note that the JSERC Distribution Tariff Regulations 2020 do not mandate that rebates should be factored into the ARR. This omission underscores the argument that including rebates in the ARR is both unnecessary and counterproductive.

4.116 Regarding the projection of rebates for FY 2023-24 and FY 2024-25, the Petitioner has failed to justify the assumption of rebates at 2% of the ARR. Besides being fundamentally unjustifiable, the Petitioner's arbitrary method of projecting these expenses appears speculative and should be given minimal weight by this Hon'ble Commission.

4.117 The Objector respectfully prays that the rebates cannot be allowed to be added as an ARR item and hence the claimed amounts may be disallowed.

Table 27: Proposed Disallowance in Rebate on Sale of Power for DVC Jharkhand

(In Rs. Crores)

Particulars	FY 2022-23	FY 2023-24	Fy 2024-25
Disallowance in Rebate on Sale of Power for DVC Jharkhand as per Objector's Assessment	**74.15**	**141.91**	**141.91**

Petitioner Submission

4.118 This is with regards to the point raised by the objector in para 2.4.2 of the objections. In this context, it is to submit that DVC has already submitted before this Hon'ble Commission the detailed break-up of Rebate on sale of power, duly reconciled with the Annual accounts for FY 2022-23. Further, for FY 2023-24 and FY 2024-25 it has projected the rebate on sale of power at 2% of the ARR of that particular year, based on the previous year's actual truing- up data submitted.

4.119 Regarding the contentions raised by the Objector, it is submitted that unlike other businesses, the electricity business fall under the regulatory regime whose tariff is determined on cost plus basis following stringent guideline-and prudence check. Therefore, there is no scope for any distribution licensee to charge any arbitrary tariff and from there to offer any rebate/incentive.

4.120 The different rebate scheme i.e. Voltage Rebate, Load Factor Rebate etc. is designed to encourage the consumers to maintain a good load profile, so that overall saving can be made on the cost of electricity. As the tariff of electricity is determined on cost plus basis, any savings on account of improvement of load profile of consumers is already passed through in the ARR. Therefore, it is wrong and denied that the rebate structure offered to consumers is in the form of disincentive to DVC. The Tariff and rebate structure ought to be designed in such a way that, DVC can recover the ARR (the cost of the licensee) after providing all rebate in accordance with the tariff order.

4.121 Most importantly, Rebate on sale of power for the Jharkhand consumers claimed in this petition, is only the prompt payment rebate passed on to the consumers in accordance with the Clause VI of Chapter 10 of the tariff order dated 22.01.2024. As per the accounting policy followed by DVC, the income is booked based on the gross revenue billed to the consumers. The prompt payment rebate allowed to the consumer over the gross revenue is booked separately on the expenditure side. Hence if such expenditure (i.e. the prompt payment rebate) is not allowed by JSERC, then DVC will be deprived from recovery of the approved ARR.

4.122 While computing the Revenue Gap/Surplus, this Hon'ble Commission has deducted the Gross Revenue (as per the books of accounts) from the approved ARR. As such the gross revenue is inclusive of the prompt payment rebate allowed to the consumers and as a result DVC only recovers the net revenue (i.e. Gross Revenue —Prompt Payment Rebate) against the bills preferred. Gross revenue is booked for the accounting purpose only. Hence, if the prompt payment rebate is not allowed in the ARR, then this will amount to levying penalty on DVC for passing on the prompt payment rebate as per the direction of this Hon’ble Commission.

4.123 This similar issue was raised by the objector in the earlier occasion as well, against which DVC has already furnished its detail justification. This Hon’ble Commission after thorough Scrutiny has allowed the claim of the prompt payment rebate in its previous order dtd. 28.05.2019, 29.09.2020, 30.09.2020 and 30.01.2023. As such the principle of allowing the rebate on sale of power i.e. the prompt payment rebate is already settled by this Hon’ble Commission in these previous orders.

4.124 Hon’ble WBERC has also adopted the same principle and allowed the Rebate on Sale of Power as a passed through element in its various APR order.

4.125 However, in the recent True-Up order dated 22.01.2024, this Hon’ble Commission has deviated from such settled principle and disallowed the claim of the Rebate on Sale of Power citing the reasons that it has considered the net Revenue Billed value which is not the case in actual. In the True-UP order for FY 2021-22, this Hon'ble Commission has considered the Net Revenue Billed as Rs. 3614.2 Crs against our claim of Gross Revenue of Rs. 3511.26 Crs. According to DVC, if the net Revenue Billed was considered correctly by the Hon’ble Commission, it could never have been more than the Gross Revenue Billed value as was booked in the annual accounts. Similar error has been committed in the True-Up order for FY 2020-21 also. Aggrieved by the decision of this Hon’ble Commission, DVC has already filed an appeal before APTEL against such True-Up orders.

4.126 The detailed break-up of the Rebate on Sale of Power duly reconciled with the annual accounts has already been submitted in the instant petition.

4.127 Regarding the claim of the Rebate on Sale of Power for the FY 2023-24 and FY 2024-25, itis submitted that, most of the consumers of DVC is availing the maximum rebate of 2%, hence DVC has claimed the rebate as 2% of the ARR on provisional basis which will be adjusted with actual during the truing up of the respective years.

4.128 As such the contention raised by the Consumers Association is devoid of merit and amounts to misrepresentation of the fact and therefore, liable to be rejected.

Views of the Commission

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

j. Non-Tariff Income

4.130 Non-Tariff Income has been defined under the JSERC Tariff Regulations 2020, as under:

> *"**20. 'Non-Tariff Income'** means the net income relating to the regulated Business other than from Tariff, excluding any income from Other Business and, in case of the Retail Supply Business of a Distribution Licensee, excluding income from receipts on account of cross-subsidy surcharge and additional surcharge and Other Business;*
>
> ***Non-Tariff Income***
> *10.53 The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Retail Supply Tariff and Wheeling Charges of the Distribution Business:*
> *Provided that the Distribution Licensee shall submit full details of its forecast of Non- Tariff Income to the Commission in such form as may be stipulated by the Commission.*
> *10.54 The Non-Tariff Income shall include:*
> *a) Income from rent of land or buildings;*
> *b) Income from sale of scrap;*
> *c) Income from investments;*
> *d) Interest accrued on advances to suppliers/contractors;*
> *e) Interest income on loans/advances to employees;*
> *f) Income from rental of staff quarters;*
> *g) Income by rental from contractors;*
> *h) Income by hire charges from contactors and others;*
> *i) Income from delayed payment surcharge, supervision charges, etc.;*

j) Supervision charges for capital works;
k) Income from recovery against theft and/or pilferage of electricity;
l) Income from advertisements;
m) Income from sale of tender documents;
n) Profit from sale of Assets (i.e. difference of Sale value and Book value of Asset);
o) Any other Non-Tariff Income:
Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Licensee shall not be included in Non-Tariff Income.
Provided that the onus to substantiate, to the satisfaction of the Commission, that such investments have been out of Return on Equity shall be on the Licensee."

4.131 The above definition of Non-Tariff Income provides for items to be included and excluded from Non-Tariff Income. Any other income earned by the Petitioner has to be treated as Non-Tariff Income in terms of the aforesaid Regulations and applied as a reduction from the ARR.

4.132 The following table has been prepared from the Audited Accounts of DVC (FY 2022-23) which present the head wise details under the Non-Tariff Income:

Table 28 : Allowable Non-Tariff Income for the FY 2022-23 as per Annual Accounts of FY 2022-23

(In Rs. Crores)

Particulars	FY 2022-23
Revenue from Non-Core Activities	
a) Interest	
from Employee loans & advances	0.10
from Noncurrent investment	1.18
on IT Refund	1.06
Int. on adv. to contractors & Suppliers	0.02
Int. on Short term Deposit	0.23
Int. on CLTD	0.13
From Others	0.92
b) Dividend	
Dividend- Noncurrent investment	236.57
c) Government Grants	
PMKUSUM Grant	(0.49)
d) Other Non-operating income	
Delayed Payment Surcharge	519.95
Income from service charge	19.70
Profit on disposal of fixed assets	19.20

Particulars	FY 2022-23
Provision for Tariff Adjustment – Written Back	5.00
Provision – Written Back -Doubtful Debts	4.74
Provision – Written Back -Stock-Current Assets	0.19
Provision – Income Tax - Written Back	-
Other misc. Income	-
Sub -Total Direct	**995.08**
Share of Revenue Income	
Inter Head Transfer	28.10
Common Service	(0.87)
Capitalized	(7.17)
Total Share	**20.06**
Total Direct & Share	**1015.14**

4.133 It is also our objection that the DVC has not provided any break-up of the NTI based on business segments in which it operates namely Generation, Transmission and Distribution/Retail supply. This aspect has been time and again noted by thus Hon'ble Commission but the Licensee has not been bifurcating the Non-tariff income amongst the heads as desired by this Hon'ble Commission for appropriating treatment of Non-tariff income amongst different verticals of DVC.

4.134 In the remand proceedings for the FY 2006-12, this Ld. Commission has taken an affirmative view in respect of the treatment of Non-tariff income for the DVC's Distribution business in Jharkhand. Relevant extracts of thr findings of this Hon'ble Commission in the Order dated 23.07.2024 in Case (Tariff) No. 09 of 2020 is reproduced below:

> *"79. In compliance of the direction of Hon'ble APTEL, the petitioner-DVC had submitted the data/information/material vide letter no. Coml./Tariff/JSERC/1568 dated 23.02.2024. However, the Commission on scrutinizing and analyzing the data/information submitted by the petitioner has observed that the relevant Non-Tariff Income was not segregated under different heads pertaining to the Generation, Transmission and Distribution as specified by this Commission. Accordingly, the Commission had re-directed the petitioner to submit the Non-Tariff Income duly segregated between its generation, transmission, distribution and other businesses.*
>
> *80. In reply to data discrepancies the petitioner has failed to provide any such segregation of accounts in its submission dated*

23.02.2024,15.04.2024 and 05.07.2024, despite of the several directions by this Commission and the hon'ble Tribunal in this regard. The same is also evident from the reasons mentioned hereinabove.

81. Furthermore, the Commission holds the opinion that Non-Tariff Income (NTI), as per the Electricity Act, 2003, and the JSERC Tariff Regulation, includes both income generated from the licensed business (i.e., the retail supply activity of petitioner's distribution business) aside from tariff income, as well as income generated from its other businesses.

82. Therefore, the Commission is the view that the entire 'Other Income' based on the audited accounts, in absence of any segregation for the reasons set out hereinbefore is liable to be deducted from the ARR of the distribution/retail supply tariff of petitioner."

4.135 Therefore, this Hon'ble Commission interprets Non-Tariff Income (NTI), as defined by the Electricity Act, 2003, and JSERC Tariff Regulation, to include all income generated by the Petitioner's distribution business beyond tariff income, encompassing earnings from both its retail supply activities and "other business" operations. It is on account of DVC's failure to segregate these income sources in its audited accounts that the Commission determined that the entire "Other Income" must be deducted from the Aggregate Revenue Requirement (ARR) of the distribution/retail supply tariff in Jharkhand.

4.136 Thus, in view of the above, the allowable NTI is to the tune of Rs. 1,105.14 Crores for the True up of FY 2022-23.

4.137 Further, in the absence of Audited Accounts of the FY 2023-24 and FY 2024-25, the Objector pleads before this Hon'ble Commission that the NTI allowable for the True up of FY 2022-23 be considered for the FY 2023-24 and FY 2024-25 as well.

Petitioner Submission

4.138 The contents of the objection are vehemently denied. in this regard, it is submitted that only Delayed Payment Surcharges ("DPS") pertaining to the distribution activity of DVC is liable to be treated as NTI because the entire capital expenditure incurred by DVC is allocated exclusively towards its generating stations and the deemed unified inter-state transmission network. Consequently, no capital expenditure is specifically attributable to its distribution activity. As a result, entire capital expenditure made by DVC for its electricity business is serviced either through Generation Tariff or through Transmission Tariff determined by the Ld. CERC.

4.139 NTI, as specified in the Distribution Tariff Regulation of this Hon'ble Commission only pertains to the regulated business which in this case is limited to the Retail Supply activity of DVC in the Jharkhand State.

4.140 The objector has consistently misconstrued other income of DVC as per the audited books of Accounts as non-tariff income of the distribution activity. In this respect it is once again reiterated that, this Hon'ble Commission does not allow any tariff pertaining to the capital base of the corporation as well as the manpower cost. The entire capital expenditure, 0&M expenditure inclusive of the manpower cost of the corporation, are being determined by the Central Commission.

4.141 This Hon'ble Commission only allows minuscule incidental expenditure regarding the retail supply activity of the corporation in Jharkhand area, such as Interest on Security Deposit, Interest on Working Capital, Tariff Filling Fees and publication Expenses, etc. Therefore, as per the definition of the NTI, all other heads except the DPS, are not applicable in case of DVC. This Hon'ble Commission, in the past has consistently held DPS as the only NTI in case of the Distribution Activity of DVC. However, in the tariff order dated 31.10.2023, for the first time, this Hon'ble Commission has departed from their earlier stand, by citing the reasons that as the other income of DVC has not been considered by CERC, and Tariff so determined by the Central Commission ultimately impacts the end users, hence the entire other income is considered as the NTI of the distribution activity. Being aggrieved DVC filed an appeal (Appeal No. 845 of 2023) before the APTEL. The Hon'ble Tribunal vide order dated 05.02.2023 was pleased to set aside the order of this Hon'ble Commission by holding as follows:

"The 1st Respondent Commission's jurisdiction to determine the tariff is

confined only to the retail supply business of the Appellant within the State of Jharkhand, and not beyond. Consequently, the 1st Respondent Commission lacked Jurisdiction to include the non-tariff income of the Appellant arising from its generation, transmission and other businesses as its non-tariff income with respect of jts distribution business. The tariff of the Appellant, with respect to its generation and transmission business, is determined by the CERC in terms of its Regulations; determination of the tariff for its distribution business in the State of West Bengal falls within the jurisdiction of WBERC, and in the State of Jharkhand within the Jurisdiction of the 1st Respondent Commission. Even if the CERC had not taken into consideration the non-tariff income derived by the Appellant from its generation, transmission and other businesses, in determining its tariff, such an error could only have been corrected by the CERC; and the mere fact that it may have a bearing on the input cost, while determining the tariff of the Appellant's distribution business in the State of Jharkhand, would not confer Jurisdiction on the 1st Respondent to reduce such non-tariff income from the annual revenue requirement of the Appellant for its distribution business in State of Jharkhand.

Since determination of the non-tariff income of the Appellant will have a bearing on determination of their ARR, for FY 2006-07 to FY 2011 -12, we request the Commission to undertake the exercise with utmost expedition, and endeavor to pass an order afresh at the earliest, preferably within three months from the date of receipt of copy of this order. Needless to state that, before passing an order afresh in the light of the aforesaid observations, all the parties to the proceedings shall be afforded o reasonable opportunity of being heard. The appeal is, accordingly, disposed of. All pending IAs, if any, shall stand disposed of"

4.142 Regarding the contention raised on the issue that DVC has failed to segregate the other incomes between the distribution activity and the other business, it is humbly submitted that, DVC in the instant petition has submitted detailed break-up of its other Income and also provided justification against each of the items as to why such income cannot be construed as the non-tariff income from distribution activity. For sake of brevity, such justification is not repeated herein.

4.143 Regarding the contention raised on the income from the "other business", it is submitted that, such contention is misconstrued and devoid of any merit. The income from the other business is defined in the Distribution Tariff Regulation, wherein the other business has been restricted to the business which utilizes the assets of the Distribution Business. The relevant portion of the regulation is reproduced below,

> *"17. 'Income from Other Business' is the income received by the Distribution Licensee other than from Tariff towards usage of assets and/or manpower relating to regulated Business and shall exclude Non-Tariff Income;"*

4.144 Therefore, the submissions of the Consumer Association are bereft of merits and are liable to be dismissed.

Views of the Commission

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

k. Interest on Working Capital

4.146 The Objector has submitted that as per Clause 10.30 and 10.31 of the Tariff Regulations, working capital shall comprise of:

> *"**Interest on Working Capital***
>
> *10.30 Working capital for the Wheeling Business for the Control Period shall comprise:*
>
> *a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*
>
> *b) Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*
>
> *c) Amount, if any, held as security deposits.*
>
> *10.31 Working capital for the Retail Supply of Electricity for the Control Period shall comprise:*
>
> *a) Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus*
>
> *b) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus*
>
> *c) Amount held as security deposits under Clause (a) and Clause (b) of*

subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for Wheeling Business; minus
d) One-month equivalent of cost of power purchased including the Inter-State and Intra-State Transmission Charges and Load Despatch Charges, based on the annual power procurement plan."

4.147 However, the Hon'ble State Commission in the Tariff Order for FY 2012-13 dated 22.11.2012 has made the following observations (as shown below) with respect to the GFA and O&M cost of the Petitioner:

"7.40 However, the Commission noticed that the GFA and O&M cost of the Petitioner cannot be segregated into that of pertaining to generation and transmission business and that for distribution and retail business at present. Hence, applying the aforementioned methodology for computation of IWC is not possible. Therefore, the Commission decided to continue with the methodology as applied by the Commission for truing up the ARR for FY 2006-07 to FY 2011-12 in this Order."

4.148 Further, the Interest on working capital has been worked out by Hon'ble Commission in the past orders dated 18.05.2018, 28.05.2019, 30.09.2020, 30.01.2023 and 22.01.2024 also consistent with its approach in the Order dated 19.04.2017, wherein its observations were as under:

"6.55 However, since the O&M cost and other expenses of the Petitioner are included in the cost of generation of power from its own stations, applying the aforementioned methodology as per the 'Distribution Tariff Regulations, 2010' is not possible.
6.56 Hence, the Commission has adopted the same methodology as described in the Tariff Order for FY 2012-13 dated 22nd November, 2012."

4.149 The Hon'ble Commission has considered the Working Capital entitlement of DVC as 1% of the revenue sales.

4.150 The Hon'ble Commission is humbly requested to disallow the Petitioner's claim of Rs. 76.33 Crores during the FY 2022-23 and approve Rs. 3.78 Crore computed in line with the Hon'ble

Commission's observations and consistent methodology for computing Interest on Working Capital and the same is provided in the table below:

Table 29 : Claimed Vs. Allowable Interest on Working Capital for the FY 2022-23

(In Rs. Crores)

S. No.	Particulars	Petitioner's Claim	Objector's Assessment
A	Revenue from sales in Jharkhand	5,572.93	3,598.00
B	Cost of power purchase allocated for Jharkhand in the ratio sales	956.36	
C	Two months receivable (A/6)	928.82	
D	One month power purchase cost (B/12)	79.70	-
E	Security deposit held	158.36	
F	Working Capital (C-D-E)	690.76	
	Working Capital Requirement in Jharkhand Area (at 1% of Revenue from sale of power)	-	35.98
G	Interest rate (%)	11.05%	10.50%
H	**Interest on Working Capital for Jharkhand Area**	**76.33**	**3.78**

4.151 Likewise, the allowable Interest on Working Capital for the FY 2023-24 and FY 2024-25 would be as under:

Table 30 : Claimed Vs. Allowable Interest on Working Capital for the FY 2023-24 and FY 2024-25

(In Rs. Crores)

S. No.	Particulars	Petitioner's Claim		Objector's Assessment	
		FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
A	Revenue from sales in Jharkhand	5853.18	7095.67	3788.40	4215.56
B	Cost of power purchase allocated for Jharkhand in the ratio sales	868.24	1031.86		
C	Two months receivable (A/6)	975.53	1182.61		-
D	One month power purchase cost (B/12)	72.35	85.99		
E	Security deposit held	165.11	174.92		
F	Working Capital (C-D-E)	738.06	921.71		

S. No.	Particulars	Petitioner's Claim		Objector's Assessment	
		FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
	Working Capital Requirement in Jharkhand Area (at 1% of Revenue from sale of power)	12.05	12.05	37.88	42.16
G	Interest rate (%)	-	-	12.00	12.00
H	**Interest on Working Capital for Jharkhand Area**	**88.94**	**111.07**	**4.55**	**5.06**

Petitioner Submission

4.152 Regarding the claim of DVC for Interest on Working Capital in respect of its distribution activity, it is submitted respectfully that the tariff in respect of the entire assets related to generation and T&D network is determined by the Hon'ble CERC. In terms of para 111 of the judgment dtd. 23.11.2007 by Hon'ble APTEL, the T&D System of DVC has been considered as unified deemed inter-state transmission system for the purpose of tariff determination. As such T&D network of DVC is not segregated into assets specifically assigned to its distribution activity and transmission activity within the two contiguous states namely Jharkhand and West Bengal. Hence jurisdiction of determination of tariff lies with the Central Commission. Relevant portion of the judgment of Hon'ble APTEL dtd. 23.11.2007 in Appeal No. 271,272, 273 etc. of 2006 and 08 of 2007:

> *" Taking an integrated view of the above provisions and applying them to the instant case, it is clear that any 'transmission line' i.e. high pressure (HT) Cables and overhead lines (HT), excluding the lines which are essential part of distribution system of a licensee (WBSEB and JSEB as the case may be), used for the conveyance of electricity from o generating station owned by DVC and located in the territory of one State (either State of West Bengal or Jharkhand) to generating station or o sub-Station located in the territory of another State (either in the State of Jharkhand or West Bengal) together with any step-up and step down transformer, switch gear and other works necessary to and used for the control of such cables or overhead lines and such building or part thereof as may be required to accommodate such transformers, switch-gear and*

other works shall constitute the "Inter-State Transmission system" of DVC. Further, the transmission segments from the generating Stations to HT Consumers located in the some territory of @ State are deemed 'dedicated transmission lines' and are to be maintained and operated by DVC.

DVC has been supplying power from its generating stations to West Bengal Electricity Board and Jharkhand Electricity Board along with nearly 120 HT-Consumers either through inter-state transmission fines or through the point-to-point 'dedicated transmission lines' We, therefore, conclude that all transmission systems of DVC be considered as unified deemed inter-state transmission system, insofar as the determination of tariff is concerned and as such regulatory power for the same be exercised by the Central Commission".

4.153 It is also a fact that while determining the tariff in respect of generating stations and T&D network of DVC, the Hon'ble CERC allows interest on Working Capital based on the norms specified in the applicable Tariff Regulations for relevant periods under consideration. The Hon'ble CERC allows the tariff based on the assets but not based on its activities. in other words, it may be concluded that a pure transmission licensee (say Licensee A) having the assets similar to DVC would get a similar transmission tariff like DVC even though Licensee- A does not indulge in any distribution activity. Therefore, going by the fact that since CERC allows IWC on account of Generation and Transmission activity, it will not be justified to say that DVC is not entitled to the IWC for distribution activity as per the applicable SERC Regulations. The elements of Working Capital computed for generation tariff and Transmission tariff are entirely different from the elements of working capital for the distribution activity of DVC.

4.154 DVC in its reply to this Hon'ble Commission's order dtd. 14.02.2020 pointed out that in order to manage its distribution activity, DVC incurs additional expenses which is in addition to maintaining its composite T&D network.

4.155 For providing quality Service to the consumers, additional rolling fund is required for the aforesaid activities which are not serviced either through normative O&M or through normative Working Capital and Interest on Working Capital as approved in the generation and transmission tariff by the Hon'ble CERC. It is once again reiterated that such an additional fund requirement which is directly related to DVC's distribution activity remains un-serviced in the IWC allowed by the Hon'ble CERC. The Hon'ble CERC while fixing the norms in the Tariff Regulations for determination of Transmission Tariff envisages the activity of Transmission business only and not any distribution activity. As such the claim of DVC in respect of IWC in terms of applicable Regulations of the two State Commissions in its different petitions related to determination of distribution tariff are a pressing requirement of DVC and disallowing the same as proposed by the objector's Association on the ground of any computational difficulty is misleading and devoid of any merit.

4.156 This Hon'ble Commission while passing the provisional tariff order of DVC dtd. 22.11.2012 held as under (at para 7.40 at page no. 89) on the issue of DVC's claim towards IWC;

> *"7.40 However, the Commission noticed that the GFA and O&M cost of the Petitioner cannot be segregated into that of pertaining to generation and transmission business and that for distribution and retail business at present. Hence, applying the aforementioned methodology for computation of IWC is not possible. Therefore, the Commission decided to continue with the methodology as applied by the Commission for truing up the ARR for FY 2006-07 to FY 2011-12 in this Order".*

4.157 In order to avoid such difficulty DVC claims the IWC without giving effect to the first two elements of IWC i.e. 6.30(a) and 6.30(b) in terms of the tariff Regulations 2015 notified by this Hon'ble Commission. DVC in this regard also humbly submits before the Commission that disallowing the legitimate claim of DVC towards JIWC, only because of any computational difficulty, is an injustice to DVC.

4.158 As explained above, the claim of DVC in respect of IWC in the present petition is only a bare necessity for quality and reliable power supply to the consumers and licensees and overall development of the Valley Area. This Hon'ble Commission is therefore requested to discard the contention and proposal of the objector as the same are devoid of any merit.

Views of the Commission

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

l. Environment Protection and Other Cess

4.160 The Objector argued that the expenses related to Environmental Protection and Other Cess are exclusively tied to the Generation business of DVC, which falls under the jurisdiction of the Central Electricity Regulatory Commission (CERC) for tariff determination. The Objector contends that these expenses should not be reimbursed within the framework of Distribution businesses. This is because such expenses are intrinsically linked to power generation activities, which are regulated separately by the CERC.

4.161 The Objector further challenges the Petitioner's claim that these charges were not included in the CERC-determined tariff. They assert that this claim is both misleading and false. During the formulation of the Operation and Maintenance (O&M) Expenses norms for central generating companies (as per the CERC Tariff Regulations 2019), CERC had explicitly requested data that included expenses related to Environmental Protection and Other Cess. This included operational data submitted by DVC, which covered a period of five years (FY 2012-17) and factored in these specific expenses.

Petitioner Submission

4.162 The Petitioner has submitted that the expenses incurred for Environmental protection and other Cess charges such as Pollution Cess, Air pollution Cess are paid on actual to the respective State authorities as part of its distribution business and as such these expenses cannot be claimed to CERC under its Generation business. Therefore, the contention of the objector that Environmental Protection and other Cess are included in the Tariff as determined by CERC hence claiming the same separately before this Hon'ble Commission will be double allowance is out rightly rejected as it is misleading.

4.163 DVC has claimed such expenditure separately, because such expenditure is not factored in the normative O&M as set out by the Hon'ble Central Commission.

4.164 Just because DVC has submitted such amount in the operational data before CERC for last five years, does not establish that it is covered in the normative 0&M expenses. First of all, the normative O&M as specified by CERC is not dedicatedly fixed for DVC only, it is set for all other entities considering the national average.

4.165 More importantly, as per Regulation 56 of the CERC Tariff Regulation, 2019 the statutory charges are allowable to the generator over and above the normative O&M. This clearly establishes the fact that statutory charges were not included in the normative O&M as fixed by the CERC. Similar provision also exists in the CERC Tariff Regulation, 2024. The relevant CERC "Terms and Conditions of Tariff" Regulation, 2019 is reproduced below:

> *"56. Recovery of Statutory Charges: The generating company shall recover the statutory charges imposed by the State and Central Government such as electricity duty, water cess by considering normative parameters specified in these regulations. in case of the electricity duty is applied on the auxiliary energy consumption, such amount of electricity duty shall apply on normative auxiliary energy consumption of the generating station {excluding colony consumption) and apportioned to each of the beneficiaries in proportion to their schedule dispatch during the month."*

4.166 The Commission in its previous orders has allowed the cost related to Environmental Protection and other Cess charges as part of the ARR of distribution business. Hence DVC in its truing-up petition for FY 22-23 has claimed the Environmental Protection and other Cess charges at actual. Similar charges are also being claimed to WBERC under West Bengal as well, hence the same are applicable to Jharkhand as these are expenses paid to the State authorities at actual and the same can be verified from the audited annual accounts.

4.167 This Hon'ble Commission is therefore requested to discard the contention and proposal of the objector as the same are devoid of any merit.

Views of the Commission

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

m. Legal Charges & Consultancy Fees

4.169 Regulation 10.7 of the JSERCC Tariff regulations 2020 provides for the treatment of legal expenses. Relevant extracts of the same are reproduced as under:

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

4.170 As per regulatory requirements, the Petitioner submitted additional information on 13.02.2024, including a detailed breakdown of Legal Expenses (along with an Auditor's certificate) incurred by DVC for Jharkhand's command area. Significantly, Annexure 9 of DVC's submission indicates that Rs. 0.118 Crore was spent on Legal Expenses. The Objector points out that this figure sharply contrasts with the Rs. 8.32 Crore claimed by DVC as Legal Expenses.

4.171 The Objector asserts that the expenses claimed by DVC for Jharkhand-related activities include various items that do not pertain to consumers in Jharkhand's command area. For instance, DVC has claimed legal expenses for the case 87/MP/2021 at CERC, which involved determining Open Access charges for DVC's Transmission system—an issue unrelated to Jharkhand consumers. The Objector argues that DVC is attempting to recover costs from any available source, regardless of relevance. This practice of seeking unreasonable recoveries from command area consumers contradicts the principles established in the governing Act and is considered unfair.

4.172 In view of the aforesaid submissions, the Objector submits that the Petitioner has not made out a fit case for the recovery of Legal Expenses. Further, the Hon'ble Commission is humbly submitted to direct the Petitioner to seek relevant expenses only. Therefore, the claim made by DVC should be limited to Rs. 0.118 Crore for each of FY 2022-23 to FY 2024-25.

Petitioner Submission

4.173 DVC in the instant petition initially claimed the entire legal expenditure for its distribution activity for both the state of Jharkhand and West Bengal before apportionment between the states. Thereafter, in the additional information, the legal expenditure was segregated between the two states.

4.174 As quorum in the JSERC was vacant for quite some time during FY 2022-23, there was not much activity on the legal front. Hence, the legal expenditure during FY 2022-23 in the Jharkhand was on the lower side. As such it is not logical to compare the legal expenditure pertaining to any state with any other state because of the fact that it depends on the legal issues that crop up due to different issues and mind set of individuals in a state. DVC therefore, humbly prays before this Hon'ble Commission to scrutinize the legal expenses based on actual facts and audited data.

4.175 As Tata Steel being a consumer in the state of Jharkhand and was responded in the matter of 87/MP/2021, there was confusion. Consequently, legal charges related to case no 87/MP/2021 were inadvertently included in the list. Accordingly, DVC humbly submits that, the legal charges claimed in respect of the distribution activity of Jharkhand excluding the charges related to the case 87/MP/2021 may be allowed to the petitioner.

4.176 DVC further submits that such legal expenses are not covered in the normative O&M expenses allowed by CERC for Generation tariff and Transmission Tariff. Normative Q&M charges for generation and transmission tariff as fixed by CERC are applicable to DVC as well as to NTPC and PGCIL. But NTPC and PGCIL do not have any distribution activity. This amply clarifies the fact that legal charges claimed by DVC in distribution tariff is not covered by the normative O&M rates fixed by CERC. Relevant portion of the Statement of Reason (SoR) in relation to the CERC 'Terms and Conditions of Tariff' Regulations, 2019 is attached as Annexure-5 for kind reference of this Hon'ble Commission.

4.177 DVC in this regard humbly submits that Hon'ble WBERC also allows legal expenses in the approved ARR of DVC for distribution activity in West Bengal.

Views of the Commission

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

n. Cost of 11 kV Infrastructure for Jharkhand State

4.179 The Objector vehemently objects the Business Plan of the proposed and seeks non-admission of the Tariff elements associated thereof. Accordingly, the Objector prayed to disallow Rs 50.03 crore and Rs 134.15 crore for the FY 2023-24 and FY 2024-25 respectively.

Petitioner Submission

4.180 The objector, i.e the Association of DVC HT Consumers of Jharkhand is admittedly an association of the industries and represent the interest of the member of the industrial houses receiving power from Damodar Vally Corporation.

4.181 It appears from their contention regarding new 11 KV infrastructure proposed by DVC that they are serving the interest of the JBVNL, rather than the members of the association for which the association was incorporated.

4.182 Regarding the contention raised on the Parallel Licensee Issue, it is to submit that if by creation of infrastructure at 11 kV level in the DVC command area, interest of JBVNL gets hampered, then JBVNL is the appropriate party to. raise such issue before this Hon'ble Commission and such issue will be delt accordingly by DVC. The association, who is not at all impacted by creation of the New Infrastructure, cannot play proxy on behalf of JBVNL. If at all the association gets impacted due to the creation of the new 11 kV network, then they should restrict their submission to such issues only.

4.183 Regarding the contention raised on the Segregation of Accounts for supply and wires, it is respectfully submitted that in the DVC command area a Parallel licensing condition already exist in both the states of Jharkhand and West Bengal, irrespective of whether DVC built the new infrastructure or not. Under these circumstances, the regulation cited by the objector never became a hindrance for determination of the retail Tariff of DVC, more importantly, in case of DVC, tariff for the wheeling business is determined separately by Ld. Central Commission for the network above 33 kV level. On implementation of the 11 kV infrastructure, necessary separation or the allocation statement will be submitted by DVC as and when applicable.

4.184 Regarding the issue of separation of Carriage and Contents, it is submitted that in absence of any material facts, the objector is raising the irrelevant averments. The issue of separation of carriage and content is subject matter of the wide public consultation and has not attained the finality yet. As such, in absence of any regulatory framework in this regard, the proposal of DVC cannot be obstructed on this ground.

4.185 The consumer association through various efforts are only raising the concern of JVBNL only for which the Association was not incorporated. The citation of some orders of APTEL and MERC, only depict such intent of the Association. If at all JBVNL is concerned by the application of DVC, then they are competent enough to represent their rights.

4.186 Regarding the issue of the agreement of the Area Level Co-ordination Committee, it is respectfully submitted that, in accordance with the JSERC operation of Parallel Licensees regulation,2019, first state level co-ordination committee was to be constituted by the JSERC within 1 month from the date of the notification of the regulation. As per clause 5.2 of the said regulation, in consultation with the state level co-ordination committee, area level co-ordination committee was also to be constituted by this Hon'ble Commission. However, it is humbly submitted that DVC is unaware of the fact that this Hon'ble Commission ever constituted such committees.

4.187 More importantly, such committees are mandatorily to be comprised of a member from each distribution licensees operating in the area. As per the available record with DVC, it could not find any member being ever nominated for such committee. No licensee in the state of Jharkhand has ever consulted DVC while creating parallel network, which is evident from their tariff orders.

4.188 More importantly, as per the clause 5.3 of the parallel licensee regulation, the State Level Co-ordination Committee was mandated to frame rules for the conduct of business, detailed procedure of parallel operation, resolution of disputes, common formats and application forms if any, consistent with provisions of these regulations and the provisions of other applicable regulations. The formats, rules etc, was mandatorily required approval of this Hon'ble Commission within sixty (60) days from the date of notification of the regulation. After an extensive search in the website of the Commission, DVC could not come across any such approved rule.

4.189 As such, DVC cannot be held responsible for not consulting such committee whose functionality is not known, However, it would be pertinent to mention here that the scope of parallel licensee regulation was not to restrict any licensee from extending network for enhancement of the reliability and the load growth in the common area. In this regard relevant portion of the regulation is reproduced below:

4.190 "3.4 In cases where distribution system of one Distribution Licensee already exists, the other Distribution Licensee may provide electricity to Consumers by using the wires of the other licensee on payment of wheeling charges to the Licensee whose wire is being used. This Regulation in no way intends to stop the other Licensee from extending network for enhancement of reliability and load growth in the common area of operation."

4.191 As per the market survey conducted by DVC, there is huge potential of small and medium scale industries growth within the command area DVC. As such, the new infrastructure DVC of load will not make any existing system redundant, rather it will help to cater to the future within growth in the valley area reliably and efficiently. This will add to the industrial growth the state.

4.192 Regarding it the contention raised on the conflict with CERC recognized assets at 132 and 33 is humbly submitted, as mentioned in the business plan, that due segregation under between the two assets, one which is recognized by CERC and another which will be created the instant investment proposal, will be submitted before this Hon'ble Commission cognizance. in due course of time. As such, mere assumption of any conflict should not be given any Such indulgence may deprive DVC and the state of Jharkhand from dye justice.

4.193 More importantly, Mop, GoI, vide letter dated 05.04.2022 directed DVC to extend its supply in the valley area and enhance its activity. Further, the issue of supply of power to LV & MV consumers has been directed by MOP, GoI in the MOM dated 21.03.2023. Copy of such directives (DPR). Accordingly, the Detailed Project Report the 11 kV infrastructure said proposal was prepared and was placed before the DVC Board. The of both was unanimously approved by the DVC Board which comprises of members the participating and West State Govt. i.e. Jharkhand (Power Secretary of Jharkhand State) investment Bengal. So it is amply clear that the Jharkhand state was well informed about the proposal of DVC.

4.194 It is also important place it on record that vide letter dated 26.04.2022, Department of Energy, GoJ requested DVC to take over all the consumers of JBVNL of Giridih District as pilot project, Accordingly, M/s. E&Y was engaged to study the existing network of IBVNL in Giridih District and submit a report. A Copy of the report given by E&Y is attached herewith annexed as annexure-7 in public hearing reply. The Study of EY reveals that the existing network of JBVNL is highly unreliable and inadequate considering the load is being handled by JBVNL EY has proposed an additional CAPEX of more than Rs 1700 crs. for the Giridih district itself to align the existing network of JBVNL as per need.

4.195 Various consumers during the public hearing conducted on 03.09.2024 and 04.09.2024 have expressed about the deplorable condition of the existing network condition/present supply condition of JBVNL. As such, the new infrastructure as proposed by DVC, with all the state-of-the-art technologies, will only help to ease out the difficulty being faced by the consumers in the Jharkhand State and it will pave way for robust economic growth of the state.

4.196 More importantly, DVC had submitted the investment proposal for creation of 11 KV infrastructure for obtaining in principle approval from this Hon'ble Commission on 23.03.2023 and was numbered as Case No 08 of 2023. In the case, the Association of the HT Consumers was made a party. The case was dismissed by the Hon'ble Commission on 11.08.2023 with a direction to resubmit the proposal as business plan along with the next Tariff Petition. Copy of the order is attached herewith as Annexure - 8. The grounds raised by the objector in the said proceedings were related to cost benefit analysis and rate reasonability etc. which were completely different from the grounds now raised by them. As such the objector herein has comments in contradiction to the directives and decision of MoP, GoI. As, considerable time has passed in course of such proceedings before Hon'ble JSERC, DVC has started its work to avoid delay in execution of the project, so that unnecessary price escalation does not take place.

4.197 It will also be pertinent to place here that Section 22 of DVC Act 1948 empowers to construct power houses, power structures, electrical transmission lines and sub-station etc. as may be required. The said provision of the DVC Act still continues to be applicable even after enactment of the Electricity Act, 2003. The interplay between the DVC Act, 1948 and Electricity Act, 2003 has been elaborately dealt by the Hon'ble Tribunal of Electricity in its Judgement dated 23.11.2007 which was subsequently upheld by Hon'ble Supreme Court vide Judgement dated 23.07.2018. Relevant portion of the said judgements are annexed as Annexure – 9 in public hearing reply.

4.198 On the above backdrop, it is respectfully submitted that the objector, i.e. the JCADVC does not have any locus stand or could not establish one while objecting the proposal of DVC regarding the creation of the 11 KV infrastructure. As such, the contention of the objector is bereft of any merit and hence liable to be rejected out rightly and DVC should be allowed to go ahead with the Investment Proposal.

Chapter 5: True Up for FY 2022-23

5.1 In the instant petition the Petitioner has sought approval of Truing up for FY 2022-23 based on the Audited Accounts, taking into consideration the provisions of the Distribution Tariff Regulations, 2020 & Distribution Tariff Regulations (1st Amendment) 2023 and the methodology adopted by the Commission in the previous Orders.

5.2 The Commission has carried out true-up for FY 2022-23 taking into consideration: -

a) Audited Accounts for FY 2022-23 and additional details submitted by the Petitioner;

b) JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020; and;

c) Methodology adopted by the Commission in the earlier order.

Supply Points, Connected Load and Energy Sales

Petitioner's Submission

5.3 The Petitioner has submitted the actual category-wise number of consumers/connection points, connected load and energy sales in the Damodar Valley area falling within the State of Jharkhand for FY 2022-23.

Commission's Analysis

5.4 The Commission after scrutinizing the information submitted by the Petitioner, the Audited Accounts made available for the aforementioned year and prudence check, approves the actual supply points, connected load and energy sales as submitted by the Petitioner for FY 2022-23, which is summarized as below:

Table 31: Supply points, connected load and sales in Jharkhand submitted by the petitioner and approved by the commission.

Particulars	Petition			Approved		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
LT (MW)	4.00	6.87	35.79	4.00	6.87	35.79

Particulars	Petition			Approved		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
11 kV	18.00	4.64	4.14	18.00	4.64	4.14
33 kV (Non-Licensee)	150.00	908.08	5,147.45	150.00	908.08	5,147.45
33 kV (Licensee)	3.00	37.60	142.96	3.00	37.60	142.96
132 kV (Non-Licensee)	10.00	163.00	752.78	10.00	163.00	752.78
132 kV (Licensee)	2.00	173.00	749.78	2.00	173.00	749.78
132 kV (Traction)	5.00	83.63	274.05	5.00	83.63	274.05
220 kV (Non-Licensee)	2.00	290.00	1,850.50	2.00	290.00	1,850.50
Total	**194.00**	**-**	**8,957.44**	**194.00**	**-**	**8,957.44**

Transmission & Distribution Losses and Energy Requirement

Petitioner's Submission

5.5 The Petitioner has submitted that the Commission approved T&D losses as 3.00% for the network of DVC for FY 2022-23 vide its MYT Order dated January 30, 2023 whereas, the actual T&D loss works out to be 3.21%.

5.6 Further, in addition to the energy sold in the Jharkhand area, the Petitioner has also submitted the actual sales in the West Bengal area and the energy wheeled from its inter-state transmission system for the purposes of computation of the energy requirement for the entire Damodar Valley area.

5.7 Based on the total energy sales in the Damodar Valley area, the T&D losses and the energy wheeled from the system, the Petitioner has submitted the actual energy requirement for FY 2022-23.

Commission's Analysis

5.8 The Commission has referred the ***para 5.15*** of DVC MYT Order for Control period FY 2021-22 to FY 2025-26 dated January 30, 2023 for approval of T&D loss as reproduced below:

> *5.15 The Commission has scrutinized the actual loss and approved value of losses for the past years. The Commission provisionally approves the Transmission & Distribution (T&D)* ***loss target of 3.00%*** *on overall sales for each year of the Control Period considering the past trend in previous period from FY 2016-17 to FY 2020-21. Further, the* ***Petitioner shall be allowed to operate within the***

distribution loss of 3.80% on overall sales for the Control Period without any incentive/penalty.

5.9 The Commission has observed that the Petitioner, in its calculation, has considered the net sale of energy through Unscheduled Interchange (UI) as UI Export. However, the Commission has considered Net UI in its calculation, and as such has computed a T&D loss of 3.03%

5.10 Based on the approved energy sales for Jharkhand area, approved T&D losses, the energy sales within West Bengal area and energy wheeled through DVC system, the energy requirement for the FY 2022-23 has been summarized in the following table.

Table 32: Energy requirement submitted by the petitioner and approved by the Commission (MU)

Particulars	Petition	Approved
Energy sales within the state of Jharkhand	8,957.44	8,957.44
Energy sales within the state of West Bengal	10,997.44	10,997.44
Total energy sales in DVC Area	19,954.88	19,954.88
Energy wheeled	1,065.32	1,065.32
Overall Utilization	21,020.20	21,020.20
T&D loss (MU)	696.83	656.01
T&D loss (%)	3.21%	3.03%
Total Energy Requirement for DVC	**21,717.03**	**21,676.21**
Ratio of sales in Jharkhand	44.89%	44.89%

5.11 Based on the analysis in the preceding paragraphs, the Commission approves the energy balance for supply to the command area in Jharkhand for FY 2022-23, as shown in the table. For FY 2022-23, the proportionate own generation and purchases are less than the energy requirement for the distribution business in Jharkhand. Therefore, an additional purchase of 113.29 MU through Unscheduled Interchange (UI) has been determined by deducting the proportionate own generation and purchases from the energy requirement for the distribution business in Jharkhand.

5.12 The Commission has noted that the total energy received for wheeling in the entire DVC command area is 894.34 MU, while the energy wheeled amounts to 1065.32 MU. DVC has not provided any clarifications regarding the excess energy wheeled compared to the energy received for wheeling. Therefore, the Commission finds it prudent to adjust this excess wheeling with the net drawl of Unscheduled Interchange (UI) as outlined below.

Table 33: Admissible energy drawal through UI in Jharkhand after adjustment of excess energy wheeled (MU)

Particulars	Annotation	Deviation	Approved
Energy Wheeled	A	A	1065.32
Energy Received for wheeling	B	B	894.34
Energy to be wheeled with T.D loss	C	C=B*(1-T.D%)	867.27
Units wheeled from power purchase	D	D=A-C	198.05
Energy drawal through UI for JH part	G	G	113.29
Admissible Energy drawal through UI for consumers in JH part	**H**	**H=G-F**	**84.76**

Energy Availability from Own Generating Stations for Distribution Function

Petitioner's Submission

5.13 The Petitioner has submitted that it generates power from its own stations to meet part of the power requirements for its consumers in Jharkhand and West Bengal. The generating stations include both thermal and hydel stations.

5.14 The Petitioner has also submitted the actual generation available from own generating stations for FY 2022-23.

Commission's Analysis

5.15 The Commission has considered the submission made by the Petitioner on energy availability from its own generating stations. Based on the availability certificate and the power purchase submitted, the Commission approves the energy availability from its own generation. The energy availability from own generation as per the submission of the Petitioner and as approved by the Commission, is summarized below:

Table 34: Energy Availability from Own Generating Stations submitted by the Petitioner and approved by the Commission (MU)

Particulars	Petition	Approved
BTPS 'B' U# 3	-	-
DTPS U# 4	111.48	111.48
MTPS U# 1to3	3,123.82	3,123.82
MTPS U# 4	1,263.26	1,263.26
HYDEL	237.17	237.17
MTPS Solar PV	0.02	0.02
KTPS Solar PV	0.03	0.03
Sub Total	**4,735.78**	**4,735.78**
MTPS U# 5&6	3,108.52	3,108.52
MTPS U# 7&8	6,867.31	6,867.31
CTPS U# 7&8	3,135.60	3,135.60
DSTPS U# 1&2	6,724.17	6,724.17
KTPS U# 1&2	6,886.93	6,886.93
BTPS 'A'	3,581.51	3,581.51
RTPS U # 1&2	5,281.67	5,281.67
Sub Total	**35,585.72**	**35,585.72**
Total Own Generation	**40,321.51**	**40,321.51**

Power Purchase from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

5.16 The Petitioner has submitted that it is also purchasing power from CSGS and other sources viz. NTPC, NHPC, PTC & other sources (excluding net power purchased under Unscheduled Interchange mechanism) to meet the energy requirements in the DVC area.

5.17 Further, during the period FY 2022-23, the Petitioner has also purchased and sold power through the Unscheduled Interchange (UI) mechanism.

Commission's Analysis

5.18 The Commission has determined the balance energy requirement to be met through purchase of power from CSGS and other sources after meeting the energy requirement from its own generation.

5.19 The following table summarizes the station-wise net power purchase as submitted by the Petitioner and as approved by the Commission for FY 2022-23.

Table 35: Station-wise net power purchase submitted by the Petitioner and approved by the Commission (MU)

Particulars	Petition	Approved
NHPC		
Rangit	30.55	30.55
Teesta- V	231.10	231.10
NTPC		
TSTPS I	13.79	13.79
KBUNL MTPS II		
PTC	158.34	158.34
Chukha	9.05	9.05
Kurichu	127.17	127.17
Tala	1,043.16	1,043.16
MPL	374.34	374.34
Contingency Purchase (IEX-PXIL)	113.29	113.29
Net UI (Import)		
Sub-Total	**2,100.78**	**2,100.78**
Solar		
Talcher	14.25	14.25
Unchahar	14.25	14.25
Rajasthan	27.77	27.77
JEM Solar	3.83	3.83
Sum Total	**60.11**	**60.11**
GDAM Purchase (Solar)	100.03	96.59
GDAM Purchase (Non-Solar)	243.25	234.41
Total	**2,504.18**	**2,491.89**

Energy Balance

5.20 Based on the energy requirement and energy availability from its own generation, T&D losses and power purchase from CSGS and other sources, the energy balance for FY 2022-23, as submitted by the Petitioner, and as per Commission's analysis, is summarized in the following table:

Table 36: Energy Balance submitted by the Petitioner and approved by the Commission (MU)

Particulars	Petition	Approved
A. Energy Requirement		
Energy sales within the state of Jharkhand	8,957.44	8,957.44
Energy sales within the state of West Bengal	10,997.44	10,997.44
Total energy sales in DVC Area	19,954.88	19,954.88
Energy wheeled	1,065.32	1,065.32
Overall Utilization	21,020.20	21,020.20
T&D loss (MU)	696.83	656.01
T&D loss (%)	3.21%	3.03%
Total Energy Requirement for DVC	**21,717.03**	**21,676.21**

Particulars	Petition	Approved
B. Energy Availability		
Own Generation-Firm sources		
Thermal	40,084.28	40,084.28
Hydel	237.17	237.17
Solar	0.05	0.05
Sub Total	40,321.51	40,321.51
Net Power Purchase	2,390.88	2,378.60
Net UI (Import)	113.29	84.76
Energy received for Wheeling	894.34	894.34
Less: Energy sold to other licensees & exchange	22,002.99	22,002.99
Total Energy Available for DVC	**21,717.03**	**21,676.21**

Cost of Own Generation

Petitioner's Submission

5.21 DVC constituted under the DVC Act, 1948, is a PSU as envisaged under Section 79 (1) (a) of the Electricity Act, 2003, and the tariff for generation of electricity is to be decided by the CERC. Accordingly, cost of generation for DVC as a whole from its own stations has been taken as approved by the CERC in its relevant Orders.

5.22 Further, the effect of variation in Fuel Price Adjustment (FPA) in energy charges has also been claimed in the own cost of generation in accordance with the formula prescribed by the CERC.

Commission's Analysis

5.23 The Commission has taken note that the CERC has issued final Tariff Orders for the following stations for the period FY 2019-20 to FY 2023-24. The Commission has considered the ARR approved for T&D business as per the latest CERC Order dated March 02, 2022 and July 23, 2022 and cost of generating station i.e. MTPS U#4 as per CERC Order dated November 30, 2022 while approving the power purchase cost for FY 2022-23.

Table 37: CERC orders considered for approval of fixed charges of own Generating Stations

Particulars	Date of CERC Order
DTPS U# 4	19.05.2023
MTPS U#1 to 3	17.02.2023
MTPS U#4	30.11.2022
MHS	16.02.2023

Particulars	Date of CERC Order
PHS	28.02.2023
THS	16.03.2023
T&D System	23.07.2022 & 02.03.2022
MTPS U#5 & 6	14.03.2023
MTPS U# 7,8	27.04.2023
CTPS U# 7&8	16.06.2023
DSTPS U # 1 & 2	03.07.2023
KTPS U # 1 & 2	20.07.2023
BTPS - A*	26.10.2023
RTPS U # 1 & 2	29.04.2023

5.24 The Commission, after scrutinizing the information made available by the Petitioner and after perusal of the above CERC Orders, has adopted fixed charges for its own power generation from thermal and hydel stations for DVC for FY 2022-23 as approved by CERC in its relevant Tariff Orders. The Commission has verified the Energy Charge Rate (ECR) computation and approves the Energy Charge Rate (ECR) as submitted by the Petitioner.

5.25 The Commission in this Order has approved the input cost as per the MYT Orders issued by Hon'ble CERC for the Control Period FY 2019-24. The same shall be revised upon issuance of True-up Orders for the Petitioner by Hon'ble CERC.

5.26 The AFC of own power generating stations as adopted by the Commission from the aforementioned CERC Orders for the period FY 2022-23 has been summarized in the previous table. The Commission has adopted the methodology used in its previous Orders for calculation of Fixed Charges for own generating stations.

5.27 This Commission has noted that the CERC in its True-up orders has maintained its approach in allowing contribution to sinking fund as part of AFC and disallowing the expenses claimed by DVC pertaining to Pension & Gratuity (P&G), over and above, the normative O&M expenses allowable to the generating station. Furthermore, the Hon'ble Tribunal vide judgment dated 23.3.2016 in Appeal No. 255/2014 has upheld similar treatment by this Commission in APR order dated 04.09.2014. Hence, the claim of DVC to recover contribution to Sinking Fund as allowed by CERC in AFC in full without factoring the availability of the Generating stations cannot be admitted herein.

5.28 The Fixed Charges approved by the Commission for FY 2022-23 for own generating stations is summarized at ***Annexure – II.***

5.29 The Commission has approved the Energy Charge Rate for own generating stations for FY 2022-23 as submitted by the Petitioner after scrutinizing the Audited statement in respect of station-wise actual energy charge rates for the different generating stations of DVC for FY 2022-23 submitted as ***Annexure – 11*** to the Petition. The Energy Charges approved by the Commission for FY 2022-23 for own generating stations is summarized below:

Table 38: Energy charge rate submitted by petitioner and approved by the Commission (Rs./kWh)

Particulars	Petition	Approved
DTPS U# 4	3.434	3.434
MTPS U#1 to 3	3.656	3.656
MTPS U# 4	3.741	3.741
MTPS U#5 & 6	3.783	3.783
MTPS U# 7&8	3.577	3.577
CTPS U # 7,8	3.624	3.624
DSTPS U # 1 & 2	3.793	3.793
KTPS U # 1 & 2	3.540	3.540
BTPS 'A'	2.771	2.771
RTPS U # 1 & 2	3.881	3.881
DTPS U# 4	3.434	3.434
MTPS U#1 to 3	3.656	3.656
MTPS U# 4	3.741	3.741

Table 39: Energy charges submitted by Petitioner and approved by the Commission (Rs. Cr.)

Particulars	Petition	Approved
BTPS 'B'	-	-
DTPS U # 4	38.28	38.28
MTPS U#1 to 3	1,142.14	1,142.14
MTPS U#4	472.52	472.52
MTPS Solar PV	0.01	0.01
KTPS Solar PV	0.01	0.01
MTPS U#5 & 6	853.11	853.11
MTPS U# 7 & 8	732.39	732.39
CTPS U # 7 & 8	50.03	50.03
DSTPS U # 1 & 2	1,728.26	1,728.26
KTPS U # 1 & 2	40.65	40.65
BTPS 'A'	597.95	597.95
RTPS U # 1 & 2	897.63	897.63

Particulars	Petition	Approved
Total Energy Charges	**6,552.99**	**6,552.99**

Table 40: Total charges submitted by Petitioner and approved by the Commission (Rs. Cr.)

Particulars	Petition		Approved	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
BTPS 'B'	-	-	-	-
DTPS U # 4	29.03	38.28	29.03	38.28
MTPS U#1 to 3	438.05	1,142.14	438.05	1,142.14
Incentive from MTPS 1 to 3	0.80		0.80	
MTPS U#4	145.68	472.52	145.68	472.52
Incentive from MTPS 4	1.49		1.49	
MHS	41.09		41.09	
PHS	38.11		38.11	
THS	12.20		12.20	
T&D System	505.99		505.99	
HYDEL		-		-
MTPS Solar PV		0.01		0.01
KTPS Solar PV		0.01		0.01
MTPS U#5 & 6	278.78	853.11	278.78	853.11
MTPS U# 7 & 8	318.61	732.39	318.61	732.39
Incentive from MTPS 7&8	0.75		0.75	
CTPS U # 7 & 8	25.57	50.03	25.57	50.03
Incentive for CTPS U # 7 & 8	0.01		0.01	
DSTPS U # 1 & 2	726.23	1,728.26	726.23	1,728.26
KTPS U # 1 & 2	19.37	40.65	19.37	40.65
Incentive for KTPS U # 1 & 2	0.03		0.03	
BTPS 'A'	445.16	597.95	445.16	597.95
Incentive from BTPS 'A'	1.21		1.21	
RTPS U # 1 & 2	420.14	897.63	420.14	897.63
Cost of Own Generation	**3,448.31**	**6,552.99**	**3,448.31**	**6,552.99**

Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

5.30 The Petitioner submitted the actual power purchase cost from CSGS and other sources (including RE sources) during FY 2022-23 has been considered based on the actual power purchase bills received from the generators. The Petitioner has further submitted that they have fulfilled a portion of its solar obligation through actual power from different solar plants and through the purchase of REC. Similarly, regarding Non-solar RPO, the Petitioner has fulfilled a portion through applicable Hydro generation and purchase of Non-solar REC. The Petitioner added that the shortfall of RPO has been carried forward in FY 2023-24.

Commission's Analysis

5.31 Based on the total energy requirement, the Commission has allowed the quantum of energy to be purchased from CSGS and other sources (Other than Own Source) and from own generating stations as proposed by the Petitioner.

5.32 Besides, the Petitioner has segregated the cost of RPO into West Bengal and Jharkhand based on the RPO requirements stipulated by the respective State Regulatory Commissions for FY 2022-23. Accordingly, the Commission also finds it prudent to segregate the cost of RPO for FY 2022-23 as per the RPO requirements stipulated by the respective Commissions, and actual RPO compliance by the Petitioner.

5.33 Based on the RPO Compliance submitted by the Petitioner, the Commission has approved the expenses below for purchase of Renewable Energy Certifications (RECs) towards RPO Compliance in Jharkhand.

Table 41: Expenses towards RPO submitted by Petitioner and approved by the Commission (Rs. Cr.)

Particulars	UoM	Petition	Approved
Quantum of total Solar RPO	MU	1618.13	1618.13
Quantum of Solar RPO in Jharkhand	MU	1014.49	1014.49
Quantum of total Solar Power Purchase	MU	220.26	216.82
Quantum of Solar Power Purchase for Jharkhand	MU	**138.09**	**135.93**
Quantum of total Non-solar RPO	MU	2121.17	2121.17
Quantum of Non-solar RPO in Jharkhand	MU	1014.49	1014.49
Quantum of total Non-solar Power Purchase	MU	243.25	234.41
Quantum of Non-solar Power Purchase for Jharkhand	MU	**116.34**	**112.11**
Cost of Solar Power	Rs. Cr.	67.27	65.76
Cost towards purchase from GDAM (Solar)	Rs. Cr.	62.46	62.46

Particulars	UoM	Petition	Approved
Cost towards purchase from GDAM (Non-solar)	Rs. Cr.	161.09	161.09
Cost of Solar RPO for Jharkhand through Power Purchase	Rs. Cr.	**81.34**	**80.39**
Cost of Non-solar RPO for Jharkhand through Power Purchase	Rs. Cr.	**77.04**	**77.04**
Purchase of Solar (REC)	Rs. Cr.	**131.68**	**131.68**
Purchase of Non-Solar (REC)	Rs. Cr.	**139.78**	**139.78**
Total Expenses towards RPO	**Rs. Cr.**	**429.84**	**428.89**

5.34 Thus, the net Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources (including RE sources and excluding purchase from own generating stations) approved is summarised at ***Annexure – II***.

Tariff Filing and Publication Expenses (CERC)

Petitioner's Submission

5.35 The Petitioner has claimed Rs. 4.62 Crore towards Tariff filing fees (CERC) for FY 2022-23.

Commission's Analysis

5.36 The Commission examined the submission made by the Petitioner towards Tariff filing fees (CERC) in ***Annexure-9 of Letter No. Comm./ Tariff/ JSERC/ 1411 dated February 13, 2024***, submitted along with the Petition. Accordingly, the Commission approve the Tariff Filing and Publication Expenses (CERC) tuned to Rs 4.62 Crore as claimed by the Petitioner.

Environmental Protection and Other Cess

Petitioner's Submission

5.37 The Petitioner has claimed Rs. 0.01 Crore towards Environmental Protection and Other Cess for FY 2022-23.

Commission's Analysis

5.38 The Commission is of notion that the expenses related to Environment Protection and Other Cess are exclusively tied to the Generation Business of DVC, which falls under the jurisdiction of the Central Electricity Regulatory Commission (CERC) for tariff determination. The Commission also contended that these expenses should not be reimbursed within the framework of Distribution Business. This is because such expenses are intrinsically linked to power generation activities which are regulated separately by the CERC. Accordingly, this Commission at this instant disallow the Environment Protection and Other Cess.

Interest on Temporary Financial Accommodation

Petitioner's Submission

5.39 The Petitioner has claimed Rs 0.27 Crore towards Interest on Temporary Financial Accommodation for FY 2022-23.

Commission's Analysis

5.40 The Commission is of the opinion that there is no provision in JSERC (Terms & Condition of Determination of Distribution Tariff) Regulations 2020 and amendment thereof with respect to approval of Interest on Temporary Financial Accommodation. It is well settled in law that this Commission is bound to follow its own regulation while framing Order. Further, any reference to other SERC Regulation/Order will not entitle Petitioner to claim such amount before this Commission.

5.41 The Commission further opines that the Working Capital requirement as stipulated in the provision of JSERC (Distribution Tariff) Regulations 2020, amendment thereof is being allowed as per normative to cater the day to day working capital requirements of the Utilities.

5.42 The Commission also noted that the Petitioner has failed to provide any explanation or justification regarding the necessity of the funds in question or the specific amount required by the Licensee. Without any supporting evidence or documentation to substantiate these claims, the Petitioner's argument is unconvincing and lacks credibility. This omission leaves the claim ungrounded, devoid of any substantial reasoning, and it does not offer any insight into why the funds were needed or how the amounts were calculated. Consequently, the claim appears baseless and unsupported by any logical or factual foundation, rendering it unpersuasive and insufficiently justified.

5.43 Hence, based on the above excerpt the Commission does not approve any Interest on Temporary Financial Accommodation for FY 2022-23.

Table 42: Interest on temporary financial accommodation submitted by the Petitioner and approved by the Commission (Rs. Cr.)

Particulars	Petition	Approved
Delay Payment Surcharge (DPS)	0.30	
Principal Amount Outstanding **(DPS/18%)**	1.64	
Interest on Temporary Financial Accommodation	**0.27**	**-**

Non-Tariff Income

Petitioner's Submission

5.44 The Petitioner has claimed Rs. 0.30 Crore towards Non-Tariff Income for FY 2022-23.

Commission's Analysis

5.45 The Commission has outlined definition of Non-Tariff Income and clause 10.53 and clause 10.54 of JSERC (Terms and Condition for Determination of Distribution Tariff) Regulations 2020 for the approval of Non-Tariff Income as reproduced below:

> ***"20. 'Non-Tariff Income'*** *means the net income relating to the regulated Business other than from Tariff, excluding any income from Other Business and, in case of the Retail Supply Business of a Distribution Licensee, excluding income from receipts on account of cross-subsidy surcharge and additional surcharge and Other Business;*
>
> ***Non-Tariff Income***
>
> *10.53 The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Retail Supply Tariff and Wheeling Charges of the Distribution Business: Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission.*
>
> *10.54 The Non-Tariff Income shall include:*
>
> *a) Income from rent of land or buildings;*
>
> *b) Income from sale of scrap;*
>
> *c) Income from investments;*

d) Interest accrued on advances to suppliers/contractors;

e) Interest income on loans/advances to employees;

f) Income from rental of staff quarters;

g) Income by rental from contractors;

h) Income by hire charges from contactors and others;

i) Income from delayed payment surcharge, supervision charges, etc.;

j) Supervision charges for capital works;

k) Income from recovery against theft and/or pilferage of electricity;

l) Income from advertisements;

m) Income from sale of tender documents;

n) Profit from sale of Assets (i.e. difference of Sale value and Book value of Asset);

o) Any other Non-Tariff Income:

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Licensee shall not be included in Non-Tariff Income.

Provided that the onus to substantiate, to the satisfaction of the Commission, that such investments have been out of Return on Equity shall be on the Licensee."

5.46 The definition of Non-Tariff Income outlined above specifies the items to be included and excluded from Non-Tariff Income. Any other income earned by the Petitioner must be treated as Non-Tariff Income according to the aforementioned regulations and applied as a reduction to the Aggregate Revenue Requirement (ARR).

5.47 Further, the Commission has observed that the value claimed by the Petitioner as Non-Tariff Income is restricted to the Delayed Payment Surcharge (DPS) by firm consumers of DVC distribution licensee.

5.48 Furthermore, the Commission in its order on True-up from FY 2006-07 to FY 2013-14 and APR for FY 2014-15 dated 19.04.2017, has observed as shown below-

"5.51 The Commission observed that the Petitioner has claimed non-tariff income only to the extent of the Delayed Payment Surcharge (DPS). Further, the NTI, as reflected in the audited annual accounts, was in excess of the non-tariff income as claimed by the Petitioner. The Commission also notes that DVC, being a vertically integrated organisation, also carries out the business of generation and transmission of electricity besides distribution. ***Accordingly, the Commission directed the Petitioner to submit information on non-tariff income, as per audited accounts, segregated into generation, transmission and distribution business****.*

...

5.53 The Commission has taken note of the fact that entire capital expenditure of the Petitioner is attributable to the generation and transmission business as the Petitioner does not claim any capital expenditure for the distribution business. ***Accordingly, the non-tariff income, other than the Delayed Payment Surcharge, may be attributable to the generation and transmission business****.*

5.54 However, the Commission also notes that ***non-tariff income attributable to the generation and transmission business ultimately impacts the end-use consumer as the costs (net of any revenue) for generation and transmission business become the input costs for distribution business which drive the retail tariffs applicable for the end-consumer****. Hence, the Commission directs the Petitioner to submit, within one month of notification of this Order, whether such non-tariff income has been accounted for in costs for the generation and transmission business of the Petitioner. Based on the justification provided by the Petitioner, the Commission may take an appropriate view on the same and pass suitable Orders to the effect.*

5.55 Accordingly, ***at the moment****, the Commission approves the non-tariff income pertaining to delayed payment surcharge as Rs. 7.65 Cr., Rs. 12.22 Cr., Rs. 24 26 Cr., Rs. 1.89 Cr., & Rs. 7.63 Cr. Respectively for the aforementioned years based on actuals.*

...

*6.46 As detailed in Paras 5.51 to 5.54 of this Order, the Commission, **at present**, approves the non-tariff income pertaining to delayed payment surcharge as Rs.28.54 Cr., Rs.231.60 Cr., Rs. 20.79 Cr. & Rs.71.57 Cr. respectively for the aforementioned years, as per audited annual accounts of the respective years." (FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15)."*

5.49 DVC in reply to the direction given by the Commission in Order dated 19.04.2017, vide Letter No. Comml/Tariff/JSERC/516 dated 17.05.2017 has reiterated the fact that it is a vertically integrated organization. The same is quoted below for immediate reference,

"…DVC is a vertically integrated organization and has got generation, transmission and distribution activity in the entire Damodar Valley Area spread over in the state of Jharkhand and West Bengal. Therefore, DVC maintains its accounts which is integrated and covers all the aforesaid activities and also some other activities as mandated in DVC Act 1948. The accounting procedure followed by DVC is also approved and audited by Comptroller & Auditor General of India.

It is, however, confirmed that other than Delay Payment Surcharge (DPS), there is no other Non-Tariff Income (NTI) under the distribution business of DVC and year-wise amount of DPS, as NTI has already been furnished to the Hon'ble Commission..."

So far as electricity business of DVC is concerned it is to submit that the capital expenditure is made in respect of its generation and deemed unified inter-state transmission network only. As such DVC does not incur any capital expenditure for its distribution activity. Accordingly, non- tariff income for the distribution activity of DVC is only the delay payment surcharge. In the previous tariff orders of DVC dtd.22.12.2012 & 04.09.2014 this Hon'ble Commission accepted the submission of DVC in this regard and considered only the delay payment surcharge (DPS) as non-tariff income after prudence check. In the instant tariff order dtd. 19.04.2017 also this Hon'ble Commission considered delay payment surcharge as non-tariff income as per the audited book of accounts of DVC.

DVC submits that since it is a vertically integrated organization, unified *accounting for generation, transmission and distribution activity is maintained. DVC further submits that tariff regulation of the Hon'ble Central Commission for determination of generation and transmission tariff is based on some specific elements of fixed charges and energy charge. The said regulation does not have any provision to account for the non-tariff income. The only provision for late payment surcharge is available as per the tariff regulation of the Central Commission according to which late payment surcharge is levied as and when applicable. The entire DPS as non-tariff income considered by this Hon'ble Commission in the distribution tariff of DVC is inclusive of that late payment surcharge for its generation activity as well.*

DVC therefore submits before this Hon'ble Commission to kindly consider the delay payment surcharge (DPS) as non-tariff income so far as the distribution activity of DVC is concerned."

5.50 It is evident that, at this stage, no adjustment of Non-Tariff Income attributable to DVC's Generation and Transmission has been made in the input cost for FY 2019-24 or the periods before it. This Non-Tariff Income ultimately affects the end consumers (i.e., retail consumers in Jharkhand), as the costs for the Generation and Transmission business become input costs, which drive up the retail ARR and Tariff. Since Section 61 of the Electricity Act, 2003, mandates the reasonable recovery of costs, it is necessary that the entire Non-Tariff Income, as per the audited accounts, be adjusted in the retail supply tariff of Jharkhand

5.51 Further the Commission in the remand proceedings for the FY 2006-12, this Commission has taken an affirmative view in respect of the treatment of Non-tariff income for the DVC's Distribution business in Jharkhand. Relevant extracts of the findings of this Commission in the Order dated 23.07.2024 in Case (Tariff) No. 09 of 2020 is reproduced below:

"79. In compliance of the direction of Hon'ble APTEL, the petitioner-DVC had submitted the data/information/material vide letter no. Coml./Tariff/JSERC/1568 dated 23.02.2024. However, the Commission on scrutinizing and analyzing the data/information submitted by the petitioner has observed that the relevant Non-Tariff Income was not segregated under different heads pertaining to the Generation,

Transmission and Distribution as specified by this Commission. Accordingly, the Commission had re-directed the petitioner to submit the Non-Tariff Income duly segregated between its generation, transmission, distribution and other businesses.

80. In reply to data discrepancies the petitioner has failed to provide any such segregation of accounts in its submission dated 23.02.2024,15.04.2024 and 05.07.2024, despite of the several directions by this Commission and the hon'ble Tribunal in this regard. The same is also evident from the reasons mentioned hereinabove.

81. Furthermore, the Commission holds the opinion that Non-Tariff Income (NTI), as per the Electricity Act, 2003, and the JSERC Tariff Regulation, includes both income generated from the licensed business (i.e., the retail supply activity of petitioner's distribution business) aside from tariff income, as well as income generated from its other businesses.

82. Therefore, the Commission is the view that the entire 'Other Income' based on the audited accounts, in absence of any segregation for the reasons set out hereinbefore is liable to be deducted from the ARR of the distribution/retail supply tariff of petitioner."

5.52 As such, the Commission is of the view that throughout the years, the Non-Tariff Income of the Petitioner has been left un-accounted in the retail supply tariff of Jharkhand. Thus, consumer interest in terms of Section 61, needs to be safeguarded by providing for the legitimate deductions in the ARR as per the regulatory framework in place. Accordingly, in this Order, the entire Non-Tariff Income as per the Audited Accounts is being approved.

Table 43: Non-tariff income approved by the Commission (Rs. Cr.)

Particulars	Approved
Interest from Employees Loan and Advances	0.10
Interest from Non-Current Investment	0.18
Interest on IT Refund	1.06
Interest on Security Deposit - Purchase of Power	0.02
Interest on Short Term Deposit	0.23
Interest on CLTD	0.13
Interest from Others	0.92
Dividend on Non-current Investment	236.57
Government Grants PM KUSUM Grant	-0.49
Delay Payment Surcharge	**519.95**

Particulars	Approved
Income from Service Charges	19.70
Profit on Disposal of Fixed Assets	19.20
Provision Written back-Employee Benefit	5.00
Provision Written back Fixed Assets	4.74
Provision written back - Stock-Current Asset	0.19
Other Misc. Income	187.58
Inter head transfer	28.10
Common Service	-0.87
Capitalized	-7.17
Total Non-tariff Income	**1,015.14**

Legal Charges & Consultancy Fees

Petitioner's Submission

5.53 The Petitioner has submitted that they have incurred Legal expenses in relation to various court cases pertaining to its Distribution activity within its operational area. Since, such expenditures are not covered in the normative O&M charges as allowed by CERC for generation and transmission activities of DVC, accordingly the Petitioner has claimed Rs. 8.32 Crore towards Legal Charges and Consultancy Fees.

Commission's Analysis

5.54 The Commission has outlined ***clause 10.7*** of JSERC (Terms and Condition of Determination of Tariff) Regulations 2020 for the approval of legal/litigation expenses as reproduced below:

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

5.55 As per regulatory requirement the Commission in its discrepancies note asked to provide the detail break-up of legal expenses along with an auditor certificate. In reply to query the Petitioner has submitted details break-up of legal expenses tuned to Rs 0.118 Crore as annexed in ***annexure- 9*** of additional information. Accordingly, the Commission approves the legal expenses as Rs 0.118 Crore for FY 2022-23.

Allocation of Costs for DVC as a whole to Jharkhand Area

Petitioner's Submission

5.56 The Petitioner has submitted that the input costs including own generation cost, Power Purchase Cost, Other Input Cost, etc. cannot be segregated into the cost pertaining to Jharkhand and West Bengal area as DVC operates as a single entity. Thus, the Petitioner has submitted that, for the purpose of computing retail tariffs pertaining to Jharkhand area, the input cost of DVC be bifurcated in the ratio of energy sales in Jharkhand area to the total sales in the Damodar Valley area.

Commission's Analysis

5.57 The Commission has allocated the expenses of DVC as a whole to Jharkhand area by following the methodology approved in the Order on True-up for FY 2021-22. The following table summarizes the input cost allocated to Jharkhand area for the period FY 2022-23 as submitted by the Petitioner and as approved by the Commission.

Table 44: Cost allocation for Jharkhand submitted by the Petitioner and approved by the Commission (Rs. Cr.)

Particulars	Petition	Approved
Cost of Own Generation	10,001.30	10,001.30
Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses)	1,174.47	1,140.58
Tariff filling fees & publication expenses to CERC	4.62	4.62
Less: Non-Tariff Income (NTI)	0.30	1,015.14
Interest on Temporary Financial Accommodation	0.27	-
Legal Charge & Consultancy Fee	8.32	0.12
Environmental Protection and Other Cess	0.01	0.01
Less: Gain sharing from UI Export	-	-
Total ARR of DVC (Distribution)	**11,188.69**	**10,131.48**
Ratio of sales in Jharkhand	44.89%	44.89%
ARR Apportioned to Jharkhand	**5,022.43**	**4,547.87**

Rebate on Sale of Power

Petitioner's Submission

5.58 The Petitioner, in its Petition has claimed Rs 74.15 Crore towards Rebate on Sale of Power for FY 2022-23.

Commission's Analysis

5.59 The Commission is of opinion that each of the rebate prescribed in the terms and condition of supply is either provided to the consumer as such rebate facilitates optimization of cost for DVC or is in the form of disincentive to DVC for inaction. The same is explained below:

- *Voltage Rebate – Such a rebate is to encourage consumers to move to higher voltage level as the losses on higher voltage is lower thereby leading to lower cost of service to DVC.*

- *Load Factor Rebate – Load Factor Rebate incentivises energy consumption by customers and it leads to better capacity utilisation of infrastructure to DVC and reduced losses. High load factor of consumers reduces the transmission losses and consequently power purchase cost. Higher load factor also reduces the transformer losses.*

- *Rebate for Online Payment and Due Date Payment – Timely and prompt payment reduces the working capital cost of DVC. Online payment optimizes the O&M costs for DVC.*

- *Rebate for Prepaid Metering – Prepaid metering reduces the working capital cost of DVC and also optimizes the O&M costs.*

- *Rebate for Delayed Billing – This rebate is provided to consumers to promote prompt and timely billing by DVC. This is in the nature of a disincentive.*

5.60 It is clear that the rebates in question either help optimize DVC's cost structure or serve as a disincentive. Including these rebates in the Aggregate Revenue Requirement (ARR) would defeat the purpose of offering them. Rebates are generally designed to reduce costs or encourage certain behaviors, and including them in the ARR would nullify these effects. Moreover, the JSERC Distribution Tariff Regulations 2020 do not require rebates to be factored into the ARR. This omission supports the argument that including rebates in the ARR is unnecessary and counterproductive.

5.61 On scrutinizing the details submitted by the Petitioner, the Commission in this Order, has allowed the net revenue billed to the Consumers of Jharkhand, including Rebates/surcharges, while approving the Gap/(Surplus). In view of the above, the Commission has disallowed the Rebate on Sale of Power so claimed separately by the petitioner, as allowance of the same would result in double accounting of the same costs.

Interest on Working Capital (IoWC)

Petitioner's Submission

5.62 The Petitioner has submitted that the Interest on Working Capital has been determined in accordance with the applicable provisions of the Tariff Regulations, 2020. Accordingly, the Petitioner has claimed the Interest on Working Capital required for DVC for Jharkhand Area to be Rs. 76.33 Crore for FY 2022-23.

Commission's Analysis

5.63 The Commission has outlined ***clause 10.30, clause 10.31*** of JSERC (Terms and Condition of Determination of Tariff) Regulations 2020 for the approval of Interest on Working Capital which is reproduced below:

"Interest on Working Capital

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

a) Maintenance spares at 1% of Opening GFA of Wheeling Business; plus

b) Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus

c) Amount, if any, held as security deposits.

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

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

b) Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus

c) Amount held as security deposits under Clause (a) and Clause (b) of subsection (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for Wheeling

Business; minus

d) One-month equivalent of cost of power purchased including the Inter-State and Intra-State Transmission Charges and Load Despatch Charges, based on the annual power procurement plan."

5.64 However, this Commission in the Tariff Order for FY 2012-13 dated 22.11.2012 has made the following observation (as shown below) with respect to the GFA and O&M cost of the Petitioner:

"7.40 However, the Commission noticed that the GFA and O&M cost of the Petitioner cannot be segregated into that of pertaining to generation and transmission business and that for distribution and retail business at present. Hence, applying the aforementioned methodology for computation of IWC is not possible. Therefore, the Commission decided to continue with the methodology as applied by the Commission for truing up the ARR for FY 2006-07 to FY 2011-12 in this Order."

5.65 Further, the Interest on working capital has been worked out by this Commission in the past order dated 18.05.2018, 28.05.2019, 30.09.2020, 30.01.2023 and 22.01.2024 also consistent with its approach in the Order date April 19, 2017, wherein its observation was as under:

*"6.**55 However, since the O&M cost and other expenses of the Petitioner are included in the cost of generation of power from its own stations, applying the aforementioned methodology as per the 'Distribution Tariff Regulations, 2010' is not possible.***

6.56 Hence, the Commission has adopted the same methodology as described in the Tariff Order for FY 2012-13 dated 22nd November, 2012."

5.66 Based on the above excerpt the Commission has considered the Working Capital entitle of DVC as 1% of the revenue sales.

Table 45: Interest on Working Capital submitted by Petitioner and approved by the Commission (Rs. Cr.)

Particulars	Annotation	Petition	Approved
Revenue from sales in Jharkhand	A	5,572.94	4,960.49

Particulars	Annotation	Petition	Approved
Cost of power purchase allocated for Jharkhand in the ratio of sales	B	956.36	
Two months receivable	C	928.82	
One month power purchase cost	D	79.70	
Security deposit held	E	158.36	
Working Capital Requirement in Jharkhand Area (at 1% of Revenue from sale of power)	F		49.60
Working Capital (C-D-E)	G	690.76	49.60
Interest rate (%) (SBI Base Rate as on 01.04.2022 + 350 basis points)	H	11.05%	10.50%
Interest on Working Capital	**I**	**76.33**	**5.21**

Interest on Consumer Security Deposit

Petitioner's Submission

5.67 The Petitioner has submitted an amount of Rs. 11.01 Crore towards Interest on Consumer Security Deposit.

Commission's Analysis

5.68 The Commission has outline ***clause 10.33*** of JSERC (Terms and Condition for Determination of Distribution Tariff) Regulations 2020 for the approval of Interest on Consumer Security Deposit as reproduced below:

> *10.33 Interest paid on consumer security deposits shall be as specified by the Commission in JSERC (Electricity Supply Code) Regulations, 2015 as amended or as replaced from time to time.*

5.69 The Commission noted the Petitioner submission, a statement of reconciliation along with relevant accounts/ ledgers related to Interest on consumer security deposit in respect of consumers of Jharkhand for FY 2022-23 as ***Annexure -9 to Letter No. Comm./ Tariff/ JSERC/ 1411*** dated February 13, 2024.

5.70 Accordingly, The Commission approve the Interest on Consumer Security Deposit as Rs 11.01 Cr as submitted by the Petitioner based on scrutiny of the Audited Accounts for FY 2022-23.

Tariff Filing and Publication Expenses (JSERC)

Petitioner's Submission

5.71 The Petitioner has submitted an amount of Rs. 0.79 Crore towards Tariff Filing and Publication Expenses in JSERC.

Commission's Analysis

5.72 The Commission has approved the Tariff Filing and Publication Expenses in JSERC as Rs. 0.79 Crore as submitted by the Petitioner in ***Annexure-8 of Letter No. Comm./ Tariff/ JSERC/ 1411 dated February 13, 2024***, submitted along with the Petition. Accordingly, the Commission approves the Tariff Filing and Publication Expenses (CERC) as claimed by the Petitioner.

Summary of Aggregate Revenue Requirement (ARR)

5.73 Based on the above, the Commission has approved ARR for FY 2022-23 against the ARR claimed by the Petitioner which is summarised as below:

Table 46: ARR submitted by Petitioner and approved by the Commission (Rs. crore)

Particulars	Petition		Approved	
	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
Cost of Own Generation	6,552.99	3,448.31	6,552.99	3,448.31
Power Purchase Cost (Including Transmission Charges & Excluding RE/REC Expense)	766.47	406.50	766.47	391.17
Tariff filling fees & publication expenses to CERC	-	4.62	-	4.62
Less: Non-Tariff Income (NTI)		0.30		1,015.14
Interest on Temporary Financial Accommodation		0.27		-
Legal Charge & Consultancy Fee	-	8.32	-	0.12
Environmental Protection and Other Cess	-	0.01	-	-
Less: Gain sharing from UI export	-	-	-	-
Less: Open Access Charges Receives for Transmission System		91.16		91.16
Total	**7,319.46**	**3,776.59**	**7,319.46**	**2,737.91**
Ratio of sales in Jharkhand part to total firm sale in entire DVC	44.89%	44.89%	44.89%	44.89%
ARR before IWC, Interest on SD & Tariff Filling Fees in the licensed area of Jharkhand	**3,285.59**	**1,695.25**	**3,285.59**	**1,229.01**
Rebate on Sale of Power		74.15	-	-
Expenses to meet RPO in the state of Jharkhand	429.84	-	428.89	-
Interest on Working Capital	-	76.33	-	5.21
Interest on security deposit	-	11.01	-	11.01
Tariff Filing Fees & Publication Expenses in JSERC	-	0.79	-	0.79

Particulars	Petition		Approved	
	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
Net ARR for Jharkhand	**3,715.43**	**1,857.51**	**3,714.48**	**1,246.01**
TOTAL ARR	**5,572.94**		**4,960.49**	
Sale in Jharkhand (MU)	8,957.44		8,957.44	
Average Cost of Supply (Rs./kWh)	**6.22**		**5.54**	

Revenue from Sale of Power in Jharkhand Area

Petitioner's Submission

5.74 The Petitioner has submitted the revenue billed from sale of power in Jharkhand as Rs. 3,834.99 Cr. which is inclusive of FPPPA Charges billed, i.e. Rs. 261.31 Cr. for FY 2022-23.

Commission's Analysis

5.75 The Commission in this Order, approve the net revenue billed to the Consumers of Jharkhand, including Rebates/surcharges, while approving the Gap/(Surplus), as 3,834.99 Cr. which is inclusive of FPPPA Charges billed, i.e. Rs. 261.31 Cr. for FY 2022-23, vide ***Annexure-9 of Letter No. Comm./ Tariff/ JSERC/ 1411 dated February 13, 2024***.

Revenue & (Surplus)/Gap for FY 2022-23

5.76 The Commission, after scrutinizing the details submitted by the Petitioner, and based on the ARR approved earlier in this Order, approves the Revenue Gap/(Surplus) as summarized below.

Table 47: Revenue (surplus)/gap as approved by the Commission (Rs. Cr.)

Particulars	Petition	Approved
ARR Approved	5,572.94	4,960.49
Revenue Billed	3834.99	3,834.99
FPPPA Billed in FY 2022-23	261.31	261.31
Revenue Gap/(Surplus)	**1,476.64**	**864.19**

5.77 The Commission has approved the Revenue gap as Rs. 864.19 Crore for FY 2022-23.

Chapter 6: Annual Performance Review (APR) for FY 2023-24 & Aggregate Revenue Requirement (ARR) for FY 2024-25

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

> *"13.2 The Licensee shall submit the Annual Performance Review report as part of annual review on actual performance as per the timelines specified in the Section A 24 of these Regulations to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including audited/authenticated accounts and the tariff worked out in accordance with these Regulations."*

6.2 The Commission, on the basis of the provisions of the Distribution Tariff Regulations, 2020 has determined the Annual Performance Review (APR) for FY 2023-24 and Aggregate Revenue Requirement for FY 2024-25 on consideration of:

a) JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020;

b) Material and;

c) Methodology adopted by the Commission in earlier orders.

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

Supply Points, Connected Load and Energy Sales

Petitioner's Submission

6.4 The Petitioner has submitted the actual category-wise number of consumer connection points, connected load and energy sales in the Damodar Valley area falling within the State of Jharkhand for FY 2023-24 & FY 2024-25.

Table 48: Supply points, Connected load and Energy Sales in Jharkhand submitted by the Petitioner for FY 2023-24 & FY 2024-25

Particulars	FY 2023-24			FY 2024-25		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
LT (MW)	5.00	72.13	37.91	5.00	76.41	40.16
Industries-11 KV	100.00	30.00	325.76	250.00	107.50	1,172.75
Industries - 33 KV	155.00	928.91	5,453.09	160.00	984.07	5,776.88
Industries - 132 KV	11.00	165.00	797.47	12.00	174.80	844.83
Industries - 220 KV	2.00	312.86	1,960.38	2.00	331.44	2,076.78
Traction - 132 KV	6.00	92.83	290.33	7.00	98.34	307.57
Licensees - 33 KV	5.00	40.59	151.45	6.00	43.00	160.44
Licensees - 132 KV	4.00	188.21	794.30	4.00	199.39	841.46
Total	**288.00**	**-**	**9,810.69**	**446.00**	**-**	**11,220.86**

Commission's Analysis

6.5 The Commission after scrutinizing the information submitted by the Petitioner, upon prudent check, views that the energy sales are uncontrollable factor, as such the Commission has approved the energy sales as claimed by the Petitioner. The submissions of the Petitioner and approval of the Commission is summarized below:

Table 49: Supply points, Connected load and Energy Sales in Jharkhand approved by the Commission for FY 2023-24 & FY 2024-25

Particulars	FY 2023-24			FY 2024-25		
	Supply Points	Connected Load (MVA)	Consumption (MU)	Supply Points	Connected Load (MVA)	Consumption (MU)
LT (MW)	5.00	72.13	37.91	5.00	76.41	40.16
Industries-11 KV	100.00	30.00	325.76	250.00	107.50	1,172.75
Industries - 33 KV	155.00	928.91	5,453.09	160.00	984.07	5,776.88
Industries - 132 KV	11.00	165.00	797.47	12.00	174.80	844.83
Industries - 220 KV	2.00	312.86	1,960.38	2.00	331.44	2,076.78
Traction - 132 KV	6.00	92.83	290.33	7.00	98.34	307.57
Licensees - 33 KV	5.00	40.59	151.45	6.00	43.00	160.44
Licensees - 132 KV	4.00	188.21	794.30	4.00	199.39	841.46
Total	**288.00**	**-**	**9,810.69**	**446.00**	**-**	**11,220.86**

Transmission & Distribution Losses and Energy Requirement

Petitioner's Submission

6.6 The Petitioner has submitted that the Commission approved T&D losses as 3.00% for the network of DVC for FY 2023-24 & FY 2024-25 vide its MYT Order dated January 30, 2023 whereas, the estimated T&D loss works out to be 2.96% for FY 2023-24 & 3.08% for FY 2024-25.

6.7 Further, in addition to the energy sold in the Jharkhand area, the Petitioner has also submitted the actual sales in the West Bengal area and the energy wheeled from its inter-state transmission system for the purpose of computation of the energy requirement for the entire Damodar Valley area.

6.8 Based on the total energy sales in the Damodar Valley area, the T&D losses and the energy wheeled from the system, the Petitioner submitted the estimated energy requirement for FY 2023-24 & FY 2024-25.

Commission's Analysis

6.9 The Commission has referred the ***para 5.15*** of DVC MYT Order for Control period FY 2021-22 to FY 2025-26 dated January 30, 2023 for approval of Transmission and Distribution Loss as reproduced below:

> *5.15 The Commission has scrutinized the actual loss and approved value of losses for the past years. The Commission provisionally approves the Transmission & Distribution (T&D)* ***loss target of 3.00%*** *on overall sales for each year of the Control Period considering the past trend in previous period from FY 2016-17 to FY 2020-21. Further, the Petitioner shall be allowed to operate within the distribution loss of 3.80% on* ***overall sales for the Control Period without any incentive/penalty.***

6.10 The Commission, upon scrutinizing and analyzing the submission made by the Petitioner, noted that the estimated T&D loss for FY 2023-24 is 2.96% and for FY 2024-25 is 3.08%. The Transmission & Distribution (T&D) Loss for FY 2023-24 is well within the approved values of the MYT Order for the Control Period from FY 2021-22 to FY 2025-26, dated January 30, 2023, whereas the T&D loss for FY 2024-25 is slightly high. Accordingly, the Commission prudently approves the Transmission and Distribution Losses at 2.96% for FY 2023-24 and 3.00% for FY 2024-25.

6.11 Further, the Commission, after assessment, has disallowed Grid Loss, STU loss for Rajasthan Solar Power @3.22%, and partially Contingency Purchase (IEX-PXIL). The actuals may be considered while passing the true-up Order for the period under consideration upon submission of relevant data and documentary evidence.

6.12 Based on the approved energy sales for Jharkhand area, approved T&D losses, the energy sales within West Bengal area and energy wheeled through DVC system, the energy requirement for the FY 2023-24 & FY 2024-25 has been summarized in the following table.

Table 50: Energy Requirement submitted by the Petitioner and approved by the commission for FY 2023-24 & FY 2024-25 (MU)

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
Energy sales within the state of Jharkhand	9,810.69	9,810.69	11,220.86	11,220.86
Energy sales within the state of West Bengal	10,246.05	10,246.05	10,691.77	10,691.77
Total energy sales in DVC Area	20,056.74	20,056.74	21,912.62	21,912.62
Energy wheeled	848.58	848.58	858.08	858.08
Overall Utilization	20,905.31	20,905.31	22,770.70	22,770.70
T&D loss (MU)	637.71	618.83	723.09	683.12
T&D loss (%)	2.96%	2.96%	3.08%	3.00%
Total Energy Requirement for DVC	**21,543.02**	**21,524.15**	**23,493.79**	**23,453.82**
Ratio of sales in Jharkhand	**48.91%**	**48.91%**	**51.21%**	**51.21%**

Energy Availability from Own Generating Stations for Distribution Function

Petitioner's Submission

6.13 The Petitioner has submitted that it generates power from its own stations to meet part of the power requirements for its consumers in the Jharkhand and West Bengal. The generating stations include both thermal and hydel stations.

6.14 The Petitioner has also submitted the estimated generation available from its own generating stations for FY 2023-24 & FY 2024-25.

Commission's Analysis

6.15 The Commission has observed that the Petitioner has submitted the tariff petition for determination of generation cost from KTPS (10 MW) before CERC on 04.10.2023 which is still pending. But in the instant petition the Petitioner has claimed levelized tariff of Rs 4.62 per unit for the Generation. Likewise, the Petitioner has also considered Rs 4.62 per unit as the cost of power from KTPS solar power plant. Accordingly, the Cost of power of RTPS, MTPS and Panchet solar power plant has been considered the same as of KTPS instead the final tariff determination is still pending before the Hon'ble Commission.

6.16 In light of the above, the Commission is of the opinion that the tariff determination approval for Solar KTPS (Ground Mounted), Solar PV at Panchet (Ground Mounted), Solar PV RTPS (Floating), Solar PV MTPS (Floating), and Solar KTPS (Floating) is still pending before the Hon'ble CERC. Therefore, the Commission disallows the quantum of Energy, AFC, and Energy Charge from these generating stations at this stage. However, the Petitioner is free to claim the same once approval is granted by the Hon'ble CERC, and the Commission shall consider it on its merits.

6.17 Based on the estimated/projected availability and the power purchase submitted, the Commission approves the energy availability from its own generation. The energy availability from own generation as per the submission of the Petitioner and as approved by the Commission is summarized below:

Table 51: Energy Availability from own Generating stations submitted by the Petitioner and approved by the Commission for FY 2023-24 & FY 2024-25 (MU)

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
BTPS 'B' U# 3	-	-	-	-
DTPS U# 4	-	-	-	-
MTPS U# 1to3	3,145.90	3,145.90	3,384.15	3,384.15
MTPS U# 4	1,009.30	1,009.30	1,148.08	1,148.08
HYDEL	372.31	372.31	393.69	393.69
Solar PV KTPS (Ground Mounted)	7.78	-	17.52	-
Solar PV at Panchet (Ground Mounted)	-	-	14.02	-
Solar PV RTPS (Floating)	-	-	11.52	-
Solar PV MTPS (Floating)	-	-	11.52	-

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
Solar PV KTPS (Floating)	-	-	11.52	-
Sub Total	**4,535.29**	**4,527.52**	**4,992.01**	**4,925.92**
MTPS U# 5&6	3,027.46	3,027.46	2,932.11	2,932.11
MTPS U# 7&8	6,617.08	6,617.08	6,726.53	6,726.53
CTPS U# 7&8	3,348.65	3,348.65	3,134.61	3,134.61
DSTPS U# 1&2	6,799.67	6,799.67	6,475.90	6,475.90
KTPS U# 1&2	6,597.84	6,597.84	6,399.64	6,399.64
BTPS 'A'	3,305.94	3,305.94	3,049.50	3,049.50
RTPS U # 1&2	6,850.11	6,850.11	6,954.87	6,954.87
Sub Total	**36,546.75**	**36,546.75**	**35,673.16**	**35,673.16**
Total Own Generation	**41,082.04**	**41,074.27**	**40,665.18**	**40,599.08**

Power Purchase from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

6.18 The Petitioner has submitted that it is also purchasing power from CSGS and other sources viz. NTPC, NHPC, PTC & other sources (excluding net power purchased under Unscheduled Interchange mechanism) to meet the energy requirements in the DVC command area.

6.19 Further, for FY 2023-24 & FY 2024-25, the Petitioner has projected to purchase and sell power through the Unscheduled Interchange (UI) mechanism.

Commission's Analysis

6.20 The Commission has determined the balance energy requirement to be met through purchase of power from CSGS and other sources after meeting the energy requirement from own generation. Contingency Purchase is partially allowing to balance the Energy Requirement & energy Available, and Grid Loss has been provisionally disallowed for the purpose of projection, subject to true-up for the period under consideration.

Table 52: Station-wise net power purchase submitted by the Petitioner and approved by the Commission for FY 2023-24 & FY 2024-25 (MU)

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
NHPC				

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
Rangit	31.15	31.15	30.86	30.86
Teesta- V	236.15	236.15	237.19	237.19
NTPC				
TSTPS I	13.72	13.72	13.88	13.88
KBUNL MTPS II	56.74	56.74	68.71	68.71
PTC				
Chukha	187.90	187.90	188.08	188.08
Kurichu	39.37	39.37	40.34	40.34
Tala	149.89	149.89	146.84	146.84
MPL	1,066.32	1,066.32	1,078.64	1,078.64
Contingency Purchase (IEX-PXIL)	406.92	222.29	427.27	275.60
Grid Loss	86.26	-	88.38	-
Solar				
Talcher	14.04	14.04	14.32	14.32
Unchahar	14.04	14.04	14.04	14.04
Rajasthan	29.37	29.37	29.96	29.96
SECI Solar	-	-	158.11	158.11
NTPC REL Solar	-	-	43.92	43.92
JEML Rooftop Solar	3.85	3.85	3.90	3.90
STU loss for Rajasthan Solar Power @3.22%	1.02	-	1.04	-
GDAM Purchase (Solar)	180.22	180.22	189.23	189.23
Solar REC	1,723.67	83.99	1,722.84	85.41
Non-solar		-		-
Hydro Generation	8.72	8.72	8.46	8.46
GDAM Purchase (Non-Solar)	180.22	180.22	189.23	189.23
Non-Solar REC	2,219.46	86.92	2,448.73	98.53
Total	**2,531.35**	**2,433.99**	**2,793.56**	**2,731.31**

Energy Balance

6.21 Based on the energy requirement and energy availability from own generation, T&D losses and power purchase from CSGS and other sources, the energy balance as submitted by the Petitioner and as per Commission's analysis is summarized in the following table:

Table 53: Energy balance submitted by the Petitioner and approved by the Commission for FY 2023-24 & FY 2024-25 (MU)

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
A. Energy Requirement				
Energy sales within the state of Jharkhand	9,810.69	9,810.69	11,220.86	11,220.86
Energy sales within the state of West Bengal	10,246.05	10,246.05	10,691.77	10,691.77

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
Total energy sales in DVC Area	20,056.74	20,056.74	21,912.62	21,912.62
Energy wheeled	848.58	848.58	858.08	858.08
Overall Utilization	20,905.31	20,905.31	22,770.70	22,770.70
T&D loss (MU)	637.71	618.83	723.09	683.12
T&D loss (%)	2.96%	2.96%	3.08%	3.00%
Total Energy Requirement for DVC	**21,543.02**	**21,524.15**	**23,493.79**	**23,453.82**
B. Energy Availability				
Own Generation-Firm sources				
Thermal	40,701.96	40,701.96	40,205.39	40,205.39
Hydel	372.31	372.31	393.69	393.69
Solar	7.78	-	66.10	-
Sub Total	**41,082.04**	**41,074.27**	**40,665.18**	**40,599.08**
Net Power Purchase	2,445.09	2,433.99	2,705.18	2,731.31
Energy received for Wheeling	893.24	893.24	903.24	903.24
Less: Energy sold to other licensees & exchange	22,877.35	22,877.35	20,779.81	20,779.81
Total Energy Available for DVC	**21,543.02**	**21,524.15**	**23,493.79**	**23,453.82**

Cost of Own Generation

Petitioner's Submission

6.22 DVC constituted under the DVC Act, 1948, is a PSU as envisaged under Section 79 (1) (a) of the Electricity Act, 2003, and the tariff for generation of electricity is to be decided by the CERC. Accordingly, cost of generation for DVC as a whole from own stations has been taken as approved by the CERC in its relevant Orders.

6.23 Further, the effect of variation in Fuel Price Adjustment (FPA) in energy charges has also been claimed in the own cost of generation in accordance with the formula prescribed by the CERC.

Commission's Analysis

Table 54: CERC Orders considered for approval of fixed charges of own Generating Stations

Particulars	Date of CERC Order
DTPS U#4	19.05.2023
MTPS U#1to3	17.02.2023
MTPS U#4	30.11.2022
MHS	16.02.2023
PHS	28.02.2023

Particulars	Date of CERC Order
THS	16.03.2023
T&D System	02.03.2022 & 23.07.2022
MTPS U#5&6	14.03.2023
MTPS U#7&8	27.04.2023
CTPS U#7&8	16.06.2023
DSTPS U#1&2	03.07.2023
KTPS U#1&2	20.07.2023
BTPS 'A' U#1	26.10.2023
RTPS U#1&2	29.04.2023

6.24 The Commission, after scrutinizing the information made available by the Petitioner and after perusal of the above CERC Orders, has adopted the fixed charges for own power generation from thermal and hydel stations for DVC as approved by CERC in its relevant Tariff Orders. The Commission has verified the Energy Charge Rate (ECR) computation and approves the Energy Charge Rate (ECR) as submitted by the Petitioner.

6.25 The Commission in this Order has approved the input cost as per the MYT Orders issued by Hon'ble CERC for the Control Period FY 2019-24. The same shall be revised upon issuance of True-up Orders for the Petitioner by Hon'ble CERC.

6.26 The AFC of own power generating stations as adopted by the Commission from the aforementioned CERC Orders for the period has been summarized in the previous table. The Commission has adopted the methodology used in its previous Orders for calculation of Fixed Charges for own generating stations.

6.27 This Commission has noted that the CERC in its True-up orders has maintained its approach in allowing contribution to sinking fund as part of AFC and disallowing the expenses claimed by DVC pertaining to Pension & Gratuity (P&G), over and above, the normative O&M expenses allowable to the generating station. Hence, the claim of DVC to recover contribution to Sinking Fund as allowed by CERC in AFC in full without factoring the availability of the Generating stations is not admitted in the instant order. The Hon'ble Tribunal vide judgment dated 23.3.2016 in Appeal No. 255/2014 has upheld similar treatment by this Commission in APR order dated 04.09.2014.

6.28 The Fixed Charges approved by the Commission for own generating stations is summarized at **Annexure – II.**

6.29 The Commission has noted that the Petitioner has claimed Annual Fixed cost of Emission Control System FGD in respect of DVC own generating station based on tariff petition submitted before the Hon'ble CERC under Regulation 29 of CERC Tariff Regulations 2019 as reproduced below:

"29. Additional Capitalization on account of Revised Emission Standards:

(1) A generating company requiring to incur additional capital expenditure in the existing generating station for compliance of the revised emissions standards shall share its proposal with the beneficiaries and file a petition for undertaking such additional capitalization.

(2) The proposal under clause (1) above shall contain details of proposed technology as specified by the Central Electricity Authority, scope of the work, phasing of expenditure, schedule of completion, estimated completion cost including foreign exchange component, if any, detailed computation of indicative impact on tariff to the beneficiaries, and any other information considered to be relevant by the generating company.

(3) Where the generating company makes an application for approval of additional capital expenditure on account of implementation of revised emission standards, ***the Commission may grant approval after due consideration of the reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission.***

(4) After completion of the implementation of revised emission standards, ***the generating company shall file a petition for determination of tariff. Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on reasonableness of the cost and impact on operational parameters shall form the basis of determination of tariff."***

6.30 The Commission noted that the Petitioner has stated the FGD system will be operational in FY 2023-24 and FY 2024-25, and submissions regarding this are being filed before the CERC in a phased manner.

6.31 Therefore, the Commission is of the opinion that, initially, the provision under Regulation 29 does not entitle the Petitioner to recover the tariff related to the FGD system based on the filings made before the CERC.

6.32 Regarding the issuance of the Tariff Order for the Control Period, the CERC Regulations 2019 clearly state that until a new Tariff Order is issued, consumers must be billed based on the most recent applicable charges. This ensures that billing remains consistent and fair, relying on established orders rather than speculative filings or projections. During the period when the Tariff Order is pending, billing should strictly follow the latest available Tariff Order to maintain regulatory stability and protect consumers from potential discrepancies or unjustified increases that could result from billing based on unapproved projections. The relevant provisions of the CERC Tariff Regulations 2019 are as follows.

"10. Determination of tariff

(4) In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the long term customers at the capacity charges or the transmission charges respectively as approved by the Commission and applicable as on 31.3.2019 for the period starting from 1.4.2019 till approval of final capacity charges or transmission charges by the Commission in accordance with these regulations:

Provided that the billing for energy charges w.e.f. 1.4.2019 shall be as per the operational norms specified in these regulations."

6.33 Based on the above excerpt, the Commission is of opinion that the recovery of charge on an ad-hoc basis, relying on estimation/projection is not permitted under CERC Tariff Regulations 2019 Framework. Accordingly, this Commission at the instant order does not approve any AFC and Energy charge for Flue Gas Desulfurization (FGD) system for the FY 2023-24 and FY 2024-25. However, the Petitioner is at liberty to claim same only after approval from Hon'ble CERC and the Commission shall have considered the same on the merits.

Table 55: Energy charge rate submitted by Petitioner and approved by the Commission for FY 2023-24 & FY 2024-25 (Rs./kWh)

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
BTPS 'B'	3.75	3.75	3.82	3.75
DTPS U # 4	3.75	3.75	3.88	3.82
MTPS U#1 to 3	3.53	3.53	3.67	3.60
MTPS U#4	3.40	3.32	3.40	3.32
MTPS Solar PV	3.16	3.16	3.30	3.23
KTPS Solar PV	3.39	3.39	3.54	3.46
MTPS U#5 & 6	3.09	3.02	3.09	3.02
MTPS U# 7 & 8	2.72	2.65	2.72	2.65
CTPS U # 7 & 8	3.52	3.52	3.66	3.59
DSTPS U # 1 & 2	3.75	3.75	3.82	3.75
KTPS U # 1 & 2	3.75	3.75	3.88	3.82
BTPS 'A'	3.53	3.53	3.67	3.60
RTPS U # 1 & 2	3.40	3.32	3.40	3.32

Table 56: Energy Charges submitted by Petitioner and approved by the Commission for FY 2023-24 & FY 2024-25 (Rs. cr.)

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
BTPS 'B'	-	-	-	-
DTPS U # 4	-	-	-	-
MTPS U#1 to 3	1,179.36	1,179.36	1,291.08	1,291.08
MTPS U#4	378.38	378.38	445.90	445.90
MHS	42.78	21.39	42.78	21.39
PHS	39.71	19.85	39.71	19.85
THS	12.69	6.35	12.69	6.35
Solar PV KTPS (Ground Mounted)	3.59	-	8.10	-
Solar PV at Panchet (Ground Mounted)	-	-	6.48	-
Solar PV RTPS (Floating)	-	-	5.32	-
Solar PV MTPS (Floating)	-	-	5.32	-
Solar PV KTPS (Floating)	-	-	5.32	-
MTPS Solar PV	-	-	-	-
KTPS Solar PV	-	-	-	-
MTPS U#5 & 6	772.45	772.45	778.03	778.03
MTPS U# 7 & 8	826.34	826.34	1,075.99	1,075.99
CTPS U # 7 & 8	48.44	48.44	41.34	41.34
DSTPS U # 1 & 2	1,467.72	1,467.72	1,448.05	1,448.05
KTPS U # 1 & 2	29.24	29.24	98.76	98.76

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
BTPS 'A'	515.61	515.61	523.98	523.98
RTPS U # 1 & 2	907.57	907.57	1,147.73	1,147.73
Total Energy Charges	**6,223.88**	**6,172.70**	**6,976.58**	**6,898.45**

Table 57: Total Charges submitted by Petitioner and approved by the Commission for FY 2023-24 (Rs. Cr.)

Particulars	FY 2023-24			
	Petition		Approved	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
BTPS 'B'	-	-	-	-
DTPS U # 4	-	-	-	-
MTPS U#1 to 3	463.86	1,179.36	463.86	1,179.36
MTPS U#4	150.88	378.38	150.88	378.38
MHS	42.78	42.78	21.39	21.39
PHS	39.71	39.71	19.85	19.85
THS	12.69	12.69	6.35	6.35
T&D System	509.23		509.23	
Solar PV KTPS (Ground Mounted)		3.59		-
Solar PV at Panchet (Ground Mounted)		-		-
Solar PV RTPS (Floating)		-		-
Solar PV MTPS (Floating)		-		-
Solar PV KTPS (Floating)		-		-
MTPS Solar PV		-		-
KTPS Solar PV		-		-
MTPS U#5 & 6	289.71	772.45	289.71	772.45
MTPS U# 7 & 8	416.08	826.34	387.14	826.34
CTPS U # 7 & 8	25.87	48.44	25.87	48.44
Incentive for CTPS U # 7 & 8	-		-	
DSTPS U # 1 & 2	673.63	1,467.72	673.63	1,467.72
KTPS U # 1 & 2	16.93	29.24	16.46	29.24
Incentive for KTPS U # 1 & 2	-		-	
BTPS 'A'	435.47	515.61	417.81	515.61
RTPS U # 1 & 2	503.66	907.57	503.66	907.57
Cost of Own Generation	**3,580.48**	**6,223.88**	**3,485.84**	**6,172.70**

Table 58: Total Charges submitted by Petitioner and approved by the Commission for FY 2024-25 (Rs. Cr.)

Particulars	FY 2024-25			
	Petition		Approved	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
BTPS 'B'	-	-	-	-
DTPS U # 4	-	-	-	-
MTPS U#1 to 3	541.17	1,291.08	463.86	1,291.08
MTPS U#4	177.94	445.90	150.88	445.90
MHS	42.78	42.78	21.39	21.39
PHS	39.71	39.71	19.85	19.85
THS	12.69	12.69	6.35	6.35
T&D System	509.23		509.23	
Solar PV KTPS (Ground Mounted)		8.10		-
Solar PV at Panchet (Ground Mounted)		6.48		-
Solar PV RTPS (Floating)		5.32		-
Solar PV MTPS (Floating)		5.32		-
Solar PV KTPS (Floating)		5.32		-
MTPS Solar PV		-		-
KTPS Solar PV		-		-
MTPS U#5 & 6	336.83	778.03	290.19	778.03
MTPS U# 7 & 8	556.58	1,075.99	495.90	1,075.99
CTPS U # 7 & 8	25.21	41.34	22.63	41.34
Incentive for CTPS U # 7 & 8	-		-	
DSTPS U # 1 & 2	750.26	1,448.05	668.84	1,448.05
KTPS U # 1 & 2	63.98	98.76	57.30	98.76
Incentive for KTPS U # 1 & 2	-		-	
BTPS 'A'	518.48	523.98	460.30	523.98
RTPS U # 1 & 2	673.93	1,147.73	604.20	1,147.73
Cost of Own Generation	**4,248.79**	**6,976.58**	**3,770.92**	**6,898.45**

Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources

Petitioner's Submission

6.34 The Petitioner has submitted that the balance energy demand is met through power purchase from other sources, viz., NTPC, NHPC, PTC, MPL etc. In case of contingency situation i.e. shortage of own generation or CSGS/MPL etc., DVC meets the real time demand by purchasing power from Power Exchange. The Petitioner has further submitted that they have fulfilled a portion of its solar obligation through actual power from different solar plants and through the purchase of REC. Similarly, regarding Non-solar RPO, the Petitioner has fulfilled a portion through applicable Hydro generation and purchase of Non-solar REC.

Commission's Analysis

6.35 Based on the total energy requirement, the Commission has allowed the quantum of energy to be purchased from CSGS and other sources (Other than Own Source) and from own generating stations at **Annexure – II.**

6.36 Besides, the Petitioner has segregated the cost of RPO into West Bengal and Jharkhand based on the RPO requirements stipulated by the respective State Electricity Regulatory Commissions. Accordingly, the Commission also finds it prudent to segregate the cost of RPO as per the requirements stipulated by the respective Commissions and projected RPO compliance by the Petitioner.

6.37 Based on the RPO Compliance submitted by the Petitioner, the Commission has approved the expenses below for purchase of Renewable Energy Certifications (RECs) towards RPO Compliance in Jharkhand.

Table 59: Expenses towards RECs submitted by Petitioner and approved by the Commission for FY 2023-24 & FY 2024-25 (Rs. Cr.)

Particulars	FY 2022-23		FY 2023-24	
	Petition	Approved	Petition	Approved
Quantum of total Solar RPO	1964.18	1964.18	2175.28	2175.28
Quantum of Solar RPO in Jharkhand	1410.16	1410.16	1588.97	1588.97
Quantum of total Solar Power Purchase	241.52	241.52	453.48	453.48
Quantum of Solar Power Purchase for Jharkhand	**173.40**	**173.40**	**331.25**	**331.25**
Quantum of total Non-solar RPO	2399.69	2399.69	2637.96	2637.96
Quantum of Non-solar RPO in Jharkhand	1383.97	1383.97	1563.05	1563.05
Quantum of total Non-solar Power Purchase	180.22	180.22	189.23	189.23
Quantum of Non-solar Power Purchase for Jharkhand	**103.94**	**103.94**	**112.13**	**112.13**
Cost of Solar Power	64.63	64.63	138.61	138.61
Cost towards purchase from GTAM (Solar)	117.36	117.36	117.33	117.33
Cost towards purchase from GTAM (Non-solar)	117.36	117.36	117.33	117.33
Cost of Solar RPO for Jharkhand through Power Purchase	**130.66**	**130.66**	**186.96**	**186.96**
Cost of Non-solar RPO for Jharkhand through Power Purchase	**67.69**	**67.69**	**69.52**	**69.52**
Purchase of Solar (REC)	**83.99**	**83.99**	**85.41**	**85.41**
Purchase of Non-Solar (REC)	**86.92**	**86.92**	**98.53**	**98.53**
Total Expenses towards RPO	**369.26**	**369.26**	**440.42**	**440.42**

6.38 Thus, the net Power Purchase Cost from Central Sector Generating Stations (CSGSs) and Other Sources (including RE sources and excluding purchase from own generating stations) approved is summarized as ***Annexure – II.***

Tariff Filing and Publication Expenses (CERC)

Petitioner's Submission

6.39 The Petitioner has claimed Rs. 5.10 Cr. and Rs. 5.15 Cr. towards Tariff filing fees (CERC) for FY 2023-24 and FY 2024-25 respectively.

Commission's Analysis

6.40 Upon scrutinizing and analyzing the Petitioner's submission regarding the Tariff filing fees (CERC), the Commission has provisionally disallowed the Tariff filing and publication expenses. However, these may be approved during the true-up process, subject to a prudent check and based on the actual expenditure incurred.

Environmental Protection and Other Cess

Petitioner's Submission

6.41 The Petitioner has claimed Rs. 0.70 Cr. and Rs. 0.73 Cr. towards Environmental Protection and Other Cess for FY 2023-24 and FY 2024-25 respectively.

Commission's Analysis

6.42 Upon scrutinizing and analyzing the Petitioner's submission regarding the Tariff filing fees (CERC), the Commission has provisionally disallowed the environment protection and other cess. However, these may be approved during the true-up process, subject to a prudent check and based on the actual expenditure incurred.

Interest on Temporary Financial Accommodation

Petitioner's Submission

6.43 The Petitioner has claimed Rs 0.29 Cr. and Rs 0.36 Cr. towards Interest on Temporary Financial Accommodation for FY 2023-24 and FY 2024-25 respectively.

Commission's Analysis

6.44 The Commission is of the opinion that there is no provision in JSERC (Terms & Condition of Determination of Distribution Tariff) Regulations 2020 and amendment thereof with respect to approval of Interest on Temporary Financial Accommodation. It is well settled in law that this Commission is bound to follow its own regulation while framing Order. Further, any reference to other SERC Regulation/Order will not entitle Petitioner to claim such amount before this Commission.

6.45 The Commission further opines that the Working Capital requirement as stipulated in the provision of JSERC (Distribution Tariff) Regulations 2020, amendment thereof is being allowed as per normative to cater the day to day working capital requirements of the Utilities.

6.46 The Commission observed that the Petitioner failed to provide any explanation or justification for the necessity of the funds in question or the specific amount required by the Licensee. Without supporting evidence or documentation to substantiate these claims, the Petitioner's argument lacks credibility. This omission leaves the claim unsubstantiated, offering no insight into the need for the funds or how the amounts were calculated. As a result, the claim appears baseless, unsupported by logical or factual reasoning, and is therefore unpersuasive and insufficiently justified

6.47 Hence, based on the above excerpt the Commission does not approve any Interest on Temporary Financial Accommodation for FY 2023-24 and FY 2024-25.

Non-Tariff Income

Petitioner's Submission

6.48 The Petitioner has estimated and projected Rs. 0.29 Cr. and Rs. 0.35 Cr. towards Non-Tariff Income for FY 2023-24 and FY 2024-25 respectively.

Commission's Analysis

6.49 The Commission has observed that the value claimed by the Petitioner as Non-Tariff Income is Delayed Payment Surcharge (DPS) by firm consumers of DVC distribution licensee. The Commission, in this order, has projected the Non-Tariff Income for FY 2023-24 and FY 2024-25 equal to the trued-up values of FY 2022-23, as approved earlier in this Order, subject to true-up for the period under consideration.

Legal Charges & Consultancy Fees

Petitioner's Submission

6.50 The Petitioner has submitted that they have estimated and projected to incur legal expenses in relation to various court cases pertaining to its Distribution activity within its operational area. Since, such expenditures are not covered in the normative O&M charges as allowed by CERC for generation and transmission activities of DVC, the Petitioner has claimed Rs. 8.32 Cr. and Rs. 4.85 Cr. towards Legal Charges and Consultancy Fees for FY 2023-24 and FY 2024-25 respectively.

Commission's Analysis

6.51 Upon scrutinizing and analyzing the Petitioner's submission regarding the Tariff filing fees (CERC), the Commission has provisionally disallowed the Legal Charge & Consultancy Fees. However, these may be approved during the true-up process, subject to a prudent check and based on the actual expenditure incurred.

Allocation of Costs for DVC as a whole to Jharkhand Area

Petitioner's Submission

6.52 The Petitioner has submitted that the input costs including own generation cost, Power Purchase Cost, Other Input Cost, etc. cannot be segregated into the cost pertaining to Jharkhand and West Bengal area as DVC operates as a single entity. Thus, the Petitioner has submitted that, for the purpose of computing retail tariffs pertaining to Jharkhand area, the input cost of DVC be bifurcated in the ratio of the energy sales in Jharkhand area to the total sales in the Damodar Valley area.

Commission's Analysis

6.53 The Commission has allocated the expenses of DVC as a whole to Jharkhand area by following the methodology approved in the Order on True-up for FY 2022-23. The following table summarizes the input cost allocated to Jharkhand area for the period FY 2023-24 and FY 2024-25, as submitted by the Petitioner, and as approved by the Commission.

Table 60: Cost allocation for Jharkhand submitted by the Petitioner and approved by the Commission for FY 2023-24 & FY 2024-25 (Rs. Cr.)

Particulars	FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved
Cost of Own Generation	9,709.18	9,658.54	11,130.19	10,669.37
Power Purchase Cost (Including Transmission Charges and Excluding Renewable Energy Purchase/REC Expenses)	1,027.10	917.20	1,122.46	964.85
Tariff filling fees & publication expenses to CERC	5.10	-	5.15	-
Less: Non-Tariff Income (NTI)	0.29	1,015.14	0.35	1,015.14
Interest on Temporary Financial Accommodation	0.29	-	0.35	-
Legal Charge & Consultancy Fee	8.32	-	4.85	-
Environmental Protection and Other Cess	0.70	-	0.73	-
Total ARR of DVC (Distribution)	**10,750.40**	**9,560.60**	**12,263.38**	**10,619.08**
Ratio of sales in Jharkhand	48.91%	48.91%	51.21%	51.21%
ARR Apportioned to Jharkhand	**5,258.52**	**4,676.54**	**6,279.75**	**5,437.74**

Rebate on Sale of Power

Petitioner's Submission

6.54 The Petitioner, in its petition, has claimed Rs 117.06 Cr. and Rs 141.91 Cr. towards Rebate on Sale of Power for FY 2023-24 and FY 2024-25 respectively.

Commission's Analysis

6.55 The Commission scrutinized the details submitted by the Petitioner. The Commission in this order, has not allowed the Rebate on Sale of Power. The actuals may be considered while passing the true-up Order for the period under consideration upon submission of relevant data and documentary evidence.

Interest on Working Capital (IoWC)

Petitioner's Submission

6.56 The Petitioner has submitted that the Interest on Working Capital has been determined in accordance with the applicable provisions of the Tariff Regulations, 2020. Accordingly, the Petitioner has claimed the Interest on Working Capital required for DVC for Jharkhand Area to be Rs. 88.94 Cr. for FY 2023-24 and Rs. 111.07 Crore for FY 2024-25.

Commission's Analysis

6.57 The Commission has observed that since the O&M cost and other expenses of the Petitioner are included in the cost of generation of power from its own stations, applying the aforementioned methodology as per the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 is not possible. Hence, the Commission has approved Interest on Working Capital as adopted by the Commission for calculation of Interest on Working capital in its earlier Orders.

Table 61: Interest on Working Capital submitted by Petitioner and approved by the Commission for FY 2023-24 & FY 2024-25 (Rs. Cr.)

Particulars	Annotation	FY 2023-24		FY 2024-25	
		Petition	Approved	Petition	Approved
Revenue from sales in Jharkhand	A	5,853.18	5,023.93	7,095.67	5,856.20
Cost of power purchase allocated for Jharkhand in the ratio of sales	B	868.24	-	1,031.86	-
Two months receivable	C	975.53	-	1,182.61	-
One month power purchase cost	D	72.35	-	85.99	-
Security deposit held	E	165.11	-	174.92	-
Working Capital Requirement in Jharkhand Area (at 1% of Revenue from sale of power)	F	-	50.24	-	58.56
Working Capital (C-D-E)	G	738.06	50.24	921.71	58.56
Interest rate (%) (SBI Base Rate + 350 basis points)	H	12.05%	12.05%	12.05%	12.05%
Interest on Working Capital	**I**	**88.94**	**6.05**	**111.07**	**7.06**

Interest on Consumer Security Deposit

Petitioner's Submission

6.58 The Petitioner has submitted an amount of Rs. 16.88 Cr. and Rs. 17.67 Cr. towards Interest on Consumer Security Deposit for FY 2023-24 and FY 2024-25 respectively.

Commission's Analysis

6.59 Clause 10.33 of the Tariff Regulations, 2020, allows the Petitioner to recover the interest on security deposits through the ARR. Hence, this Commission provisionally approve the Interest on Consumer Security Deposit as claimed by the Petitioner, subject to prudence check at the time of truing up.

Tariff Filing and Publication Expenses (JSERC)

Petitioner's Submission

6.60 The Petitioner has submitted an amount of Rs. 0.71 Cr. for FY 2023-24 and Rs. 0.73 Cr. for FY 2024-25 towards Tariff Filing and Publication Expenses in JSERC.

Commission's Analysis

6.61 The Commission examined the submission made by the Petitioner towards Tariff filing fees (JSERC). However, this head of expense has been disallowed provisionally, and subject to prudent check while truing-up may be approved, based on actual expenditure incurred.

Summary of Aggregate Revenue Requirement (ARR)

6.62 Based on the above, the Commission has approved ARR for FY 2023-24 and FY 2024-25 against the ARR claimed by the Petitioner which is summarized as below:

Table 62: ARR submitted by Petitioner and approved by the Commission for FY 2023-24 (Rs. Cr.)

Particulars	Petition		Approved	
	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
Cost of Own Generation	6,128.70	3,580.48	6,172.70	3,485.84
Power Purchase Cost (Including Transmission Charges & Excluding RE/REC Expense)	1,027.10	-	917.20	-
Tariff filling fees & publication expenses to CERC	-	5.10	-	-
Less: Non-Tariff Income (NTI)		0.29	1,015.14	-
Interest on Temporary Financial Accommodation		0.35	-	-
Legal Charge & Consultancy Fee	-	8.32	-	-
Environmental Protection and Other Cess	-	0.70	-	-
Less: Open Access Charges Bill for Transmission System	-	91.16	-	91.16
Total	**7,155.80**	**3,503.44**	**6,074.76**	**3,394.68**

Particulars	Petition		Approved	
	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
Ratio of sales in Jharkhand part to total firm sale in entire DVC	48.91%	48.91%	48.91%	48.91%
ARR before IWC, Interest on SD & Tariff Filling Fees in the licensed area of Jharkhand	**3,500.23**	**1,713.70**	**2,971.45**	**1,660.49**
Add: Cost of 11 kV Infrastructure for Jharkhand State	-	50.03	-	-
Rebate on Sale of Power	-	117.06	-	-
Cost of Solar & Non Solar Power and REC Purchased to meet solar & non solar RPO in the state of Jharkhand	365.84	-	369.26	-
Interest on Working Capital	-	88.94	-	6.05
Interest on security deposit	-	16.68	-	16.68
Tariff Filing Fees & Publication Expenses in JSERC	-	0.71	-	-
Net ARR for Jharkhand	**3,866.07**	**1,987.11**	**3,340.71**	**1,683.23**
TOTAL ARR	**5,853.18**		**5,023.93**	
Sale in Jharkhand (MU)	9,810.69		9,810.69	
Average Cost of Supply (Rs./kWh)	**5.97**		**5.12**	

Table 63: ARR submitted by Petitioner and approved by the Commission for FY 2024-25 (Rs. Cr.)

Particulars	Petition		Approved	
	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
Cost of Own Generation	6,881.40	4,248.79	6,898.45	3,770.92
Power Purchase Cost (Including Transmission Charges & Excluding RE/REC Expense)	1,122.46	-	964.85	-
Tariff filling fees & publication expenses to CERC	-	5.15	-	-
Less: Non-Tariff Income (NTI)		0.35	1,015.14	-
Interest on Temporary Financial Accommodation		0.36	-	-
Legal Charge & Consultancy Fee	-	4.85	-	-
Environmental Protection and Other Cess	-	0.73	-	-
Less: Open Access Charges Bill for Transmission System	-	91.16	-	91.16
Total	**8,003.86**	**4,168.36**	**6,848.16**	**3,679.76**
Ratio of sales in Jharkhand part to total firm sale in entire DVC	51.21%	51.21%	51.21%	51.21%
ARR before IWC, Interest on SD & Tariff Filling Fees in the licensed area of Jharkhand	**4,098.56**	**2,134.50**	**3,506.76**	**1,884.30**

Particulars	Petition		Approved	
	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
Add: Cost of 11 kV Infrastructure for Jharkhand State	-	134.15	-	-
Rebate on Sale of Power	-	141.91	-	-
Cost of Solar & Non Solar Power and REC Purchased to meet solar & non solar RPO in the state of Jharkhand	457.08	-	440.42	-
Interest on Working Capital	-	111.07	-	7.07
Interest on security deposit	-	17.67	-	17.67
Tariff Filing Fees & Publication Expenses in JSERC	-	0.73	-	-
Net ARR for Jharkhand	**4,555.64**	**2,540.04**	**3,947.18**	**1,909.04**
TOTAL ARR	**7,095.67**		**5,856.20**	
Sale in Jharkhand (MU)	11,220.86		11,220.86	
Average Cost of Supply (Rs./kWh)	**6.32**		**5.22**	

Chapter 7: Gap/(Surplus) and its Treatment

Revenue at Existing Tariff

Commission's Analysis

7.1 The Commission in this Order, approve the net revenue billed to the Consumers of Jharkhand, including Rebates/surcharges, while approving the Gap/(Surplus), which were submitted by the petitioner in the Billing details for FY 2022-23 as Rs 4096.30 Crore, vide ***Annexure-9 of Letter No. Comm./ Tariff/ JSERC/ 1411 dated February 13, 2024***.

7.2 The Commission has computed the Revenue from Sale of Power in Jharkhand area at the prevailing applicable Tariff and approves the revenue for Sale of Energy in Jharkhand as shown below.

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

Particulars	Supply Points	Connected Load (MVA)	Consumption (MU)	Energy Charge	Fixed Charges	Demand Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Total Revenue (Rs. Cr.)
LT (MW)	5.00	72.13	37.91	Rs. 4.20 /kWh	Rs. 150.00 /kW/Month	12.98	15.92	28.91
Industries- 11 KV	100.00	30.00	325.76	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	14.40	142.97	157.37
Industries - 33 KV	155.00	928.91	5,453.09	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	445.88	2,393.30	2,839.18
Industries - 132 KV	11.00	165.00	797.47	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	79.20	350.00	429.20
Traction - 132 KV	6.00	92.83	290.33	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	44.56	116.13	160.69
Industries - 220 KV	2.00	312.86	1,960.38	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	150.17	860.39	1,010.56
Licensees - 33 KV	5.00	40.59	151.45	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	19.48	60.58	80.06
Licensees - 132 KV	4.00	188.21	794.30	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	90.34	317.72	408.06
Total	**288.00**	**-**	**9,810.69**			**857.02**	**4,257.02**	**5,114.03**

Table 65: Revenue at Existing Tariff for FY 2024-25 approved by the Commission (Rs. Cr.)

Particulars	Supply Points	Connected Load (MVA)	Consumption (MU)	Energy Charge	Fixed Charges	Demand Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Total Revenue (Rs. Cr.)
LT (MW)	5.00	76.41	40.16	Rs. 4.20 /kWh	Rs. 150.00 /kW/Month	13.75	16.87	30.62
Industries- 11 KV	250.00	107.50	1,172.75	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	51.60	514.70	566.30
Industries - 33 KV	160.00	984.07	5,776.88	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	472.35	2,535.41	3,007.76
Industries - 132 KV	12.00	174.80	844.83	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	83.90	370.78	454.69
Traction - 132 KV	7.00	98.34	307.57	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	47.20	123.03	170.23
Industries - 220 KV	2.00	331.44	2,076.78	Rs. 3.95 /kVAh	Rs. 400.00 /kVA/Month	159.09	911.48	1,070.57

Particulars	Supply Points	Connected Load (MVA)	Consumption (MU)	Energy Charge	Fixed Charges	Demand Charges (Rs. Cr.)	Variable Charges (Rs. Cr.)	Total Revenue (Rs. Cr.)
Licensees - 33 KV	6.00	43.00	160.44	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	20.64	64.18	84.82
Licensees - 132 KV	4.00	199.39	841.46	Rs. 3.60 /kVAh	Rs. 400.00 /kVA/Month	95.71	336.58	432.29
Total	**446.00**	**-**	**11,220.86**			**944.25**	**4,873.03**	**5,817.28**

Gap/(Surplus) at Existing Tariff

Commission's Analysis

7.3 Based on approved value of Truing up for FY 2022-23 the revenue Gap/(Surplus) approve by the Commission is given below:

Table 66: Revenue (surplus)/gap as approved by the Commission (Rs. Cr.)

	FY 2022-23
Aggregate Revenue Requirement for FY 2022-23	4,960.49
Revenue at Existing Tariff	4,096.30
Gap/(Surplus) at Existing Tariff	**864.19**

7.4 The Commission has approved the Gap/(Surplus) for FY 2023-24 and FY 2024-25 based on the components approved in this Order. The following table summarizes the Gap/(Surplus) for FY 2023-24 and FY 2024-25 at existing tariff.

Table 67: Revenue (surplus)/gap as approved by the Commission (Rs. Cr.)

Particulars	Approved	
	FY 2023-24	FY 2024-25
Aggregate Revenue Requirement	5,023.93	5,856.20
Revenue at Existing Tariff	5,114.03	5,817.28
Gap/(Surplus) at Existing Tariff	**(90.10)**	**38.93**

7.5 The Commission has computed net revenue gap of Rs 813.02 Crore for FY 2022-23, FY 2023-24 and FY 2024-25.

7.6 The Commission is of the view that the Hon'ble APTEL has set aside or remanded back the True-up Order for FY 2021-22, the APR for FY 2022-23, and the ARR & Tariff for FY 2023-24 to this Commission. Accordingly, the Commission shall address the cumulative revenue gap or surplus up to FY 2021-22 in the remand proceedings, and the impact may be considered in the subsequent year's Tariff Order. Therefore, in the present Order, the Commission has considered only the standalone revenue gap.

7.7 In light of the above discussion, the Commission deems it necessary at this stage to increase tariff hike as discuss in **chapter 8, 9**.

Chapter 8: Tariff for FY 2024-25

Petitioner's Submission

8.1 The Tariff for FY 2024-25 as prayed for by the Petitioner is tabulated below:

Table 68: Retail Tariff for FY 2024-25 as proposed by the Petitioner

Category	UoM	Fixed Charges	
		Existing	Proposed
LT Domestic	Rs./Con./Mon	75.00	80.00
LT IAS	Rs./HP/Mon	30.00	-
LT Commercial	Rs./kW/Mon	150.00	160.00
LTIS	Rs./kVA/Mon	150.00	-
Streetlight	Rs./Con./Mon	100.00	-
HT Domestic	Rs./kVA/Mon	100.00	-
HT Services	Rs./kVA/Mon	400.00	500.00
HT Institutional Services	Rs./kVA/Mon	400.00	500.00

Category	UoM	Energy Charges	
		Existing	Proposed
LT Domestic	Rs./kWh	4.25	4.30
LT IAS	Rs./kWh	3.00	-
LT Commercial	Rs./kWh	4.20	4.62
LTIS	Rs./kVAh	4.20	-
Streetlight	Rs./kWh	4.40	-
HT Domestic	Rs./kVAh	3.80	-
HT Services	Rs./kVAh	3.95	5.63
HT Institutional Services	Rs./kVAh	3.60	5.14

Commission's Analysis

8.2 The Tariff for FY 2024-25 as approved by the Commission is tabulated below:

Table 69: Retail Tariff for FY 2024-25 as approved by the commission

Category	UoM	Fixed Charges		
		Existing	Petition	Approved
LT Domestic	Rs./Con./Month	75.00	80.00	75.00
LT IAS	Rs./HP/Month	30.00	-	30.00
LT Commercial	Rs./kW/Month	150.00	160.00	150.00
LTIS	Rs./kVA/Month	150.00	-	150.00
Streetlight	Rs./Con./Month	100.00	-	100.00
HT Domestic	Rs./kVA/Month	100.00	-	100.00
HT Services	Rs./kVA/Month	400.00	500.00	400.00
HT Institutional Services	Rs./kVA/Month	400.00	500.00	400.00

Category	UoM	Energy Charges		
		Existing	Petition	Approved
LT Domestic	Rs./kWh	4.25	4.30	4.30

Category	UoM	Energy Charges		
		Existing	Petition	Approved
LT IAS	Rs./kWh	3.00	-	3.00
LT Commercial	Rs./kWh	4.20	4.62	4.30
LTIS	Rs./kVAh	4.20	-	4.20
Streetlight	Rs./kWh	4.40	-	4.40
HT Domestic	Rs./kVAh	3.80	-	3.80
HT Services	Rs./kVAh	3.95	5.63	4.05
HT Institutional Services	Rs./kVAh	3.60	5.14	3.70

Chapter 9: Tariff Schedule

Applicable from First day of the Month succeeding the Date of Order

Consumer Tariff

<u>Ceiling Tariff</u>

The Tariffs approved below are Ceiling Tariffs and the Licensee is at liberty to Supply at lower and more competitive rates based on the requirement of the Consumers. However, this reduced recovery shall be attributable to the Licensee and shall not be recoverable in the ARR.

Domestic Service - Rural and Urban

Applicability:

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. and include motor pumps for lifting water for domestic purposes and other household electrical appliances that are not covered under any other schedule.

This rate is also applicable for supply to religious institutions such as Temples, Gurudwaras, Mosques, Church and Burial/ Crematorium grounds, Rural Drinking Water Schemes and other recognised charitable institutions, where no rental/fees is charged for the energy needs and for its products and services.

This rate is also applicable for all consumers with contracted demand of upto 5 kW mixed, commercial, industrial, educational institutions, drinking water schemes or for any other purpose, except streetlight connections and agriculture/allied connections.

Category of Services:

Domestic Service - Rural: Areas not covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Domestic Service - Urban: Areas covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Service Character:

For Rural: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400

Volts.

For Urban: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
DS-LT	Rs./Conn./month	75.00	4.30

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Domestic Service-HT

Applicability:

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. including motor pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

Category of Services:

Domestic Service-HT: This Schedule shall apply for domestic connection in Housing Colonies/ Housing Complex/Houses of multi storied buildings purely for residential use for single point metered supply, with power supply at 33kV or 11kV voltage level. DS-HT consumers, who supply power to individual households, the average per unit charges billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Service Character:

For HT: AC, 50 Cycles, at 6.6kV, 11kV or 33kV.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
DS-HT	Rs./kVA/month	100.00	3.80

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand whichever is higher. The penalty on exceeding Billing Demand will be applicable in accordance with *'Clause I: Penalty for exceeding Billing/Contract Demand'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Commercial Service (CS)

Applicability:

This schedule shall apply to all consumers, using electrical energy for light, fan and power loads for non-domestic purposes like shops, hospitals (govt. or private), nursing homes, clinics, dispensaries, restaurants, hotels, clubs, guest houses, marriage houses, public halls, show rooms, workshops, central air-conditioning units, offices (govt. or private), commercial establishments, cinemas, X-ray plants, schools and colleges (govt. or private), boarding/ lodging houses, libraries (govt. or private), research institutes (govt. or private), railway stations, fuel - oil stations, service stations (including vehicle service stations), All India Radio / T.V. installations, printing presses, commercial trusts / societies, Museums, poultry farms, banks, theatres, common facilities in multi-storied commercial office/buildings, Dharmshalas, Public Electric Vehicles Charging Stations and such other installations not covered under any other tariff schedule whose Contracted Demand is greater than 5 kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

This schedule shall also be applicable to electricity supply availed through separate (independent) connections for the purpose of advertisements, hoardings and other conspicuous consumption such as external flood light, displays, neon signs at public places (roads, railway stations, airports etc.), departmental stores, commercial establishments, malls, multiplexes, theatres, clubs, hotels and other such entertainment/ leisure establishments whose Connected Load/Contracted Demand is greater than 5 kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

Category of Services:

Commercial Service - Rural: Areas not covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Commercial Service - Urban: Areas covered by Nagar Nigam, Nagar Parishad and Nagar Panchayat.

Service Character:

Rural: AC, 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Urban: AC, 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
CS	Rs./kW/month	150.00	4.30

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with *'Clause I: Penalty for exceeding Billing/Contract Demand'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order. In case the Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with *'Clause VI: Installation of Shunt Capacitors'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Irrigation & Agriculture Service (IAS)

Applicability:

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

Service Character:

AC, 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
IAS	Rs./HP/month	30.00	3.00

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Low Tension Industrial Service (LTIS)

Applicability:

Low Tension Industrial Service (LTIS): This schedule shall apply to all industrial units having a Contracted Load more than 5 kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

Service Character:

Low Tension Industrial Service (LTIS): AC, 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
LTIS	Rs./kVA/month	150.00	4.20

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with *'Clause I: Penalty for exceeding Billing/Contract Demand'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with *'Clause VI: Installation of Shunt Capacitors'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

High Tension Service (HTS)

Applicability:

High Tension Service (HTS): This schedule shall apply to all consumers drawing power at voltage level at 6.6 kV and above except Domestic-HT consumers and HT- Institutional Consumers.

Service Character:

High Tension Service (HTS): AC, 50 Cycles, Three Phase at 6.6 kV/11 kV/33 kV/132 kV/220 kV/400 kV.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HTS	Rs./kVA/month	400.00	4.05

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with *'Clause I: Penalty for exceeding Billing/Contract Demand'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Load Factor Rebate: In accordance with *'Clause V: Load Factor Rebate'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Voltage Rebate: In accordance with *'Clause IV: Voltage Rebate'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

TOD Tariff: In accordance with *'Clause VII: ToD Tariff'* as provided in Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Streetlight Service (SS)

Applicability:

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

Service Character:

Streetlight Service (SS): AC, 50 Cycles, Single phase at 230 Volts or Three phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
Streetlight Service	Rs./kW/month	100.00	4.40

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

High Tension Institutional Service (HTIS)

This tariff schedule shall apply for use of Railway Traction, Military Engineering Services and Other Distribution Licensees.

Applicability:

Railway Traction Services (RTS) and Military Engineering Services (MES): This tariff schedule shall apply for use of railway traction and Military Engineering Services (MES) for a mixed load in defense cantonment and related area.

Other Distribution Licensees: This tariff schedule shall apply to other distribution licensees procuring power from the Licensee for the sole purpose of supplying it to its consumers. It is clarified that such tariff shall not be applicable for the quantum of power utilised in industrial units owned by it or its parent or affiliate company.

Service Character:

Railway Traction Service (RTS): AC, 50 cycles, Single phase at 25kV/132 kV.

Military Engineering Services (MES): AC, 50 cycles, three phase at 6.6 kV and above

Other Distribution Licensees: AC, 50 cycles, three phase at 6.6 kV and above.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HT Institutional Service	Rs./kVA/month	400.00	3.70

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with *'Clause I: Penalty for exceeding Billing/Contract Demand'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Load Factor Rebate: In accordance with *'Clause V: Load Factor Rebate'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Voltage Rebate: In accordance with *'Clause IV: Voltage Rebate'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order

Delayed Payment Surcharge: In accordance with *'Clause III: Delay Payment'* Surcharge of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with *'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment'* of Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

TOD **Tariff:** In accordance with *'Clause VII: ToD Tariff'* as provided in Terms & Conditions of Supply as provided in **Chapter 10** of this Tariff Order.

RPO Compliance: RPO Compliance for Sale to Other Licensees, RTS and MES shall be made by the first Licensee which sells the power viz., in case TSL has procured power from DVC, then the onus to comply with RPO will be with DVC only.

Temporary Connections

Applicability:

The Temporary tariff shall be applicable as per the following conditions:

a) Temporary tariff shall be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.

b) Temporary connections may be given with normal meters with security deposit as per JSERC (Electricity Supply Code) Regulations, 2015.

c) Temporary connections may also be given with prepaid meters with minimum prepaid balance equivalent to 45 days of sale of power, which shall be based on the assessment formula as per JSERC (Electricity Supply Code) Regulations, 2015 and amendment thereof.

Tariff:

Category	Fixed Charges Rate	Energy Charges (Rs.)
All Units	1.5 times of the applicable Fixed Charges	1.5 times of the applicable Energy Charges

Tariff to be paid by the Licensee for Gross/Net Metering of rooftop Solar PV projects

The Commission had notified the JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) Regulations, 2015, on November 10, 2015, and further notified its 1st amendment as JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) (1st Amendment) Regulations, 2019. The Tariff for sale of surplus power by Gross/Net metering of Rooftop Solar PV for FY 2020-21 for such eligible consumers of the Petitioner shall be as under:

Gross Metering: Rs. 4.16/kWh

Net Metering: Rs. 3.80/kWh

The tariff approved as above shall remain effective till the issue of subsequent Tariff Order/Individual Order as the case may be.

Schedule of Miscellaneous Charges

Sl. No.	Purpose	Scale of Charges	Manner in which payment will be realized
1.	**Application Fee**		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
2.	**Revision of Estimate on Consumer Request based on Revision in Original Application**		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
3.	**Testing of consumers Installation [1]**		
	LT Supply	Rs. 100	Payable with Energy Bill
	HT Supply	Rs. 500	
4.	**Meter test when accuracy disputed by consumer [2]**		
	Single phase/Three Phase	Rs. 100	Payable with Energy Bill
	Trivector/ special type meter, HT, EHT Metering Equipment	Rs. 1000	
5.	**Removing/ Refixing of meter/ Changing of Meter or Meter Equipment/Fixing of Sub Meter on the request of the Consumer/Fixing of Sub Meter Resealing of Meter when seals are found broken**		
	Single phase/Three Phase	Rs. 200	Payable with Energy Bill
	Trivector/ special type meter, HT, EHT Metering Equipment	Rs. 1000	
6.	**Fuse call – Replacement**		
	Consumer Fuse	Rs. 100	Payable with Energy Bill
7.	**Disconnection/Reconnection**		
	LT Connection	Rs. 200	Payable in advance along with the Consumer request. In case the same consumer is reconnected or disconnected within 12 months, 50% will be charged extra
	HT Connection	Rs. 1500	
8.	**Replacement of meter card, if lost or damaged by Consumer**	Rs. 100	Payable with Energy Bill
9.	**Security Deposit**	As per the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time	
10.	**Replacement of Brunt Meter**	Cost of Meter	Payable with Energy Bill
11.	**Transformer Rent [3]**		
	Upto 200 kVA	Rs. 5,500/Month	Payable with Energy Bill
	Above 200 kVA	Rs. 7,500/Month	

[1] First test & Inspection free of charge, but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection.

[2] If the meter is found defective within the meaning of the Indian Electricity Rules 1956, no charge shall be levied. If it is proved to be correct within the permissible limits laid down in the Rules, the amount will be charged in the next energy bill.

[3] Applicable for 6 month duration from the date of taking the transformer on rent, thereafter monthly escalation of 10% would be applicable.

Note: Meter Rent Deleted as the same is done away with in this Order.

Chapter 10: Terms & Conditions of Supply

Clause I: Penalty for exceeding Billing/Contract Demand

In case the Recorded/Actual Demand exceeds 110% of the Contract Demand, the consumer shall pay penal charges. The penal charges would be charged as follows:

If the Recorded Demand exceeds 110% of Contract Demand, then the Demand Charge up to Contract Demand will be charged as per the normal Tariff rate. The remaining Recorded Demand over and above the Contract Demand will be charged at 1.5 times the normal Tariff rate.

In case Recorded Demand is higher than the Contract Demand by the quantum and for the duration as specified in the JSERC (Electricity Supply Code) Regulations, 2015, as amendment from time to time, the Contract Demand shall be revised as per the procedure specified therein.

Clause II: Jharkhand Electricity Duty

The charges in this tariff schedule do not include charges on account of State Electricity Duty/Surcharge to the consumers under the State Electricity Duty Act and the rules framed there under, as amended from time to time and any other Statutory levy which may take effect from time to time.

Clause III: Delayed Payment Surcharge

The Delayed Payment Surcharge shall be applicable as specified in Clauses 10.75 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time. In case, the Licensee defaults in generating and delivering bills on monthly basis, Delayed Payment Surcharge will not be charged for the period of default by Licensee. The consumer should not be deprived of any subsidy/benefit, which could have been otherwise accrued to the consumers, i.e., energy units/amount (in case of unmetered) billed has to be apportioned on average monthly basis for the entire billing duration.

Clause IV: Voltage Rebate

Voltage rebate* will be applicable on Demand and Energy Charges as per the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time at the rate given below:

Consumer Category	Voltage Rebate*
HTS/HT Institutional - 33 kV	3.00%
HTS/HT Institutional - 132 kV	5.00%
HTS/HT Institutional - 220 kV	5.50%
HTS/HT Institutional - 400 kV	6.00%

** Note:*

1) *It is clarified that, if a consumer who is eligible to get supply at 11kV as per classification as mentioned in Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and then the consumer opts for connection at 33kV then consumer shall be eligible for voltage rebate of 3%. Similarly, if a consumer who is eligible to get supply at 33kV as per Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and opts for connection at 132kV then consumer shall be eligible for voltage rebate of 5%. Further, no voltage rebate shall be applicable above voltage level of 132 kV. It is further clarified that the existing consumers at 11kV and 33kV opts for higher voltage, rebate shall be applicable for such consumers.*
2) *The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.*

Clause V: Load Factor Rebate

The Load factor rebate shall be allowed to all the consumers whose load factor exceeds 65%. For any 'X' % increase in the load factor over and above 65%, the rebate shall be allowed at the rate of 'X' % on the total energy charges corresponding to total energy consumption of the consumer subject to a maximum ceiling rebate of 15%.

The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.

Clause VI: Installation of Shunt Capacitors

Connections with inductive load/motors as specified in Clauses 8.2.34 and 8.2.35 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time, shall be installed with Shunt Capacitors to meet the Power Factor requirements.

For existing consumer, the Petitioner should first serve one month's notice to all such consumers who do not have or have defective shunt capacitors. In case the consumers do not get the capacitor installed/replaced within the notice period, the consumer shall be levied a surcharge at 5% on the total billed amount charge (metered or flat), till they have installed the required capacitors.

Clause VII: ToD Tariff

TOD tariff shall be applicable as an option to HTS and HT Institutional Consumers as follows: -

- **Off Peak Hours: 10:00 PM to 06:00 AM:** 85% of normal rate of energy charge
- **Normal Hours: 10:00 AM to 06:00 PM:** 100% of normal rate of energy charge
- **Peak Hours: 06:00 AM to 10:00 AM and 06:00 PM to 10:00 PM:** 120% of normal rate of energy charge

Clause VIII: Prompt Payment Rebate and Rebate for Online Payment

The due date for making payment of energy bills or other charges shall be as specified in Clauses 10.1.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

Prompt Payment Rebate shall be allowed for payment of bills by the Consumers in accordance with Clauses 10.76 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time.

Further, a rebate of 1.00% shall be allowed on the billed amount for payment within the due date of the entire billed amount, made either through online or any digital mode subject to a maximum ceiling rebate of Rs. 250 against the billed amount.

Further no rebate shall be allowed after due date, irrespective of the mode of payment.

Clause IX: Rebate for Prepaid Metering

The Commission has introduced rebate to prepaid meters at 3% of the Energy Charges for the respective Consumer Category. For such consumers, the Petitioner shall refund the entire Security Deposit within one month from the date of installation of such prepaid meters.

Clause X: Rebate for Delayed Billing

The Commission has introduced rebate in case of delayed billing to consumers to promote prompt billing by the Licensees. In case the bill is not received for two continuous billing cycles, a rebate at the rate of 1.00% on the bill amount per month for delay beyond two months or part thereof shall be applicable subject to a ceiling of 3%. The Utility shall not be eligible to claim such Rebate as a part of ARR. The same shall be treated as a Compensation for the consumers out of the RoE of the Licensee. This clause shall be applicable for all consumers.

Clause XI: Other Terms and Conditions

Reduction in Fixed Charges

Recovery of Complete Fixed/Demand Charges from consumers shall be based on the availability of hours of supply recorded by meters installed in the consumer's premises. SAIL-BSL would include the same in the consumer’s bill and recover the Fixed Charges only in proportion to the hours of supply as per the meter. The cut off hours for complete recovery from Fixed/Demand Charges shall be 21 hours per day for LT consumers and 23 hours per day for HT Consumers.

Provided that the planned outages/Rostering in the network are uploaded on its website seven days in advance with a copy to the Commission and an intimation to the respective consumers it shall be excluded while computing scheduled supply hours.

Provided that any reduction in recovery of Fixed/Demand Charges on account of lower than the stipulated hours of supply shall not be claimed as a part of the ARR. Any reduction in the Fixed/Demand Charges shall be considered as a compensation to be paid to the Consumer by the Licensee.

The Petitioner shall submit a report on implementation of the above, within 30 days of issuance of this Order and implement the same from the subsequent billing cycle.

Point of Supply

The Power supply shall normally be provided at a single point for the entire premises. In certain categories like coal mines power may be supplied at more than one point on the request of consumer subject to technical feasibility. But in such cases metering and billing shall be done separately for each point.

Dishonoured Cheques

In terms of Regulation 10.10.5 of the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time, in the event of dishonoured cheque for payment against a particular bill, the Licensee shall charge a minimum of Rs. 300 or 0.5% of the billed amount, whichever is higher. In addition to the same, the Delay Payment Surcharge shall be levied extra as per the applicable terms and conditions of Delay Payment Surcharge.

Stopped/Defective Meters

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued as per Clause 10.3.1 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of Sanctioned/Contract Load on following Load Factor applicable to respective categories:

Consumer Category	Load Factor
Domestic	0.15
Non-Domestic	0.20

Consumer Category	Load Factor
LTIS	0.20
DS-HT	0.15
HT Consumers-Below 132 kV	0.30
HT Consumers- 132 kV & Above	0.50

Sale of Energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/entity. In case of DS-HT consumers, who supply power to individual households, the average per unit charge billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Release of New Connections

No new connections shall be provided without appropriate meter.

Conversion Factors

The following shall be the conversion factors, as and where applicable: (PF=0.90):

1 kiloWatt (kW) = 1.176 kiloVolt Ampere (kVA)

1 kiloWatt (kW) = 1/0.746 Horse Power (HP)

1 Horse Power (1 HP) = 0.878 kiloVolt Ampere (kVA)

Fuel & Power Purchase Cost Adjustment (FPPCA)

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

Single Part Tariff applicable for public EV charging stations

The Commission approves the Single Part Tariff equal to the Average Cost of Supply (ACoS) as approved by this Commission which shall be applicable for public EV charging stations operating in the supply area of Damodar Valley Corporation in the State of Jharkhand till further orders.

Chapter 11: Business Plan (Creation of 11 kV voltage Level Infrastructure to provide supply to consumer in the state of Jharkhand)

10.1 The Petitioner is required to file the Business Plan for approval before the Commission as per ***clause 6.9, clause 6.10 and clause 6.11*** of Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The relevant Clauses are reproduced below:

"Business Plan

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

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

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

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

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

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

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

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

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

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

g) Proposals in respect of income from Other Business; and

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

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

10.2 DVC is a public sector undertaking involved in inter-state sale of power and transmission. Accordingly, CERC approves the capital cost, ARR and tariff for its generating stations as well as composite business of transmission and distribution (wires). This is considered as the input cost of DVC for determination of retail tariff by the State Commission in whose jurisdiction the licensed area of supply falls.

10.3 DVC recently conducted a market survey through consumer events and found significant interest among potential customers in Jharkhand and West Bengal for 11 kV power supply. So far, DVC has received applications from 105 prospective consumers, totaling a contract demand of about 34 MVA. Recognizing the potential for growth in small and medium-scale industries, DVC plans to expand its services at the 11 kV level. A detailed project report (DPR) has been created for establishing the necessary infrastructure, with an estimated investment of around ₹1007 crore to supply approximately 975 MVA capacity across its command area in both states. The DPR and board approval documents are included as annexures in main petition.

10.4 DVC has begun supplying power at the 11 kV level to some consumers using its existing infrastructure. To accommodate a larger consumer base at this voltage level, DVC is developing the necessary infrastructure. This includes constructing new substations, upgrading existing ones, and installing lines and step-down transformers, all in accordance with the approved project report (DPR).

10.5 DVC submitted an application to this Commission on March 23, 2023, seeking in-principle approval for its investment program aimed at meeting prospective loads at the 11 kV voltage level, in accordance with specific regulations (6.9, 6.10, 6.11, and 6.12) of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. On August 11, 2023, the Commission passed an order disposing of the petition and instructed DVC to include the investment proposal as part of its business plan in the upcoming Tariff Petition. Relevant excerpts from the order are provided below,

> *"16. In view of the observations and findings mentioned herein above, the petitioner is directed to re-submit the proposal for approval of*

the investment towards creation of necessary infrastructure to provide supply of electricity to consumers at 11kV level in the state of Jharkhand as Business Plan with the next tariff petition."

10.6 In compliance with the above directive of this Hon'ble Commission, the instant business plan has been prepared in accordance with clause 6.9 to 6.12 of the JSERC (Terms and Condition of for Determination of Distribution) Tariff Regulation, 2020 and submitted herewith.

Petitioner's Submission

10.7 DVC, authorized by Section 18(ii) of the DVC Act, 1948, provides retail electricity supply to consumers connected at voltage levels of 33 KV and above. Currently, DVC operates 36 substations, 12 receiving stations, and 13 P/H switchyards. The Electricity Act, 2003 redefined the regulatory framework, allowing DVC to act as a deemed distribution licensee for the Valley area, enabling it to supply electricity to all consumers requiring service from DVC.

10.8 The existing substations primarily convert power from 220 kV or 132 kV (transmission level) to 33 kV (sub-transmission level). Many small and medium-sized industries in Jharkhand are approaching DVC to establish their factories near DVC supply points to benefit from reliable and cost-effective 11 KV power, which will enhance economic development in the region.

10.9 The attached Detailed Project Report (DPR) outlines plans to upgrade DVC's 33 KV network to support 11 KV consumers. The objective is to create 11 KV infrastructure through step-down transformers at existing substations with available land or by building new receiving stations where necessary. The development is phased: Phase I includes 25 substations from FY 2022-23 to 2023-24, and Phase II involves 14 substations from FY 2023-24 to 2024-25. The infrastructure will integrate an Advanced Distribution Management System (ADMS), including Distribution Management, Gas Insulated Substation (GIS), Outage Management, and Customer Related Management (CRM), coordinated through a Central Control Centre.

10.10 DVC engaged Tata Consulting Engineers (TCE) as consultants on June 18, 2022, for technological insights and project support. DVC applied for a grant under the Revamped Distribution Sector Scheme (RDSS) from the Ministry of Power (MoP) to alleviate consumer costs and reached out to the Rural Electrification Corporation (REC) for assistance on August 29, 2022. Despite TCE preparing the necessary tender documents to meet RDSS standards, the grant was rejected by the MoP on May 9, 2023. Consequently, DVC had to revise the tender documents according to its Work & Procurement Manual, delaying the project timeline from the initially scheduled start in the second quarter of FY 2022-23 to the end of the third quarter of FY 2023-24.

10.11 Considering the volume of work, the Petitioner has decided to carry out the work in two phases in Jharkhand region.

Phase – 1: In this phase, the scheme envisages creation of 33/11 KV infrastructures in 10 Nos of existing substations and 4 Nos of new sub-stations and creation of 132/33/11 KV infrastructure at 3 Nos of New locations during FY 2023-24 to FY 2024-25. Details of the infrastructure to be built in the Jharkhand region in Phase-I is tabulated below:

Sl. NO.	Description	PHASE-I	
		2023-24	2024-25
1	S/s in JH	12	5
2	33/11 KV transformation Capacity in JH	300	125
3	132/33 KV transformation Capacity in JH	0	300
4	132 KV D/C single conductor Line Length (KM) in JH	0	30
5	33 KV D/C single conductor Line Length (KM) in JH	17.5	10
6	11 KV S/C single conductor Line Length (KM) in JH	96	40
7	11 KV under Ground cable length (KM) in JH	96	40
8	132 KV bay in JH	0	21
9	33 KV bay in JH	84	35
10	11 KV bay in JH	84	35

Phase – II: Similarly, in this phase, 33/11 KV infrastructures in 8 Nos of existing substations are proposed to be built during FY 2024-25 to FY 2025-26. Details is tabulated below:

Sl. NO.	Description	PHASE-II	
		2024-25	2025-26
1	S/s in JH	4	3
2	33/11 KV transformation Capacity in JH	100	75
3	132/33 KV transformation Capacity in JH	0	0
4	132 KV D/C single conductor Line Length (KM) in JH	0	0
5	33 KV D/C single conductor Line Length (KM) in JH	3	2.25
6	11 KV S/C single conductor Line Length (KM) in JH	32	24
7	11 KV under Ground cable length (KM) in JH	32	24
8	132 KV bay in JH	0	0
9	33 KV bay in JH	28	21
10	11 KV bay in JH	28	21

10.12 In the current Detailed Project Report (DPR), DVC has incorporated the integration of advanced technologies, including SCADA, GIS mapping, Customer Relationship Management (CRM), and Advanced Distribution Management System (ADMS). This integration aims to optimize asset utilization through maximum automation. By utilizing SCADA monitoring devices, DVC can proactively respond to customer outages caused by tripping, enhancing operational efficiency through the interconnected systems of SCADA, DMS, and GIS.

Demand and Sales Forecast

10.13 Demand forecast by DVC in respect of retail sale of electricity within its operational area located in the state of Jharkhand and West Bengal for the period FY 2023-24 to 2025-26 has been done based on the methodology as explained below:

a) At this juncture there are two kind of sale in firm mode, I) The sale to the consumers at existing categories, II) The sale to the prospective consumers in the upcoming 11 KV level.

b) Firm sale in the existing categories of DVC for the entire command area, has been projected based on Compound Annual Growth Rate (CAGR) of the last 5 years (2018-19 to 2022-23) and the expected addition of the new consumers.

c) The sale to the prospective consumers in the upcoming 11 kV power supply has been assessed based on the estimation of the development scheduled of the new project.

d) Based on the above philosophy Sales forecast, Demand forecast, and projection of No. of Consumers are as follows

No. of Supply points (Consumers) projection for the period FY 2023-24 to 2024-25

No. of Consumers	FY 2023-24		FY 2024-25	
	Jharkhand	West Bengal	Jharkhand	West Bengal
LT	5	2	5	2
Industries- 11 KV	100	20	250	40
Industries - 33 KV	155	95	160	98
Licensees - 33 KV	5	20	6	21
Industries - 132 KV	11	2	12	2
Licensees - 132 KV	4	3	4	3
Traction - 132 KV	6	11	7	12
Industries - 220 KV	2	4	2	4
Total	**288**	**157**	**446**	**182**

Contract Demand/Connected Load projection for the period FY 2023-24 to 2024-25

Connected Load (kVA/MVA)	FY 2023-24		FY 2024-25	
	Jharkhand	West Bengal	Jharkhand	West Bengal
	kVA		kVA	
LT	7213	200	7641	200
	MVA		MVA	
Industries- 11 KV	30.00	0.00	107.50	30.00
Industries - 33 KV	928.91	831.50	984.07	872.00
Licensees - 33 KV	40.59	127.03	43.00	133.22
Industries - 132 KV	165.00	374.87	174.80	393.13
Licensees - 132 KV	188.21	48.08	199.39	50.42
Traction - 132 KV	92.83	5.00	98.34	6.00

Connected Load (kVA/MVA)	FY 2023-24		FY 2024-25	
	Jharkhand	West Bengal	Jharkhand	West Bengal
	kVA		kVA	
Industries - 220 KV	312.86	253.84	331.44	266.21
Total	**1758.41**	**1640.32**	**1938.53**	**1750.97**

<u>Sales Projection for the period FY 2023-24 to 2024-25</u>

Sales (MU)	FY 2023-24		FY 2024-25	
	Jharkhand	West Bengal	Jharkhand	West Bengal
LT	37.91	0.62	40.16	0.66
Industries- 11 KV	325.76	0.00	1172.75	148.92
Industries - 33 KV	5453.09	5470.99	5776.88	5737.49
Licensees - 33 KV	151.45	527.09	160.44	552.76
Industries - 132 KV	797.47	2720.36	844.83	2852.88
Licensees - 132 KV	794.30	241.62	841.46	253.39
Traction - 132 KV	290.33	4.40	307.57	4.61
Industries - 220 KV	1960.38	1472.25	2076.78	1543.96
Total	**9810.69**	**10437.33**	**11220.86**	**11094.67**

<u>Power Procurement Plan for the period of FY 2023-24 to FY 2024-25</u>

10.14 The Petitioner has submitted that it is a vertically integrated organization as far its electricity business is concerned. Further it is submitted that it undertakes generation of electricity and is therefore a generating company within the meaning of Section 2 (28) of the Electricity Act, 2003. Likewise, it also undertakes transmission of electricity in the Damodar Valley area within the meaning of Section 2 (36) of the Electricity Act, 2003. Additionally, it undertakes the retail sale and supply of electricity to the consumers in consumer in the Damodar Valley Area in its capacity of a deemed distribution licensee. In regard to its Distribution Activity DVC falls under the ambit of the Hon'ble Jharkhand State Electricity Regulatory Commission and Hon'ble West Bengal Electricity Regulatory Commission.

10.15 Accordingly, a major portion of the consumer demand (around 90%) is met through the power generated from its own generation. Apart from this, the Petitioner also procures power from the external sources to meet the consumers demand in the valley area. All the power purchase agreements Petitioner had with CSGS and others are on all long term basis.

10.16 Accordingly, generation projection and power procurement plan is made in accordance with the consumer demand in the Damodar valley area. Power procurement plan for ensuing years also include renewable purchase obligation in terms of the prevailing Regulations of this Hon'ble Commission as well as Hon'ble WBERC.

10.17 While projecting own generation, provision of spinning reserve and cold reserve has been considered in order to ensure uninterrupted power supply to the consumers. Since determination of generation tariff of DVC is under the jurisdiction of CERC, operational norms in respect of different generating stations have been considered in terms of CERC (Terms and Conditions of Tariff) Regulations, 2019.

Generation projection and power purchase for the period FY 2023-24 to 2024-25 is as follows

Own Generation (Ex-Bus) for FY 2023-24 & FY 2024-25			
Station	INSTALLED CAPACITY (MW)	FY 2023-24	FY 2024-25
		NET EX-BUS GEN (MU)	NET EX-BUS GEN (MU)
		Estimated	Projected
MTPS U#1 to 3	630	3145.90	3384.15
MTPS U# 4	210	1009.30	1148.08
HYDEL	147	372.31	393.69
Solar PV KTPS (Ground Mounted)	10	7.78	17.52
Solar PV at Panchet (Ground Mounted)	8	--	14.02
Solar PV RTPS (Floating)	10	--	11.52
Solar PV MTPS (Floating)	10	--	11.52
Solar PV KTPS (Floating)	10	--	11.52
MTPS U# 5 & 6	500	3027.46	2932.11
MTPS U# 7 & 8	1000	6617.08	6726.53
CTPS U# 7 & 8	500	3348.65	3134.61
DSTPS U # 1 & 2	1000	6799.67	6475.90
KTPS U# 1 & 2	1000	6597.84	6399.64
BTPS 'A'	500	3305.94	3049.50
RTPS U # 1 & 2	1200	6850.11	6954.87
GRAND TOTAL	6735	41082.04	40665.18

Power Purchase details from Non-Renewable Sources for FY 2023-24 & FY 2024-25			
SOURCE	Allocation to DVC (MW)	FY 2023-24	FY 2024-25
		Estimated	Projected
NHPC			
Rangit	6.00	31.63	31.15
Teesta	44.00	239.34	236.15
NTPC			
TSTPS	2.00	14.30	13.72
KBUNL	10.00	56.74	68.71
PTC			
Chukha	28.00	163.86	187.90
Kurichu	30.00	9.37	39.37
Tala	55.94	131.59	149.89
MPL	150.00	1081.44	1066.32
Contingency Power		387.54	406.92
Total (Gross)	**325.94**	**2115.81**	**2200.13**
GRID LOSS		**86.88**	**86.26**
Net Power Purchase (MU)		**2028.93**	**2113.87**
Power Purchase from Renewable Sources for FY 2023-24 & FY 2024-25			
ITEM	**Allocation to DVC (MW)**	**FY 2023-24**	**FY 2024-25**
		Estimated (MU)	**Projected (MU)**
SOLAR:			
Talcher	10.00	14.25	14.04
Unachahar	10.00	14.25	14.04
Rajasthan	20.00	28.80	29.37
SECI Solar	200.00	-	158.11
NTPC REL Solar	100.00	-	43.92
JEML (Rooftop Solar)		3.85	3.90
Sub-Total	340.00	61.16	263.38
STU loss for Rajasthan Solar Power		1.03	1.02
Net Power (Solar)		**60.13**	**262.37**
GDAM Purchase (Solar)		171.64	180.22
TOTAL SOLAR ENERGY AT		**231.77**	**442.59**

Power Purchase details from Non-Renewable Sources for FY 2023-24 & FY 2024-25			
SOURCE	Allocation to DVC (MW)	FY 2023-24	FY 2024-25
		Estimated	Projected
DVC BUS			
NON SOLAR:			
GDAM Purchase		171.64	180.22

Capital Investment Plan & Financing Plan

10.18 It is important to note that, based on the Hon'ble Tribunal's judgment dated November 23, 2007, DVC's entire capital base was allocated to either the Generation Business or the unified interstate Transmission and Distribution Network. According to this judgment, the Central Commission has jurisdiction over tariff determination for both the Generation and the unified interstate Transmission and Distribution Network. The tariffs determined by the Central Commission for these areas serve as the input cost for DVC's Distribution activities. This approach was upheld by the Hon'ble Supreme Court of India on July 23, 2018, and has been consistently followed by the Hon'ble Commission and the West Bengal State Commission, as reflected in multiple orders from these authorities

10.19 The new investment for developing the 11 kV infrastructure is entirely related to DVC's Distribution Activity and can be allocated between the two states, Jharkhand and West Bengal. As a result, DVC is submitting this Investment Proposal to this Commission for in-principle approval for the creation of 11 kV infrastructure in Jharkhand. Similarly, DVC has submitted a separate Investment Proposal to the West Bengal Electricity Regulatory Commission (WBERC) for the West Bengal region. The WBERC granted in-principle approval for the creation of the 11 kV network in West Bengal on August 4, 2023, and a copy of that order is attached as ***Annexure-3***.

10.20 The capital investment plan for the development of infrastructure required to supply power at the 11 kV level in the state of Jharkhand is being submitted here. This submission is exclusively for the 11 KV distribution infrastructure in Jharkhand. Any investment related to the Generation or the existing Transmission and Distribution (T&D) network, which falls under the jurisdiction of the Central Electricity Regulatory Commission (CERC), has not been included in this proposal and will be submitted separately to the Hon'ble Central Commission following the appropriate procedures

The phase wise capital outflow schedule is tabulated below,

Year wise Capital Investment Plan (Rs. Cr.)			
Financial Year	**Phase-I**	**Phase-II**	**Total**
	Jharkhand		
FY 2022-23	287	--	287
FY 2023-24	239	132	371
FY 2024-25	--	12	12
Total Cost	526	144	670

10.21 In accordance with the DPR as attached herewith, the above capital outflow will be funded @ Debt: Equity ratio of 70:30, where 70% loan will be arranged from the open market at market prevailing rate and the remaining equity portion will be funded by DVC. As mentioned earlier, after the proposal of getting RDSS grant to fund the project has been rejected, the entire cost of the capital is required to be serviced through Tariff along with the other associated cost i.e. O&M cost, Man Power Expenditure, A&G expenses, IWC etc.

10.22 Currently, DVC does not have data for past infrastructure maintenance and associated costs, as this 11 kV investment is a new initiative. Therefore, based on the prevailing regulations of the Hon'ble Commission and the Hon'ble CERC, DVC has estimated a normative tariff of approximately ₹170 crores per annum for the new 11 kV infrastructure in Jharkhand. If this cost is added to DVC's overall cost pool, the average cost of supply is expected to increase by around 2% (or 10 to 11 paise per kWh), assuming future sales growth. A detailed computation of this estimate is attached as ***Annexure-4.***

10.23 Additionally, it is important to note that the current technical loss in DVC's unified Transmission and Distribution network is around 3.5%, as most energy distribution is at 33 kV and above. With the expansion to the 11 kV network, technical losses are expected to increase in the lower voltage network, raising DVC's overall technical loss. However, this increased ***technical loss has not been factored into the current cost computations***, and the actual loss figures will be submitted during the truing-up process for the Hon'ble Commission's consideration.

10.24 It is also pertinent to mention here that; the subject investment will have an impact in the Retail Tariff of DVC for the future period. However, to expand the quality service of DVC to further low voltage level in the state of Jharkhand, development of the necessary infrastructure is the need of the hour. As such the investment will help to boost the economic activity more specifically it will help the small and medium scale industry to grow in the state of Jharkhand. Regarding the reasonability of the project cost, it is submitted that the cost has been estimated based on the prevailing market rate and the actual project cost will be arrived at, through transparent competitive bidding process which will reflect the true market price of the project.

Commission Observation and Findings

10.25 On scrutinizing and analysing the data, information submitted by the Petitioner, the Commission observe various facts and figure which has been discuss and deliberated in upcoming paragraph.

10.26 The Commission noted the core issue is that DVC operates in regions where Jharkhand Bijli Vitran Nigam Limited (JBVNL a distribution licensee is already existing. This overlap creates a complex regulatory environment, particularly in light of the JSERC Commission Case Order dated 18.07.2018 (Case No. 10 of 2016), which acknowledged that JBVNL and DVC are parallel licensees with overlapping areas of operation. The Extract of the Order is reproduced below:

> *7. We verified from the records and found that DVC as well as JBVNL were directed to deliberate and suggest mutually*

acceptable and workable methodology for consideration of the Commission and for further orders. From the record we find that no concrete suggestions have been brought by the petitioners –DVC as well as JBVNL which are mutually acceptable and workable methodology for consideration of the Commission despite several adjournments even after a lapse of about two years.

8. *In view of the said admitted position and the facts and circumstances appearing on record, we are of the view that no purpose would be served in keeping the case pending for decision in the absence of any concrete suggestions mutually acceptable and workable methodology. The petitioners are at liberty to approach this Commission after arriving at concrete suggestions and formulate workable methodology, which are mutually acceptable to them and are legally tenable.*

10.27 This situation necessitates that DVC's investment in the distribution sector, particularly at the sub-33 kV (11 kV) level, adheres to the relevant regulatory provisions. Furthermore, the Commission highlighted that JBVNL has already established an extensive distribution network across various voltage levels to serve the consumers. Therefore, DVC's proposed distribution investments in the same area must comply with the criteria set by JSERC's (Operation of Parallel Licensees) Regulations, 2019, which regulate the functioning of parallel licensees in overlapping areas. Additionally, these investments must align with JSERC Tariff Regulations 2020 and its amendments, ensuring that DVC's activities do not interfere with or undermine JBVNL's existing infrastructure and obligations.

<u>Segregation of Account for Retail and Wire Business.</u>

10.28 The Commission is of opinion that for parallel licensing, first and foremost requirement shall be to have a segregated account for wheeling (Wire) and Supply (Retail) business so that requisite changes can billed to a consumer. Such requirement is also mandated under clause 6.10 of JSERC (Terms and Condition of Determination of Tariff) Regulations 2020 which is reproduced below:

"Business Plan

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

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

10.29 Based on the above discussion, the Commission has asserted that the Petitioner has not fulfilled the first and foremost requirement as mandated under the JSERC (Terms and Conditions for Determination of Tariff) Regulations, 2020, indicating non-compliance with regulatory provisions. In this regard, the Commission directs the Petitioner to address this issue promptly to ensure compliance with the primary requirement of the said regulation.

Empowering Consumer Choice in Electricity Providers While Maintaining Unified Infrastructure

10.30 The Commission is of the opinion that the parallel Licensee framework operates on the principle of separating the content (electricity supply) from the carrier (distribution infrastructure). Under this system, consumers are granted the flexibility to choose their electricity provider, allowing them to select the Licensee from whom they wish to purchase electricity. However, this choice does not extend to the physical infrastructure, such as the wires and distribution networks, which are used to deliver the electricity. The responsibility for establishing and maintaining these networks typically remains with the designated distribution Licensee, ensuring that the necessary infrastructure is in place to support supply from various providers

Parallel Licensing and Infrastructure Dispute

10.31 Historically, there have been disputes regarding which Licensee should be responsible for developing distribution infrastructure under parallel licensing operations. These conflicts, particularly evident among multiple parallel Licensees in Mumbai, have frequently resulted in cases before the Hon'ble APTEL. In numerous judgments, the Hon'ble APTEL has emphasized that electricity supply to consumers should minimize waste, avoid resource duplication, ensure optimal use of public funds, and make use of existing networks whenever possible. While consumer choice is vital, it is equally important for Licensees and the Commission to ensure that the selected supply method is cost-effective and avoids unnecessary duplication. Consequently, both Licensees and the Commission share the responsibility of conducting a prudence check to prevent redundant distribution lines and the wastage of public resources. An illustrative instance supporting this contention can be found in the APTEL's judgment dated 28.11.2014 in A.No. 246 of 2012.

> *"Tata Power should therefore, be restricted to lay down its network only in areas where laying down of* ***parallel network would improve the reliability of supply*** *and benefit the consumer and also for* ***extending supply to new consumers who seek connection from Tata Power****. Tata Power's Rollout Plan should therefore, be restricted to only such areas. This may also require amendment in the licence condition of Tata Power, after following due process as per law.* ***The Rollout Plan shall be approved by the State Commission only after hearing RInfra and the consumers. In the meantime, Tata Power should be restrained to lay down distribution network in the distribution area common to RInfra."***

10.32 Aside from imposing restrictions on the nature of new connections, the Hon'ble APTEL intentionally allowed the other Distribution Licensee (R-Infra) to present their views prior to granting approval for the Rollout plan. This emphasizes the necessity for Licensees and the Commission to determine the most effective strategy for developing the distribution network within the Parallel Licensing system.

10.33 However, given the inherent complexities associated with the operational specifics in the aforementioned case, the Learned Maharashtra Electricity Regulatory Commission (MERC) deemed it appropriate to establish a committee tasked with making recommendations on the key aspects related to the Distribution

Rollout plan in a Parallel Licensee system. The relevant extracts from the Learned MERC Order dated 09.11.2015 in Case No. 182 of 2014 are reproduced below

"62. While granting the Licence to TPC-D in Case No. 90 of 2014 the Commission had found the Rollout Plan proposed by TPC-D to be inadequate and therefore had directed TPC-D to furnish a revised Plan. The Commission envisaged such a Plan as phased development of TPC-D's network that would enable it to supply existing consumers and any future applicants using its own wires within a reasonable and realistic period of time. ***However, the subsequent ATE Judgment permits a Licensee to effect supply through the wires of the other Licensee (where they are in place, but excluding BEST which is not statutorily obliged to provide Open Access) in the area common to both in order to meet its USO. The ATE Judgment has also laid down certain other principles*** *and parameters considering which supply to an applicant from one or the other Licensee is to be effected.* ***The Commission is of the view that, therefore, the term 'Rollout Plan' has now also to be understood in a wider sense to encompass the nature of the response required to such applications for supply in different scenarios mentioned above, which may or may not involve laying or augmentation of network by one or the other Licensee or consideration of an extensive, area-wise physical master plan*** *except perhaps in respect of the BEST area.*

65. In order to further address and finalise the operational specifics of the matter, the ***Commission deems it appropriate to constitute a Committee which would make recommendations on the key aspects, as set out in broader sense in Para 62 of this Order****, which would be considered by the Commission thereafter* ***while approving TPCD's Rollout Plan."***

10.34 Based on the above excerpt, the Commission is of the view that a similar analogy can be drawn for consumers located in areas of

Jharkhand where both JBVNL and DVC operate. Furthermore, the Commission noted that the principles established by the Hon'ble APTEL and Hon'ble MERC provide significant support for the overall development of the parallel licensing system.

10.35 In accordance with the above discussions, it is prudent to consider the relevant provisions of the JSERC (Operation of Parallel Licensees) Regulations, 2019 in the context of the present circumstances. Accordingly, the provisions of Regulation 7.16 warrant further emphasis. The Relevant extract is reproduced below:

"7.16

i. *The Distribution Licensees operating in the common area of operation can augment or expand their distribution system network as per provisions of the applicable regulations. However,* ***such expansion/ augmentation should be carried out by avoiding duplication of network infrastructure in an area. Expansion of network infrastructure should be to improve reliability of supply and in interest of Consumers.***

ii. Wherein network infrastructure is already present, the same should be used to supply and augmented to improve reliability. ***In case, distribution system network to connect a new Consumer is not present, then distribution system network of the licensee which is nearest to the Consumer should be extended in order to ensure connection.***

iii. *Such extension may also require augmentation in the distribution system of the nearest Distribution Licensee as a whole.* ***Hence decisions pertaining to expansion and augmentation of distribution system network should be undertaken post agreement with the Area level Co-ordination Committee."***

10.36 The submissions made by DVC in the Business Plan do not meet the requirements outlined in the aforementioned Regulations. Since the Capital Investment Plan significantly impacts network costs, it is crucial that this plan be developed through thorough stakeholder consultation. The Regulations clearly grant authority to the Area Level Coordination Committee for decisions regarding the expansion and augmentation of the distribution system network. However, it is important to note that DVC's submissions lack reports from any such committee.

Conflict with the CERC recognized Asset at 132, 33 kV System

10.37 According to the Hon'ble APTEL's judgment dated 23.11.2007 in A.No. 273 of 2006 and related cases, DVC's Transmission and Distribution (T&D) system is regarded as a unified deemed inter-state transmission system concerning tariff determination, with regulatory authority resting with the Hon'ble CERC.

10.38 DVC primarily owns assets at the 132/33 kV levels related to distribution activities, for which tariff determination is conducted by the Hon'ble CERC. It is important to note that the current Business Plan (Capital Investment Plan) includes the development of assets at 132kV, 33kV, and 11kV. However, there is ambiguity regarding why these assets are classified as part of the distribution system rather than as part of an integrated Transmission and Distribution (T&D) system, or vice versa. Clarifying the basis for asset classification is essential at this stage.

10.39 Furthermore, DVC's proposal indicates that the augmentation of existing capacity at the 132 kV and 33 kV levels is necessary. The Commission contends that while the tariff for existing assets is currently determined by the Hon'ble CERC, it is unfair and unreasonable for DVC to seek the inclusion of augmented assets as distribution assets for tariff purposes. This could create uncertainty regarding whether the additional capitalization would fall under JSERC or CERC regulations. To avoid potential conflicts over tariff determination (CERC or JSERC), DVC shall be required to clearly ***delineate the network between distribution and transmission in accordance with the law***.

Concerned over unapproved infrastructure

10.40 During the Public Hearing, the Commission has observed that the Petitioner has initiated several works for Phases I and II, including the supply of 33/11 kV E-Houses, supply of 33/11 kV transformers, and the erection, testing, and commissioning of 12 Nos of 33/11 kV E-Houses, all without obtaining prior approval from the Commission. In this regard, the Petitioner is required to provide proper justification, specifying under which regulation and with what approval these works have been initiated without the Commission's consent.

10.41 Based on the above argument, the Commission, at this stage, disallows the Business Plan for the creation of 11 kV voltage level infrastructure to provide supply to consumers in the state of Jharkhand. However, the Petitioner is at liberty to file a fresh petition before the Commission after complying with all the directives mentioned in the above paragraphs, considering all relevant facts and figures. This Commission shall then consider the petition on its merits.

Chapter 11: Status of Earlier Directives

15.1 The Commission has time and again issued various directives in order to improve the functioning of the Petitioner. The compliance submitted by the Petitioner to the Commission earlier directions is tabulated below:

Directives	Status	Views of the Commission
Separation of Balance Sheet of Distribution Business The Commission directs the Petitioner to separate the Balance Sheet of Distribution Business from other power business and direct the Petitioner to submit the same along with next tariff petition.	No submission has been made by the Petitioner in such regard.	The Petitioner has been unable to comply with the direction of the Commission, and is being re-directed to comply with the same.
Compliance to RPO The Commission directs the Petitioner to ensure that all the short fall in RPO targets should be meet or the road map should be submitted before the Commission along with next tariff petition.	The Petitioner has planned procurement of renewable power from GDAM/GTAM. Further, the purchase of REC's have also been planned.	The Commission has taken a note on the compliance of the Petitioner.
Details of Rebate provided to Consumers The Commission directs the Petitioner to maintain the Rebate provided under each head as detailed in the Tariff Schedule in Section A 11 of this Order in its Audited Accounts. Any rebate provided over and above the values specified in Section A 11 shall be attributable to the Petitioner and shall not be recovered in the ARR.	No submission has been made by the Petitioner in such regard.	The Petitioner has been unable to comply with the direction of the Commission, and is being re-directed to comply with the same.
Publicizing Tariff Approved by the Commission The Commission directs the Petitioner to submit a draft Notice to the Commission on the Tariff Approved by the Commission along with the Terms and Conditions of Supply for approval and publishing in the newspapers within a week of issue of this Order for enhancing	-	-

Directives	Status	Views of the Commission
consumer awareness of the applicable Rate Schedule and salient features of the Order impacting general consumers in the Licensee area.		

Chapter 12: Directives

Timeliness and Data Adequacy in the Next Tariff Petition

16.1 The Commission directs the licensee to file the next tariff petition, after removing deficiencies highlighted in this Tariff Order. The Petitioner should ensure that the data submitted to the Commission is accurate and justified with adequate certification. The Commission also directs the licensee to ensure submission of the next tariff petition within the time frame as stipulated in Section A 24 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

Re-formatting of the Next Tariff Petition

16.2 The Commission directs the Petitioner to file the next tariff Petition, in the format of the Tariff Order issued by the Commission, wherein each Head-wise claims of the Petitioner are clearly mentioned under distinct sub-headings followed by a table showing the same with respect to the last approved value for the consequent financial year, i.e., for ARR Petition of FY 2024-25, the claim must be shown along with the approved MYT value of FY 2024-25, for APR Petition of FY 2023-24, the claim must be shown along with the approved ARR value of FY 2023-24, and consequently for True-up Petition of FY 2022-23, the claim must be shown along with the approved APR value of FY 2022-23.

16.3 Further, the Petitioner is also directed to provide Auditor's Certificate for all claims made in the forthcoming True-up Petitions for which distinct heads of expenses are not available in the Audited Annual Accounts. These Certificates shall be attached as Annexures to the Main Petition and the Petitioner shall refer to these Annexures, wherever required, in order to substantiate its Head-wise claims.

Billing Efficiency and Collection Efficiency

16.4 The Commission directs the Petitioner to submit the following month-wise details in the next tariff petition.

Particulars	Unit	Value
Revenue Billed	Rs. Cr.	
Revenue Collected	Rs. Cr.	
Collection Efficiency	%	
Energy Input to the System	MU	
Energy Sales	MU	
Billing Efficiency	%	

Interest on Security Deposit of Consumers

16.5 The Commission observes that there is lack of clarity on the interest of security deposited that has been given to the consumers. The Petitioner should clearly demonstrate how much interest on security deposit was required to be given and how much interest has been actually disbursed. The Commission directs the Petitioner to pass the accumulated interest on security deposit to its Consumers. The status of compliance is to be reported in the quarterly reports.

Fixed Asset Register

16.6 The Commission directs the Petitioner to create a Fixed Asset Registers (FAR) containing the following information:

a) Asset name
b) Unique asset identification number
c) Asset cost
d) Asset location
e) Responsible department
f) Asset class
g) Date of Commissioning/ Decommissioning
h) Useful life
i) Salvage value
j) Accumulated impairment charges
k) Current carrying
l) Accumulated depreciation
m) Others

16.7 The Petitioner is directed to submit the same along in excel with all the details of the assets opening, addition, deduction & closing values, as well as depreciation & cumulative depreciations, with the bifurcation of the assets owned by the Petitioner, assets created out of Grants and assets created out of consumer contribution.

Quality of power/ Reliability Indices and Standard of Performance (SOP)

16.8 The Commission directs the Petitioner to continue submitting monthly report on Reliability Indices in MS Excel format along with compliance to SOPs in true spirit, in course of achieving 24x7 quality & reliable power. The Commission directs the Petitioner to continue implementing Standards of Performance as per the JSERC (Standards of Performance) Regulations, 2015 and report to the Commission as per Regulation.

16.9 The Commission directs the Petitioner to submit the quarterly report on calculation of SAIDI, CAIFI and SAIFI with the details of feeders utilized for calculation of the same to the Commission and regularly update the same in its website.

Energy Audit

16.10 The Commission directs the Petitioner to conduct Energy Audit of its system and submit the same along with the next tariff petition. The Petitioner must submit these audit reports annually in its tariff petitions post implementation of LT services.

This Order is signed and issued by the Jharkhand State Electricity Regulatory Commission on September 30, 2024.

Date: 30.09.2024

Place: Ranchi

Sd/-	**Sd/-**
Atul Kumar	**Mahendra Prasad**
MEMBER (Technical)	**MEMBER (Law)**

ANNEXURE - I

Name of Public participated in the Public Hearing

Sl. No	Name	Address/Organization
Place: Hazaribagh, Date: September 03, 2024		
1.	Samarat Bhowmik	Damodar Valley Corporation
2.	Suman Bhowmik	Damodar Valley Corporation
3.	Bikash Kumar	Damodar Valley Corporation
4.	Ravindra Singh Munda	Damodar Valley Corporation
5.	M.S.chakarvarty	Damodar Valley Corporation
6.	Punit Kumar Jain	Damodar Valley Corporation
7.	Kastan Dutta	Damodar Valley Corporation
8.	Promod Kumar	Damodar Valley Corporation
9.	Satyam Rajgaria	Barhi
10.	Promod Agarwal	Association of DVC Consumer Jharkhand
11.	B. K. Tiwari	Barhi
12.	Gargi Srivastava	Noida
13.	Arpit Shukla	Noida
14.	Dhananjay Kumar	Maihar Alloys
15.	Mazhar Khan	Radha Casting
16.	P. K. Gupta	Radha Gopal Ishpat
17.	Rakesh	Shree Bholey Alloys
18.	Tabarau Khan	Barhi
19.	Arhun Lal Mandal	DVC
20.	Suraj Kumar	DVC
21.	Mohit Arya	DVC
Place: Maithon, Date: September 04, 2024		
22.	Chandan Kumar	Damodar Valley Corporation
23.	Vikash Singh	Damodar Valley Corporation
24.	Debshankar Ghosh	Damodar Valley Corporation
25.	Subrata Ghosal	Damodar Valley Corporation
26.	Asim Nandy	Damodar Valley Corporation
27.	Smarat Bhowmik	Damodar Valley Corporation
28.	Roshan Kumar	Damodar Valley Corporation
29.	Pritam Ghosh	Damodar Valley Corporation
30.	M.S. Chakarvartty	Damodar Valley Corporation
31.	Anup Sharma	Damodar Valley Corporation
32.	Bajran Jalan	Jharkhand Refectory association
33.	Sushil Gadhyan	Arun Refectory
34.	Rajesh Singh	JRMA
35.	Harshal Singh	Dhanbad
36.	Samu sharan Tudu	Damodar Valley Corporation
37.	Amit Agarwal	Anjaney Ferro
38.	Ajit Kumar Sihna	Vishwanath Nurshing Home
39.	Gunjan Kumar Sinha	Sindhri
40.	Nand Kishore Jha	DVC
41.	Nihal Bhardwaj	DVC
42.	Pannalal	Chandi Ceremic
43.	Babul Kumar	Golden Ceremic
44.	Ramjee Pandey	DVC
45.	Bikaram Sharma	Dhanbad
46.	Akash Jha	Metro Hard Coke Pvt.

47.	Mayank Rajgahia	Sitaram Polyplast
48.	Nikhil Sonthalia	Birani Infra
49.	Shailesh	Dhanbad Rockwool
50.	B. Agarwal	Shlok Floor Mills
51.	Abhishek Pandey	International Chemical Industries
52.	Parmod Chourasia	Sindri
53.	Ansul Kumar	Kandra Industrial Area
54.	Dr. Jogesh	Dhanbad
55.	A.K. Choudhary	Sindri
56.	Nitin Jha	Sindri
57.	Anshul Bagaria	Sindri
58.	Kaustav Dutta	Dhanbad

ANNEXURE - II

Table 70: Fixed Charges Approved By The Commission For Fy 2022-23 (Rs. Cr.)

Particulars	Normative Availability (NAPAF)	Actual Yearly Plant Availability Factor (PAFY)				Annual Fixed Charge (AFC) (Rs. Cr.)	Ash Evacuation Expenses (in Rs. Cr.)	Recoverable fixed charges as per CERC formula (Rs. Cr.)	Share of firm consumer	Ash Evacuation Expenses (in Rs. Cr.)	Recoverable Fixed charge from Firm Consumers (Rs. Cr.)
		High Demand Peak	High Demand Off-peak	Low Demand Peak	Low Demand Off-peak						
BTPS 'B'											
DTPS U # 4	74.00%	27.44%	27.31%	8.61%	8.63%	144.68	3.02	26.01	100.00%	3.02	29.03
MTPS U#1 to 3	85.00%	96.87%	96.89%	81.50%	81.44%	439.45	12.3649	425.68	100.00%	12.36	438.05
MTPS U#4	85.00%	103.80%	103.35%	92.09%	92.49%	141.66	4.02	141.66	100.00%	4.02	145.68
MHS	80.00%	80.00%				41.09		41.09	100.00%	0.00	41.09
PHS	80.00%	80.00%				38.11		38.11	100.00%	0.00	38.11
THS	80.00%	80.00%				12.20		12.20	100.00%	0.00	12.20
T&D System	98.50%	99.69%				499.97		505.99	100.00%	0.00	505.99
Sub Total						**1,317.17**		**1,190.75**		0.00	**1,210.16**
MTPS U#5 & 6	85.00%	78.28%	78.01%	89.54%	89.78%	379.35	12.62	371.61	72.55%	9.16	278.78
MTPS U# 7 & 8	85.00%	95.79%	95.45%	89.74%	89.70%	1,044.64	23.99	1,044.64	29.81%	7.15	318.61
CTPS U # 7 & 8	85.00%	91.95%	91.35%	82.34%	82.03%	579.65	15.83	564.79	4.40%	0.70	25.57
DSTPS U # 1 & 2	85.00%	86.19%	85.46%	88.22%	88.57%	1,070.47	1.31	1,070.47	67.76%	0.89	726.23
KTPS U # 1 & 2	85.00%	90.29%	90.41%	89.31%	88.83%	1,150.04	11.42	1,150.04	1.67%	0.19	19.37
BTPS 'A'	85.00%	93.25%	92.81%	89.94%	90.87%	735.04	3.86	735.04	60.25%	2.33	445.16
RTPS U # 1 & 2	85.00%	68.68%	68.78%	56.61%	56.27%	1,371.83		959.40	43.79%	0.00	420.14
Sub Total						**6,331.03**		**5,896.00**			**2,233.86**
GRAND TOTAL						**7,648.20**		**7,086.75**			**3,444.02**

Table 71: Source-Wise Power Purchase Cost Submitted By Petitioner And Approved By The Commission For Fy 2022-23 (Rs. Cr.)

Particulars	Petition					Approved				
	Quantum (MU)	Fixed Charges	Energy Charges	Other Charges	Total Cost	Quantum (MU)	Fixed Charges	Energy Charges	Other Charges	Total Cost
NHPC										
Rangit	30.55	6.40	6.03	1.71	14.13	30.55	6.40	6.03	1.71	14.13
Teesta	231.10	29.55	27.73	9.01	66.29	231.10	29.55	27.73	9.01	66.29
NTPC										
FSTPS I&II					-	-	-	-	-	-
FSTPS III					-	-	-	-	-	-
KhTPS-I					-	-	-	-	-	-
KhTPS-II		0.19		0.26	0.46	-	0.19	-	0.26	0.46
Telcher (NTPC)	13.79	1.33	2.75	1.65	5.73	13.79	1.33	2.75	1.65	5.73
KBUNL		25.79	-	-	25.79	-	25.79	-	-	25.79
Solar										
NTPCL-Solar	28.51		26.66	0.01	26.67	14.25	-	26.66	0.01	26.67
NTPC- VVNL (Solar)	27.77		34.84	-	34.84	14.25	-	34.84	-	34.84
NVVNL			4.25	-	4.25		-	4.25	-	4.25
PTC										
Chukha	158.34		39.35	-	39.35	158.34	-	39.35	-	39.35
Kurichu	9.05		2.14	-	2.14	9.05	-	2.14	-	2.14
Tala	127.17		29.87	-	29.87	127.17	-	29.87	-	29.87
JEM Solar Power	3.83		1.51	-	1.51	27.77		1.51		1.51
MPL	**1,043.16**	**155.13**	**296.07**	**10.04**	**461.24**	**1,043.16**	**155.13**	**296.07**	**10.04**	**461.24**
IEX/PXIL	**374.34**		**227.99**	**-**	**227.99**	**374.34**	**-**	**227.99**	**-**	**227.99**
GDAM (Solar)	**100.03**		**62.46**	**-**	**62.46**	**96.59**	**-**	**62.46**	**-**	**62.46**
GDAM (Non-solar)	**243.25**		**161.09**	**-**	**161.09**	**234.41**	**-**	**161.09**	**-**	**161.09**
Net UI (Import)	**113.29**		**134.55**	**-**	**134.55**	**84.76**	**-**	**100.67**	**-**	**100.67**
Total	**2,504.18**	**218.38**	**1,057.28**	**22.68**	**1,298.34**	**2,459.53**	**218.38**	**1,023.39**	**22.68**	**1,264.46**

Table 72: Fixed Charges Approved By The Commission For FY 2023-24 (Rs. Cr.)

Particulars	Normative Availability (NAPAF)	Actual Yearly Plant Availability Factor (PAFY)				Annual Fixed Charge (AFC) (Rs. Cr.)	Ash Evacuation Expenses (in Rs. Cr.)	AFC of Emission Control system (FGD)	Annual Fixed Charge including Emission Control system (FGD) (in Rs. Cr.)	Recoverable fixed charges as per CERC formula (Rs. Cr.)	Share of firm consumer	Ash Evacuation Expenses to be recovered from Firm consumers (in Rs. Cr.)	Recoverable Fixed charge from Firm Consumers (Rs. Cr.)
		High Demand Peak	High Demand Off-peak	Low Demand Peak	Low Demand Off-peak								
BTPS 'B'	-	-	-	-	-	-	-	-	-	-	-	-	-
DTPS U # 4	-	-	-	-	-	-	-	-	-	-	-	-	-
MTPS U#1 to 3	85.00%	85.00%	85.00%	85.00%	85.00%	450.95	12.91	-	450.95	450.95	100.00%	12.91	463.86
MTPS U#4	85.00%	85.00%	85.00%	85.00%	85.00%	146.68	4.20	-	146.68	146.68	100.00%	4.20	150.88
MHS	80.00%	80.00%				21.39	-	-	21.39	21.39	100.00%	-	21.39
PHS	80.00%	80.00%				19.85	-	-	19.85	19.85	100.00%	-	19.85
THS	80.00%	80.00%				6.35	-	-	6.35	6.35	100.00%	-	6.35
T&D System	98.50%	99.00%				506.65	-	-	506.65	509.23	100.00%	-	509.23
Sub Total						**1,151.88**	**17.11**	**-**	**1,151.88**	**1,154.45**		**17.11**	**1,171.56**
MTPS U#5 & 6	85.00%	85.00%	85.00%	85.00%	85.00%	387.64	13.18	-	387.64	387.64	72.28%	9.52	289.71
MTPS U# 7 & 8	85.00%	85.00%	85.00%	85.00%	85.00%	1,027.80	25.14	-	1,027.80	1,027.80	36.77%	9.24	387.14
CTPS U # 7 & 8	85.00%	85.00%	85.00%	85.00%	85.00%	549.32	16.53	-	549.32	549.32	4.57%	0.76	25.87
DSTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,056.92	1.37	-	1,056.92	1,056.92	63.65%	0.87	673.63
KTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,134.04	11.97	-	1,134.04	1,134.04	1.44%	0.17	16.46
BTPS 'A'	85.00%	85.00%	85.00%	85.00%	85.00%	724.27	4.05	-	724.27	724.27	57.37%	2.32	417.81
RTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,339.48	-	-	1,339.48	1,339.48	37.60%	-	503.66
Sub Total						**6,219.47**	**72.24**	**-**	**6,219.47**	**6,219.47**		**22.89**	**2,314.28**
GRAND TOTAL						**7,371.35**	**89.35**	**-**	**7,371.35**	**7,373.92**		**40.00**	**3,485.84**

Table 73: Source-Wise Power Purchase Cost Submitted By Petitioner And Approved By The Commission For Fy 2023-24 (Rs. Cr.)

Particulars	Petition			Approved		
	Quantum (MU)	Avg. Rate (Rs./kWh)	Total Cost (Rs. Cr.)	Quantum (MU)	Avg. Rate (Rs./kWh)	Total Cost (Rs. Cr.)
NHPC	-	-	-	-	-	-
Rangit	31.15	3.80	11.85	31.15	3.80	11.85
Teesta	236.15	1.60	37.84	236.15	1.60	37.84
NTPC	-	-	-	-	-	-
FSTPS I&II	-	-	-	-	-	-
FSTPS III	-	-	-	-	-	-
KhTPS-I	-	-	-	-	-	-
KhTPS-II	-	-	-	-	-	-
TSTPS I	13.72	3.01	4.13	13.72	3.01	4.13
KBUNL MTPS II	56.74	6.12	34.71	56.74	6.12	34.71
Solar	-	-	-	-	-	-
NTPCL-Solar	28.07	9.36	26.27	28.07	9.36	26.27
NTPC- VVNL (Solar)	29.37	11.15	32.76	29.37	11.15	32.76
NVVNL	-	1.47	4.33	-	1.47	4.33
PTC	-	-	-	-	-	-
Chukha	187.90	2.28	42.84	187.90	2.28	42.84
Kurichu	39.37	2.27	8.94	39.37	2.27	8.94
Tala	149.89	2.40	35.97	149.89	2.40	35.97
MPL	**1,066.32**	**4.18**	**445.67**	**1,066.32**	**4.18**	**445.67**
Contingency (IEX/PXIL)	**406.92**	**5.88**	**239.39**	**222.29**	**5.88**	**130.77**
GTAM/GDAM (Solar)	**180.22**	**6.51**	**117.36**	**180.22**	**6.51**	**117.36**
GTAM/GDAM (Non-solar)	**180.22**	**6.51**	**117.36**	**180.22**	**6.51**	**117.36**
Rooftop Solar PV System (Jyoti Kiran)	**3.85**	**3.31**	**1.27**	**3.85**	**3.31**	**1.27**
SECI Solar	-	-	-	-	-	-
NTPC REL Solar	-	-	-	-	-	-
Solar (REC)	-	**0.68**	**117.05**	-	-	**83.99**
Non-Solar (REC)	-	**0.68**	**151.30**	-	-	**86.92**
Total	**2,609.91**	**5.48**	**1,429.05**	**2,425.27**	**5.04**	**1,223.00**

Table 74: Fixed Charges Approved By The Commission For FY 2024-25 (Rs. Cr.)

Particulars	Normative Availability (NAPAF)	Actual Yearly Plant Availability Factor (PAFY)				Annual Fixed Charge (AFC) (Rs. Cr.)	Ash Evacuation Expenses (in Rs. Cr.)	AFC of Emmission Control system (FGD)	Annual Fixed Charge including Emmission Control system (FGD) (in Rs. Cr.)	Recoverable fixed charges as per CERC formula (Rs. Cr.)	Share of firm consumer	Ash Evacuation Expenses to be recovered from Firm consumers (in Rs. Cr.)	Recoverable Fixed charge from Firm Consumers (Rs. Cr.)
		High Demand Peak	High Demand Off-peak	Low Demand Peak	Low Demand Off-peak								
BTPS 'B'	-	-	-	-	-	-	-	-	-	-	-	-	-
DTPS U # 4	-	-	-	-	-	-	-	-	-	-	-	-	-
MTPS U#1 to 3	85.00%	85.00%	85.00%	85.00%	85.00%	450.95	12.91	-	450.95	450.95	100.00%	12.91	463.86
MTPS U#4	85.00%	85.00%	85.00%	85.00%	85.00%	146.68	4.20	-	146.68	146.68	100.00%	4.20	150.88
MHS	80.00%	80.00%				21.39	-	-	21.39	21.39	100.00%	-	21.39
PHS	80.00%	80.00%				19.85	-	-	19.85	19.85	100.00%	-	19.85
THS	80.00%	80.00%				6.35	-	-	6.35	6.35	100.00%	-	6.35
T&D System	98.50%	99.00%				506.65	-	-	506.65	509.23	100.00%	-	509.23
Sub Total						**1,151.88**	**17.11**	**-**	**1,151.88**	**1,154.45**		**17.11**	**1,171.56**
MTPS U#5 & 6	85.00%	85.00%	85.00%	85.00%	85.00%	387.64	13.18	-	387.64	387.64	72.40%	9.54	290.19
MTPS U# 7 & 8	85.00%	85.00%	85.00%	85.00%	85.00%	1,027.80	25.14	-	1,027.80	1,027.80	47.10%	11.84	495.90
CTPS U # 7 & 8	85.00%	85.00%	85.00%	85.00%	85.00%	549.32	16.53	-	549.32	549.32	4.00%	0.66	22.63
DSTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,056.92	1.37	-	1,056.92	1,056.92	63.20%	0.87	668.84
KTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,134.04	11.97	-	1,134.04	1,134.04	5.00%	0.60	57.30
BTPS 'A'	85.00%	85.00%	85.00%	85.00%	85.00%	724.27	4.05	-	724.27	724.27	63.20%	2.56	460.30
RTPS U # 1 & 2	85.00%	85.00%	85.00%	85.00%	85.00%	1,339.48	-	-	1,339.48	1,339.48	45.11%	-	604.20
Sub Total						**6,219.47**	**72.24**	**-**	**6,219.47**	**6,219.47**		**26.07**	**2,599.36**
GRAND TOTAL						**7,371.35**	**89.35**	**-**	**7,371.35**	**7,373.92**		**43.17**	**3,770.92**

Table 75: Source-Wise Power Purchase Cost Submitted By Petitioner And Approved By The Commission For Fy 2024-25 (Rs. Cr.)

Particulars	Petition			Approved		
	Quantum (MU)	Avg. Rate (Rs./kWh)	Total Cost (Rs. Cr.)	Quantum (MU)	Avg. Rate (Rs./kWh)	Total Cost (Rs. Cr.)
NHPC	-	-	-	-	-	-
Rangit	30.86	3.84	11.85	30.86	3.84	11.85
Teesta	237.19	1.60	37.84	237.19	1.60	37.84
NTPC	-	-	-	-	-	-
FSTPS I&II	-	-	-	-	-	-
FSTPS III	-	-	-	-	-	-
KhTPS-I	-	-	-	-	-	-
KhTPS-II	-	-	-	-	-	-
TSTPS I	13.88	3.12	4.33	13.88	3.12	4.33
KBUNL MTPS II	68.71	5.68	39.06	68.71	5.68	39.06
Solar	-	-	-	-	-	-
NTPCL-Solar	28.36	9.36	26.53	28.36	9.36	26.53
NTPC- VVNL (Solar)	29.96	11.17	33.47	29.96	11.17	33.47
NVVNL	-	1.48	4.43	-	1.48	4.43
PTC	-	-	-	-	-	-
Chukha	188.08	2.28	42.88	188.08	2.28	42.88
Kurichu	40.34	2.27	9.16	40.34	2.27	9.16
Tala	146.84	2.40	35.24	146.84	2.40	35.24
MPL	**1,078.64**	**4.31**	**465.15**	**1,078.64**	**4.31**	**465.15**
Contingency (IEX/PXIL)	**427.27**	**5.50**	**235.00**	**275.60**	**5.50**	**151.58**
GTAM/GDAM (Solar)	**189.23**	**6.20**	**117.33**	**189.23**	**6.20**	**117.33**
GTAM/GDAM (Non-solar)	**189.23**	**6.20**	**117.33**	**189.23**	**6.20**	**117.33**
Rooftop Solar PV System (Jyoti Kiran)	**3.90**	**3.31**	**1.29**	**3.90**	**3.31**	**1.29**
SECI Solar	158.11	3.93	62.14	158.11	3.93	62.14
NTPC REL Solar	43.92	2.45	10.76	43.92	2.45	10.76
Solar (REC)	-	**0.68**	**113.04**	-	-	**85.41**
Non-Solar (REC)	-	**0.68**	**166.90**	-	-	**98.53**
Total	**2,874.53**	**5.34**	**1,533.72**	**2,520.83**	**5.37**	**1,354.31**