**CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION**

**RAIPUR**

Jindal Steel & Power Limited (JSPL) P. No. 62 of 2018, P. No. 33 of 2020, P. No. 07 of 2021, P. No. 14 of 2021 & P. No. 46 of 2022

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| **Present:** | **Hemant Verma, Chairman** |
| | **Vinod Deshmukh, Member (Judicial)** |
| | **Pramod Kumar Gupta, Member** |

**In the matter of –**

1. Truing up of JSPL-D for the period from FY 2011-12 to FY 2020-21;
2. Determination of ARR for the MYT Control Period from FY 2022-23 to FY 2024-25;
3. Determination of Tariff for FY 2022-23

ORDER

**(Passed on 28/11/2022)**

1. This Order is passed under the provisions of Section 62 read with Section 86(1) of the Act. The Commission, before passing the combined Order on the above Petitions, has considered the documents filed along with the Petitions, suggestions from the consumers, their representatives and other stakeholders during the Public Hearing.

2. This Order is passed in respect of the Petitions filed by M/s Jindal Steel & Power Limited, a Distribution Licensee, for truing up for FY 2011-12 to FY 2020-21 and determination of ARR for the Control Period from FY 2022-23 to FY 2024-25 and Distribution Tariff for FY 2022-23.

3. The Petitions and other submissions were made available on the Commission's website. The Petitions were also available at the offices of the Petitioner. A Public Notice along with the gist of the Petition was also published in the newspapers, and objections/suggestions were invited as per the procedure laid down in the Regulations. The Public Hearing was conducted in physical as well as video conferencing mode on the Petitions at the Commission's Court room at Raipur on 12th October 2022.

4. The Commission has undertaken final true-up for FY 2011-12 to FY 2020-21 for JSPL- D, based on the audited accounts submitted by the Petitioner and in accordance with the provisions of the applicable CSERC Tariff/MYT Regulations for the respective periods.

5. The Commission has disposed above petitions in accordance with the following applicable Tariff Regulations.

   a) CSERC (Terms and Conditions of determination of tariff according to Multi-Year tariff Principles) Regulations, 2010 **("CSERC Tariff Regulations, 2010")** applicable for the period from FY 2010-11 to FY 2012-13;

   b) CSERC (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2012 **("CSERC Tariff Regulations, 2012")**, applicable for the period from FY 2013-14 to FY 2015-16;

   c) Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2015 **("CSERC Tariff Regulations, 2015")**, applicable for determination of tariff for the Generating Company, Licensees, and CSLDC for the period from FY 2016-17 to FY 2020-21.

   d) Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2021 **("CSERC Tariff Regulations,**

**2015”)**, applicable for determination of tariff for the Generating Company, Licensees, and CSLDC for the period from FY 2022-23 to FY 2024-25.

6. The Order will be applicable from 01 Dec, 2022 and will remain in force till March 31, 2023 or till the issue of the next Tariff Order, whichever is later.

7. The Commission directs JSPL-D to take appropriate steps to implement the Tariff Order.

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|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **(PRAMOD KUMAR GUPTA)** | **(VINOD DESHMUKH)** | **(HEMANT VERMA)** |
| **MEMBER** | **MEMBER (JUDICIAL)** | **CHAIRMAN** |

# LIST OF ABBREVIATIONS

| Abbreviation | Description |
|---|---|
| A&G | Administrative and General |
| ABR | Average Billing Rate |
| ACoS | Average Cost of Supply |
| AFC | Annual Fixed Charges |
| APTEL | Hon'ble Appellate Tribunal of Electricity |
| ARR | Aggregate Revenue Requirement |
| CAGR | Compounded Annual Growth Rate |
| CIP | Capital Investment Plan |
| COD | Date of Commercial Operation |
| CPI | Consumer Price Index |
| CSD | Consumer Security Deposit |
| CSERC | Chhattisgarh State Electricity Regulatory Commission |
| CSLDC | Chhattisgarh State Load Despatch Centre |
| CSPDCL | Chhattisgarh State Power Distribution Company Limited |
| DISCOM | Distribution Company |
| DPS | Delayed Payment Surcharge |
| EA or Act | Electricity Act, 2003 |
| FY | Financial Year |
| GFA | Gross Fixed Assets |
| GoI | Government of India |
| HPO | Hydro Purchase Obligation |
| HR | Human Resource |
| HT | High Tension |
| HUDCO | Housing and Urban Development Corporation Limited |
| HV | High Voltage |
| IoWC | Interest on Working Capital |
| JSPL-D | Jindal Steel and Power Ltd. - Distribution Company |
| JSPL-T | Jindal Steel and Power Ltd. - Transmission Company |
| kV | kilo Volt |
| kVA | kilo Volt-Ampere |
| kW | kilo Watt |
| kWh | kilo Watt-hour |

| Abbreviation | Description |
|---|---|
| LV | Low Voltage |
| M&G | Maintenance and General |
| MAT | Minimum Alternative Tax |
| MCLR | Marginal Cost of Funds based Lending Rate |
| MMC | Monthly Minimum Charges |
| MU | Million Units |
| MYT | Multi Year Tariff |
| NEP | National Electricity Policy |
| NPV | Net Present Value |
| NSPCL | NTPC-SAIL Power Company Limited |
| NTI | Non-Tariff Income |
| O&M | Operation and Maintenance |
| R&M | Repair and Maintenance |
| RBI | Reserve Bank of India |
| RE | Renewable Energy |
| REC | Renewable Energy Certificate |
| RoE | Return on Equity |
| RPO | Renewable Purchase Obligation |
| Rs. | Rupees |
| SBI | State Bank of India |
| SLDC | State Load Despatch Centre |
| SLM | Straight Line Method |
| STU | State Transmission Utility |
| T&D Loss | Transmission and Distribution Loss |
| ToD | Time of Day |
| TVS | Technical Validation Session |
| WPI | Wholesale Price Index |
| YoY | Year-on-Year |

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# 1 BACKGROUND AND BRIEF HISTORY

## 1.1 Background

Jindal Steel and Power Limited **("JSPL")** has been issued a Distribution Licence, under Section 14 of the Electricity Act, 2003 in the area of O.P.Jindal Industrial Park **("JIP"),** Tumdih and Punjipathra villages of Gharghoda Tahsil of Raigarh District in the State of Chhattisgarh.

JSPL has set-up Captive Power Plant (CPP) units in Patrapali, Raigarh **("Raigarh CPP" or "RCPP")** and Dongamahua **("Dongamahua CPP"** or **"DCPP").**

This Order is issued by the Commission for Truing up of JSPL-D for the period from FY 2011-12 to FY 2020-21, determination of ARR for the MYT Control Period from FY 2022-23 to FY 2024-25 and determination of Tariff for FY 2022-23 in accordance with the directions of the Hon'ble Appellate Tribunal for Electricity ("**APTEL**") given vide its Judgement dated May 06, 2022 in Appeal No. 72 of 2016 and 100 of 2016.

## 1.2 The Electricity Act, 2003, Tariff Policy and Regulations

Section 61 of the Electricity Act, 2003 (herein after referred as 'the EA, 2003' or 'the Act') stipulates the guiding principles for determination of tariff by the Commission and mandates that the tariff should progressively reflect the cost of supply of electricity, reduce cross subsidy, safeguard consumers interest and recover the cost of electricity in a reasonable manner. This Section also stipulates that the Commission while framing the Tariff Regulations shall be guided by the principles and methodologies specified by the Central Electricity Regulatory Commission for determination of the tariff applicable to generating companies and transmission licensees.

Section 62 of the Act stipulates that the Commission shall determine the tariff for:

- Supply of electricity by a Generating Company to a Distribution Licensee;
- Transmission of electricity;
- Wheeling of electricity; and
- Retail sale of electricity.

The Tariff Policy notified by the Government of India in January 2006, as well as the amended Tariff Policy notified in January 2016, provides the framework to balance the conflicting objectives of attracting investments to ensure availability of quality power and protecting the interest of consumers by ensuring that the electricity tariffs are affordable.

As per provisions of the Act and the Tariff Policy, the Commission notified the following Regulations:

a) 'The Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2006 applicable for the period from FY 2011-12 and FY 2012-13 (as the Petition is filed for single year thus “CSERC MYT Tariff Regulations, 2010” will not be applicable in this case)

b) CSERC (Terms and Conditions for determination of tariff according to Multi- Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2012 (“CSERC Tariff Regulations, 2012”), applicable for the period from FY 2013-14 to FY 2015-16;

c) Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2015 (“CSERC Tariff Regulations, 2015”), applicable for determination of tariff for the Generating Company, Licensees, and CSLDC for the period from FY 2016-17 to FY 2020-21.

d) Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2021 (“CSERC Tariff Regulations, 2021”), applicable for determination of tariff for the Generating Company, Licensees, and CSLDC for the period from FY 2022-23 to FY 2024-25.

## 1.3 Procedural History

The Distribution Licence was issued to JSPL on 29/11/2005, with the condition that the Licensee shall supply electricity at a provisional rate of Rs. 2.50 per kWh or at the supply rate of the CSPDCL, whichever is lower, till the tariff for supply is determined by the Commission. JSPL-D was also directed to file the necessary application under Section 64 of the Electricity Act, 2003 (“the Act” or “EA 2003”) and Regulation 10 of the CSERC (details to be furnished by licensee or a generating company for determination of tariff and manner of making application) Regulations, 2004 before the

Commission on or before 31.03.2006. JSPL-D did not file the Tariff Petition for FY 2005-06 and 2006-07 as stipulated in the licence conditions and instead filed Petition No. 28 of 2006 on 28.06.2006 before the Commission seeking permission to file Tariff Petition only for FY 2007-08 and claimed that it has not been possible for them to segregate the Accounts for the distribution business as required under the Act. The Commission, vide order dated 17.07.2006, allowed the Petition partly and directed that the retail tariff of Rs. 2.50/kWh shall be operative till the Commission determines retail tariff on the basis of the Application filed by the Licensee and also directed JSPL-D to submit the application for determination of tariff for FY 2007-08 by end of November 2006 as required under the Tariff Regulations.

JSPL-D filed a Review Petition No. 33 of 2006 on the Order dated 17.07.2006, which was disposed of by the Commission vide Order dated 29.01.2007. In 2007, JSPL-D filed Appeal No. 34 of 2007 before the Hon'ble Appellate Tribunal for Electricity (APTEL) under Section 111 of the Act against the Order dated 17.7.2006 and 29.1.2007.

The Hon'ble APTEL vide Order dated 4.10.2007 dismissed the Appeal No. 34 of 2007 filed by JSPL-D and inter-alia observed that

> "*we would like to point out that so far JSPL has not filed any application for determination of its tariff as directed by the CSERC. The appellant, JSPL had set up the plea that it is not possible to segregate its accounts for distribution business and steel business. The contention was rightly rejected by the CSERC.*"

In 2009, JSPL-D filed its first Tariff Petition No. 17 of 2009(T) without segregated accounts after 41 months of grant of Distribution Licence.

The Commission fixed the tariff as Rs. 2.50 per kWh for the existing consumers of JSPL-D having subsisting agreement and for other consumers, the maximum ceiling tariff of respective categories of CSPDCL was allowed to be charged, vide Order dated 27.06.2009, by applying the provision of Section 62 (1) of the Act. In the said Order, the Commission directed JSPL-D to submit the next Tariff Petition at the end of November 2009 with complete information based on separate accounts of licensed business.

In 2010, the order was passed for approval of power procurement plan of JSPL-D for FY 2010-11. JSPL-D was provisionally permitted to procure power from Jindal Power Limited (JPL) during FY 2010-11 at the maximum rate of Rs. 3 per kWh.

The order was passed on 08.02.2012 on the Petition No. 06 of 2011(T). In this Order, the ARR for FY 2010-11 and FY 2011-12 and Tariff for FY 2011-12 was determined with Provisional True-up of FY 2009-10, since the segregated accounts for the distribution business were not furnished by JSPL-D.

JSPL-D submitted Petition No.39 of 2012 for True-up of FY 2011-12 on 12.07.2012 claiming that it has segregated the financial accounts for the licensed business of distribution and retail supply of electricity from other business segments of JSPL. The Commission disposed the Petition No. 39 of 2012 vide order dated 10.07.2013 and issued Provisional True-up order for FY 2011-12 as the Commission rejected the accounts filed by JSPL-D on the grounds that there is no opinion expressed by the JSPL auditors' regarding the accounts and only an extraction certificate by the auditor is provided with the accounts and hence, final True-up cannot be done in the absence the segregated financial accounts for licensed business of distribution and retail supply of electricity.

JSPL-D filed Petition No. 55 of 2012 for determination of ARR for the distribution business for FY 2013-14 to 2015-16 and the Commission again disposed the Petition No. 55 of 2012 on the ground that JSPL-D was unable to provide audited segregated accounts for any of the previous years. The Commission issued the MYT Order on 12.07.2013 for FY 2013-14 to FY 2015-16 considering the same GFA of Rs. 22.35 Crore and based on its prudence check and judgement as done in the Tariff Orders for FY 2011-12 and FY 2012-13.

JSPL-D filed a Petition for determination of Tariff for FY 2014-15 along with revised estimates of Multi Year Aggregate Revenue Requirement (ARR) for the licensed distribution business for the Control Period from FY 2013-14 to FY 2015-16 and true up of ARR for FY 2012-13 on 20.01.2014. However, prior to the Commission's order on the above-mentioned Petition, the Hon'ble APTEL passed its Order on 07.03.2014 in Appeal No. 89 of 2012.

This Order was passed in response to an Appeal filed by the Raigarh Ispat Udyog Sangh (“RIUS”) against the Tariff Order dated 08.02.2012. In this Order, the Hon’ble APTEL gave the following directions to the Commission:

a) To examine the pattern of surplus power available from the captive power plant after meeting the requirement of captive load of the Steel Plant and re-determine the power purchase cost of captive power plant of JSPL;

b) Not to pass on the burden on account of delay in filing of the Tariff Petition by Jindal Steel to the consumers in the form of increase in tariff due to carrying cost;

c) Not to entertain any Petition of Jindal Steel for enhancement of tariff in the event of failure to submit the segregated audited accounts as per the directions of the State Commission in future.

Post the judgment of Hon’ble APTEL, the Commission passed the Tariff Order dated 23.12.2014 for FY 2014-15 in which JSPL-D was directed to file the Petition for ARR and retail tariff for FY 2015-16 along with the segregated audited accounts, since the date of issue of the licence for true up of ARR of previous years and to file an application for determination of tariff of its captive power plants since the financial year from which it has charged the Commission’s determined tariff to its consumers in OPJIP. In the same Order, the Commission fixed a tariff of Rs. 2.50 per kWh with effect from 1 January 2015 subject to the condition that the same shall be adjusted retrospectively on either side after truing up of the ARR.

JSPL-D filed a Review Petition against this Order requesting the Commission to review the Order in view of the following submissions:

a) Direct that the tariff to be charged by the Petitioner with effect from 1.01.2015 has to be in terms of the Order dated 12.07.2013 passed in the Petition No. 55 of 2012 (T), till the final true-up and petition for ARR for FY 2015-16 is decided;

b) Direct that the Petitioner is not at all obliged to strictly adhere to the sources of power as indicated either in the application made for grant of the distribution licence or the Order dated 29.09.2005 granting distribution licence to the Petitioner, for supply to the OPJIP consumers.

c) Direct that there is no obligation of the Petitioner to supply power to OPJIP consumers from the Dongamahua Captive Power Plant (DCPP);

d) Direct that the surplus power to be calculated, in the event the Petitioner chooses to source power to the OPJIP consumers from the Captive Power Plant, is to be calculated post meeting the minimum 51% captive consumption criteria as per Rule 3 of the Electricity Rules, 2005, and any other firm agreement with a third party.

The Commission, vide order dated 01.10.2015, rejected the plea of the Petitioner and directed JSPL to file the Petition for determination of cost of generation of its captive power plant for FY 2009-10 and onwards at the earliest. JSPL-D filed Appeal No. 100 of 2016 on 19.11.2015 before the Hon’ble APTEL against the Order dated 23.12.2014 and 01.10.2015. The said Appeal has now been disposed by the Hon’ble APTEL vide its Judgement dated 06.05.2022.

JSPL-D submitted that JPL had intimated on 15.03.2016 regarding its inability to supply power to JSPL's Distribution business after 31.03.2016 at the rate approved by the Commission, which was further communicated to the Commission on 30.03.2016. JSPL-D requested the Commission to allow sourcing power from DCPP till such time that long-term source of power was not available. JSPL-D further submitted that as a Distribution Licensee, it is free to source power from anywhere and is not obligated to supply power from any fixed source (RCPP or DCPP). However, the Commission vide Letter No. 62 dated 31.03.2016 dismissed the application filed by JSPL-D and advised JSPL-D to file a Petition for determination of tariff after complying with the directives given by the Hon’ble APTEL in its Judgment dated 07.03.14 in Appeal No. 89 of 2012 and Order dated 23.12.14 passed in Petition No.12 of 2014(T) by the Commission.

During the pendency of the dispute, the supply to the industrial consumers was disconnected. Hence, the Commission issued Notice dated 13.04.2016 to JSPL on RIUS’s representation dated 07.04.2016 seeking JSPL’s response / report with respect to disconnection of power supply at JIP without following the laws and rules for disconnection of power supply by a Distribution Licensee.

Subsequently, the Hon'ble High Court of Chhattisgarh, Bilaspur vide order dated 13.04.2016 in W.P.(C) No. 940 of 2016 stayed the letter dated 31/3/2016 issued by the Commission and passed an interim order whereby JSPL-D, the distribution licensee was entitled to supply electricity to its consumers from DCPP at Rs. 4.20 per unit as an interim arrangement subject to final adjudication before the appellate authority. Therefore, from 15.04.2016, JSPL-D supplied power to the consumers in the licence area from DCPP on the basis of permission granted by the Hon'ble High Court of Chhattisgarh in W.P.(C) No. 940 of 2016. It has purchased 125.88 MU from DCPP (01.04.2018 to 31.05.2018) and 875.89 MU from Alternate sources (01.06.2018 to 31.03.2019).

JSPL-D also submitted the Petition for determination of tariff for FY 2015-16 along with revised estimates for the Control Period from FY 2013-14 to FY 2015-16 and true up of ARR for FY 2012-13 on 03.03.2015. The Commission vide its Letter No. 567 dated 18.03.2015 sought additional information in respect of the Petition filed for approval of ARR for FY 2015-16. The additional information pertained to:

> *"year-wise bank account statement in support of bank transaction in order to ascertain revenue vis-à-vis expenditure, cash book in support of cash transaction and detail of common expenses of distribution business/other businesses, the allocation matrix an justification towards based used for allocation of common expenses to distribution business vis-à-vis other business"*

The Commission returned the Tariff Petition for the Control Period between FY 2013-14 to FY 2015-16 for determination of tariff for FY 2015-16 along with the revised estimates of ARR for FY 2014-15 and true-up of ARR for FY 2012-13 and FY 2013-14 (For Distribution Business)" vide its Letter dated 18.02.2016 stating that the information submitted by JSPL-D with reference to the Letter No. 567 dated 18.03.2015 was inadequate for true-up and determination of ARR, therefore, it cannot proceed ahead on the basis of material produced by JSPL-D in the said Petition. Similarly, the Commission returned the Petition dated 30.11.2015 for MYT Control Period from FY 2016-17 to FY 2020-21 for determination of tariff for FY 2016-17 along with revised estimates of ARR for FY 2015-16 and true up of ARR for FY 2012-13, FY 2013-14, and FY 2014-15 of JSPL-D vide Letter dated 10.03.2016 stating that the information submitted by JSPL-D was inadequate for true-up and determination of ARR, therefore, it cannot proceed ahead on the basis of material produced by JSPL-D in the said Petition.

Considering the above rejection, JSPL-D vide letter dated 29.11.2016 requested the Commission to relax the timeline for filing the Tariff Petition for FY 2017-18 as Appeal No. 72/2016 and 100/2016 are under adjudication before the Hon'ble APTEL.

JSPL-D submitted two Petitions on 22.01.2018, the details of which are provided below:

a.) Petition for the Control Period from FY 2016-17 to FY 2020-21 for determination of ARR for FY 2017-18 along with Multi Year ARR for the Control Period.

b.) Petition for the Control Period from FY 2016-17 to FY 2020-21 for determination of tariff for FY 2018-19 along with revised estimated ARR for FY 2017-18 and true up of ARR for FY 2016-17.

The Commission vide its Order dated 15.02.2018 returned both the Petitions directing JSPL-D to file the petition for ARR and Tariff for FY 2018-19 along with true-up for FY 2010-11 to FY 2016-17.

JSPL-D has submitted the combined true-up ARR for FY 2012-13 to FY 2016-17 in Petition No. 62 of 2018.

On 30.06.2018, RIUS and JSPL-D entered into an Agreement to resolve all past disputes and to continue supplying power to the consumers of OPJIP. As per the term sheet of the Agreement, the tariff applicable is as follows:

*"Published tariff of CSPDCL applicable for similar industrial consumers less 25% (on demand and normal energy charge) subject to a minimum tariff of Rs. 4.00 per kWh after all adjustments."*

Also, members of the RIUS, other consumers and JSPL-D have mutually signed the Agreement and decided to withdraw their respective cases sub-judice before the Hon'ble APTEL and Hon'ble High Court. However, the Commission observed that since, the matter related to power supply to the consumers of JIP is sub-judice before Hon'ble APTEL, no decision shall be taken till the final decision of Hon'ble APTEL in the referred cases.

JSPL-D submitted the Petition for true-up of ARR for FY 2017-18, determination of revised ARR of FY 2018-19 and ARR of FY 2019-20 under Petition No. 33 of 2020. Also, JSPL-D submitted the Petition for True-up for FY 2018-19, determination of revised ARR of FY 2019-20 and determination of ARR and retail tariff for FY 2020-21 under Petition No.07 of 2021 and Petition No. 14 of 2021 for determination of ARR for FY 2021-22.

The last Petition filed by JSPL-D was for True up of FY 2019-20 and 2020-21, determination of revised estimates for FY 2021-22 and ARR for FY 2022-23 to 2024-25.

The Hon'ble APTEL passed its Judgement dated May 06, 2022 in Appeal No. 72 of 2016 and 100 of 2016 filed by JSPL, setting aside certain Orders of the Commission, and issued certain directions to the Commission as below:

i. *determine the available surplus capacity and its pattern;*

ii. *carry out technical analysis for supply of surplus power for the distribution business from the Raigarh CPP and Dongamahua CPP;*

iii. *allow JSPL to procure required quantum of electricity through competitive bidding for long term;*

iv. *determine the tariff for the Distribution Licensee i.e. JSPL from the FY 2011-12, on the basis of already available data and data further furnished by JSPL or otherwise gathered suo moto by the Commission."*

## 1.4 Admission of the Petition and Hearing Process

The Commission vide daily order dated 21.07.2022 has merged the Petitions No. 62 of 2018, 33 of 2020, 07 of 2021, 14 of 2021 and 46 of 2022 to true-up the ARR of the Petitioner from FY 2011-12 to comply with the direction of Hon'ble APTEL in its Judgment dated 06.05.2022 in Appeal No.72 and 100 of 2016.

Subsequently, a Technical Validation Session in the above matter was held at the Commission's office on 26.07.2022 and the Commission also sought additional information vide its letter dated 26.07.2022 from the Petitioner.

## 1.5 Organization of the Order

This Order includes the following Chapters:

**Chapter 1: Background and Brief History (present Chapter)** – provides a brief background of the regulatory process undertaken by the Commission.

**Chapter 2: Objections Received, JSPL's Response and Commission's Views**

**Chapter 3: Surplus Power available with Captive Power Plants owned by JSPL**

**Chapter 4: True-up for FY 2011-12 to FY 2015-16** – deals with Final True-up for FY 2011-12 to FY 2015-16 as per CSERC Regulations, 2006 and CSERC MYT Regulations, 2012.

**Chapter 5: True-up for FY 2016-17 to FY 2020-21 –** deals with Final True-up for FY 2016-17 to FY 2020-21 as per CSERC MYT Regulations, 2015.

**Chapter 6: ARR for MYT control period from FY 2022-23 to 2024-25 –** deals with approval of Aggregate Revenue Requirement for the MYT Control Period from FY 2022-23 to FY 2024-25 in accordance with CSERC MYT Regulations, 2021.

**Chapter 7: Tariff Principles and Tariff Design –** sets out the Commission's Tariff Philosophy and the category-wise tariffs applicable for FY 2022-23.

# 2 OBJECTIONS RECEIVED, JSPL'S RESPONSE, AND COMMISSION'S VIEWS

Only one objector, i.e., RIUS, has submitted its written objections and comments on JSPL-D's Petitions for true-up for previous years and determination of ARR and Tariff for the MYT Control Period. JSPL has not submitted any written replies to the objections raised by RIUS.

During the Public Hearing conducted by the Commission, RIUS reiterated its objections to the Petition. JSPL was also represented by its Senior Counsel, Shri Sanjay Sen during the Public Hearing.

RIUS also made one additional submission several days after the Public Hearing, which has not been considered, as the same was received well after the last date for submission of comments and objections. However, the issue raised by RIUS in this additional submission is already addressed in the other submissions.

The issue-wise summary of the objections and comments made by RIUS and JSPL's replies, wherever available, have been captured in this Chapter, along with the Commission's ruling on each issue.

## 2.1 Preliminary objections

### 2.1.1 Determination of availability of Surplus power with RCPP and DCPP

The objector has submitted that the Hon'ble APTEL in its Judgment dated 06.05.2022 had held that JSPL-D shall supply the surplus power from the CPP to the extent it is available and is firm power. Accordingly, the Hon'ble APTEL directed the Commission to:

i. determine the surplus capacity as available from the CPP and its pattern, and analyse whether it can be supplied to the industrial consumers; and

ii. carry out technical analysis for supply of surplus power for the distribution business from the Raigarh CPP and Dongamahua CPP.

The objector submitted that the Commission has appointed a consultant to carry out the exercise of determination of surplus power from the CPP and the report on the same needs to be published, to facilitate the consumers' response. Non-availability of the said information defeats the entire purpose of the Public Hearing and the statutory requirement of transparency to be maintained by the Commission in its proceedings under Section 86(3) of the Act. Further, the tariff determination exercise can only be undertaken once the consultant's report on the surplus is made available or the Commission determines the extent of surplus power available with the CPP, that ought to have been supplied to the consumers in JIP.

**JSPL Response**

During the Public Hearing, Senior Counsel for JSPL, Shri Sanjay Sen replies that the issue of surplus power quantum with RCPP and DCPP was different, and that the tariff determination process was not hostage to the above, as the same was based on the true-up of past years and determination of future tariff. JSPL Counsel added that neither the Act nor the Commission's Regulations require a Public Hearing for determination of surplus power with the CPPs.

JSPL Counsel submitted that RIUS' objective was to only delay the regulatory process by linking irrelevant issues.

**Commission's View**

During the Public Hearing, it was clarified that all the necessary data for assessment of the surplus quantum had been submitted by JSPL and the same has already been published on the website of the Commission for public comments.

As regards the contention of the objector that the report of the Consultant regarding availability of surplus power quantum at RCPP and DCPP has to be made available to the public and the Public Hearing can be held only afterwards, the Commission is of the view that there is no such requirement in law. This will tantamount to publishing of the draft Order by the Commission for inviting comments. The consultant has been appointed by the Commission for providing assistance in assessment of the surplus quantum, and it is for the Commission to decide on the report of the consultant once submitted, and take the appropriate view.

### 2.1.2 JSPL has not submitted generation data for RCPP and DCPP

The objector submitted that JSPL has not submitted data to determine generation cost for RCPP and DCPP, despite being directed by the Hon'ble APTEL and various opportunities being granted by the Commission. Pertinently, the Hon'ble APTEL in the Judgment dated 06.05.2022, has directed the Commission to immediately determine the tariff of both the captive plants, i.e., RCPP and DCPP, either through the information furnished by JSPL or through the methodology adopted for deciding the Generic Tariff in case of failure of JSPL in furnishing the information.

Further in the Orders dated 24.08.2022 and 06.09.2022 in Petition Nos. 60 and 61 of 2022 initiated suo-motu for determination of generation cost of JSPL's DCPP and RCPP, respectively, the Commission has noted JSPL's submissions that:

i. JSPL does not have surplus power in RCPP and therefore, there is no need to submit the generation data for RCPP from FY 2011-12 onwards; and

ii. JSPL has only submitted generation data for DCPP from FY 2011-12 to 2015-16. However, the said data has not been submitted in the format prescribed by the Commission. Further, no data has been submitted from FY 2016-17 onwards.

In fact, in the hearing of 24.08.2022, JSPL also submitted that if the consumers want to avail supply of power procured from its CPPs, the consumers shall pay tariff between the rates of Rs. 8-10 per unit.

Hence, the Commission ought to carry out determination of generation tariff of RCPP and DCPP, based on the methodology adopted for deciding the Generic Tariff, subject to prudence check.

**Commission's View**

In order to save time and to comply with the Hon'ble APTEL's directions in this regard, the Commission initiated the suo-motu tariff determination process for RCPP and DCPP for the period from FY 2011-12 to FY 2020-21 and beyond. The Commission has issued the suo-motu Orders in Petition No. 60 of 2022 for DCPP and Petition No. 61 of 2022 for RCPP on 28/11/2022.

### 2.1.3 Delayed filing of Tariff Petitions

The objector has submitted that the present Tariff Petitions have been filed by JSPL with an unexplained delay. The delayed submission of Tariff Petitions by JSPL is in contravention of Regulation 6 of the CSERC (Details to be furnished by licensee or generating company for determination of tariff and manner of making application) Regulations, 2004 ("Tariff Procedure Regulations").

The present Tariff Petitions have not been filed within the timelines prescribed under the Tariff Procedure Regulations and the MYT Regulations, and there is enormous delay ranging from 46 days to 434 days in filing of the Petitions by JSPL.

The objector has submitted that JSPL is a habitual offender. In the past also, JSPL had not submitted Tariff Petitions before the Commission for FY 2005-06, FY 2006-07 and FY 2007-08 and thereafter, filed the Petitions with unexplained delay. The non-submission and delayed submission of the Tariff Petitions has also been noted by the Hon'ble APTEL in the Judgment dated 07.03.2014 passed in Appeal No. 89 of 2012, with the direction to the Commission "not to pass on the burden on account of delay in filing of the tariff petition by Jindal Steel to the consumers in the form of increase in tariff due to carrying cost".

In view of the above, the Commission ought to levy a penalty on JSPL for delayed filing of the Petitions and not grant any carrying cost to JSPL on account of delay in filing of the Tariff Petitions in terms of the Hon'ble APTEL's directions.

**Commission's View**

There is no doubt that there has been tremendous delay on the part of JSPL in filing of the Petitions for the different years. However, this whole matter has to be seen in the light of the various Appeals before various fora, and the need to achieve closure. The Commission has decided not to impose any penalty on JSPL for the delayed submissions. Further, as there has been a revenue surplus in all years, except one year, the Commission has computed the Carrying/Holding cost on the amount of revenue surplus/gap for all the years.

JSPL is directed to henceforth file all its Petitions on time, in compliance with the Regulations notified by the Commission.

### 2.1.4 JSPL has to file segregated accounts of its distribution business

The objector has submitted that it is an admitted position that in the past, JSPL had not segregated the accounts of its distribution business from its other businesses. In this regard, the Hon'ble APTEL in the Judgment dated 07.03.2014 passed in Appeal No. 89 of 2012 held that:

i. In the absence of separate accounts of distribution business, it would not be possible for the Commission to undertake prudence check while determining the ARR and the tariff of the distribution business.

ii. The Commission shall not entertain any Petition of JSPL for enhancement of tariff in the event of failure to submit the segregated accounts in future.

In the event JSPL fails to submit segregated accounts of its distribution business, the Commission ought not to entertain the said Tariff Petitions of JSPL and determine retail tariff suo-motu in accordance with the provisions of the Tariff Regulations.

**Commission's View**

JSPL has submitted the segregated accounts of its distribution business along with its Petitions for true-up, and the Commission has undertaken the true-up for the previous years based on prudence check of the actuals based on the audited accounts, as elaborated in subsequent Chapters of this Order.

## 2.2 OBJECTIONS TO TARIFF PETITIONS

### 2.2.1 Energy Sales

The Commission ought to direct JSPL-D to place on record Form R-15 to ascertain actual sales to the consumers in JIP.

**Commission's View**

R-15 is an internal Management Information System (MIS) document generated by CSPDCL, which is relied upon by the Commission at the time of tariff determination for CSPDCL to verify the category-wise sales and revenue data. However, there is no requirement for other Distribution Licensees to file R-15.

### 2.2.2 Power Purchase cost

The objector has submitted that while JSPL has not placed copies of the Power Purchase Agreements ("PPAs") along with the Tariff Petitions, JSPL had filed the same along with its Additional Submissions dated 07.07.2022 in Petition No. 41 of 2022. However, some of the Agreements were neither duly stamped nor signed. In view thereof, the Commission ought to direct JSPL to place on record original copies of the PPAs and the approvals granted by the Commission to those PPAs.

The objector has submitted JSPL-D has submitted that due to expiry of JSPL's short-term PPA with Jindal Power Limited ("**JPL**") on 31.03.2016, JSPL has sourced power from DCPP from 15.04.2016 to 31.05.2018 in compliance with the directions issued by the Hon'ble High Court in its Orders dated 13.04.2016 and 22.04.2016 in WP(C) No. 940 of 2016. It is imperative to note that while the Hon'ble High Court had only granted liberty to JSPL to procure power from DCPP, the Commission is the only forum that could have granted the approval for procurement of power from DCPP, including the terms and tariff of such procurement. However, no such approval of the source as well as the tariff was sought by JSPL from the Commission.

Also, for FY 2016-17, JSPL-D has claimed the tariff of Rs. 3.66 per unit (fixed cost of Rs. 1.62 per unit and variable cost of Rs. 2.04 per unit) for procurement of power from DCPP. The generation tariff claimed by JSPL-D is excessive, inflated and ought to be rejected by the Commission. Further, for FY 2017-18, JSPL-D has not provided any information regarding generation tariff, nor mentioned the tariff that has been claimed by JSPL-D for procurement of power from DCPP. In view thereof, the Commission ought to determine generation tariff for the DCPP in accordance with its Tariff Regulations and subject to prudence check.

The objector has submitted that the other 'alternate sources' from which JSPL-D has procured power from FY 2018-19, FY 2019-20 and FY 2020-21 were also not approved by the Commission. JSPL-D did not seek any approval of the source as well as the tariff for procurement of power from the alternate sources.

It is submitted that power procurement from any source, which is not approved by the appropriate Commission is non-est and illegal. The consumers cannot be burdened with the cost of such procurement from unapproved sources by JSPL-D.

The objector has submitted that under Section 86(1)(b) of the Act, it is the Commission's prerogative to regulate power procurement by Distribution Licensees, including regulating the source and tariff of power procurement. By not seeking any approval and procuring power from unapproved sources, JSPL-D has acted in contravention of the terms of its Distribution Licence and the provisions of the Act.

**Commission's View**

As stated earlier, the Commission initiated the suo-motu tariff determination process for RCPP and DCPP for the period from FY 2011-12 to FY 2020-21 and beyond. The Commission has issued the suo-motu Orders in Petition No. 60 of 2022 for DCPP and Petition No. 61 of 2022 for RCPP on 28/11/2022. The tariff has been determined based on the applicable Tariff Regulations of the Commission and appropriate assumptions, wherever necessary, in the absence of Petition filed by JSPL.

As regards the purchase of power by JSPL from various sources in the absence of specific approval of the Commission, the Commission is of the view that normally, under such circumstances, the cost of power purchase from such unapproved sources would not have been approved at the truing up stage. However, the present circumstances are very unusual, on account of the history of Judgments/ Orders issued by higher Courts. The Commission has also not been able to issue the Tariff Order for the period from FY 2016-17 to FY 2020-21, and has not approved any PPA/LOI for this period. Under these circumstances, the Commission is of the opinion that the strict view that power purchase expenses cannot be approved in the absence of approved PPA, would not be appropriate.

Hence, with the intent to resolve the issue, the Commission has considered the alternate source of power and rate of power purchase as submitted by JSPL for the years from FY 2018-19 to FY 2020-21, for meeting the shortfall after utilisation of captive surplus from RCPP and DCPP, as the same is also consistent with the Audited Accounts submitted by the Petitioner for the respective years.

### 2.2.3 Failure to procure Renewable Energy

The objector has submitted that despite bearing an obligation to procure renewable power, JSPL-D had made no effort to procure power from renewable sources. The consumers ought not to be burdened with the cost of conventional power procured instead of the renewable power and also the cost of the Renewable Energy Certificates ("RECs") purchased by JSPL-D to fulfill its RPO. This would amount of double dipping. If the cost of RECs procured by JSPL-D to fulfill its RPO is to be allowed, then the cost of procurement of RPO quantum / RE power from conventional source ought to be disallowed.

Further, for FY 2012-13, in para 5.19 of Petition No. 62 of 2018, JSPL-D has submitted that "*it had purchased more units through renewable sources than approved by the Hon'ble Commission vide its order dated 10.07.2013.*" The cost of excess units purchased by JSPL-D cannot be saddled on the consumers, and the same ought to be disallowed.

Without prejudice to the above submission, it is submitted that for certain years, JSPL-D has not even purchased the RECs, but has claimed cost towards procurement of RECs corresponding to its RPO. The said costs ought to be disallowed from the total RPO Expense claimed by JSPL-D.

**Commission's View**

The Commission's RPO Regulations allow the Distribution Licensees to meet their RPO targets either by purchasing Renewable Energy (RE) power or by purchase of RECs, i.e., both routes are available. The corresponding cost of conventional power cannot be disallowed if the cost of RECs is allowed, as contended by the objector.

In the true-up of the respective years, the Commission has allowed the cost of RECs only for the years in which the RECs were actually purchased, and not for the years in which the cost of the RECs are merely provided for in the Accounts.

### 2.2.4 Sale of surplus power

The objector has submitted that JSPL-D was obligated to supply 90 MW power to the consumers in JIP from its RCPP. However, no power was being supplied to the consumers from RCPP citing no surplus and/or surplus being infirm and not suitable for supply to the consumers. It is also an admitted position that JSPL-D was selling surplus power from RCPP to CSPDCL. However, in the present Tariff Petitions, JSPL-D has not indicated that it had sold any power from RCPP (from which 90 MW was earmarked for supply to the consumers in JIP) to CSPDCL.

Thus, the revenue generated by JSPL-D from sale of surplus power from RCPP to CSPDCL (less the cost of generation) ought to be reduced from the total Power Purchase Cost claimed by JSPL-D in the present tariff petitions, in terms of Regulations 66.4.2 and 66.4.3 of the MYT Regulations 2012 and 2015. The Commission also ought to direct JSPL-D to place on record the details of the agreements, period of supply, tariff, total quantum of power sold by JSPL-D to CSPDCL or any other buyer from RCPP.

**Commission's View**

The Commission has first determined the surplus power quantum available with RCPP and DCPP and utilized this surplus power to meet the power purchase requirement of JSPL-D, to the maximum extent possible. The detailed computations in this regard are elaborated in the relevant Chapters of this Order. Hence, the issue of revenue generated by JSPL due to sale of power to CSPDCL is not relevant to the present matter.

### 2.2.5 Rebate and compensation from JPL

The objector has submitted that without prejudice to the submission that the PPAs were not approved by the Commission, it is submitted that JSPL-D had entered into a PPA dated 25.03.2011 with JPL for supply of 100 MW short-term power from 01.04.2011 to 31.03.2012 at the tariff of Rs. 3.00 per unit. In terms of the PPA:

i. JSPL was entitled for 2% rebate on the billed amount for releasing payment within 7 days of presentation of bill by JPL.

ii. In case of JPL's failure to supply less than 70% of the Contracted Capacity (100 MW), JSPL was entitled for compensation of Rs. 1.00 per unit for the shortfall quantum.

The above provisions were however not included in all the PPAs / arrangements entered into by JSPL-D for procurement of power from JPL.

Further, JSPL-D had not placed any information on record with respect to whether any rebate and / or compensation for shortfall in supply has been claimed by JSPL-D from JPL. The amounts of rebate and compensation for which JSPL-D is entitled to, ought to be deducted from the total power purchase cost. In this regard, the Commission ought to direct JSPL-D to place on record the original invoices raised by JPL, the date of payments made by JSPL-D and the quantum of supply of power from JPL to ascertain JSPL's entitlement for rebate and / or energy shortfall compensation from JPL.

**Commission's View**

As stated earlier, the Commission has first determined the surplus power quantum available with RCPP and DCPP and utilized this surplus power to meet the power purchase requirement of JSPL-D, to the maximum extent possible. Only the balance quantum of power requirement, which is relevant from FY 2018-19 to FY 2020-21, has been considered as having been purchased from alternate sources including JPL. The power purchase expenses claimed by JPL have been verified from its audited accounts, and hence, the issue of rebates availed, etc., are addressed in the cost claimed by JSPL, out of which, only a part has been allowed, as the bulk of the power purchase has been considered from the surplus of RCPP and DCPP. The detailed computations in this regard are elaborated in the relevant Chapters of this Order.

### 2.2.6 Transmission and Distribution Losses

The objector has submitted that JSPL-D, being a Distribution Licensee is under an unfettered obligation to reduce its transmission and distribution losses. However, JSPL's claims of transmission and distribution losses in the present Tariff Petitions have wide, inordinate, and unexplained variations. It is submitted that the consumers cannot be burdened with the excessive increase in the losses, on account of JSPL's inefficiency.

Pertinently, the Commission in its MYT Order dated 12.07.2013 had directed JSPL-D to submit actual metering data for all years in subsequent tariff petitions. However, JSPL-D has not adhered to the above directions of the Commission. JSPL-D ought to be directed to submit the requisite data at the earliest.

**Commission's View**

The Commission's views and analysis of the Distribution Losses of JSPL-D have been elaborated in the relevant Chapters on true-up for the respective years.

### 2.2.7 Gross Fixed Assets

The objector has submitted that the Commission, in the Order dated 10.07.2013 passed in Petition No. 39 of 2012 ("Provisional True-up Order") had allowed Gross Fixed Assets ("GFA") of Rs. 2235.83 Lakh for FY 2011-12 (Para 4.53 to 4.59). Thereafter, in the MYT Order dated 12.07.2013, the Commission had again rejected JSPL's claim of Rs. 3287.42 Lakh (which is again reiterated in the present Petitions) and approved GFA of Rs. 2235.83 Lakh.

It is submitted that thereafter neither any capital investment plan has been filed by JSPL-D, nor any such approval for asset addition has been granted by the Commission. In fact, in its Petitions, JSPL-D has claimed that there is no requirement for any asset addition. Therefore, JSPL's claims for inflated GFA in the present Tariff Petitions cannot be allowed.

The objector has submitted that for FY 2017-18, JSPL-D has submitted that on account of INDAS adjustment, the total GFA for FY 2017-18 has increased by Rs. 126.12 Lakh from Rs. 3287.41 Lakh claimed for FY 2016-17. The said adjustment and JSPL's claim for Rs. 3,413.53 Lakh as total GFA cannot be allowed merely on account of change in accounting methodology by JSPL-D. The Commission ought to direct JSPL-D to follow the methodology provided in the Commission's Regulations.

Further, without prejudice to the above submission, it is submitted that JSPL-D has claimed that:

i. Plant and machinery of Rs. 1.90 Lakh was disposed by JSPL-D at the end of FY 2017-18. JSPL-D however has not placed any documentary evidence in support of the disposal cost.

ii. An ambient air quality monitoring system of Rs. 25.55 Lakh was installed to monitor air quality in the plant and has been added in the total GFA. However, JSPL-D stated in Petition No. 33 of 2020 that it does not envisage any capital investment for its distribution business for FY 2018-19 and thus, did not submit capital investment plan.

The objector submitted that a Distribution Licensee cannot undertake any capital expenditure, which is not approved by the Commission in the capital investment plan. Also, it is not understood why an ambient air quality monitoring system is needed by a Distribution Licensee. Therefore, the cost towards the air quality monitoring system cannot be allowed.

It is further submitted that JSPL-D has claimed asset addition of Rs. 316.34 Lakh in FY 2020-21, without seeking the Commission's approval in the capital investment plan. In fact, in Petition No. 7 of 2021 JSPL-D stated that it does not envisage any capital expenditure during FY 2020-21 and thus, did not submit capital investment plan. Since no approval was sought by JSPL-D, the cost of said asset addition cannot be passed on to the consumers.

**Commission's View**

The Commission's views and analysis of the GFA claimed by JSPL-D have been elaborated in the relevant Chapters on true-up for the respective years. The originally approved GFA of Rs. 22.36 Crore has only been allowed and no addition to the GFA has been allowed in the absence of any prior approval for the capital expenditure.

### 2.2.8 Operation and Maintenance Expenses

The objector has called out JSPL's conduct in its claims of Operation and Maintenance ("O&M") Expenses. For earlier financial years (FY 2011-12 and FY 2012-13), JSPL-D had claimed O&M Expenses on actuals. Thereafter, from FY 2013-14 to FY 2016-17, JSPL claimed O&M Expenses on normative basis. Thereafter, for FY 2017-18, JSPL claimed O&M Expenses on actuals and from FY 2018-19 onwards, has again changed its stand and has been claiming normative O&M Expenses.

The objector has submitted that JSPL-D cannot be allowed to pick and choose between recovery of normative and actual expenses at its whims. In any case, JSPL's claims are exorbitant and cannot be allowed by the Commission.

The Commission ought to direct JSPL-D to place on record the details of head-wise break-up of expenses incurred along with the audited financial statements and explain the reasons behind exorbitant increase in O&M Expenses, in detail and with documentary evidence.

**Commission's View**

In the true-up for the respective years, the normative O&M expenses have been approved in accordance with the applicable Tariff Regulations of the Commission. Further, in accordance with applicable Tariff Regulations, the sharing of gains/losses due to variation between the normative O&M expenses and actual O&M expenses has been computed, as elaborated in subsequent Chapters of this Order.

### 2.2.9 Interest on working capital loan

The objector has submitted that for FY 2011-12, the Interest on Working Capital loan has been claimed by JSPL-D on actual working capital loans, which is not in terms of Regulation 15 of the CSERC Tariff Regulations, 2006. Further, from 2016-17 onwards, JSPL-D has claimed Interest on working capital loan as 'nil', for the reason that the consumer security deposit works out to be more than the total working capital. This is contrary to Regulation 25.1(e) of the MYT Regulations 2015, which provides that in case the total working capital requirement works out to be more than the consumer security interest, the interest on working capital ought to be computed in the negative, for deduction from the ARR. In view thereof, the interest on working capital ought to be computed by the Commission as per Regulation 25.1 of the MYT Regulations 2015.

**Commission's View**

In the true-up for the respective years, the normative Interest on Working Capital have been approved in accordance with the applicable Tariff Regulations of the Commission, as elaborated in subsequent Chapters of this Order.

### 2.2.10 Interest on consumer security deposit

The Commission should direct JSPL-D to submit details of interest paid to the consumers on consumer security deposit.

**Commission's View**

In the true-up for the respective years, the interest on Consumers' Security Deposit have been trued-up based on the audited accounts of JSPL-D, as elaborated in subsequent Chapters of this Order.

### 2.2.11 Return on Equity

The objector has submitted that the computation of return on equity by JSPL-D is incorrect and not in terms of the applicable Regulations. The return on equity ought to have been computed at the rate of 16%. However, while computing the Return on Equity, JSPL-D has grossed up the Return on Equity by MAT rate, based on the mere premise that had JSPL-D been allowed to recover full ARR, it would have been profitable. JSPL-D has not submitted any documentary evidence to show that it had paid any Income Tax for its distribution business and thus, no grossing up can be allowed.

**Commission's View**

In the true-up for the respective years, the Return on Equity has been allowed at the base rate, without grossing up for the Income Tax based on the detailed rationale elaborated in subsequent Chapters of this Order.

### 2.2.12 Revenue from other business

The objector has submitted that Regulation 30(2) of the Tariff Regulations, 2006 provides that the ARR of a Distribution Licensee shall be worked out by deducting the amount of 'Other Income' from its total annual expenses and Return on Equity to the licensee. Also, Regulation 32 of the Tariff Regulations, 2006 defines 'Other Income' to include 'revenue from other business' as Other Income.

In view of the above, the objector has highlighted that JSPL-D ought to submit details of the revenue derived by JSPL-D from its other businesses (including but not limited to generation of power from RCPP and DCPP) and the same shall be included as part of 'Other Income'. The Commission, therefore, ought to direct JSPL-D to place on record the details of power sold by JSPL-D to CSPDCL or any other entity, from RCPP and DCPP and the revenue earned therefrom.

**Commission's View**

As stated earlier, the Commission has first determined the surplus power quantum available with RCPP and DCPP and utilized this surplus power to meet the power purchase requirement of JSPL-D, to the maximum extent possible. The detailed computations in this regard are elaborated in the relevant Chapters of this Order. Hence, the issue of revenue generated by JSPL due to sale of power to CSPDCL or any other entity is not relevant to the present matter.

### 2.2.13 Income to JSPL-D on Consumer Security Deposit

The Commission in CSPDCL's Tariff Order dated 12.07.2013 had computed income on Consumer Security Deposit available with the Licensee, at the working capital interest rate and accordingly, considered the same as part of the Non-Tariff Income. The same dispensation ought to be followed qua computation of Non-Tariff Income and JSPL-D ought to be directed to submit year-wise details of consumer security deposit available with it.

**Commission's View**

In the true-up for the respective years, the notional Non-Tariff Income on account of interest on excess Consumers' Security Deposit for the relevant years has been computed, as elaborated in subsequent Chapters of this Order.

### 2.2.14 Revenue Gap / Surplus and treatment of Revenue Gap

The objector has submitted that JSPL-D has claimed Revenue Gap in most of the years. The objector submitted that in case of revenue surplus, if any, the benefit of the same ought to be transferred to the beneficiaries, whereas, the revenue deficit, if any, has to be borne by JSPL-D in terms of its undertaking in letter dated 18.08.2011, where JSPL-D undertook that it will bear revenue deficit and meet the same from its other businesses. Also, JSPL-D has acknowledged and reiterated the undertaking during determination of ARR for FY 2013-14 to FY 2015-16 by the Commission, which is recorded in the MYT Order dated 12.07.2013.

The objector has further submitted that the JSPL-D cannot be allowed to resile from its undertakings provided to the Commission.

The objector has further highlighted that for FY 2017-18, JSPL-D has computed revenue receipts at the tariff of Rs. 4 per kWh, whereas it itself submitted at Paras 1.29 and 1.30 (Pg. 22) that the tariff was fixed by the Hon’ble High Court at Rs. 4.20 per kWh. The Commission’s attention is invited to the contradictory stands being taken by JSPL-D in the present proceedings and in Petition No. 56 of 2022 filed by objector for excess tariff being charged by JSPL-D where JSPL-D submitted that the consumers are being charged Rs. 4.20 per unit in terms of the Hon’ble High Court’s directions. In this context, the revenue receipts for FY 2017-18 ought to be computed at the tariff of Rs. 4.20 per unit.

**Commission’s View**

The Commission has considered the revenue for each year based on the amounts reported in the Audited Accounts of JSPL-D. The Commission has computed Revenue Surplus for all the years, except one year. The Commission has passed on the Revenue Surplus as well as the Revenue Gap with associated holding/carrying cost, in order to have a uniform view in the matter. The detailed computation of Revenue Gap/(Surplus) and associated carrying/holding cost is elaborated in the respective Chapters of this Order.

# 3 SURPLUS POWER AVAILABLE WITH CAPTIVE POWER PLANTS OWNED BY JSPL

## 3.1 Background and Regulatory Process

The two (2) Captive Power Plants (CPPs) of JSPL that are relevant to the issue of surplus power quantum that could have used to meet the power requirement of JSPL-D, are Raigarh CPP (RCPP) and Donga Mahua CPP (DCPP).

To evaluate the surplus power available from RCPP and DCPP, a Technical Validation Session (TVS) was conducted on 26th July 2022 with officials of JSPL to communicate and clarify the data requirement, in order to expedite the submission of replies by JSPL.

After the TVS, JSPL vide letter dated 26th July 2022, was asked to provide the detailed data gaps pertaining to examination of surplus power quantum from RCPP and DCPP by 3rd August 2022. The key data asked from JSPL were as under:

a. Daily data of Unit-wise generation from RCPP and DCPP from April 1, 2011 to March 31, 2021 in MS Excel;
b. Daily data of Unit-wise consumption from RCPP and DCPP from April 1, 2011 to March 31, 2021 in MS Excel;
c. Daily data of energy sold to different entities from RCPP and DCPP from April 1, 2011 to March 31, 2021 in MS Excel;
d. Copy of Form-G submitted by JSPL to CEI for RCPP and DCPP from April 1, 2011 to March 31, 2021;
e. Clarity regarding which Units of DCPP have been identified as DCPP;
f. Annual Energy Balance for RCPP and DCPP with the following details:
    i. Gross energy generated
    ii. Auxiliary Energy Consumption
    iii. Net energy generated
    iv. Captive Consumption
    v. Energy supplied to licence area of JSPL-D (Industrial Park)
    vi. Energy sold to CSPDCL
    vii. Energy sold to any other entities.

In response, JSPL submitted the data regarding actual generation and utilisation of power from RCPP and DCPP on 5th August 2022.

Meanwhile, the office of the Chief Electrical Inspector (CEI) was asked to submit the JSPL's generation and consumption details for the period from FY 2011-12 to FY 2020-21, which was submitted by CEI on 3rd August 2022. It is observed that the data sets provided by CEI and JSPL are same.

It may be noted that while the Commission had sought daily data of generation and utilisation based on the Hon'ble APTEL's observations on this issue, JSPL submitted monthly data. The Commission is of the view that the monthly data submitted by JSPL is sufficient for the purpose of evaluating the quantum of surplus power, and is also verifiable from the captive status data submitted by JSPL to the CEI, as elaborated earlier. Hence, the Commission has proceeded with the analysis of the monthly data submitted by JSPL, for evaluation of the surplus quantum.

Vide letter dated 18th August 2022, certain additional data/clarifications were sought from JSPL, which was submitted on 2nd September 2022.

### 3.2 Analysis of Surplus Power Quantum

The month-wise gross generation and auxiliary consumption has been analysed to compute the net generation from RCPP and DCPP for the period from FY 2011-12 to FY 2020-21. It may be noted that the actual auxiliary consumption as reported by JSPL to the CEI, has been considered for computing the net generation for the purpose of evaluating the surplus quantum, if any.

The actual month-wise utilisation of net generation from RCPP and DCPP for the period from FY 2011-12 to FY 2020-21, as submitted by JSPL to the CEI and the Commission, has been analysed to evaluate whether there is any surplus quantum available, which could have been used to meet the power purchase requirement of JSPL-D.

JSPL has all along been maintaining that there is no surplus from RCPP and DCPP. JSPL's submissions in this regard are reproduced below:

a. There is no surplus power from RCPP and DCPP, as entire power is used for captive requirement.
b. JSPL is operating 3.6 MTPA steel plant, and has to secure source of power for its consumption including standby Units for handling breakdowns and cost effectiveness.
c. There is no surplus quantum due to increase in captive consumption.

As stated above, month-wise generation and consumption pattern submitted by JSPL-D was analysed to assess availability of surplus quantum of power. It is observed that there is no significant change in the month-wise pattern of self-consumption and surplus over the year. The month-wise analysis of self-consumption and surplus is provided in the Tables at Annexure I to Annexure XX. The year-wise summary of net power generated from RCPP and DCPP combined, and the various uses of the same, as submitted by JSPL to the CEI and the Commission, is given in the Table below:

**Table 3-1: Net Generation and Utilisation of Energy Generated by JSPL Captive Plants (MU)**

| FY | Net Generation | Captive Consumption | Captive Consumption | Balance Quantum | Sale to CSEB/ CSPDCL | Sale through OA | Sale to JSPL-D |
|---|---|---|---|---|---|---|---|
| 2011-12 | 3382 | 2355 | 69.64% | 1027 | 851 | 176 | 0.0 |
| 2012-13 | 4180 | 2599 | 62.17% | 1581 | 980 | 601 | 0.0 |
| 2013-14 | 3958 | 2685 | 67.84% | 1273 | 727 | 546 | 0.0 |
| 2014-15 | 4786 | 2559 | 53.47% | 2227 | 195 | 2032 | 0.0 |
| 2015-16 | 3779 | 2165 | 57.27% | 1615 | 0 | 1601 | 0.0 |
| 2016-17 | 3659 | 2228 | 60.89% | 1431 | 266 | 502 | 662.3 |
| 2017-18 | 3441 | 2215 | 64.37% | 1226 | 22 | 470 | 733.5 |
| 2018-19 | 2733 | 2402 | 87.90% | 331 | 0 | 199 | 132.1 |
| 2019-20 | 2803 | 2528 | 90.19% | 275 | 0 | 275 | 0.2 |
| 2020-21 | 2749 | 2554 | 92.88% | 196 | 128 | 67 | 0.4 |

The following observations can be made from the above analysis:

a. The generation has reduced over the years, from as high as 4786 MU in FY 2014-15 to around 2700 to 2800 MU in FY 2018-19 to FY 2020-21;
b. The captive consumption has been steady in MU terms ranging between 2215 MU to 2685 MU over the period from FY 2011-12 to FY 2020-21;
c. The captive consumption by JSPL, as submitted to the CEI, has ranged around 53% to 70% during the period from FY 2011-12 to FY 2017-18, and has increased to around 90% during the period from FY 2018-19 to FY 2020-21;
d. Correspondingly, the balance quantum of power has ranged around 1027 MU to 2227 MU during the period from FY 2011-12 to FY 2017-18, and has reduced significantly to 331MU in FY 2018-19 and further to 196 MU in FY 2020-21;

e. The surplus quantum has reduced over the years, not because of increase in captive consumption, but due to reduction in generation coupled with steady captive consumption.
f. The balance quantum of power has been utilised by JSPL primarily for sale to CSEB/CSPDCL and sale to other buyers through Open Access for the period from FY 2011-12 to FY 2015-16;
g. For FY 2016-17 and FY 2017-18, a good part of the balance quantum of power has been utilised to meet the entire power purchase requirement of JSPL-D;
h. For FY 2018-19, part of the surplus has been utilised to meet the power purchase requirement of JSPL-D only for the months of April and May.

The Commission is of the view that as power generated has to be utilised at the same time, unless stored in large-scale batteries, the entire power generated by RCPP and DCPP has no doubt been utilised for some purpose or the other, as is evident from the above analysis. However, the definition of surplus quantum in the present context, is availability of any power after meeting only the captive requirement of JSPL, rather than surplus quantum after commercial sale of power through Open Access sales and sales to CSEB, etc., as appears to be contended by JSPL.

Further, JSPL-D had given an undertaking to the Commission in its licence application that it would use the JSPL's captive generating plant surplus power to meet its power requirement for supply to consumers, which undertaking pre-dates the subsequent commercial arrangements entered into by JSPL with CSEB/CPSDCL and other Open Access consumers. JSPL-D has chosen to procure power on commercial terms from other entities rather than utilising the surplus power of JSPL captive generating plants to meet the power requirement of JSPL-D in accordance with its Licence conditions. In this order, the Commission has treated the available surplus power of JSPL's Captive Generating Plant (CGP) to meet the power requirement of JSPL-D as only a book entry for the purpose of truing up of JSPL-D's ARR, irrespective of the actual purpose for which the surplus power was used by JSPL. Hence, the surplus power available at RCPP and DCPP after meeting the self-consumption requirement, has to be considered to meet the power purchase requirement of JSPL-D, as ruled by the Hon'ble APTEL in its Judgment dated 26th May, 2016 in Appeal Nos. 41 of 2015 and 67 of 2015.

JSPL has submitted Unit-wise data of RCPP and DCPP in a combined manner to the CEI to establish the qualifying requirement for captive generating plant i.e., to prove that the captive consumption of RCPP and DCPP is more than 51% in a combined manner. However, for the purposes of this exercise, it is necessary to separately evaluate the captive consumption and surplus of RCPP and DCPP, if any, as the generation tariff of RCPP and DCPP is different, as determined in the Commission's Order dated 28/11/2022 in Petition No. 60/2022 and 61/2022. Hence, the Commission has used the Unit-wise data of generation and utilization submitted by JSPL to CEI and the Commission, to evaluate the surplus quantum separately for RCPP and DCPP for the period from FY 2011-12 to FY 2020-21.

The month-wise analysis of surplus power available from RCPP and DCPP separately for the period from FY 2011-12 to FY 2020-21, is provided in the Tables at Annexure I to Annexure XX, placed at the end of this Chapter. The Commission has evaluated the annual quantum of surplus power available from RCPP and DCPP for the period from FY 2011-12 to FY 2020-21, as shown in the Table below:

**Table 3-2: Surplus Power available from DCPP and RCPP (MU)**

| Year | Net Generation | | Captive Consumption | | Surplus Available | |
|---|---|---|---|---|---|---|
| | RCPP | DCPP | RCPP | DCPP | RCPP | DCPP |
| 2011-12 | 1919.26 | 1462.59 | 1483.18 | 871.38 | 436.08 | 591.21 |
| 2012-13 | 1923.73 | 2255.99 | 1394.24 | 1204.51 | 529.50 | 1051.48 |
| 2013-14 | 1698.97 | 2259.18 | 1228.14 | 1452.46 | 470.82 | 806.72 |
| 2014-15 | 1942.21 | 2843.33 | 1513.71 | 1040.00 | 428.51 | 1803.33 |
| 2015-16 | 1428.55 | 2337.08 | 1248.80 | 916.28 | 179.75 | 1420.80 |
| 2016-17 | 1238.67 | 2420.12 | 1030.38 | 1197.59 | 208.30 | 1222.53 |
| 2017-18 | 1224.09 | 2216.99 | 1062.07 | 1153.07 | 162.03 | 1063.92 |
| 2018-19 | 1226.77 | 1506.54 | 1123.98 | 1278.46 | 102.78 | 228.08 |
| 2019-20 | 1117.88 | 1684.73 | 987.88 | 1539.72 | 130.00 | 145.01 |
| 2020-21 | 1129.03 | 1662.09 | 964.55 | 1589.05 | 164.48 | 73.03 |

From the above Table, the following observations can be made:

a. There is surplus power available with RCPP as well as DCPP for all the years under consideration, i.e., for each year from FY 2011-12 to FY 2020-21;
b. The quantum of surplus power has reduced significantly over the last three years, viz., FY 2018-19 to FY 2020-21;
c. The quantum of surplus power from RCPP is significantly lower than the quantum of surplus power from DCPP;
d. JSPL has utilised higher quantum of power from RCPP than DCPP relative to the net generation over the years for self-consumption. The percentage utilisation from RCPP

for self-consumption has ranged from 72% to 92%, while the percentage utilisation from DCPP for self-consumption has ranged from 37% to 96%.

As regard the nature of surplus power quantum, the Commission in the Tariff Order for CSPDCL for FY 2014-15 observed that *the load curve prepared by SLDC depicts that the injection pattern of the power supplied by JSPL to CSPDCL has wide variation, and that supply from JSPL is varying frequently and it is unstable/non-firm power*. However, this was in the context of infirm power supply by JSPL to CSPDCL, as has been accepted by the Hon'ble APTEL also, in its Judgment dated 26th May, 2016 in Appeal Nos. 41 of 2015 and 67 of 2015.

As regards the nature of pattern of surplus available with RCPP, JSPL has submitted that the surplus is variable, and depends on the captive consumption pattern. JSPL has submitted graphs to show that while generation pattern is steady, the captive consumption pattern is fluctuating, as a result of which, the balance surplus quantum is also fluctuating.

However, it is important to note the following points:

a. In FY 2007-08 and FY 2008-09, JSPL-D had considered entire power purchase quantum from RCPP;
b. In FY 2016-17, FY 2017-18, and 2 months of FY 2018-19, JSPL-D has considered entire power purchase quantum from DCPP.

The Commission is of the view that if JSPL-D was able to manage solely with RCPP surplus power (in FY 2007-08 and FY 2008-09) and DCPP surplus power (in FY 2016-17, FY 2017-18, and 2 months of FY 2018-19), there is no justification in the contention that the pattern of surplus power available is unsuitable to meet JSPL-D's energy requirement. Hence, the Commission concludes that there is no issue regarding the pattern of surplus power available with JSPL, and the same can be utilised to meet the power purchase requirement of JSPL-D.

The Commission has considered the respective surplus quantum from RCPP and DCPP in such a manner that the entire surplus quantum of RCPP is firstly utilised for meeting the power requirement of JSPL-D and the balance quantum required for meeting the power requirement of JSPL-D being met from the surplus quantum from DCPP. In case the surplus from RCPP and DCPP is insufficient to meet the power purchase requirement of JSPL-D, then the shortfall vis-à-vis the power purchase requirement has been considered to have been purchased from other/alternate sources.

The Commission has accordingly considered the utilisation of surplus power from RCPP and DCPP to meet the power purchase requirement of JSPL-D for the period from FY 2011-12 to FY 2020-21, as shown in the Table below:

**Table 3-3: Utilisation of Surplus Power for JSPL-D from FY 2011-12 to FY 2015-16 (MU)**

| Particulars | JSPL-D power requirement (derived from power purchase quantum) | Energy booked to distribution business JSPL-D from | | Balance requirement of power from other sources |
|---|---|---|---|---|
| | | RCPP | DCPP | |
| 2011-12 | 649.58 | 436.08 | 213.50 | - |
| 2012-13 | 686.52 | 529.50 | 157.02 | - |
| 2013-14 | 713.16 | 470.82 | 242.34 | - |
| 2014-15 | 748.04 | 428.51 | 319.53 | - |
| 2015-16 | 753.33 | 179.75 | 573.58 | - |
| 2016-17 | 663.81 | 208.30 | 455.51 | - |
| 2017-18 | 734.61 | 162.03 | 572.58 | - |
| 2018-19 | 1,001.47 | 102.78 | 228.08 | 670.60 |
| 2019-20 | 1,050.47 | 130.00 | 145.01 | 775.46 |
| 2020-21 | 1,178.12 | 164.48 | 73.03 | 940.60 |

As can be seen from the above Table, the surplus power available from RCPP and DCPP is more than sufficient to meet the entire power purchase requirement of JSPL-D for the period from FY 2011-12 to FY 2017-18. However, for the period from FY 2018-19 to FY 2020-21, the surplus from RCPP and DCPP is insufficient to meet the power purchase requirement of JSPL-D, hence, the shortfall vis-à-vis the power purchase requirement has been considered to have been purchased from other/alternate sources.

The cost of power purchase by JSPL-D from the different sources as considered above by the Commission, is elaborated in the respective Chapters on True-up for JSPL-D for the period from FY 2011-12 to FY 2020-21.

**Annexure I: Month-wise analysis of self-consumption and surplus for FY 2011-12 (MU)**

| Month & Year | Gross Generation | | | Auxiliary Consumption | Net Generation | Captive Consumption | Captive Consumption (%) | Balance Quantum | Sale to Others | |
|---|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | | | | | | CSEB SALE | Third Party Sale (Through Open access, PGCIL) |
| **Apr-11** | 189.04 | 105.74 | 294.78 | 29.48 | 265.30 | 165.80 | 61.50% | 99.50 | 99.50 | 0.00 |
| **May-11** | 197.33 | 129.69 | 327.02 | 32.70 | 294.32 | 198.03 | 66.29% | 96.29 | 96.29 | 0.00 |
| **Jun-11** | 188.77 | 66.22 | 254.99 | 25.50 | 229.49 | 165.32 | 70.70% | 64.17 | 64.17 | 0.00 |
| **Jul-11** | 173.43 | 80.54 | 253.97 | 25.40 | 228.57 | 176.79 | 75.87% | 51.78 | 51.78 | 0.00 |
| **Aug-11** | 180.11 | 87.93 | 268.03 | 26.80 | 241.23 | 186.61 | 75.90% | 54.62 | 54.62 | 0.00 |
| **Sep-11** | 156.20 | 120.07 | 276.27 | 27.63 | 248.65 | 189.77 | 75.00% | 58.87 | 58.87 | 0.00 |
| **Oct-11** | 186.28 | 113.37 | 299.65 | 29.97 | 269.69 | 203.71 | 74.41% | 65.98 | 65.98 | 0.00 |
| **Nov-11** | 195.27 | 106.33 | 301.60 | 30.16 | 271.44 | 204.50 | 74.27% | 66.94 | 66.94 | 0.00 |
| **Dec-11** | 188.29 | 208.07 | 396.37 | 39.64 | 356.73 | 220.50 | 61.10% | 136.23 | 82.54 | 53.69 |
| **Jan-12** | 178.65 | 184.27 | 362.93 | 36.29 | 326.64 | 208.20 | 62.95% | 118.44 | 75.91 | 42.52 |
| **Feb-12** | 137.79 | 200.17 | 337.95 | 33.80 | 304.16 | 205.25 | 66.59% | 98.91 | 59.86 | 39.05 |
| **Mar-12** | 161.36 | 222.69 | 384.05 | 38.40 | 345.64 | 230.64 | 65.95% | 115.00 | 74.08 | 40.93 |
| **Total** | **2132.52** | **1625.10** | **3757.62** | **375.76** | **3381.86** | **2355.13** | **68.61%** | **1026.72** | **850.53** | **176.19** |

**Annexure II: Month-wise analysis of self-consumption and surplus for FY 2012-13 (MU)**

| Month & Year | Gross Generation | | | Auxiliary Consumption | Net Generation | Captive Consumption | Captive Consumption (%) | Balance Quantum | Sale to Others | |
|---|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | | | | | | CSEB SALE | Third Party Sale (Through Open access, PGCIL) |
| **Apr-12** | 183.17 | 180.33 | 363.49 | 36.35 | 327.14 | 212.34 | 64.91% | 114.80 | 87.71 | 27.09 |
| **May-12** | 178.45 | 249.94 | 428.39 | 42.84 | 385.55 | 235.38 | 61.05% | 150.17 | 79.68 | 70.49 |
| **Jun-12** | 172.27 | 200.27 | 372.54 | 37.25 | 335.29 | 216.57 | 64.59% | 118.72 | 77.90 | 40.82 |
| **Jul-12** | 180.40 | 192.22 | 372.62 | 37.26 | 335.36 | 200.48 | 59.78% | 134.88 | 80.92 | 53.96 |
| **Aug-12** | 171.32 | 182.96 | 354.29 | 35.43 | 318.86 | 198.47 | 62.25% | 120.38 | 76.88 | 43.51 |
| **Sep-12** | 176.83 | 210.65 | 387.47 | 38.75 | 348.73 | 221.16 | 63.42% | 127.57 | 82.05 | 45.52 |
| **Oct-12** | 187.30 | 224.83 | 412.13 | 41.21 | 370.91 | 222.53 | 60.00% | 148.38 | 91.00 | 57.39 |
| **Nov-12** | 176.27 | 210.53 | 386.79 | 38.68 | 348.12 | 215.12 | 61.80% | 132.99 | 85.21 | 47.78 |
| **Dec-12** | 178.89 | 235.07 | 413.96 | 41.40 | 372.57 | 224.26 | 60.19% | 148.31 | 84.70 | 63.61 |
| **Jan-13** | 184.77 | 221.42 | 406.19 | 40.62 | 365.57 | 218.46 | 59.76% | 147.10 | 82.86 | 64.24 |
| **Feb-13** | 155.63 | 227.27 | 382.90 | 38.29 | 344.61 | 201.30 | 58.42% | 143.30 | 73.00 | 70.31 |
| **Mar-13** | 192.19 | 171.17 | 363.37 | 36.34 | 327.03 | 232.52 | 71.10% | 94.50 | 78.28 | 16.22 |
| **Total** | **2137.48** | **2506.66** | **4644.14** | **464.41** | **4179.72** | **2598.60** | **62.17%** | **1581.12** | **980.19** | **600.93** |

**Annexure III: Month-wise analysis of self-consumption and surplus for FY 2013-14 (MU)**

| Month & Year | Gross Generation | | | Auxiliary Consumption | Net Generation | Captive Consumption | Captive Consumption (%) | Balance Quantum | Sale to Others | |
|---|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | | | | | | CSEB SALE | Third Party Sale (Through Open access, PGCIL) |
| **Apr-13** | 157.99 | 182.46 | 340.44 | 34.04 | 306.40 | 212.65 | 69.40% | 93.75 | 78.66 | 15.09 |
| **May-13** | 185.39 | 218.23 | 403.62 | 40.36 | 363.26 | 215.92 | 59.44% | 147.33 | 91.30 | 56.03 |
| **Jun-13** | 172.95 | 144.03 | 316.98 | 31.70 | 285.28 | 206.53 | 72.39% | 78.75 | 78.75 | 0.00 |
| **Jul-13** | 157.13 | 152.42 | 309.55 | 30.95 | 278.59 | 228.93 | 82.17% | 49.66 | 49.66 | 0.00 |
| **Aug-13** | 148.52 | 158.54 | 307.05 | 30.71 | 276.35 | 225.22 | 81.50% | 51.13 | 51.13 | 0.00 |
| **Sep-13** | 147.25 | 214.50 | 361.75 | 36.18 | 325.58 | 219.57 | 67.44% | 106.00 | 56.82 | 49.18 |
| **Oct-13** | 169.69 | 270.34 | 440.03 | 44.00 | 396.03 | 242.94 | 61.35% | 153.08 | 60.08 | 93.01 |
| **Nov-13** | 154.72 | 324.77 | 479.49 | 47.95 | 431.54 | 231.54 | 53.65% | 200.01 | 58.95 | 141.06 |
| **Dec-13** | 150.65 | 198.01 | 348.66 | 34.87 | 313.80 | 225.66 | 71.91% | 88.14 | 61.09 | 27.05 |
| **Jan-14** | 147.13 | 196.57 | 343.70 | 34.37 | 309.33 | 235.58 | 76.16% | 73.75 | 57.68 | 16.07 |
| **Feb-14** | 139.19 | 188.84 | 328.02 | 32.80 | 295.22 | 188.56 | 63.87% | 106.66 | 28.08 | 78.58 |
| **Mar-14** | 157.15 | 261.50 | 418.65 | 41.87 | 376.79 | 252.13 | 66.92% | 124.66 | 54.43 | 70.23 |
| **Total** | **1887.74** | **2510.20** | **4397.94** | **439.79** | **3958.15** | **2685.22** | **67.84%** | **1272.93** | **726.63** | **546.29** |

**Annexure IV: Month-wise analysis of self-consumption and surplus for FY 2014-15 (MU)**

| Month & Year | Gross Generation | | | Auxiliary Consumption | Net Generation | Captive Consumption | Captive Consumption (%) | Balance Quantum | Sale to Others | |
|---|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | | | | | | CSEB SALE | Third Party Sale (Through Open access, PGCIL) |
| **Apr-14** | 156.18 | 274.40 | 430.57 | 43.06 | 387.52 | 242.97 | 62.70% | 144.55 | 61.83 | 82.72 |
| **May-14** | 173.10 | 254.05 | 427.15 | 42.71 | 384.43 | 228.08 | 59.33% | 151.36 | 62.11 | 89.25 |
| **Jun-14** | 181.20 | 234.34 | 415.54 | 41.55 | 373.99 | 216.39 | 57.86% | 152.55 | 0.00 | 152.55 |
| **Jul-14** | 178.59 | 193.47 | 372.06 | 48.11 | 323.95 | 201.78 | 62.29% | 116.60 | 0.00 | 116.60 |
| **Aug-14** | 196.06 | 164.28 | 360.33 | 41.02 | 319.32 | 204.88 | 64.16% | 108.52 | 20.13 | 88.39 |
| **Sep-14** | 184.31 | 212.93 | 397.24 | 45.71 | 351.53 | 196.12 | 55.79% | 150.11 | 50.70 | 99.40 |
| **Oct-14** | 193.42 | 318.37 | 511.79 | 52.03 | 459.76 | 215.12 | 46.79% | 239.68 | 0.00 | 239.68 |
| **Nov-14** | 178.87 | 329.46 | 508.33 | 54.50 | 453.82 | 204.37 | 45.03% | 244.65 | 0.00 | 244.65 |
| **Dec-14** | 195.82 | 339.29 | 535.11 | 60.14 | 474.97 | 202.81 | 42.70% | 267.35 | 0.00 | 267.35 |
| **Jan-15** | 190.86 | 331.28 | 522.14 | 61.76 | 460.37 | 204.16 | 44.35% | 251.79 | 0.00 | 251.79 |
| **Feb-15** | 174.38 | 267.43 | 441.80 | 53.62 | 388.18 | 188.20 | 48.48% | 195.90 | 0.00 | 195.90 |
| **Mar-15** | 184.28 | 280.36 | 464.64 | 56.94 | 407.70 | 199.93 | 49.04% | 203.47 | 0.00 | 203.47 |
| **Total** | **2187.06** | **3199.66** | **5386.71** | **601.17** | **4785.54** | **2504.81** | **52.34%** | **2226.53** | **194.77** | **2031.76** |

**Annexure V: Month-wise analysis of self-consumption and surplus for FY 2015-16 (MU)**

| Month & Year | Gross Generation | | | Auxiliary Consumption | Net Generation | Captive Consumption | Captive Consumption (%) | Balance Quantum | Sale to Others | |
|---|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | | | | | | CSEB SALE | Third Party Sale (Through Open access, PGCIL) |
| **Apr-15** | 164.95 | 266.02 | 430.97 | 53.14 | 377.83 | 194.66 | 51.52% | 183.17 | 0.00 | 183.17 |
| **May-15** | 165.39 | 279.49 | 444.88 | 57.01 | 387.87 | 203.69 | 52.52% | 184.18 | 0.00 | 184.18 |
| **Jun-15** | 163.05 | 220.31 | 383.37 | 52.02 | 331.35 | 198.08 | 59.78% | 133.27 | 0.00 | 133.27 |
| **Jul-15** | 155.25 | 199.17 | 354.42 | 52.60 | 301.82 | 201.77 | 66.85% | 100.05 | 0.00 | 100.05 |
| **Aug-15** | 152.30 | 157.90 | 310.20 | 44.78 | 265.42 | 184.77 | 69.61% | 80.65 | 0.00 | 80.65 |
| **Sep-15** | 139.14 | 147.91 | 287.05 | 44.48 | 242.57 | 160.55 | 66.19% | 82.02 | 0.00 | 82.02 |
| **Oct-15** | 128.56 | 248.51 | 377.08 | 50.05 | 327.03 | 186.10 | 56.91% | 140.93 | 0.00 | 140.93 |
| **Nov-15** | 112.85 | 247.80 | 360.65 | 46.90 | 313.76 | 163.21 | 52.02% | 150.55 | 0.00 | 150.55 |
| **Dec-15** | 113.41 | 255.68 | 369.12 | 50.21 | 318.91 | 148.41 | 46.54% | 170.50 | 0.00 | 170.50 |
| **Jan-16** | 112.93 | 229.45 | 342.37 | 50.24 | 292.13 | 158.08 | 54.11% | 134.05 | 0.00 | 134.05 |
| **Feb-16** | 108.03 | 221.53 | 329.56 | 47.43 | 282.14 | 172.43 | 61.12% | 109.70 | 0.00 | 109.70 |
| **Mar-16** | 126.35 | 250.51 | 376.86 | 52.04 | 324.82 | 192.78 | 59.35% | 132.04 | 0.00 | 132.04 |
| **Total** | **1642.23** | **2724.28** | **4366.53** | **600.88** | **3765.65** | **2164.53** | **57.48%** | **1601.12** | **0.00** | **1601.12** |

**Annexure VI: Month-wise analysis of self-consumption and surplus for FY 2016-17 (MU)**

| Month & Year | Gross Generation | | | Auxiliary Consumption | Net Generation | Captive Consumption | Captive Consumption (%) | Balance Quantum | Sale to Others | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | | | | | | CSEB SALE | Sale to JSPL-D | Third Party Sale (Through Open access, PGCIL) |
| **Apr-16** | 113.16 | 286.42 | 399.58 | 54.73 | 344.85 | 178.50 | 51.76% | 166.36 | 0.00 | 21.48 | 144.87 |
| **May-16** | 123.63 | 268.92 | 392.55 | 53.33 | 339.22 | 199.18 | 58.72% | 140.04 | 0.00 | 65.36 | 74.69 |
| **Jun-16** | 117.99 | 241.29 | 359.28 | 48.82 | 310.46 | 185.46 | 59.74% | 125.01 | 0.00 | 65.85 | 59.16 |
| **Jul-16** | 126.28 | 230.64 | 356.92 | 47.26 | 309.66 | 188.66 | 60.93% | 121.00 | 0.00 | 62.11 | 58.89 |
| **Aug-16** | 117.08 | 207.49 | 324.58 | 49.49 | 275.09 | 179.07 | 65.09% | 96.03 | 37.11 | 58.20 | 0.72 |
| **Sep-16** | 117.65 | 211.18 | 328.82 | 45.74 | 283.08 | 177.98 | 62.87% | 105.10 | 39.31 | 47.09 | 18.71 |
| **Oct-16** | 121.03 | 243.69 | 364.72 | 49.23 | 315.49 | 191.21 | 60.61% | 124.28 | 42.40 | 51.82 | 30.06 |
| **Nov-16** | 101.45 | 214.37 | 315.81 | 43.89 | 271.92 | 169.36 | 62.28% | 102.56 | 39.58 | 49.08 | 13.90 |
| **Dec-16** | 112.62 | 247.20 | 359.83 | 48.12 | 311.71 | 174.51 | 55.99% | 137.20 | 41.39 | 55.68 | 40.13 |
| **Jan-17** | 133.10 | 202.27 | 335.37 | 44.38 | 290.99 | 195.65 | 67.24% | 95.34 | 21.74 | 62.33 | 11.27 |
| **Feb-17** | 117.96 | 191.32 | 309.27 | 42.36 | 266.91 | 186.16 | 69.75% | 80.75 | 18.56 | 57.99 | 4.19 |
| **Mar-17** | 136.35 | 258.98 | 395.33 | 55.92 | 339.41 | 202.24 | 59.59% | 137.17 | 25.98 | 65.34 | 45.85 |
| **Total** | **1438.30** | **2803.75** | **4242.05** | **583.26** | **3658.79** | **2227.98** | **60.89%** | **1430.83** | **266.07** | **662.33** | **502.43** |

**Annexure VII: Month-wise analysis of self-consumption and surplus for FY 2017-18 (MU)**

| Month & Year | Gross Generation | | | Auxiliary Consumption | Net Generation | Captive Consumption | Captive Consumption (%) | Balance Quantum | Sale to Others | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | | | | | | CSEB SALE | Sale to JSPL-D | Third Party Sale (Through Open access, PGCIL) |
| **Apr-17** | 122.14 | 271.56 | 393.70 | 57.40 | 336.30 | 199.96 | 59.46% | 136.34 | 22.03 | 63.86 | 50.45 |
| **May-17** | 130.52 | 290.10 | 420.62 | 58.70 | 361.92 | 204.17 | 56.41% | 157.75 | 0.00 | 61.23 | 96.52 |
| **Jun-17** | 132.73 | 201.72 | 334.45 | 48.90 | 285.54 | 190.44 | 66.69% | 95.10 | 0.00 | 62.44 | 32.66 |
| **Jul-17** | 105.49 | 218.09 | 323.59 | 51.38 | 272.21 | 154.37 | 56.71% | 117.84 | 0.00 | 67.23 | 50.61 |
| **Aug-17** | 119.89 | 212.14 | 332.03 | 49.42 | 282.61 | 186.42 | 65.96% | 96.20 | 0.00 | 63.12 | 33.08 |
| **Sep-17** | 105.26 | 172.53 | 277.78 | 45.91 | 231.87 | 168.26 | 72.56% | 63.62 | 0.00 | 33.72 | 29.90 |
| **Oct-17** | 97.30 | 152.42 | 249.73 | 41.18 | 208.55 | 173.24 | 83.07% | 35.30 | 0.00 | 11.35 | 23.95 |
| **Nov-17** | 110.68 | 208.85 | 319.53 | 49.28 | 270.24 | 171.55 | 63.48% | 98.69 | 0.00 | 62.81 | 35.88 |
| **Dec-17** | 123.13 | 232.66 | 355.80 | 52.79 | 303.01 | 188.67 | 62.26% | 114.34 | 0.00 | 80.61 | 33.73 |
| **Jan-18** | 123.37 | 241.69 | 365.07 | 52.28 | 312.78 | 195.63 | 62.55% | 117.15 | 0.00 | 84.35 | 32.80 |
| **Feb-18** | 113.75 | 214.63 | 328.38 | 45.93 | 282.45 | 179.06 | 63.40% | 103.39 | 0.00 | 75.16 | 28.23 |
| **Mar-18** | 133.86 | 210.16 | 344.02 | 50.43 | 293.59 | 204.14 | 69.34% | 90.26 | 0.00 | 67.62 | 22.64 |
| **Total** | **1418.12** | **2626.56** | **4044.68** | **603.60** | **3441.08** | **2215.92** | **64.38%** | **1225.98** | **22.03** | **733.50** | **470.44** |

**Annexure VIII: Month-wise analysis of self-consumption and surplus for FY 2018-19 (MU)**

| Month & Year | Gross Generation | | | Auxiliary Consumption | Net Generation | Captive Consumption | Captive Consumption (%) | Balance Quantum | Sale to Others | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | | | | | | CSEB SALE | Sale to JSPL-D | Third Party Sale (Through Open access, PGCIL) |
| **Apr-18** | 135.85 | 160.34 | 296.20 | 43.54 | 252.66 | 175.07 | 69.29% | 77.59 | 0.00 | 67.63 | 9.96 |
| **May-18** | 120.13 | 207.44 | 327.57 | 49.40 | 278.17 | 195.23 | 70.18% | 82.94 | 0.00 | 64.47 | 18.47 |
| **Jun-18** | 118.32 | 131.60 | 249.93 | 38.80 | 211.13 | 200.95 | 95.18% | 10.19 | 0.00 | 0.00 | 10.19 |
| **Jul-18** | 114.69 | 144.46 | 259.15 | 38.85 | 220.30 | 209.50 | 95.10% | 10.80 | 0.00 | 0.00 | 10.80 |
| **Aug-18** | 117.59 | 141.27 | 258.87 | 40.09 | 218.77 | 208.52 | 95.31% | 10.26 | 0.00 | 0.00 | 10.26 |
| **Sep-18** | 104.31 | 143.07 | 247.37 | 39.80 | 207.57 | 196.66 | 94.74% | 10.92 | 0.00 | 0.00 | 10.92 |
| **Oct-18** | 110.40 | 185.25 | 295.65 | 45.94 | 249.72 | 189.45 | 75.86% | 60.27 | 0.00 | 0.00 | 60.27 |
| **Nov-18** | 112.31 | 128.91 | 241.23 | 39.29 | 201.94 | 190.13 | 94.15% | 11.81 | 0.00 | 0.00 | 11.81 |
| **Dec-18** | 120.79 | 154.89 | 275.68 | 42.35 | 233.32 | 211.06 | 90.46% | 22.27 | 0.00 | 0.00 | 22.27 |
| **Jan-19** | 126.89 | 138.99 | 265.88 | 40.82 | 225.06 | 211.95 | 94.18% | 13.11 | 0.00 | 0.00 | 13.11 |
| **Feb-19** | 114.00 | 128.62 | 242.62 | 38.09 | 204.53 | 195.22 | 95.45% | 9.31 | 0.00 | 0.00 | 9.31 |
| **Mar-19** | 126.44 | 146.15 | 272.59 | 42.47 | 230.12 | 218.72 | 95.04% | 11.40 | 0.00 | 0.00 | 11.40 |
| **Total** | **1421.74** | **1810.99** | **3232.73** | **499.42** | **2733.31** | **2402.45** | **87.90%** | **330.87** | **0.00** | **132.11** | **198.76** |

**Annexure IX: Month-wise analysis of self-consumption and surplus for FY 2019-20 (MU)**

| Month & Year | Gross Generation | | | Auxiliary Consumption | Net Generation | Captive Consumption | Captive Consumption (%) | Balance Quantum | Sale to Others | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | | | | | | CSEB SALE | Sale to JSPL-D | Third Party Sale (Through Open access, PGCIL) |
| **Apr-19** | 115.79 | 224.20 | 339.99 | 51.11 | 288.88 | 205.71 | 71.21% | 83.16 | 0.00 | 0.00 | 83.16 |
| **May-19** | 122.88 | 142.88 | 265.76 | 42.53 | 223.23 | 212.15 | 95.04% | 11.08 | 0.00 | 0.00 | 11.08 |
| **Jun-19** | 110.36 | 144.52 | 254.88 | 41.70 | 213.19 | 199.17 | 93.43% | 14.01 | 0.00 | 0.00 | 14.01 |
| **Jul-19** | 115.44 | 158.75 | 274.18 | 44.99 | 229.19 | 208.70 | 91.06% | 20.49 | 0.00 | 0.00 | 20.49 |
| **Aug-19** | 120.60 | 155.72 | 276.32 | 43.25 | 233.07 | 214.90 | 92.20% | 18.18 | 0.00 | 0.00 | 18.18 |
| **Sep-19** | 103.27 | 149.58 | 252.86 | 39.74 | 213.12 | 202.64 | 95.08% | 10.48 | 0.00 | 0.00 | 10.48 |
| **Oct-19** | 99.48 | 154.52 | 253.99 | 42.67 | 211.32 | 200.80 | 95.02% | 10.52 | 0.00 | 0.00 | 10.52 |
| **Nov-19** | 99.49 | 166.70 | 266.18 | 40.52 | 225.66 | 214.73 | 95.15% | 10.94 | 0.00 | 0.00 | 10.94 |
| **Dec-19** | 106.51 | 174.23 | 280.74 | 42.09 | 238.65 | 218.87 | 91.71% | 19.78 | 0.00 | 0.00 | 19.78 |
| **Jan-20** | 102.89 | 209.34 | 312.24 | 46.81 | 265.43 | 225.46 | 84.94% | 39.97 | 0.00 | 0.00 | 39.97 |
| **Feb-20** | 99.97 | 181.93 | 281.90 | 42.30 | 239.60 | 214.67 | 89.60% | 24.93 | 0.00 | 0.00 | 24.93 |
| **Mar-20** | 106.03 | 156.19 | 262.23 | 40.95 | 221.27 | 209.81 | 94.82% | 11.46 | 0.00 | 0.21 | 11.25 |
| **Total** | **1302.71** | **2018.56** | **3321.27** | **518.66** | **2802.61** | **2527.61** | **90.19%** | **275.01** | **0.00** | **0.21** | **274.80** |

## Annexure X: Month-wise analysis of self-consumption and surplus for FY 2020-21 (MU)

| Month & Year | Gross Generation | | | Auxiliary Consumption | Net Generation | Captive Consumption | Captive Consumption (%) | Balance Quantum | Sale to Others | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | | | | | | CSEB SALE | Sale to JSPL-D | Third Party Sale (Through Open access, PGCIL) |
| **Apr-20** | 86.76 | 123.01 | 209.76 | 34.86 | 174.90 | 165.42 | 94.58% | 9.49 | 0.00 | 0.40 | 9.08 |
| **May-20** | 109.39 | 152.01 | 261.41 | 44.26 | 217.14 | 206.53 | 95.11% | 10.62 | 0.00 | 0.00 | 10.62 |
| **Jun-20** | 113.78 | 157.49 | 271.27 | 44.60 | 226.67 | 214.03 | 94.42% | 12.64 | 12.64 | 0.00 | 0.00 |
| **Jul-20** | 111.81 | 166.71 | 278.52 | 43.55 | 234.97 | 222.53 | 94.70% | 12.45 | 12.45 | 0.00 | 0.00 |
| **Aug-20** | 110.14 | 159.38 | 269.53 | 42.51 | 227.02 | 213.83 | 94.19% | 13.19 | 13.19 | 0.00 | 0.00 |
| **Sep-20** | 97.90 | 163.22 | 261.12 | 40.64 | 220.48 | 207.87 | 94.28% | 12.61 | 12.61 | 0.00 | 0.00 |
| **Oct-20** | 104.82 | 173.52 | 278.34 | 42.72 | 235.61 | 222.02 | 94.23% | 13.60 | 13.60 | 0.00 | 0.00 |
| **Nov-20** | 106.92 | 159.01 | 265.93 | 40.14 | 225.79 | 212.39 | 94.07% | 13.40 | 13.40 | 0.00 | 0.00 |
| **Dec-20** | 117.12 | 193.82 | 310.94 | 45.46 | 265.48 | 228.67 | 86.13% | 36.81 | 13.16 | 0.00 | 23.65 |
| **Jan-21** | 119.98 | 182.15 | 302.13 | 45.23 | 256.90 | 219.76 | 85.54% | 37.14 | 13.09 | 0.00 | 24.05 |
| **Feb-21** | 109.06 | 148.13 | 257.20 | 39.04 | 218.16 | 206.68 | 94.74% | 11.48 | 11.48 | 0.00 | 0.00 |
| **Mar-21** | 127.69 | 164.17 | 291.86 | 45.73 | 246.12 | 233.90 | 95.03% | 12.22 | 12.22 | 0.00 | 0.00 |
| **Total** | **1315.38** | **1942.62** | **3258.00** | **508.75** | **2749.25** | **2553.62** | **92.88%** | **195.65** | **127.84** | **0.40** | **67.40** |

**Annexure XI: Month-wise analysis of Surplus Power available from RCPP and DCPP separately for FY 2011-12 (MU)**

| Month & Year | Net Generation | | | Captive Consumption | | | Surplus Available | | |
|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | RCPP | DCPP | Total | RCPP | DCPP | Total |
| **Apr-11** | 170.13 | 95.17 | 265.30 | 124.18 | 41.62 | 165.80 | 45.95 | 53.55 | 99.50 |
| **May-11** | 177.60 | 116.72 | 294.32 | 131.86 | 66.17 | 198.03 | 45.73 | 50.56 | 96.29 |
| **Jun-11** | 169.89 | 59.60 | 229.49 | 112.50 | 52.82 | 165.32 | 57.39 | 6.78 | 64.17 |
| **Jul-11** | 156.08 | 72.49 | 228.57 | 123.75 | 53.04 | 176.79 | 32.34 | 19.44 | 51.78 |
| **Aug-11** | 162.10 | 79.13 | 241.23 | 128.79 | 57.82 | 186.61 | 33.31 | 21.31 | 54.62 |
| **Sep-11** | 140.58 | 108.07 | 248.65 | 113.94 | 75.83 | 189.77 | 26.63 | 32.24 | 58.87 |
| **Oct-11** | 167.66 | 102.03 | 269.69 | 128.32 | 75.39 | 203.71 | 39.34 | 26.64 | 65.98 |
| **Nov-11** | 175.74 | 95.69 | 271.44 | 127.11 | 77.39 | 204.50 | 48.63 | 18.31 | 66.94 |
| **Dec-11** | 169.46 | 187.27 | 356.73 | 131.16 | 89.34 | 220.50 | 38.30 | 97.93 | 136.23 |
| **Jan-12** | 160.79 | 165.85 | 326.64 | 128.21 | 79.99 | 208.20 | 32.58 | 85.86 | 118.44 |
| **Feb-12** | 124.01 | 180.15 | 304.16 | 108.47 | 96.21 | 204.68 | 15.54 | 83.94 | 99.48 |
| **Mar-12** | 145.22 | 200.42 | 345.64 | 124.89 | 105.75 | 230.64 | 20.33 | 94.67 | 115.00 |
| **Total** | **1919.26** | **1462.59** | **3381.86** | **1483.18** | **871.38** | **2354.56** | **436.08** | **591.21** | **1027.29** |

**Annexure XII: Month-wise analysis of Surplus Power available from RCPP and DCPP separately for FY 2012-13 (MU)**

| Month & Year | Net Generation | | | Captive Consumption | | | Surplus Available | | |
|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | RCPP | DCPP | Total | RCPP | DCPP | Total |
| **Apr-12** | 164.85 | 162.29 | 327.14 | 114.75 | 97.59 | 212.34 | 50.10 | 64.70 | 114.80 |
| **May-12** | 160.60 | 224.95 | 385.55 | 108.85 | 126.53 | 235.38 | 51.75 | 98.42 | 150.17 |
| **Jun-12** | 155.05 | 180.24 | 335.29 | 109.40 | 107.17 | 216.57 | 45.65 | 73.07 | 118.72 |
| **Jul-12** | 162.36 | 173.00 | 335.36 | 131.96 | 68.52 | 200.48 | 30.40 | 104.48 | 134.88 |
| **Aug-12** | 154.19 | 164.67 | 318.86 | 122.27 | 76.20 | 198.47 | 31.92 | 88.46 | 120.38 |
| **Sep-12** | 159.14 | 189.58 | 348.73 | 115.83 | 105.48 | 221.30 | 43.32 | 84.11 | 127.42 |
| **Oct-12** | 168.57 | 202.35 | 370.91 | 122.10 | 100.43 | 222.53 | 46.47 | 101.91 | 148.38 |
| **Nov-12** | 158.64 | 189.48 | 348.11 | 113.55 | 101.58 | 215.12 | 45.09 | 87.90 | 132.99 |
| **Dec-12** | 161.00 | 211.56 | 372.57 | 115.23 | 109.03 | 224.26 | 45.77 | 102.54 | 148.31 |
| **Jan-13** | 166.29 | 199.27 | 365.57 | 121.30 | 97.16 | 218.46 | 44.99 | 102.11 | 147.10 |
| **Feb-13** | 140.07 | 204.54 | 344.61 | 96.90 | 104.41 | 201.30 | 43.17 | 100.13 | 143.30 |
| **Mar-13** | 172.97 | 154.06 | 327.03 | 122.11 | 110.42 | 232.52 | 50.86 | 43.64 | 94.50 |
| **Total** | **1923.73** | **2255.99** | **4179.72** | **1394.24** | **1204.51** | **2598.75** | **529.50** | **1051.48** | **1580.98** |

**Annexure XIII: Month-wise analysis of Surplus Power available from RCPP and DCPP separately for FY 2013-14 (MU)**

| Month & Year | Net Generation | | | Captive Consumption | | | Surplus Available | | |
|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | RCPP | DCPP | Total | RCPP | DCPP | Total |
| Apr-13 | 142.19 | 164.21 | 306.40 | 100.13 | 112.52 | 212.65 | 42.05 | 51.70 | 93.75 |
| May-13 | 166.85 | 196.41 | 363.26 | 124.19 | 91.73 | 215.92 | 42.66 | 104.68 | 147.33 |
| Jun-13 | 155.66 | 129.62 | 285.28 | 91.28 | 115.25 | 206.53 | 64.38 | 14.37 | 78.75 |
| Jul-13 | 141.41 | 137.18 | 278.59 | 98.82 | 130.11 | 228.93 | 42.59 | 7.07 | 49.66 |
| Aug-13 | 133.66 | 142.68 | 276.35 | 89.70 | 135.51 | 225.22 | 43.96 | 7.17 | 51.13 |
| Sep-13 | 132.53 | 193.05 | 325.58 | 89.45 | 130.12 | 219.57 | 43.08 | 62.92 | 106.00 |
| Oct-13 | 152.72 | 243.31 | 396.03 | 97.55 | 145.40 | 242.94 | 55.17 | 97.91 | 153.08 |
| Nov-13 | 139.25 | 292.29 | 431.54 | 106.30 | 120.61 | 226.92 | 32.95 | 171.68 | 204.63 |
| Dec-13 | 135.59 | 178.21 | 313.80 | 121.94 | 103.71 | 225.66 | 13.64 | 74.50 | 88.14 |
| Jan-14 | 132.41 | 176.91 | 309.33 | 115.64 | 119.95 | 235.58 | 16.78 | 56.97 | 73.75 |
| Feb-14 | 125.27 | 169.95 | 295.22 | 101.80 | 86.76 | 188.56 | 23.47 | 83.19 | 106.66 |
| Mar-14 | 141.43 | 235.35 | 376.79 | 91.34 | 160.79 | 252.13 | 50.09 | 74.57 | 124.66 |
| **Total** | **1698.97** | **2259.18** | **3958.15** | **1228.14** | **1452.46** | **2680.60** | **470.82** | **806.72** | **1277.55** |

**Annexure XIV: Month-wise analysis of Surplus Power available from RCPP and DCPP separately for FY 2014-15 (MU)**

| Month & Year | Net Generation | | | Captive Consumption | | | Surplus Available | | |
|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | RCPP | DCPP | Total | RCPP | DCPP | Total |
| **Apr-14** | 140.56 | 246.96 | 387.52 | 119.75 | 123.21 | 242.97 | 20.81 | 123.74 | 144.55 |
| **May-14** | 155.79 | 228.64 | 384.43 | 111.06 | 122.02 | 233.08 | 44.73 | 106.63 | 151.36 |
| **Jun-14** | 163.08 | 210.91 | 373.99 | 115.46 | 105.97 | 221.44 | 47.62 | 104.93 | 152.55 |
| **Jul-14** | 155.50 | 168.45 | 323.95 | 120.99 | 86.37 | 207.35 | 34.51 | 82.09 | 116.60 |
| **Aug-14** | 173.74 | 145.58 | 319.31 | 135.51 | 75.28 | 210.79 | 38.23 | 70.29 | 108.52 |
| **Sep-14** | 163.10 | 188.43 | 351.53 | 109.69 | 86.42 | 196.12 | 53.40 | 102.01 | 155.41 |
| **Oct-14** | 173.76 | 286.00 | 459.76 | 119.49 | 100.58 | 220.08 | 54.26 | 185.42 | 239.68 |
| **Nov-14** | 159.69 | 294.13 | 453.82 | 129.01 | 80.17 | 209.17 | 30.68 | 213.97 | 244.65 |
| **Dec-14** | 173.81 | 301.16 | 474.97 | 147.10 | 60.52 | 207.62 | 26.71 | 240.64 | 267.35 |
| **Jan-15** | 168.28 | 292.09 | 460.37 | 139.73 | 68.85 | 208.59 | 28.55 | 223.24 | 251.79 |
| **Feb-15** | 153.21 | 234.97 | 388.18 | 128.60 | 63.69 | 192.28 | 24.62 | 171.28 | 195.90 |
| **Mar-15** | 161.70 | 246.00 | 407.70 | 137.32 | 66.91 | 204.23 | 24.38 | 179.09 | 203.47 |
| **Total** | **1942.21** | **2843.33** | **4785.54** | **1513.71** | **1040.00** | **2553.71** | **428.51** | **1803.33** | **2231.83** |

**Annexure XV: Month-wise analysis of Surplus Power available from RCPP and DCPP separately for FY 2015-16 (MU)**

| Month & Year | Net Generation | | | Captive Consumption | | | Surplus Available | | |
|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | RCPP | DCPP | Total | RCPP | DCPP | Total |
| Apr-15 | 144.90 | 232.93 | 377.83 | 121.85 | 72.81 | 194.66 | 23.05 | 160.13 | 183.17 |
| May-15 | 144.35 | 243.52 | 387.87 | 122.06 | 81.63 | 203.69 | 22.28 | 161.90 | 184.18 |
| Jun-15 | 142.66 | 188.69 | 331.35 | 132.46 | 65.62 | 198.08 | 10.21 | 123.06 | 133.27 |
| Jul-15 | 135.28 | 166.54 | 301.82 | 120.68 | 81.08 | 201.77 | 14.60 | 85.45 | 100.05 |
| Aug-15 | 132.67 | 132.75 | 265.42 | 117.01 | 67.76 | 184.77 | 15.65 | 65.00 | 80.65 |
| Sep-15 | 120.78 | 121.78 | 242.57 | 112.04 | 49.08 | 161.13 | 8.74 | 72.70 | 81.44 |
| Oct-15 | 112.08 | 214.95 | 327.03 | 99.30 | 86.80 | 186.09 | 12.78 | 128.15 | 140.93 |
| Nov-15 | 98.24 | 215.51 | 313.75 | 89.75 | 73.45 | 163.21 | 8.49 | 142.06 | 150.55 |
| Dec-15 | 98.81 | 220.08 | 318.89 | 81.87 | 66.52 | 148.39 | 16.94 | 153.56 | 170.50 |
| Jan-16 | 97.41 | 194.72 | 292.13 | 80.59 | 77.49 | 158.08 | 16.82 | 117.23 | 134.05 |
| Feb-16 | 92.56 | 189.58 | 282.14 | 80.46 | 91.97 | 172.43 | 12.09 | 97.61 | 109.70 |
| Mar-16 | 108.82 | 216.00 | 324.82 | 90.72 | 102.06 | 192.78 | 18.10 | 113.94 | 132.04 |
| **Total** | **1428.55** | **2337.08** | **3765.62** | **1248.80** | **916.28** | **2165.08** | **179.75** | **1420.80** | **1600.55** |

**Annexure XVI: Month-wise analysis of Surplus Power available from RCPP and DCPP separately for FY 2016-17 (MU)**

| Month & Year | Net Generation | | | Captive Consumption | | | Surplus Available | | |
|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | RCPP | DCPP | Total | RCPP | DCPP | Total |
| **Apr-16** | 96.90 | 247.95 | 344.85 | 82.17 | 96.32 | 178.49 | 14.73 | 151.63 | 166.36 |
| **May-16** | 106.12 | 233.10 | 339.22 | 91.31 | 107.87 | 199.17 | 14.81 | 125.23 | 140.04 |
| **Jun-16** | 101.45 | 209.01 | 310.46 | 82.02 | 103.43 | 185.45 | 19.43 | 105.58 | 125.01 |
| **Jul-16** | 109.90 | 199.76 | 309.66 | 85.38 | 103.28 | 188.66 | 24.52 | 96.47 | 121.00 |
| **Aug-16** | 100.13 | 174.96 | 275.09 | 90.89 | 88.18 | 179.07 | 9.24 | 86.78 | 96.03 |
| **Sep-16** | 101.08 | 182.00 | 283.08 | 83.24 | 94.74 | 177.98 | 17.84 | 87.26 | 105.10 |
| **Oct-16** | 104.36 | 211.13 | 315.49 | 87.47 | 103.74 | 191.21 | 16.89 | 107.39 | 124.28 |
| **Nov-16** | 86.31 | 185.61 | 271.92 | 74.93 | 94.43 | 169.36 | 11.37 | 91.19 | 102.56 |
| **Dec-16** | 97.68 | 214.03 | 311.71 | 84.51 | 90.00 | 174.51 | 13.17 | 124.02 | 137.20 |
| **Jan-17** | 115.97 | 175.02 | 290.99 | 94.23 | 101.42 | 195.65 | 21.74 | 73.60 | 95.34 |
| **Feb-17** | 102.07 | 164.84 | 266.91 | 83.51 | 102.65 | 186.16 | 18.56 | 62.19 | 80.75 |
| **Mar-17** | 116.70 | 222.71 | 339.41 | 90.72 | 111.53 | 202.24 | 25.98 | 111.19 | 137.17 |
| **Total** | **1238.67** | **2420.12** | **3658.79** | **1030.38** | **1197.59** | **2227.97** | **208.30** | **1222.53** | **1430.83** |

**Annexure XVII: Month-wise analysis of Surplus Power available from RCPP and DCPP separately for FY 2017-18 (MU)**

| Month & Year | Net Generation | | | Captive Consumption | | | Surplus Available | | |
|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | RCPP | DCPP | Total | RCPP | DCPP | Total |
| **Apr-17** | 104.64 | 231.65 | 336.30 | 82.62 | 117.34 | 199.96 | 22.03 | 114.31 | 136.34 |
| **May-17** | 113.07 | 248.85 | 361.92 | 89.75 | 114.42 | 204.17 | 23.32 | 134.43 | 157.75 |
| **Jun-17** | 115.42 | 170.12 | 285.54 | 97.60 | 92.88 | 190.48 | 17.82 | 77.24 | 95.07 |
| **Jul-17** | 90.46 | 181.75 | 272.21 | 85.38 | 68.99 | 154.37 | 5.08 | 112.76 | 117.84 |
| **Aug-17** | 103.53 | 179.08 | 282.61 | 95.31 | 91.10 | 186.41 | 8.22 | 87.98 | 96.20 |
| **Sep-17** | 89.33 | 142.54 | 231.87 | 83.61 | 84.64 | 168.25 | 5.72 | 57.90 | 63.62 |
| **Oct-17** | 82.65 | 125.90 | 208.55 | 79.62 | 93.62 | 173.24 | 3.03 | 32.28 | 35.30 |
| **Nov-17** | 95.35 | 174.90 | 270.24 | 88.38 | 83.17 | 171.55 | 6.97 | 91.72 | 98.69 |
| **Dec-17** | 106.54 | 196.47 | 303.01 | 89.82 | 98.85 | 188.67 | 16.72 | 97.62 | 114.34 |
| **Jan-18** | 107.21 | 205.58 | 312.78 | 90.95 | 104.68 | 195.63 | 16.26 | 100.89 | 117.15 |
| **Feb-18** | 99.17 | 183.28 | 282.45 | 81.96 | 97.10 | 179.06 | 17.21 | 86.18 | 103.39 |
| **Mar-18** | 116.73 | 176.87 | 293.59 | 97.07 | 106.26 | 203.33 | 19.66 | 70.60 | 90.26 |
| **Total** | **1224.09** | **2216.99** | **3441.08** | **1062.07** | **1153.07** | **2215.14** | **162.03** | **1063.92** | **1225.94** |

**Annexure XVIII: Month-wise analysis of Surplus Power available from RCPP and DCPP separately for FY 2018-19 (MU)**

| Month & Year | Net Generation | | | Captive Consumption | | | Surplus Available | | |
|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | RCPP | DCPP | Total | RCPP | DCPP | Total |
| **Apr-18** | 118.28 | 134.37 | 252.66 | 109.09 | 65.97 | 175.07 | 9.19 | 68.40 | 77.59 |
| **May-18** | 102.91 | 175.26 | 278.17 | 93.25 | 101.98 | 195.23 | 9.66 | 73.28 | 82.94 |
| **Jun-18** | 102.09 | 109.04 | 211.13 | 91.90 | 109.04 | 200.95 | 10.19 | 0.00 | 10.19 |
| **Jul-18** | 98.83 | 121.48 | 220.30 | 89.10 | 120.40 | 209.50 | 9.73 | 1.07 | 10.80 |
| **Aug-18** | 100.76 | 118.01 | 218.77 | 93.12 | 115.39 | 208.52 | 7.64 | 2.62 | 10.26 |
| **Sep-18** | 89.44 | 118.13 | 207.57 | 82.80 | 113.86 | 196.66 | 6.65 | 4.27 | 10.92 |
| **Oct-18** | 94.60 | 155.12 | 249.72 | 86.26 | 103.19 | 189.45 | 8.34 | 51.93 | 60.27 |
| **Nov-18** | 97.38 | 104.56 | 201.94 | 87.75 | 102.39 | 190.13 | 9.64 | 2.17 | 11.81 |
| **Dec-18** | 104.99 | 128.33 | 233.32 | 94.91 | 116.15 | 211.06 | 10.09 | 12.18 | 22.27 |
| **Jan-19** | 110.36 | 114.69 | 225.06 | 105.10 | 106.85 | 211.95 | 5.27 | 7.84 | 13.11 |
| **Feb-19** | 98.42 | 106.11 | 204.53 | 89.11 | 106.11 | 195.22 | 9.31 | 0.00 | 9.31 |
| **Mar-19** | 108.69 | 121.43 | 230.12 | 101.60 | 117.11 | 218.72 | 7.09 | 4.31 | 11.40 |
| **Total** | **1226.77** | **1506.54** | **2733.31** | **1123.98** | **1278.46** | **2402.44** | **102.78** | **228.08** | **330.87** |

**Annexure XIX: Month-wise analysis of Surplus Power available from RCPP and DCPP separately for FY 2019-20 (MU)**

| Month & Year | Net Generation | | | Captive Consumption | | | Surplus Available | | |
|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | RCPP | DCPP | Total | RCPP | DCPP | Total |
| **Apr-19** | 99.54 | 189.34 | 288.88 | 88.76 | 116.95 | 205.71 | 10.78 | 72.39 | 83.16 |
| **May-19** | 105.99 | 117.24 | 223.23 | 94.94 | 117.21 | 212.15 | 11.05 | 0.04 | 11.08 |
| **Jun-19** | 94.46 | 118.73 | 213.19 | 83.86 | 115.31 | 199.17 | 10.60 | 3.41 | 14.01 |
| **Jul-19** | 99.12 | 130.06 | 229.19 | 88.67 | 120.03 | 208.70 | 10.46 | 10.03 | 20.49 |
| **Aug-19** | 104.33 | 128.74 | 233.07 | 93.86 | 121.03 | 214.89 | 10.47 | 7.71 | 18.18 |
| **Sep-19** | 88.47 | 124.65 | 213.12 | 78.02 | 124.62 | 202.64 | 10.46 | 0.03 | 10.48 |
| **Oct-19** | 83.78 | 127.54 | 211.32 | 73.25 | 127.54 | 200.80 | 10.52 | 0.00 | 10.52 |
| **Nov-19** | 85.37 | 140.29 | 225.66 | 74.43 | 140.29 | 214.73 | 10.94 | 0.00 | 10.94 |
| **Dec-19** | 91.73 | 146.93 | 238.65 | 80.68 | 138.19 | 218.87 | 11.05 | 8.74 | 19.78 |
| **Jan-20** | 88.71 | 176.72 | 265.43 | 77.06 | 148.40 | 225.46 | 11.65 | 28.32 | 39.97 |
| **Feb-20** | 85.73 | 153.87 | 239.60 | 74.96 | 139.72 | 214.67 | 10.78 | 14.15 | 24.93 |
| **Mar-20** | 90.65 | 130.62 | 221.27 | 79.40 | 130.42 | 209.81 | 11.25 | 0.21 | 11.46 |
| **Total** | **1117.88** | **1684.73** | **2802.61** | **987.88** | **1539.72** | **2527.60** | **130.00** | **145.01** | **275.01** |

**Annexure XX: Month-wise analysis of Surplus Power available from RCPP and DCPP separately for FY 2020-21 (MU)**

| Month & Year | Net Generation | | | Captive Consumption | | | Surplus Available | | |
|---|---|---|---|---|---|---|---|---|---|
| | RCPP | DCPP | Total | RCPP | DCPP | Total | RCPP | DCPP | Total |
| Apr-20 | 75.86 | 101.70 | 177.57 | 65.64 | 99.77 | 165.42 | 10.22 | 1.93 | 12.15 |
| May-20 | 93.10 | 127.35 | 220.45 | 81.08 | 125.44 | 206.52 | 12.02 | 1.91 | 13.93 |
| Jun-20 | 95.49 | 134.63 | 230.12 | 81.41 | 132.61 | 214.03 | 14.08 | 2.02 | 16.10 |
| Jul-20 | 95.14 | 143.41 | 238.55 | 81.26 | 141.26 | 222.52 | 13.88 | 2.15 | 16.03 |
| Aug-20 | 94.14 | 136.33 | 230.48 | 79.54 | 134.29 | 213.83 | 14.60 | 2.05 | 16.65 |
| Sep-20 | 83.56 | 140.28 | 223.84 | 69.69 | 138.17 | 207.87 | 13.86 | 2.10 | 15.97 |
| Oct-20 | 89.82 | 149.38 | 239.20 | 74.88 | 147.14 | 222.02 | 14.94 | 2.24 | 17.18 |
| Nov-20 | 92.26 | 136.96 | 229.23 | 77.48 | 134.91 | 212.39 | 14.78 | 2.05 | 16.83 |
| Dec-20 | 101.84 | 167.69 | 269.53 | 87.15 | 141.52 | 228.67 | 14.69 | 26.16 | 40.85 |
| Jan-21 | 104.50 | 156.31 | 260.81 | 89.84 | 129.91 | 219.76 | 14.66 | 26.39 | 41.05 |
| Feb-21 | 94.62 | 126.86 | 221.48 | 81.72 | 124.96 | 206.68 | 12.89 | 1.90 | 14.80 |
| Mar-21 | 108.69 | 141.17 | 249.87 | 94.84 | 139.06 | 233.90 | 13.85 | 2.12 | 15.97 |
| **Total** | **1129.03** | **1662.09** | **2791.12** | **964.55** | **1589.05** | **2553.60** | **164.48** | **73.03** | **237.52** |

# 4 TRUE-UP FOR FY 2011-12 TO FY 2015-16

## 4.1 Background

The Commission had notified the Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2006 (hereinafter referred as 'CSERC Tariff Regulations, 2006'). The Commission has undertaken the True-up of FY 2011-12 and FY 2012-13 in accordance with these Regulations.

The Commission had notified the Chhattisgarh State Electricity Regulatory Commission (Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2012 (hereinafter referred as 'CSERC MYT Regulations, 2012') for determination of tariff for the Generating Company, Licensees, and CSLDC, which is applicable for truing up for FY 2013-14 to FY 2015-16 for the Generating Company, Licensees, and CSLDC.

In accordance with the above Regulations, in the present Order, the true-up of ARR has been undertaken for FY 2011-12 to FY 2015-16 on the basis of Audited Accounts of JSPL-D. It may be noted that the true-up for FY 2011-12 and FY 2012-13 has been done in accordance with the CSERC Tariff Regulations, 2006, rather than the CSERC MYT Regulations, 2010, as the Tariff Orders for FY 2011-12 and FY 2012-13 have been issued under the CSERC Tariff Regulations, 2006.

The Commission has considered the Petition No. 39 of 2012 for True-up of FY 2011-12 and Petition No. 62 of 2018 for True-up of FY 2012-13 to FY 2015-16.

For the truing up exercise, the Tariff Order passed on 08.02.2012 for FY 2011-12, the Tariff Order passed on 10.07.2013 for FY 2012-13, and the Multi-Year Tariff (MYT) Order passed on 12.07.2013 for the Control Period from FY 2013-14 to FY 2015-16 have been considered.

In this Chapter, all the elements of actual expenditure and revenue of JSPL-D for FY 2011-12 to FY 2015-16 have been considered for final true-up of expenses and revenue in accordance with the applicable CSERC Tariff/MYT Regulations. The sharing of gains and losses on account of controllable factors between JSPL-D and its consumers has been computed in accordance with Regulation 17 of the CSERC Regulations, 2006 and Regulation 13 of the CSERC MYT Regulations, 2012.

## 4.2 Energy Sales

### JSPL-D Submission

The Petitioner has submitted the actual category-wise energy sales for FY 2011-12 to FY 2015-16 as shown in the following Table:

**Table 4-1: Energy Sales as submitted by JSPL-D for FY 2011-12 to FY 2015-16 (MU)**

| Category | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Order | Actual | Order | Actual | MYT Order | Actual | MYT Order | Actual | MYT Order | Actual |
| Non-Domestic | 0.13 | 0.21 | 0.21 | 0.33 | 0.17 | 0.28 | 0.17 | 0.29 | 0.17 | 0.29 |
| Domestic | | 0.08 | 0.08 | 0.11 | 0.08 | 0.24 | 0.09 | 0.35 | 0.09 | 0.49 |
| Public Utilities | | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.04 |
| **Total LT** | **0.13** | **0.32** | **0.32** | **0.47** | **0.28** | **0.55** | **0.29** | **0.67** | **0.29** | **0.82** |
| 33 kV Steel Industry | 526.78 | 603.64 | 609.67 | 645.19 | 687.41 | 680.78 | 694.28 | 707.51 | 701.23 | 702.2 |
| 33 kV other industry | | 0.93 | 1.26 | 1.02 | 1.01 | 1.38 | 1.02 | 11.11 | 1.03 | 11.59 |
| 11 kV Steel Industry | 60.19 | 35.13 | 35.48 | 36.92 | | 28.02 | | 25.39 | | 33.16 |
| 11 kV other industry | 0.91 | 0.32 | | 1.60 | | | | | | |
| 11 kV Non-residential and General Purpose | | 1.38 | 1.39 | | 1.59 | 1.65 | 1.61 | 1.59 | 1.62 | 1.62 |
| Residential purpose | | | | | 0.10 | | 0.10 | | 0.10 | |
| **Total HT** | **587.88** | **641.40** | **647.80** | **684.73** | **690.11** | **711.83** | **697.01** | **745.60** | **703.98** | **748.57** |
| **Total Sales** | **588.01** | **641.72** | **648.12** | **685.20** | **690.39** | **712.38** | **697.30** | **746.27** | **704.27** | **749.39** |

**Commission's View**

The actual overall sales for each year from FY 2011-12 to FY 2015-16 are higher than the sales approved in the respective Order. For the purpose of the True-up, the actual energy sales for FY 2011-12 to FY 2015-16 have been considered as submitted by the Petitioner, as shown in the following Table:

**Table 4-2: Energy Sales approved after true-up for FY 2011-12 to FY 2015-16 (MU)**

| Category | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Non-Domestic | 0.21 | 0.21 | 0.33 | 0.33 | 0.28 | 0.28 | 0.29 | 0.29 | 0.29 | 0.29 |
| Domestic | 0.08 | 0.08 | 0.11 | 0.11 | 0.24 | 0.24 | 0.35 | 0.35 | 0.49 | 0.49 |
| Public Utilities | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.04 | 0.04 |
| **Total LT** | **0.32** | **0.32** | **0.47** | **0.47** | **0.55** | **0.55** | **0.67** | **0.67** | **0.82** | **0.82** |
| 33 kV Steel Industry | 603.64 | 603.64 | 645.19 | 645.19 | 680.78 | 680.78 | 707.51 | 707.51 | 702.2 | 702.2 |
| 33 kV other industry | 0.93 | 0.93 | 1.02 | 1.02 | 1.38 | 1.38 | 11.11 | 11.11 | 11.59 | 11.59 |
| 11 kV Steel Industry | 35.13 | 35.13 | 36.92 | 36.92 | 28.02 | 28.02 | 25.39 | 25.39 | 33.16 | 33.16 |
| 11 kV other industry | 0.32 | 0.32 | 1.60 | 1.60 | | | | | | |
| 11 kV Non-residential and General Purpose | 1.38 | 1.38 | | | 1.65 | 1.65 | 1.59 | 1.59 | 1.62 | 1.62 |
| **Total HT** | **641.40** | **641.40** | **684.73** | **684.73** | **711.83** | **711.83** | **745.60** | **745.60** | **748.57** | **748.57** |
| **Total Sales** | **641.72** | **641.72** | **685.20** | **685.20** | **712.38** | **712.38** | **746.27** | **746.27** | **749.39** | **749.39** |

## 4.3 Energy Balance

**JSPL-D Submission**

The Petitioner has submitted the actual Transmission & Distribution Loss for FY 2011-12 to FY 2015-16 as shown in the following Table:

**Table 4-3: Transmission & Distribution Loss for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (MU)**

| Category | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Order | True-up Petition | Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition |
| Energy Requirement | 594.05 | 649.58 | 652.17 | 686.52 | 694.71 | 713.16 | 701.65 | 748.04 | 708.67 | 753.33 |
| Transmission losses (%) | 0.55 | 0.15 | 0.15 | 0.11 | 0.15 | 0.03 | 0.15 | 0.09 | 0.15 | 0.09 |
| Energy delivered at Distribution periphery | 590.79 | 648.63 | 651.20 | 685.79 | 693.66 | 712.98 | 700.60 | 747.35 | 707.61 | 752.60 |
| Distribution Losses (%) | 0.47 | 1.07 | 0.47 | 0.09 | 0.47 | 0.08 | 0.47 | 0.14 | 0.47 | 0.43 |
| Energy Sales | 588.01 | 641.72 | 648.13 | 685.2 | 690.4 | 712.38 | 697.31 | 746.28 | 704.28 | 749.41 |

The Petitioner has submitted that the increase in Distribution losses for FY 2011-12 is on account of increase in the connected load across the voltage levels.

**Commission's View**

In the MYT Order for the period from FY 2013-14 to FY 2015-16, the Commission had directed JSPL to submit actual meter readings (MRI downloaded data or SCADA extracted readings) for the meters installed at the transmission and distribution periphery and all the meters installed at interface points at all voltage levels for all ensuing years in subsequent Tariff Petitions. However, JSPL-D has not submitted any such details, and has submitted the data on Transmission Loss and Distribution Loss separately, without any supporting evidence.

The necessary information was again from JSPL-D, but JSPL-D communicated its inability to provide any further details in this regard. Given the passage of time, and the various Orders/Judgments of this Commission, the Hon'ble Appellate Tribunal for Electricity (APTEL), and Hon'ble High Court of Chhattisgarh, and the direction of the APTEL to true-up the ARR of JSPL-D after all these years, the Commission is not insisting on submission of documentary evidence and break-up for the distribution loss, and has proceeded with the available data.

The actual Distribution Losses as submitted by the Petitioner for FY 2012-13 to FY 2015-16 are lower than the target Distribution Losses approved in the respective Orders, except for FY 2011-12. For FY 2011-12, the actual Distribution loss has been reported as 1.07%, which is higher than that approved by the Commission, i.e., 0.47%.

Though the distribution loss is higher than the approved level, the actual loss level of around 1% is considerable, and hence, the sharing of efficiency losses on this account has not been computed. For other years, though the distribution losses are lower than the approved loss levels, the sharing of efficiency gains on this account have not been computed, as the loss levels approved by the Commission were not based on any scientific data submitted by the Petitioner.

The energy requirement has been computed based on the actual energy sales and actual Distribution Losses in the truing up for FY 2011-12 to FY 2015-16, as shown in the following Table:

**Table 4-4: Approved Energy Balance for FY 2011-12 to FY 2015-16 (MU)**

| Category | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up |
| Energy Sales (MU) | 641.72 | 641.72 | 685.2 | 685.2 | 712.38 | 712.38 | 746.27 | 746.27 | 749.39 | 749.39 |
| Distribution Losses (%) | 1.07% | 1.07% | 0.09% | 0.09% | 0.08% | 0.08% | 0.14% | 0.14% | 0.43% | 0.43% |
| Distribution Losses (MU) | 6.91 | 6.91 | 0.59 | 0.59 | 0.60 | 0.60 | 1.07 | 1.07 | 3.23 | 3.23 |
| Transmission Loss % | 0.15 | 0.15 | 0.11 | 0.11 | 0.03 | 0.03 | 0.09 | 0.09 | 0.09 | 0.09 |
| Energy Requirement (MU) | 649.58 | 649.58 | 686.52 | 686.52 | 713.16 | 713.16 | 748.04 | 748.04 | 753.33 | 753.33 |

## 4.4 Power Purchase Cost

### JSPL-D's Submission

The Petitioner has submitted that it had filed a Petition on April 4, 2011 before the Commission for approval of long-term power procurement through tariff based competitive bidding process under Case 1 bidding framework. The Commission had provisionally permitted JSPL-D to procure power from Jindal Power Limited (JPL) at the rate of Rs 3 per kWh for FY 2011-12 till the finalisation of the long-term power procurement plan. Thus, the Petitioner has continued to purchase power from JPL at the rate of Rs 3 per unit from FY 2012-13 to FY 2015-16. JSPL-D also submitted that these costs have been recorded in the audited financial accounts submitted to the Commission.

**RPO Cost**

JSPL-D has submitted that it was unable to source power from renewable sources for FY 2011-12 on account of non-availability of power from renewable sources within the State, and has sourced its entire requirement from JPL. The Petitioner has submitted that it has also not purchased Renewable Energy Certificates (REC's) and has therefore, not claimed any expenses towards meeting the RPO for FY 2011-12 in the true up of ARR for FY 2011-12. JSPL-D has submitted that it has fulfilled its targets for RPO for FY 2012-13 and has purchased more units through renewable sources than that approved by the Commission vide its Order dated 10.07.2013. However, any extra RPO liability arising after the true up of FY 2012-13 shall be fulfilled post the true-up.

JSPL-D has submitted that it calculated RPO target for FY 2013-14 based on the Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation And REC Framework Implementation) Regulations, 2013, which specifies the minimum quantum of electricity in each category to be procured by Obligated Entity as percentage of total consumption and has purchased the RECs against the RPO for FY 2013-14.

For FY 2014-15 and FY 2015-16, the Petitioner has submitted that it has purchased the RECs against the Non- Solar RPO stating that it has made provisions in its accounts for the purchase of RECs against the Solar RPO for FY 2014-15 and FY 2015-16 and it will fulfil its Solar RPO as soon as possible.

The computation of RPO for each year and the associated cost for procurement of RPO, as submitted by JSPL-D is shown in the Table below:

**Table 4-5: RPO Cost for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (Rs. Crore)**

| S. No. | Particulars | Type | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Order | True-up Petition | Order | True-up Petition | Order | True-up Petition | Order | True-up Petition | Order | True-up Petition |
| 1 | Minimum RPO Target | Solar | 0.25% | - | 0.5% | - | 0.5% | 0.5% | 0.75% | 0.75% | 1% | 1% |
| | | Non-solar | 1.25% | - | 1.5% | - | 2% | 5.75% | 2.25% | 6% | 2.5% | 6.25% |
| | | Biomass | 3.75% | | 3.75% | | 3.75% | | 3.75% | | 3.75% | |
| 2 | Annual sales in MU | | 588.01 | 641.72 | 648.13 | 685.2 | 690.39 | 712.38 | 697.3 | 746.28 | 704.27 | 749.41 |

| S. No. | Particulars | Type | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Order | True-up Petition | Order | True-up Petition | Order | True-up Petition | Order | True-up Petition | Order | True-up Petition |
| 3 | RPO liability in MU | Solar | 1.49 | - | 3.26 | 3.41 | 3.47 | 3.56 | 5.26 | 5.6 | 7.09 | 7.49 |
| | | Non-solar | 7.43 | - | 9.78 | 34.43 | 14.00 | 40.96 | 16.00 | 44.78 | 16.00 | 46.84 |
| | | Biomass | 22.28 | | 24.46 | | 26.05 | | 26.32 | | 26.58 | |
| 4 | Price of REC in Rs./unit | Solar | | - | | 9.32 | | 3.52 | | 3.5 | | 3.5 |
| | | Non-solar | | - | | 1.52 | | 1.52 | | 1.52 | | 1.523 |
| 5 | RPO expenses | Solar | 0.52 | - | 3.03 | 3.18 | 3.23 | 1.25 | 4.89 | 1.96 | 6.59 | 2.62 |
| | | Non-solar | 3.1 | - | 1.47 | 5.24 | 2.08 | 6.24 | 2.37 | 6.82 | 2.39 | 7.13 |
| | | Biomass | 8.91 | | 3.67 | | 3.91 | | 3.95 | | 3.99 | |
| **6** | **Total RPO expenses** | | **12.53** | **-** | **8.17** | **8.42** | **9.23** | **7.49** | **11.20** | **8.78** | **12.97** | **9.76** |

The summary of power purchase quantum and cost for each year, as submitted by JSPL-D is shown in the Table below:

**Table 4-6: Power Purchase Cost for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Order | True-up Petition | Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition |
| Quantum of Power Purchase (MU) | 562.87 | 649.58 | 652.17 | 686.52 | 694.71 | 713.16 | 701.65 | 748.04 | 708.67 | 753.33 |
| Avg. Purchase Rate (Rs./kWh) | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Power Purchase Cost | 168.86 | 194.87 | 195.65 | 205.96 | 208.41 | 213.95 | 210.5 | 224.41 | 212.6 | 226 |
| RPO Expenses | 12.53 | - | 8.17 | 8.42 | 9.23 | 7.49 | 11.20 | 8.78 | 12.97 | 9.76 |
| **Total Power purchase cost** | **181.39** | **194.87** | **203.82** | **214.38** | **217.64** | **221.44** | **221.69** | **233.19** | **225.57** | **235.75** |

**Commission's View**

The Petitioner has claimed cost of power purchase from JPL at the rate of Rs. 3 per kWh for FY 2011-12 to FY 2015-16. However, in Chapter 3 of this Order, the detailed analysis of the surplus power availability from JSPL's two captive power plants, viz., RCPP and DCPP has been elaborated. Based on the analysis and scrutiny on the input data provided by the Petitioner, it is observed that the entire energy requirement of JSPL-D from FY 2011-12 to FY 2015-16 can be easily met through the surplus power availability from RCPP and DCPP.

As detailed in Chapter 2 of this Order, the entire energy requirement of JSPL-D from FY 2011-12 to FY 2015-16, has been considered to have been met from RCPP and DCPP, as shown in the Table below:

**Table 4-7: Quantum of Power Purchase from RCPP and DCPP for FY 2011-12 to FY 2015-16 as approved by the Commission**

| Particulars | JSPL-D power purchase quantum | Met from Surplus of | | Balance power purchase from other sources |
|---|---|---|---|---|
| | | RCPP | DCPP | |
| 2011-12 | 649.58 | 436.08 | 213.50 | - |
| 2012-13 | 686.52 | 529.50 | 157.02 | - |
| 2013-14 | 713.16 | 470.82 | 242.34 | - |
| 2014-15 | 748.04 | 428.51 | 319.53 | - |
| 2015-16 | 753.33 | 179.75 | 573.58 | - |

The rate of power purchase from RCPP and DCCP for the respective years have been determined in the Suo-motu Orders in Petition Nos. 61 of 2022 and 60 of 2022, respectively, as summarised in the Table below:

**Table 4-8: Power Purchase Rate for RCPP and DCPP for FY 2011-12 to FY 2015-16 as approved by the Commission (Rs./kWh)**

| Source | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 |
|---|---|---|---|---|---|
| RCPP | 1.26 | 1.35 | 1.43 | 1.45 | 1.71 |
| DCPP | 2.02 | 2.09 | 2.68 | 2.45 | 2.83 |

## 4.5 RPO Cost

The Petitioner has not purchased any power from renewable sources and the entire RPO compliance has been claimed to be achieved from purchase of REC's. The RPO target for FY 2011-12 and FY 2012-13 has been considered as per CSERC (Renewable Purchase Obligation and REC framework Implementation) Regulations ("RPO Regulations") 2011 and for FY 2013-14 to FY 2015-16 as per Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) Regulations, 2013.

The Petitioner has claimed RPO expenses against purchase of RECs from Exchange for FY 2012-13 to FY 2015-16. However, after the prudence check and verification of copy of RECs attached in the Annexure to the Petition, it is observed that the Petitioner has actually purchased REC's only for FY 2012-13 and FY 2013-14. Hence, the RPO expenses have been approved for FY 2012-13 as Rs. 4.30 Crore and for FY 2013-14 as Rs. 7.49 Crore, and no RPO expenses have been approved for FY 2011-12, FY 2014-15 and FY 2015-16, in the absence of actual power purchase cost incurred by the Petitioner. Merely booking the same in the Accounts under power purchase expense is only provisioning for the costs, and such provisioning of expenses is not allowed in the truing up.

The details of RECs actually purchased by the Petitioner and approved in the truing-up are as below:

**Table 4-9: Details of REC's purchased for FY 2011-12 to FY 2015-16**

| Category | FY 2012-13 | | | FY 2013-14 | | |
|---|---|---|---|---|---|---|
| | Price (Rs./REC) | Quantity (Nos.) | Total cost (Rs. Cr.) | Price (Rs./REC) | Quantity (Nos.) | Total cost (Rs. Cr.) |
| Solar | 9300 | 3410 | 3.17 | 3500 | 3562 | 1.25 |
| Non-Solar | 1500 | 7541 | 1.13 | 1500 | 40962 | 6.14 |

The summary of power purchase cost approved after truing up for FY 2011-12 to FY 2015-16 is shown in the Table below:

**Table 4-10: Power Purchase Cost approved after true-up for FY 2011-12 to FY 2015-16**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| **Quantum of Power Purchase (MU)** | | | | | | | | | | |
| **JPL** | 649.58 | - | 686.52 | - | 713.16 | - | 748.04 | - | 753.33 | - |
| **RCPP** | - | 436.08 | - | 529.50 | - | 470.82 | - | 428.51 | - | 179.75 |
| **DCPP** | - | 213.50 | - | 157.02 | - | 242.34 | - | 319.53 | - | 573.58 |
| **Total (MU)** | **649.58** | **649.58** | **686.52** | **686.52** | **713.16** | **713.16** | **748.04** | **748.04** | **753.33** | **753.33** |
| **Power Purchase Cost (Rs. Cr.)** | | | | | | | | | | |
| **JPL** | 194.87 | - | 205.96 | - | 213.95 | - | 224.41 | - | 226 | - |
| **RCPP** | - | 54.88 | - | 71.60 | - | 67.17 | - | 62.13 | - | 30.82 |
| **DCPP** | - | 43.19 | - | 32.85 | - | 64.89 | - | 78.24 | - | 162.41 |
| **Total (Rs. Cr.)** | **194.87** | **98.07** | **205.96** | **104.45** | **213.95** | **132.06** | **224.41** | **140.37** | **226** | **193.22** |
| **RPO Expense (Rs. Cr.)** | 0.00 | 0.00 | 8.42 | 4.30 | 7.49 | 7.39 | 8.78 | 0.00 | 9.75 | 0.00 |
| **Total Power purchase cost (Rs. Cr.)** | **194.87** | **98.07** | **214.38** | **108.75** | **221.44** | **139.45** | **233.19** | **140.37** | **235.75** | **193.22** |
| **Avg. Power Purchase Rate(Rs./kWh)** | | | | | | | | | | |
| **JPL** | 3.00 | - | 3.00 | - | 3.00 | - | 3.00 | - | 3.00 | - |
| **RCPP** | - | 1.26 | - | 1.35 | - | 1.43 | - | 1.45 | - | 1.71 |
| **DCPP** | - | 2.02 | - | 2.09 | - | 2.68 | - | 2.45 | - | 2.83 |

## 4.6 O&M Expenses

### JSPL-D's Submission

The Petitioner has submitted that the segregation of accounts for FY 2011-12 onwards has enabled JSPL-D to account for the actual expenses pertaining to the licensed distribution and retail supply business separately in the books of accounts. For FY 2011-12 and FY 2012-13, JSPL-D has claimed the actual O&M expenses rather than normative O&M expenses, on the ground that the applicable CSERC Tariff Regulations, 2006 do not specify any norms for true-up of O&M expenses. For FY 2013-14 to FY 2015-16, JSPL-D submitted that it has claimed normative O&M expenses in accordance with Regulation 57.4 of the CSERC MYT Regulations, 2012.

**Table 4-11: O&M Expenses for FY 2011-12 to FY 2015-16 claimed by JSPL-D (Rs. Cr.)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Order | Petition | Order | Petition | MYT Order | Petition | MYT Order | Petition | MYT Order | Petition |
| Employee Expenses | 3.39 | 4.26 | - | 4.45 | - | 5.77 | - | 6.03 | - | 6.18 |
| A&G Expenses | 0.65 | 0.73 | - | 0.85 | - | 0.80 | - | 0.83 | - | 0.86 |
| R&M Expenses | 0.97 | 0.65 | - | 0.78 | - | 1.21 | - | 1.26 | - | 1.30 |
| **Total O&M Expenses** | 5.01 | 5.64 | 5.81 | 6.08 | 6.42 | 7.78 | 7.01 | 8.14 | 7.66 | 8.33 |

### Commission's View

The normative O&M expenses have been approved as Rs. 5.01 Crore, Rs. 5.81 Crore, Rs. 6.42 Crore, Rs. 7.01 Crore, and Rs. 7.66 Crore for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, and FY 2015-16, in the respective Tariff Orders. As against this, the Petitioner has claimed actual O&M expenses of Rs. 5.64 Crore and Rs. 6.08 Crore for FY 2011-12 and FY 2012-13, respectively, and normative O&M expenses of Rs. 7.78 Crore, Rs. 8.14 Crore, and Rs. 8.33 Crore for FY 2013-14, FY 2014-15, and FY 2015-16, respectively.

### Actual O&M Expenses

The actual O&M expenses have been verified from the Audited Accounts of FY 2011-12 to FY 2015-16. JSPL-D has claimed A&G Expenses of Rs. 3.79 Crore in the final true-up for FY 2014-15. It is observed that JSPL-D's claim for A&G expenses includes Social Welfare Expenses of Rs. 0.59 Crore and Bad Debt written-off of Rs. 0.24 Crore. The expenses towards Corporate Social Responsibility (CSR) or Social Welfare cannot be recovered from the consumers, and has to be borne by the Licensee from its profits. As regards Bad debts written-off, there is a separate provision under the CSERC MYT Regulations, 2012 and these amounts cannot be claimed under A&G expenses. Hence, the expenses of Rs. 0.83 Crore has not been considered for FY 2014-15 under these heads while approving the actual A&G expenses. Also for FY 2015-16, JSPL-D's claim for A&G expenses includes Social Welfare expenses of Rs. 0.22 Crore, which has been disallowed for the same reason. The bad debts written off in FY 2014-15 have been allowed as a separate head in the ARR.

The actual R&M expenses have been verified from the audited accounts and the actual R&M expenses of Rs. 0.65 Crore, Rs. 0.78 Crore, Rs. 1.36 Crore, Rs. 1.97 Crore, and Rs. 0.78 Crore have been approved for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, and FY 2015-16, respectively.

The actual Employee expenses have been verified from the audited accounts and the actual employee expenses of Rs. 4.26 Crore, Rs. 4.45 Crore, Rs. 4.78 Crore, Rs. 5.08 Crore, and Rs. 6.75 Crore have been approved for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, and FY 2015-16 respectively.

Accordingly, the actual O&M Expenses considered for sharing of gains and losses are given in the following Table:

**Table 4-12: Actual O&M Expenses for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| **Particulars** | **FY 2011-12** | | **FY 2012-13** | | **FY 2013-14** | | **FY 2014-15** | | **FY 2015-16** | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **True-up Petition** | **Approved after True-up** | **True-up Petition** | **Approved after True-up** | **True-up Petition** | **Approved after True-up** | **True-up Petition** | **Approved after True-up** | **True-up Petition** | **Approved after True-up** |
| Employee Cost | 4.26 | 4.26 | 4.45 | 4.45 | 4.78 | 4.78 | 5.08 | 5.08 | 6.75 | 6.75 |
| A&G Expenses | 0.73 | 0.73 | 0.85 | 0.85 | 1.03 | 1.03 | 3.78 | 2.96 | 3.30 | 3.07 |
| R&M Expenses | 0.65 | 0.65 | 0.78 | 0.78 | 1.36 | 1.36 | 1.97 | 1.97 | 0.78 | 0.78 |
| Total O&M Expenses | 5.64 | 5.64 | 6.08 | 6.08 | 7.17 | 7.17 | 10.83 | 10.01 | 10.83 | 10.60 |

**Normative O&M Expenses**

Regulation 57.4 of the CSERC MYT Regulations, 2012 specifies as under:

" *Operation and Maintenance (O&M) Expenses for the distribution licensee shall include:*

*I. Employee Cost;*

*II. Administrative and general Expenses*

*III. Repairs and Maintenance Expenses*

*(a) The Operation and Maintenance expenses, excluding pension fund contribution and impact of pay revision arrears for the base year i.e. FY 2012-13, shall be derived on the basis of the normalized average of the actual Operation and Maintenance expenses excluding pension fund contribution and impact of pay revision arrears available in the audited/un audited accounts for the previous three (3) years immediately preceding the base year FY 2012-13, subject to prudence check by the Commission.*

*(b) The normalization shall be done by applying weighted average inflation at the rate of 60% weightage to actual variation in CPI and 40% weightage to actual variation in WPI on year to year basis. The average of normalized net present value for 2009-10, 2010-11 and 2011-12, shall then be used to project base year value for 2012-13. The base year value so arrived, shall be escalated by the above inflation rate to estimate the O&M expense (excluding impact of pay revision, if any) for each year of the control period.*

*(c) At the time of true up, the O&M cost shall be considered after taking into account the actual inflation instead of projected inflation for that period.*

*Provided further that impact of pay revision (including arrears), if any, shall be allowed on actual during the true-up as per audited /unaudited accounts, subject to prudence check and any other factor considered appropriate by the Commission."*

For computation of normative O&M expenses in accordance with the applicable CSERC Tariff/MYT Regulations for the respective years, the same escalation factor as considered for Chhattisgarh State Power Distribution Company Limited (CSPDCL) for the respective years has been considered. Thus, the escalation factor of 8.82%, 8.00%, 8.25%, 4.57%, and 2.39% has been considered for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, and FY 2015-16, respectively.

The revised normative O&M expenses approved after true-up for FY 2011-12 to FY 2015-16 are shown in the Table below:

**Table 4-13: Revised Normative O&M Expenses approved after true-up for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up |
| Employee Expenses | - | - | - | - | 5.76 | - | 6.04 | - | 6.18 | - |
| A&G Expenses | - | - | - | - | 0.8 | - | 0.84 | - | 0.86 | - |
| R&M Expenses | - | - | - | - | 1.21 | - | 1.27 | - | 1.3 | - |
| Total O&M Expenses | - | 5.17 | - | 5.58 | 7.78 | 6.04 | 8.14 | 6.32 | 8.33 | 6.47 |

As per the provisions in the Regulations for sharing of (gains)/losses of O&M expenses, the efficiency (gains)/losses for FY 2011-12 and FY 2012-13 have been computed as per the CSERC Tariff Regulations, 2006 and for FY 2013-14 to FY 2015-16 as per CSERC MYT Regulations, 2012 on the basis of revised normative O&M expenses, as shown in the following Table:

**Table 4-14: Approved Sharing of (Gain)/Loss for O&M Expenses for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | Revised Normative | Actual Expenses | Efficiency (Gain)/Loss | Entitlement of (Gain)/Loss | |
|---|---|---|---|---|---|
| | | | | JSPL-D | Consumers |
| **FY 2011-12** | | | | | |
| Employee Expenses | | **4.26** | | | |
| A&G Expenses | | **0.73** | | | |
| R&M Expenses | | **0.65** | | | |
| **Total O&M** | **5.17** | **5.64** | **0.48** | **0.48** | **-** |
| **FY 2012-13** | | | | | |
| Employee Expenses | | **4.45** | | | |
| A&G Expenses | | **0.85** | | | |
| R&M Expenses | | **0.78** | | | |
| **Total O&M** | **5.58** | **6.08** | **0.50** | **0.50** | **-** |
| **FY 2013-14** | | | | | |
| Employee Expenses | | **4.78** | | | |
| A&G Expenses | | **1.03** | | | |
| R&M Expenses | | **1.36** | | | |
| **Total O&M** | **6.04** | **7.17** | **1.12** | **0.56** | **0.56** |
| **FY 2014-15** | | | | | |
| Employee Expenses | | **5.08** | | | |
| A&G Expenses | | **2.96** | | | |
| R&M Expenses | | **1.97** | | | |
| **Total O&M** | **6.32** | **10.01** | **3.69** | **1.85** | **1.85** |

| Particulars | Revised Normative | Actual Expenses | Efficiency (Gain)/Loss | Entitlement of (Gain)/Loss | |
|---|---|---|---|---|---|
| | | | | JSPL-D | Consumers |
| **FY 2015-16** | | | | | |
| Employee Expenses | | **6.75** | | | |
| A&G Expenses | | **3.07** | | | |
| R&M Expenses | | **0.78** | | | |
| **Total O&M** | **6.47** | **10.60** | **4.13** | **2.07** | **2.07** |

The sharing of efficiency loss of Rs. 0.48 Crore, Rs. 0.50 Crore, Rs. 0.56 Crore, Rs. 1.85 Crore, and Rs. 2.07 Crore has been approved for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, and FY 2015-16, respectively.

## 4.7 Gross Fixed Assets

### JSPL-D's Submission

The Petitioner has submitted that as a part of the segregation of accounts for the licensed distribution and retail supply business of electricity, JSPL-D had segregated the fixed assets directly engaged in the licensed distribution and retail supply business on the basis of the functional utilization and physical verification of the fixed assets. The segregation of fixed assets has also been certified by the statutory auditors as on March 31, 2011, which the Commission had not accepted on account of non-submission of the audited accounts and documentary proofs to verify the cost of the fixed assets. Considering the direction of the Commission, JSPL-D has considered only two power transformers to be part of the licensed distribution and retail supply business from FY 2011-12 onwards.

The Petitioner has submitted the Gross Fixed Assets (GFA) as Rs. 32.87 Cr. for FY 2011-12 to FY 2015-16 and submitted that no capital investment has been carried out from FY 2011-12 to FY 2015-16, as shown in the Table below:

**Table 4-15: GFA for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (Rs. Cr.)**

| S. No. | Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Order | True-up Petition | Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition |
| 1 | Land under full ownership | | 0.32 | | 0.32 | | 0.32 | | 0.32 | | 0.32 |
| 2 | Building & Civil works | | 3.92 | | 3.92 | | 3.92 | | 3.92 | | 3.92 |
| 3 | Power & Distribution Transformers | 13.43 | 18.74 | 13.43 | 18.74 | 13.43 | 18.74 | 13.43 | 18.74 | 13.43 | 18.74 |

| S. No. | Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Order | True-up Petition | Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition |
| 4 | Switchgears, Control gear & Protection equipment including cable | | 5.34 | | 5.34 | | 5.34 | | 5.34 | | 5.34 |
| 5 | SCADA | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 |
| 6 | Vehicles | | 0.05 | | 0.05 | | 0.05 | | 0.05 | | 0.05 |
| 7 | Lines & cable networks | | 1.94 | | 1.94 | | 1.94 | | 1.94 | | 1.94 |
| 8 | Furniture and fixtures | | 0.03 | | 0.03 | | 0.03 | | 0.03 | | 0.03 |
| 9 | Office equipment | | 0.02 | | 0.02 | | 0.02 | | 0.02 | | 0.02 |
| 10 | Other | 6.46 | | 6.46 | | 6.46 | | 6.46 | | 6.46 | |
| **11** | **Total** | **22.35** | **32.87** | **22.35** | **32.87** | **22.35** | **32.87** | **22.35** | **32.87** | **22.35** | **32.87** |

**Commission's View**

It is noted that JSPL-D has proposed GFA of Rs. 32.87 Crore for FY 2011-12 to FY 2015-16, while stating that it has neither added nor deleted any assets from its distribution system during this period.

As stated in the Tariff Order for FY 2011-12 dated 08.02.2012, considering the Maximum Demand, the Commission feels that two transformers are enough to cater to the load and hence, the cost pertaining to two Power Transformers can be allowed to JSPL-D as a part of Fixed Assets, which is equal to Rs. 1,343.57 Lakh on pro-rata basis.

As regards the cost of SCADA, JSPL-D has provided the allocation of cost of SCADA among its Generation, Transmission and Distribution function and the cost of SCADA for distribution function as submitted by JSPL-D is Rs. 246.38 Lakh. Since, the allocation of total cost of SCADA has been submitted by JSPL-D, the same has been considered.

Therefore, the cost pertaining to two Power Transformers, i.e., Rs. 1343.57 Lakh and the cost of SCADA for distribution function, i.e., Rs 246.38 Lakh, has been considered in addition to the cost of fixed assets of Rs. 645.88 Lakh as approved in the Tariff Order for FY 2011-12 dated 08.02.2012. The amount of GFA approved after True-up for FY 2011-12 to FY 2015-16 is shown in the Table below:

**Table 4-16: Approved GFA for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| S. No. | Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| 1 | Land under full ownership | 0.32 | | 0.32 | | 0.32 | | 0.32 | | 0.32 | |
| 2 | Building & Civil works | 3.92 | | 3.92 | | 3.92 | | 3.92 | | 3.92 | |
| 3 | Power & Distribution Transformers | 18.74 | 13.43 | 18.74 | 13.43 | 18.74 | 13.43 | 18.74 | 13.43 | 18.74 | 13.43 |
| 4 | Switchgears, Control gear & Protection equipment including cable | 5.34 | | 5.34 | | 5.34 | | 5.34 | | 5.34 | |
| 5 | SCADA | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 |
| 6 | Vehicles | 0.05 | | 0.05 | | 0.05 | | 0.05 | | 0.05 | |
| 7 | Lines & cable networks | 1.94 | | 1.94 | | 1.94 | | 1.94 | | 1.94 | |
| 8 | Furniture and fixtures | 0.03 | | 0.03 | | 0.03 | | 0.03 | | 0.03 | |
| 9 | Office equipment | 0.02 | | 0.02 | | 0.02 | | 0.02 | | 0.02 | |
| 10 | Others | | 6.46 | | 6.46 | | 6.46 | | 6.46 | | 6.46 |
| **11** | **Total** | **32.87** | **22.35** | **32.87** | **22.35** | **32.87** | **22.35** | **32.87** | **22.35** | **32.87** | **22.35** |

## 4.8 Depreciation

### JSPL-D's Submission

The Petitioner has submitted that the depreciation has been considered on the basis of the above mentioned segregated fixed assets and rates for depreciation prescribed in the CSERC Tariff/MYT Regulations applicable for the respective years.

The Petitioner has computed depreciation for FY 2011-12 and FY 2012-13 based on the depreciation rates specified under the CSERC Tariff Regulations, 2006. JSPL-D had computed depreciation for FY 2013-14 to FY 2015-16 based on the rates specified under CSERC MYT Regulations, 2012. JSPL-D has submitted the computation of depreciation for true-up from FY 2011-12 to FY 2015-16 as shown in the Table below:

**Table 4-17: Depreciation for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (Rs. Cr.)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Order | True-up Petition | Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition |
| Opening GFA | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 |
| Addition of GFA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Closing GFA | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 |
| Average GFA for the year | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 |
| Depreciation Rate % | 3.36 | 3.55 | 3.36 | 3.41 | 5.01 | 5.03 | 5.01 | 5.03 | 5.01 | 5.03 |
| Gross Depreciation | 0.75 | 1.17 | 0.75 | 1.12 | 1.12 | 1.65 | 1.12 | 1.65 | 1.12 | 1.65 |
| Consumer contribution | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 |
| Less: Depreciation on consumer contribution | 0.17 | 0.18 | 0.17 | 0.18 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 |
| **Net Depreciation** | **0.58** | **0.98** | **0.58** | **0.95** | **0.86** | **1.39** | **0.86** | **1.39** | **0.86** | **1.39** |

### Commission's View

For computation of depreciation, the opening GFA for FY 2011-12 has been considered as detailed in the earlier section, as Rs. 22.35 Crore, and depreciation for FY 2011-12 and FY 2012-13 has been computed in accordance with the CSERC Tariff Regulations, 2006. Accordingly, the weighted average depreciation rates has been considered as 3.46% and 3.41% for FY 2011-12 and FY 2012-13, respectively.

For FY 2013-14 to FY 2015-16 the opening GFA has been considered equal to the closing GFA of previous year, which is same as Rs. 22.35 Crore for all the years as no GFA has been added during this period. For the purpose of final true-up for FY 2013-14 to FY 2015-16, the depreciation has been computed in accordance with the CSERC MYT Regulations, 2012. The weighted average depreciation rate of 5.03% has been considered as submitted by the Petitioner for FY 2013-14 to FY 2015-16.

Further, the depreciation on consumer contribution/Grants has been deducted as per the applicable CSERC Tariff/MYT Regulations for FY 2011-12 to FY 2015-16.

The depreciation approved after true-up for FY 2011-12 to FY 2015-16 is shown in the following Table:

**Table 4-18: Approved Depreciation for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Opening GFA | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 |
| Addition of GFA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Closing GFA | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 |
| Average GFA for the year | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 |
| Depreciation Rate % | 3.55 | 3.46 | 3.41 | 3.41 | 5.03 | 5.03 | 5.03 | 5.03 | 5.03 | 5.03 |
| Gross Depreciation | 1.17 | 0.77 | 1.12 | 0.76 | 1.65 | 1.12 | 1.65 | 1.12 | 1.65 | 1.12 |
| Consumer contribution | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 |
| Less: Depreciation on consumer contribution | 0.18 | 0.18 | 0.18 | 0.18 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 |
| **Net Depreciation** | **0.98** | **0.60** | **0.95** | **0.59** | **1.39** | **0.87** | **1.39** | **0.87** | **1.39** | **0.87** |

## 4.9 Interest on Loan

### JSPL-D's Submission

JSPL-D has submitted in the Petition No. 39 of 2012 that it had no borrowings from commercial banks/lending institutions and therefore, no interest is due on any borrowings from commercial banks/lending institutions during FY 2012-13. Also, part of the total fixed assets for the licensed distribution and retail supply business was funded by the term-loan, which was fully repaid in FY 2010-11 and the remaining funds invested in the fixed assets of distribution and retail supply business had been funded by JSPL's other business segments. JSPL-D submitted that for the purpose of determination of ARR, the interest on such funds (funded by other business segment) has been computed on the balance of net fixed assets, after deducting 30% of GFA (considered as equity) and consumer contribution.

Further, JSPL-D submitted that in the Tariff Order dated 10.07.2013, while determining the normative debt and equity for FY 2012-13, the Commission had considered GFA of Rs. 2,235.83 Lakh as approved in the Tariff Order dated 08.02.2012 against the submitted GFA of Rs. 5,136.34 lakh for FY 2011-12. However, the loan considered by the Commission was Rs. 1,520.73 Lakh, which was the same as submitted by JSPL-D for GFA of Rs. 5,136.34 lakh in Petition No. 6 of 2011 for determination of ARR for JSPL's licensed Distribution business from FY 2010-11 to FY 2011-12 and the Commission did not reduce the loan amount proportionate to the reduction in the GFA.

JSPL-D submitted that aggrieved by this methodology, it had filed an Appeal before the Hon'ble APTEL seeking revision of ARR determined by the Commission. The Hon'ble APTEL, vide its Judgment dated 01.07.2014, remanded the matter back to the Commission to reconsider the issue under paragraph 12.3 of the Judgment, as reproduced below:

*"In the absence of appropriate audited accounts for FY 2011-12 and lack of details/substantiation provided by the Appellant-JSPL, the State Commission found no reason to differ from the amount of fixed assets approved in the previous tariff order. However, there is merit in the Appellant's contention regarding proportionate reduction of debt & equity as certain gross fixed assets have been disallowed. Accordingly, this issue i.e. Issue No. C is remanded to the State Commission for reconsideration."*

For the purpose of computation of interest on loan amount, the Petitioner has considered the interest rate as 11.5%. The interest on loan capital for FY 2011-12 to FY 2015-16 as submitted by the Petitioner is shown in the following Table:

**Table 4-19: Interest on Loan for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Order | True-up Petition | Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition |
| Opening Net Normative loan | 13.41 | 19.66 | 12.84 | 14.11 | 12.26 | 13.17 | 11.4 | 11.78 | 10.54 | 10.39 |
| Addition of normative loan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Repayment of normative loan | 0.58 | 0.98 | 0.58 | 0.95 | 0.86 | 1.39 | 0.86 | 1.39 | 0.86 | 1.39 |
| Reduction in Normative loan | 0.00 | 6.63 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Net Normative loan | 12.83 | 12.05 | 12.26 | 13.16 | 11.4 | 11.78 | 10.54 | 10.39 | 9.68 | 9 |
| Average Normative loan | 13.12 | 15.86 | 12.55 | 13.64 | 11.83 | 12.48 | 10.97 | 11.09 | 10.11 | 9.7 |
| Rate of Interest (%) | 11.00 | 11.50 | 11.00 | 11.50 | 11.00 | 11.50 | 11.00 | 11.50 | 11.00 | 11.50 |
| **Interest on loan capital** | **1.44** | **1.82** | **1.38** | **1.57** | **1.30** | **1.43** | **1.21** | **1.28** | **1.11** | **1.12** |

**Commission's view**

The opening normative loan for FY 2011-12 has been considered as Rs. 13.41 Crore, as considered in earlier Orders. There has been no addition of loan from FY 2011-12 to FY 2015-16. In FY 2011-12, though the Petitioner has shown reduction of loan by Rs. 6.63 Crore, this amount has not been reduced as this reduction has already been considered in the opening loan amount itself. The allowable depreciation for the year has been considered as the normative repayment for the year. The rate of interest is considered the same as the rate of interest on loan capital considered in the True-up for JSPL-T, as there are no separate loans. Interest on loan capital has been computed by applying the above-said interest rate on average normative loan for the respective years, as shown in the Table below:

**Table 4-20: Approved Interest on Loan for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Opening Net Normative loan | 19.66 | 13.41 | 14.11 | 12.81 | 13.17 | 12.23 | 11.78 | 11.36 | 10.39 | 10.50 |
| Addition of normative loan | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Repayment of normative loan | 0.98 | 0.60 | 0.95 | 0.59 | 1.39 | 0.87 | 1.39 | 0.87 | 1.39 | 0.87 |
| Reduction in Normative loan | 6.63 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Closing Net Normative loan | 12.05 | 12.81 | 13.16 | 12.23 | 11.78 | 11.36 | 10.39 | 10.50 | 9.00 | 9.63 |
| Average Normative loan | 15.86 | 13.11 | 13.64 | 12.52 | 12.48 | 11.8 | 11.09 | 10.93 | 9.70 | 10.07 |
| Rate of Interest (%) | 11.50 | 11.00 | 11.50 | 11.50 | 11.50 | 11.50 | 11.50 | 11.50 | 11.50 | 11.50 |
| **Interest on loan capital** | **1.82** | **1.44** | **1.57** | **1.44** | **1.43** | **1.36** | **1.28** | **1.26** | **1.12** | **1.16** |

## 4.10 Interest on Consumer Security Deposit

### JSPL-D Submission

The Petitioner has submitted that it had paid interest of Rs. 0.96 Crore in FY 2010-11 to its consumers on account of interest on security deposits placed with JSPL-D. However, the Commission directed JSPL-D to pay interest on consumer deposit with effect from November 29, 2005, which is the date of issuance of licence to JSPL. In compliance to the direction of the Commission, JSPL-D paid the interest payable to consumers with effect from November 29, 2005 to March 31, 2010 and from April 1, 2011 to March 31, 2012 in FY 2011-12. This amounts to a total of Rs. 4.12 Crore. JSPL-D has calculated the interest at a rate of 6% on the outstanding security deposits in accordance with the prevailing Bank Rate of Reserve Bank of India.

The Petitioner has considered actual Consumer Security Deposits (CSD) as per Audited Accounts for FY 2012-13 to FY 2015-16. Interest on CSD has been computed on average balance during the year. Interest on CSD claimed by the Petitioner for respective years, is shown in the following Table:

**Table 4-21: Interest on Consumer Security Deposits for FY 2011-12 to FY 2015-16 submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Order | True-up Petition | Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition |
| Opening Balance of CSD | 20.78 | 20.78 | 20.78 | 20.78 | 20.78 | 20.43 | 21.49 | 28.43 | 21.49 | 31.05 |
| Addition of CSD | 0.00 | 0.00 | 0.00 | -0.35 | 0.71 | 8.00 | 0.00 | 2.62 | 0.00 | 9.02 |
| Closing Balance of CSD | 20.78 | 20.78 | 20.78 | 20.43 | 21.49 | 28.43 | 21.49 | 31.05 | 21.49 | 40.07 |
| Average Balance | 20.78 | 20.78 | 20.78 | 20.61 | 21.14 | 24.43 | 21.49 | 29.74 | 21.49 | 35.56 |
| Rate of Interest (%) | 6.00 | 6.00 | 6.00 | 9.00 | 8.50 | 9.70 | 8.50 | 8.81 | 8.50 | 12.88 |
| **Interest on CSD** | **4.12** | **4.12** | **1.25** | **1.82** | **1.8** | **2.37** | **1.83** | **2.62** | **1.83** | **4.58** |

### Commission's view

The actual interest paid on the CSD has been verified from the Audited Accounts for FY 2011-12 to FY 2015-16. Accordingly, the interest on CSD after true-up for FY 2011-12 to FY 2015-16 is shown in the following Table:

**Table 4-22: Approved Interest on CSD for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Opening Balance of CSD | 20.78 | 20.78 | 20.78 | 20.78 | 20.43 | 20.43 | 28.43 | 28.43 | 31.05 | 31.05 |
| Addition of CSD | 0.00 | 0.00 | -0.35 | -0.35 | 8.00 | 8.00 | 2.62 | 2.62 | 9.02 | 9.02 |
| Closing Balance of CSD | 20.78 | 20.78 | 20.43 | 20.43 | 28.43 | 28.43 | 31.05 | 31.05 | 40.07 | 40.07 |
| Average Balance | 20.78 | 20.78 | 20.61 | 20.61 | 24.43 | 24.43 | 29.74 | 29.74 | 35.56 | 35.56 |
| Rate of Interest (%) | 6.00 | 6.00 | 9.00 | 9.00 | 9.70 | 9.70 | 8.81 | 8.81 | 12.88 | 12.88 |
| **Interest on CSD** | **4.12** | **4.12** | **1.82** | **1.82** | **2.37** | **2.37** | **2.62** | **2.62** | **4.58** | **4.58** |

## 4.11 Interest on Working Capital

### JSPL-D's Submission

The Petitioner has requested the Commission to allow interest on working capital for FY 2011-12 to FY 2015-16 as per the methodology specified in the applicable CSERC Tariff/MYT Regulations.

JSPL-D submitted that as per Regulation 6.5 of the "Chhattisgarh State Electricity Supply Code-2011" (Applicable from 1.04.2013 till 31.12.2013) the security deposit shall be an amount equivalent to the estimated consumption of 45 days applying the prevailing tariff and other charges for consumers other than agricultural and stone-crushers and hot-mix plants. Additionally, according to Regulation 7 of "Chhattisgarh State Electricity Supply Code (First Amendment) 2013" (Applicable from 1.01.2014 till 31.03.2014) the security deposit shall be an amount equivalent to the estimated consumption of 60 days applying the prevailing tariff and other charges for consumers other than agricultural and stone-crushers and hot-mix plants.

The Petitioner mentioned that the consumer security deposit in the audited accounts for FY 2013-14 to FY 2015-16 have increased as compared to the consumer security deposit submitted in the Petition No. 55 of 2012, due to the revision of tariff for FY 2013-14 as per Tariff Order dated 12.07.2013, increase in actual sales compared to estimated sales, and the increase in the number of days for security deposit as per the Chhattisgarh State Electricity Supply Code (First Amendment) 2013.

JSPL-D has submitted that since the ARR approved for FY 2013-14 to FY 2015-16 in the Tariff Order dated 12.07.2013 was less than actual expenses incurred by JSPL-D during the year, the consumer security deposit surplus of the normative working capital requirement was used to fund the operations of the JSPL distribution business and it has not earned any interest on the surplus consumer security deposit. Therefore, the interest on working capital claimed by JSPL-D for FY 2013-14 to FY 2015-16 is Nil. Also for FY 2015-16, the Petitioner has submitted that as per the Tariff Order dated 23.12.2014, the Commission has fixed a tariff of Rs. 2.5o per kWh from 1st January 2015; this was less than actual per unit expenses incurred by JSPL-D during the year.

The computation of Interest on Working Capital by JSPL-D for FY 2011-12 to FY 2015-16 is shown in the Table below:

**Table 4-23: Interest on Working Capital for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Order | True-up Petition | Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition | MYT Order | True-up Petition |
| O&M Expenses | 0.42 | 0.47 | 0.48 | 0.51 | 0.53 | 0.65 | 0.58 | 0.68 | 0.63 | 0.69 |
| Maintenance Spares | 0.04 | 0.84 | 0.03 | 0.05 | 0.96 | 1.17 | 1.05 | 1.22 | 1.14 | 1.25 |
| Receivables | 32.59 | 30.68 | 34.28 | 38.13 | 19.84 | 20.18 | 20.01 | 19.88 | 20.19 | 23.31 |
| Total Working Capital Requirement | 33.05 | 31.99 | 34.79 | 38.69 | 21.33 | 22.00 | 21.64 | 21.78 | 21.96 | 25.25 |
| Less: Consumer security deposit | - | - | - | - | 21.49 | 28.43 | 21.49 | 31.05 | 21.49 | 40.07 |
| **Net Working Capital Requirement** | **-** | **-** | **-** | **-** | **-0.16** | **-6.43** | **0.15** | **-9.27** | **0.47** | **-14.82** |
| Rate of Interest (%) | 11.75 | 14.40 | 10.25 | 10.25 | 13.20 | 9.65 | 13.20 | 11.50 | 13.20 | 11.50 |
| **Interest on Working Capital** | **3.88** | **4.61** | **3.57** | **3.97** | **0.00** | **0.00** | **0.02** | **0.00** | **0.06** | **0.00** |

### Commission's View

The normative Interest on Working Capital (IoWC) has been computed in accordance with the CSERC Tariff Regulations, 2006 for FY 2011-12 and FY 2012-13, and in accordance with CSERC MYT Regulations, 2012 for FY 2013-14 to FY 2015-16. The revised normative O&M expenses has been considered for computing the working capital requirement. The receivables have been considered equivalent to two month's actual revenue received for FY 2011-12 and FY 2012-13 as per CSERC Tariff Regulations, 2006 and equal to one month's actual revenue received for FY 2013-14 to FY 2015-16 as per CSERC MYT Regulations, 2012.

The interest rate for computing IoWC has been considered as equal to the SBI Base Rate as on 1$^{st}$ April plus 350 basis points, i.e., 12% for FY 2011-12 and 13.25% for FY 2012-13 in accordance with the CSERC Tariff Regulations, 2006 and equal to 13.3%, 13.5%, and 9.85% for FY 2013-14, FY 2014-15, and FY 2015-16, respectively, in accordance with the CSERC MYT Regulations, 2012. The CSD has been considered as Rs. 28.43 Crore for FY 2013-14, Rs. 31.05 Crore for FY 2014-15, and Rs. 40.07 Crore for FY 2015-16 as per the Audited Accounts submitted by JSPL-D. The normative

IoWC for FY 2013-14 to FY 2015-16 works out to be negative and has hence, been considered zero for FY 2013-14 to FY 2015-16. The interest on the negative working capital requirement has been considered as notional Non-Tariff Income in accordance with the CSERC MYT Regulations, 2012 for FY 2013-14 to FY 2015-16, as explained subsequently. The normative IoWC approved after true-up for FY 2011-12 to FY 2015-16 is shown in the following Table:

**Table 4-24: Approved Interest on IoWC after true-up for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| O&M Expenses | 0.47 | 0.43 | 0.51 | 0.46 | 0.65 | 0.50 | 0.68 | 0.53 | 0.69 | 0.54 |
| Maintenance Spares | 0.84 | 0.04 | 0.05 | 0.04 | 1.17 | 0.91 | 1.22 | 0.95 | 1.25 | 0.97 |
| Receivables | 30.68 | 30.68 | 38.13 | 38.13 | 20.18 | 20.18 | 19.88 | 19.88 | 23.31 | 16.10 |
| Total Working Capital Requirement | 31.99 | 31.15 | 38.69 | 38.63 | 22.00 | 21.59 | 21.78 | 21.35 | 25.25 | 17.61 |
| Less: Consumer security deposit | | | | | 28.43 | 28.43 | 31.05 | 31.05 | 40.07 | 40.07 |
| **Net Working Capital Requirement** | | | | | **-6.43** | **-6.84** | **-9.27** | **-9.7** | **-14.82** | **-22.46** |
| Rate of Interest (%) | 14.40 | 12.00 | 10.25 | 13.25 | 9.65 | 13.30 | 11.50 | 13.50 | 11.50 | 9.85 |
| **Interest on Working Capital** | **4.61** | **3.74** | **3.97** | **5.12** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |

## 4.12 Provision for Bad and Doubtful Debts

### JSPL-D's Submission

The Petitioner has submitted that bad debts have been written off for only FY 2014-15, amounting to Rs. 0.24 Crore, which has been included under A&G expenses.

### Commission's View

The provision for bad and doubtful debts have been considered for the purpose of true-up for FY 2014-15 as per CSERC MYT Regulations, 2012. The amount is less than 1% of the revenue for the year and hence, Rs. 0.24 Crore has been approved towards provision for bad and doubtful debts in FY 2014-15, as the same has not been allowed under A&G expenses, as stated earlier.

## 4.13 Return on Equity (RoE)

### JSPL-D's Submission

The Petitioner has submitted that due to historical reasons, segregation of the equity share capital for the licensed distribution and retail supply business has not been undertaken. Rather than segregating the existing equity share capital in the ratio of fixed assets, complying with the provisions under Regulation 12 (1) of the CSERC Tariff Regulations, 2006, JSPL-D has considered an amount equivalent to 30% of the gross fixed assets as the share capital for the purpose of charging Return on Equity in the ARR.

Further, JSPL-D submitted that CSERC Tariff Regulations, 2006, allow a Licensee to recover Return on Equity on normative equity at a pre-tax rate of 15.5% to be grossed up by applying the tax rate applicable to the Licensee for the Financial Year.

The Petitioner has submitted that it has incurred financial losses and is hence, not liable to pay any Income Tax for the licensed distribution and retail supply business of electricity. Therefore, JSPL-D has not grossed up the rate of reasonable return while calculating the RoE for FY 2011-12. For FY 2012-13 to FY 2015-16, the Petitioner has grossed up rate of reasonable return by MAT rate to fulfil tax liability after the true-up assuming that if the actual ARR would have been allowed, it would have been in profit. The Petitioner has submitted that in the Orders dated 10.07.2013 and 12.07.2013, while determining the normative debt and equity for FY 2012-13 and FY 2013-14 to FY

2015-16, the Commission had considered GFA of Rs. 2235.83 Lakh as approved in the Tariff Order dated 08.02.2012 against the submitted GFA of Rs. 5,136.34 lakh for FY 2011-12. However, the loan considered by the Commission was Rs. 1,520.73 Lakh, which was the same as submitted by JSPL-D for GFA of 5,136.34 lakh in Petition No. 6 of 2011 for determination of ARR for JSPL-D's licensed Distribution business from FY 2010-11 to FY 2011-12. The Commission did not reduce the loan amount proportionate to the reduction in the GFA. Consequently, the equity amount approved by the Commission was Rs. 200.60 lakh against the equity amount of Rs. 831.87 lakh.

Therefore, Return on Equity for FY 2011-12 to FY 2015-16 is computed as shown in Table below:

**Table 4-25: Return on Equity for FY 2011-12 to FY 2015-16 submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Order** | **True-up Petition** | **Order** | **True-up Petition** | **MYT Order** | **True-up Petition** | **MYT Order** | **True-up Petition** | **MYT Order** | **True-up Petition** |
| Opening GFA | 22.35 | 45.59 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 |
| Less: Consumer contribution | 5.15 | | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 |
| Net opening GFA | 17.20 | | 17.20 | 27.72 | 17.20 | 27.72 | 17.20 | 27.72 | 17.20 | 27.72 |
| Opening equity | 2.00 | 13.68 | 2.00 | 8.32 | 2.00 | 8.32 | 2.00 | 8.32 | 2.00 | 8.32 |
| Equity addition during the year | - | - | - | - | - | - | - | - | - | - |
| Closing GFA | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 |
| Less: Consumer contribution | 5.15 | | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 |
| Net closing GFA | 17.20 | | 17.20 | 27.72 | 17.20 | 27.72 | 17.20 | 27.72 | 17.20 | 27.72 |
| Closing equity | 2.00 | 9.86 | 2.00 | 8.32 | 2.00 | 8.32 | 2.00 | 8.32 | 2.00 | 8.32 |
| Avg. equity for the FY | 2.00 | 11.77 | 2.00 | 8.32 | 2.00 | 8.32 | 2.00 | 8.32 | 2.00 | 8.32 |
| Rate of RoE % | 14.00 | 15.50 | 14.00 | 14.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 |
| MAT Rate % | | | | 19.06 | | 19.06 | | 19.06 | | 19.06 |
| Grossed up rate of reasonable return % | | | | 17.30 | | 19.77 | | 19.77 | | 19.77 |
| **ROE** | **0.28** | **1.82** | **0.28** | **1.44** | **0.32** | **1.64** | **0.32** | **1.64** | **0.32** | **1.64** |

**Commission's View**

The RoE has been computed in accordance with Regulation 29 of the CSERC Tariff Regulations, 2006 for FY 2011-12 and FY 2012-13, and in accordance with Regulations 17 and 22 of the CSERC MYT Regulations, 2012 for FY 2013-14 to FY 2015-16. The opening GFA for FY 2011-12 has been considered as Rs. 22.35 Crore as approved earlier in this Order. The consumer contribution has been considered as Rs. 5.15 Crore, which has been reduced from opening GFA. There has been no equity addition during FY 2011-12 to FY 2015-16. The rate of return on equity on average equity for the year has been considered as 14% for FY 2011-12 and FY 2012-13 and 16% for FY 2013-14 to FY 2015-16. The RoE has not been grossed up by the MAT rate considering the fact that JSPL-D has not submitted any evidence for payment of actual Income Tax for these years.

The RoE approved after true-up for FY 2011-12 to FY 2015-16 is shown in the Table below:

**Table 4-26: Approved Return on Equity after true-up for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Opening GFA | 45.59 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 |
| Less: Consumer contribution | - | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 |
| Net opening GFA | | 17.20 | 27.72 | 17.20 | 27.72 | 17.20 | 27.72 | 17.20 | 27.72 | 17.20 |
| Opening equity | 13.68 | 5.16 | 8.32 | 5.16 | 8.32 | 5.16 | 8.32 | 5.16 | 8.32 | 5.16 |
| Equity addition during the year | - | - | - | - | - | - | - | - | - | - |
| Closing GFA | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 | 32.87 | 22.35 |
| Less: Consumer contribution | - | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 |
| Net closing GFA | - | 17.20 | 27.72 | 17.20 | 27.72 | 17.20 | 27.72 | 17.20 | 27.72 | 17.20 |
| Closing equity | 9.86 | 5.16 | 8.32 | 5.16 | 8.32 | 5.16 | 8.32 | 5.16 | 8.32 | 5.16 |
| Avg. equity for the FY | 11.77 | 5.16 | 8.32 | 5.16 | 8.32 | 5.16 | 8.32 | 5.16 | 8.32 | 5.16 |
| Rate of RoE % | 15.50 | 14.00 | 14.00 | 14.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 |
| MAT Rate % | - | - | 19.06 | - | 19.06 | - | 19.06 | - | 19.06 | - |
| Grossed up rate of reasonable return % | - | - | 17.30 | - | 19.77 | - | 19.77 | - | 19.77 | - |
| **ROE** | **1.82** | **0.72** | **1.44** | **0.72** | **1.64** | **0.83** | **1.64** | **0.83** | **1.64** | **0.83** |

## 4.14 Non-Tariff Income

### JSPL-D's Submission

The Petitioner has submitted that the Commission in the Tariff Order had directed JSPL-D to include income from sources such as Delayed Payment Surcharge (DPS) in the Non-Tariff Income. In compliance with the directive of the Commission, JSPL-D has included DPS for FY 2011-12 to FY 2015-16 in the Non-Tariff Income.

The Non-Tariff Income claimed by the Petitioner for FY 2011-12 to FY 2015-16, is shown in the following table:

**Table 4-27: Non-Tariff Income for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (Rs. Crore)**

| **Particulars** | **FY 2011-12** | | **FY 2012-13** | | **FY 2013-14** | | **FY 2014-15** | | **FY 2015-16** | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Order** | **True-up Petition** | **Order** | **True-up Petition** | **MYT Order** | **True-up Petition** | **MYT Order** | **True-up Petition** | **MYT Order** | **True-up Petition** |
| Meter Rent | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 |
| Delayed Payment Surcharge | 0.51 | 0.51 | 0.00 | 0.84 | 0.00 | 0.39 | 0.00 | 0.18 | 0.00 | 0.99 |
| Notional Income on excess security deposit over Working capital | | | | | 0.02 | | | | | |
| **Total** | **0.62** | **0.62** | **0.11** | **0.95** | **0.13** | **0.50** | **0.11** | **0.29** | **0.11** | **1.10** |

### Commission's View

It is observed that JSPL-D has included DPS in the Non-Tariff Income for FY 2011-12 to FY 2015-16. However, the DPS has not been considered in the Non-Tariff Income in accordance with the Judgment of the Hon'ble APTEL to the effect that DPS will not be considered either in Expense or Revenue. For FY 2013-14 to FY 2015-16, the interest on excess security deposit over the working capital requirement has been considered as notional NTI as per CSERC MYT Regulations, 2012.

The Non-Tariff Income approved after True-up for FY 2011-12 to FY 2015-16 is shown in the Table below:

**Table 4-28: Approved Non-Tariff Income after true-up for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Meter Rent | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 |
| Delayed Payment Surcharge | 0.51 | 0.00 | 0.84 | 0.00 | 0.39 | 0.00 | 0.18 | 0.00 | 0.99 | 0.00 |
| Notional Income | | | | | | 0.91 | | 1.31 | | 2.21 |
| **Total** | **0.62** | **0.11** | **0.95** | **0.11** | **0.50** | **1.02** | **0.29** | **1.42** | **1.10** | **2.32** |

## 4.15 Transmission Charges

### JSPL-D's Submission

JSPL-D submitted that the power is supplied to the licensed distribution and retail supply business through the licensed transmission lines (23.7 km line from JSPL to Punjipathra and 19.5 km line from JPL to Punjipathra).

JSPL-D has considered the Transmission Charges for FY 2011-12 based on the ARR allowed by the Commission to the licensed Transmission Business in the Order dated December 30, 2011. For FY 2012-13 to FY 2015-16, JSPL-D has considered 25% of the trued up ARR for FY 2012-13 to FY 2015-16 its licensed transmission business as approved by the Commission in the Order dated 12.07.2013.

**Table 4-29: Transmission charges for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Order | True-up Petition | Order | True-up Petition | Order | True-up Petition | Order | True-up Petition | Order | True-up Petition |
| Intra-State Transmission charges | 1.86 | 1.77 | 2.13 | 2.6 | 2.45 | 3.01 | 2.41 | 3.02 | 2.34 | 2.99 |

### Commission's View

The Transmission Charges have been considered as Rs. 1.77 Crore for FY 2011-12 as approved in JSPL-T Order for FY 2011-12. For FY 2012-13 to FY 2015-16, the Revenue of JSPL-T as approved in the True-up Order passed on February 10, 2020, has been considered as the Transmission Charges payable/paid by JSPL-D, viz., Rs. 1.77 Crore for FY 2012-13, Rs. 2.17 Crore for FY 2013-14, Rs. 2.36 Crore for FY 2014-15, and Rs. 2.25 Crore for FY 2015-16.

**Table 4-30: Approved Transmission charges after true-up for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Intra-State Transmission charges | 1.77 | 1.77 | 2.6 | 1.77 | 3.01 | 2.17 | 3.02 | 2.36 | 2.99 | 2.25 |

## 4.16 3.15 Aggregate Revenue Requirement

Based on the above, the Net ARR approved after true-up for FY 2011-12 to FY 2015-16 is shown in the following Table:

**Table 4-31: Net ARR and Revenue Gap/(Surplus) approved by the Commission after true-up for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Sr. No. | Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Petition | Approved | Petition | Approved | Petition | Approved | Petition | Approved | Petition | Approved |
| 1 | Power Purchase Cost | 194.87 | 98.07 | 214.38 | 108.75 | 221.44 | 139.45 | 233.19 | 140.37 | 235.75 | 202.87 |
| 2 | O&M Expenses | 5.63 | 5.64 | 6.07 | 6.08 | 7.78 | 7.17 | 8.14 | 10.01 | 8.33 | 10.60 |
| 3 | Depreciation | 0.98 | 0.60 | 0.95 | 0.59 | 1.4 | 0.87 | 1.4 | 0.87 | 1.4 | 0.87 |
| 4 | Interest on Loan | 1.82 | 1.44 | 1.57 | 1.44 | 1.43 | 1.36 | 1.27 | 1.26 | 1.11 | 1.16 |
| 5 | Interest on Security Deposit | 4.12 | 4.12 | 1.83 | 1.82 | 2.38 | 2.37 | 2.62 | 2.62 | 4.58 | 4.58 |
| 6 | Interest on Working Capital Requirement | 13.23 | 3.74 | 3.97 | 5.12 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | Return on Equity | 1.82 | 0.72 | 1.44 | 0.72 | 1.64 | 0.83 | 1.64 | 0.83 | 1.64 | 0.83 |
| 8 | Transmission charges | 1.77 | 1.77 | 2.61 | 1.77 | 3.02 | 2.17 | 3.02 | 2.36 | 2.99 | 2.25 |
| 9 | Provision for Bad & Doubtful Debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.24 | 0 | 0 |
| 10 | Less: (Gain)/Loss on Sharing O&M Efficiency | 0 | 0.48 | 0 | 0.50 | 0 | 0.56 | 0 | 1.85 | 0 | 2.07 |
| 11 | Less: Non-Tariff Income | 0.62 | 0.11 | 0.94 | 0.11 | 0.5 | 1.02 | 0.29 | 1.42 | 1.1 | 2.32 |
| **12** | **Net ARR** | **223.64** | **115.51** | **231.86** | **125.68** | **238.59** | **152.62** | **251** | **155.29** | **254.71** | **218.76** |

## 4.17 Revenue from Sale of Electricity

### JSPL-D's Submission

Petitioner has submitted the Revenue from Sale of Electricity for FY 2011-12 to FY 2015-16, as shown in the Table below:

**Table 4-32: Revenue from Sale of Electricity for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (Rs. Cr.)**

| Particulars | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 |
|---|---|---|---|---|---|
| Revenue from Sale of Electricity | 184.08 | 228.79 | 242.12 | 238.54 | 193.81 |

### Commission's View

It is noted that JSPL-D has submitted the revenue from sale of power based on the audited accounts for FY 2011-12 to FY 2015-16.

The revenue for FY 2011-12 has been verified as Rs. 184.08 Crore from audited accounts and additional submission by JSPL-D in the replies to data gaps raised by the Commission, as the same was not mentioned in the Petition submitted by JSPL-D. The revenue for FY 2012-13, FY 2013-14, and FY 2014-15 has been verified from audited accounts as Rs. 228.79 Crore, Rs. 242.12 Crore, and Rs. 238.54 Crore, respectively. For FY 2015-16, the revenue mentioned in audited accounts is Rs. 279.71 Crore, including the revenue of Rs. 86.53 Crore on account of difference @Rs. 0.93/kWh not billed due to the Commission's Order, but accounted on accrual basis. The Petitioner has considered the revenue of Rs. 193.81 Crore in the Petition No. 62 of 2018 submitted to the Commission and hence, the Commission has deducted Rs. 86.53 Crore from Rs. 279.71 Crore and considered Rs. 193.18 Crore as revenue for FY 2015-16. The revenue approved after true-up for FY 2011-12 to FY 2015-16 is shown in the Table below:

**Table 4-33: Approved Revenue from Sale of Electricity after true-up for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 |
|---|---|---|---|---|---|
| Revenue from Sale of Electricity | 184.08 | 228.79 | 242.12 | 238.54 | 193.18 |

## 4.18 Revenue Gap/(Surplus)

### JSPL-D Submission

The Petitioner has not claimed any Revenue Gap/(Surplus) in the true-up Petition for FY 2011-12. The summary of Revenue Gap claimed by the Petitioner for FY 2012-13 to FY 2015-16, is as shown in the Table below:

**Table 4-34: Revenue Gap/(Surplus) for FY 2011-12 to FY 2015-16 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 |
|---|---|---|---|---|---|
| Opening Gap/(Surplus) | | - | 3.23 | (0.16) | 13.00 |
| Revenue from sale of energy | | 228.79 | 242.12 | 238.54 | 193.81 |
| ARR | | 231.86 | 238.59 | 251.00 | 254.71 |
| Addition of Revenue Gap/(Surplus) | | 3.07 | (3.53) | 12.46 | 60.90 |
| Closing Gap | | 3.07 | (0.30) | 12.31 | 73.90 |
| Average Gap | | 1.54 | 1.46 | 6.07 | 43.45 |
| Interest Rate (%) | | 10.25 | 9.65 | 11.50 | 11.50 |
| Carrying Cost on Revenue Gap | | 0.15 | 0.14 | 0.70 | 5.00 |
| **Closing Gap/(Surplus) including Carrying Cost** | | **3.23** | **(0.16)** | **13.00** | **78.90** |

### Commission's View

The ARR approved for JSPL-D after true-up for FY 2011-12 to FY 2015-16 and the Revenue approved in the earlier Sections of this Chapter, have been considered to compute the Revenue Gap/(Surplus) for FY 2011-12 to FY 2015-16. The Carrying/(Holding) Cost on the cumulative Revenue Gap/(Surplus) has also been calculated as shown in the Table below. It may be noted that the Carrying/(Holding) Cost has been computed, irrespective of whether there is a Revenue Gap or Revenue Surplus. In all the years except FY 2015-16, there is a Revenue Surplus, and hence, Holding Cost has been computed on the Revenue Surplus. The summary of Revenue Gap/(Surplus) approved after true-up of FY 2011-12 to FY 2015-16 for JSPL-D is shown in the Table below:

**Table 4-35: Approved Revenue Gap/(Surplus) after true-up for FY 2011-12 to FY 2015-16 (Rs. Crore)**

| Particulars | FY 2011-12 | | FY 2012-13 | | FY 2013-14 | | FY 2014-15 | | FY 2015-16 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Opening Revenue Gap/(Surplus) | | 0.00 | | (72.68) | 3.23 | (192.25) | (0.16) | (313.27) | 13.00 | (444.44) |
| Revenue from sale of energy | | 184.08 | 228.79 | 228.79 | 242.12 | 242.12 | 238.54 | 238.54 | 193.81 | 193.18 |
| ARR | | 115.51 | 231.86 | 125.68 | 238.59 | 152.62 | 251.00 | 155.29 | 254.71 | 218.76 |
| Addition of Revenue Gap/(Surplus) in the year | | (68.57) | 3.07 | (103.11) | (3.53) | (89.50) | 12.46 | (83.25) | 60.90 | 25.58 |
| Closing Revenue Gap/(Surplus) | | (68.57) | 3.07 | (175.79) | (0.30) | (281.75) | 12.31 | (396.53) | 73.90 | (418.85) |
| Average Revenue Gap/(Surplus) | | (34.28) | 1.54 | (124.24) | 1.46 | (237.00) | 6.07 | (354.90) | 43.45 | (431.65) |
| Carrying/(Holding) Cost Interest Rate % | | 12.00% | 10.25% | 13.25% | 9.65% | 13.30% | 11.50% | 13.50% | 11.50% | 9.85% |
| Carrying/(Holding) Cost | | (4.11) | 0.15 | (16.46) | 0.14 | (31.52) | 0.70 | (47.91) | 5.00 | (42.52) |
| **Closing Revenue Gap/(Surplus) with Carrying cost** | | **(72.68)** | **3.23** | **(192.25)** | **(0.16)** | **(313.27)** | **13.00** | **(444.44)** | **78.90** | **(461.37)** |

# 5 TRUE-UP FOR FY 2016-17 TO FY 2020-21

## 5.1 Background

The Commission notified the CSERC MYT Regulations, 2015 for the third MYT Control Period from FY 2016-17 to FY 2020-21 on September 9, 2015. Subsequently, the Commission notified the First Amendment to CSERC MYT Regulations, 2015 on June 16, 2017.

For truing up, the Commission has considered the Petition No. 62 of 2018 for FY 2016-17, Petition No. 33 of 2020 for FY 2017-18, Petition No. 7 of 2021 for FY 2018-19, and Petition No. 46 of 2022 for FY 2019-20 and FY 2020-21.

The Commission has not issued any Tariff Order for FY 2016-17 to FY 2020-21. Hence, the Commission has trued-up the ARR for these years based on the respective True-up Petition, audited accounts submitted by the Petitioner for the respective years, and after prudence check in accordance with the CSERC MYT Regulations, 2015.

In this Chapter, all the elements of actual expenditure and revenue of JSPL-D for FY 2016-17 to FY 2020-21 have been trued-up in accordance with the CSERC MYT Regulations, 2015. The sharing of gains and losses on account of controllable factors between JSPL-D and its consumers has been approved in accordance with Regulation 13 of the CSERC MYT Regulations, 2015.

## 5.2 Energy Sales

### JSPL-D Submission

The Petitioner has submitted the actual energy sales for FY 2016-17 to FY 2020-21 as shown in the following Table:

**Table 5-1: Energy Sales as submitted by JSPL-D for FY 2016-17 to FY 2020-21 (MU)**

| Category | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Non-Domestic | 0.27 | 0.34 | 0.24 | 0.56 | 0.39 |
| Domestic | 0.45 | 0.39 | 0.39 | 0 | 0 |
| Public Utilities | 0.04 | 0.05 | 0.04 | 0 | 0 |
| **Total LT** | **0.76** | **0.78** | **0.67** | **0.56** | **0.39** |
| 33 kV Steel Industries | 622.97 | 691.62 | 958.47 | 1018.9 | 1126.87 |
| 33 kV other industries | 11.25 | 1.58 | 11.71 | 12.16 | 10.77 |

| Category | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| 11 kV Steel Industries | 25.93 | 28.36 | 20.58 | 2.86 | 2.47 |
| 11 kV other industries | | | | 6.67 | 26.3 |
| 11 kV Non-residential and Gen Purpose | 1.4 | 1.41 | 1.41 | 1.4 | 0.69 |
| **Total HT** | **661.55** | **722.97** | **992.17** | **1041.99** | **1167.1** |
| Inter-Branch Transfer | | 9.71 | | | |
| **Total Sales** | **662.31** | **733.46** | **992.84** | **1042.55** | **1167.49** |

## Commission's View

For the purpose of the True-up, the actual energy sales for FY 2016-17 to FY 2020-21 have been considered as submitted by the Petitioner, as shown in the following Table:

**Table 5-2:Energy Sales approved after true-up for FY 2016-17 to FY 2020-21 (MU)**

| Category | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Non-Domestic | 0.27 | 0.27 | 0.34 | 0.34 | 0.24 | 0.24 | 0.56 | 0.56 | 0.39 | 0.39 |
| Domestic | 0.45 | 0.45 | 0.39 | 0.39 | 0.39 | 0.39 | 0.00 | 0.00 | 0.00 | 0.00 |
| Public Utilities | 0.04 | 0.04 | 0.05 | 0.05 | 0.04 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total LT** | **0.76** | **0.76** | **0.78** | **0.78** | **0.67** | **0.67** | **0.56** | **0.56** | **0.39** | **0.39** |
| 33 kV Steel Indus | 622.97 | 622.97 | 691.62 | 691.62 | 958.47 | 958.47 | 1018.9 | 1018.9 | 1126.87 | 1126.87 |
| 33 kV other industry | 11.25 | 11.25 | 1.58 | 1.58 | 11.71 | 11.71 | 12.16 | 12.16 | 10.77 | 10.77 |
| 11 kV Steel Industry | 25.93 | 25.93 | 28.36 | 28.36 | 20.58 | 20.58 | 2.86 | 2.86 | 2.47 | 2.47 |
| 11 kV other industry | | | | | | | 6.67 | 6.67 | 26.3 | 26.3 |
| 11 kV Non-residential and General Purpose | 1.40 | 1.40 | 1.41 | 1.41 | 1.41 | 1.41 | 1.40 | 1.40 | 0.69 | 0.69 |
| **Total HT** | **661.55** | **661.55** | **722.97** | **722.97** | **992.17** | **992.17** | **1041.99** | **1041.99** | **1167.1** | **1167.1** |
| **Inter-Branch Transfer** | | | 9.71 | 9.71 | | | | | | |
| **Total Sales** | **662.31** | **662.31** | **733.46** | **733.46** | **992.84** | **992.84** | **1042.55** | **1042.55** | **1167.49** | **1167.49** |

## 5.3 Energy Balance

### JSPL-D's Submission

The Petitioner has submitted the actual Distribution Loss and Energy Balance for FY 2016-17 to FY 2020-21, as shown in the following Table:

**Table 5-3:Distribution Loss and Energy Balance for FY 2016-17 to FY 2020-21 as submitted by JSPL-D**

| Category | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Energy Requirement (MU) | 663.80 | 734.61 | 1001.47 | 1050.47 | 1178.12 |
| Transmission losses % | 0.20 | - | - | 0.51 | 0.61 |
| Energy delivered at Distribution periphery | 662.50 | - | - | 1045.16 | 1170.88 |
| Distribution Losses (%) | 0.030 | 0.007 | 0.71 | 0.25 | 0.29 |
| Energy Sales (MU) | 662.31 | 733.47 | 992.84 | 1042.55 | 1167.49 |

JSPL-D submitted that its losses are low on account of smaller size of the licensed distribution area, higher concentration of 33 kV retail consumers and zero theft in the distribution area.

### Commission's View

As stated in the previous Chapter, the actual Distribution Losses as reported by the Petitioner have been approved, considering the low level of losses reported and the passage of time.

The Energy Balance after true-up for FY 2016-17 to FY 2020-21 has been approved based on the actual category-wise sales and actual Distribution Losses for FY 2016-17 to FY 2020-21, as shown in the following Table:

**Table 5-4: Distribution Losses and Energy Balance approved after true-up for FY 2016-17 to FY 2020-21**

| Category | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up |
| Energy Sales (MU) | 662.31 | 662.31 | 733.47 | 733.46 | 992.84 | 992.84 | 1042.55 | 1042.55 | 1167.49 | 1167.49 |
| Distribution Losses (%) | 0.03% | 0.03% | 0.007% | 0.004% | 0.71% | 0.71% | 0.25% | 0.25% | 0.29% | 0.29% |
| Distribution Losses (MU) | 0.20 | 0.20 | 0.05 | 0.03 | 7.07 | 7.08 | | 2.56 | | 3.44 |

| Category | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up |
| Transmission loss (%) | 0.20 | 0.20 | 0.15 | 0.15 | 0.15 | 0.15 | 0.51 | 0.51 | 0.61 | 0.61 |
| Energy Requirement (MU) | 663.81 | 663.81 | 734.61 | 734.61 | 1001.47 | 1001.47 | 1050.47 | 1050.47 | 1178.12 | 1178.12 |

## 4.4 Power Purchase cost

### JSPL-D's Submission

The Petitioner has submitted that till FY 2015-16, it was procuring power from JPL. However, vide letter dated 15.03.2016, JPL notified JSPL-D that they are not in a position to renew the short-term PPA on the existing terms and conditions. Subsequently, JSPL-D vide its letter dated 30.03.2016, informed the Commission that its arrangement for procurement of power on short-term basis from JPL is coming to an end on 31.03.2016.

As an interim measure, JSPL-D arranged to source power from its captive power plant at Dongamahua (DCPP) so as to ensure that its retail consumers are not adversely affected in any manner. The Petitioner submitted that the Commission vide its Order dated 31.03.2016 rejected JSPL-D's proposal to source power from DCPP as an interim measure stating that

> "*An appeal before the Hon'ble Appellate Tribunal for Electricity (APTEL) against the order of the Commission dated 23.12.2014 passed in petition no. 12 of 2014(T) and review order dated 01.10.2015 passed in petition no. 07 of 2015(M), is still pending before the APTEL as DFR no. 2385 of 2015. Since the matter is sub-judice, no immediate action can be worked out as per your proposal, made in the referred letter. Further, no such action can be taken until and unless a petition, complete in all respect according to the provisions of the relevant regulations, is filed.*"

The Petitioner has submitted that three of its consumers, viz., M/s. Vandana Energy & Steel Pvt. Ltd., M/s. Raigarh Iron Industries Ltd., and M/s. Tirumala Balaji Alloys Private Limited filed an Appeal before the Hon'ble High Court of Chhattisgarh stating that the electricity supply may be restored and they are presently ready and willing to pay the tariff @ Rs.4.20 per unit subject to the final adjudication of the Appellate Forum. Considering such submission as an interim measure, the High Court of

Chhattisgarh in its Order dated 13.04.2016 in W.P.(C) No. 940 of 2016, directed that the effect and operation of the Order dated 31.03.2016 shall remain stayed till the final adjudication of this Petition and observed that the Petitioners as offered shall be obliged to pay the electricity charges @ Rs.4.20 per unit, which would be subject to the final adjudication before the Appellate Authority and JSPL be entitled to supply the electricity to the petitioners from DCPP without prejudice to their rights. Therefore, as per the directions of the High Court of Chhattisgarh, power supply was restored for the three consumers on 15.04.2016. Subsequently, other consumers also requested for the restoration of power at the price allowed by High Court of Chhattisgarh for M/s. Vandana Energy & Steel Pvt. Ltd., M/s. Raigarh Iron Industries Ltd., and M/s. Tirumala Balaji Alloys Private Limited and therefore, the electricity supply for all consumers was restored w.e.f. 22.04.2016.

JSPL-D submitted that it has sourced its power from JSPL DCPP since 15.04.2016 due to non-availability of any other power source and for FY 2018-19, it has purchased 125.88 MU from JSPL-D DCPP (01.04.2018 to 31.05.2018) and 875.89 MU from Alternate sources (01.06.2018 to 31.03.2019).

**RPO Cost**

JSPL-D has computed its RPO targets for FY 2016-17 to FY 2020-21 in accordance with the Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) Regulations, 2016, which specifies the minimum quantum of electricity to be procured by Obligated Entity as percentage of total consumption.

For FY 2018-19, the RPO costs also include 12% GST, commission at the rate of 1 paise per unit plus 18% GST and Exchange Charges at the rate of Rs. 20 per 1000 kWh plus 18% GST.

The RPO cost claimed by the Petitioner from FY 2016-17 to FY 2020-21 is shown below:

**Table 5-5: RPO Cost for FY 2016-17 to FY 2020-21 as submitted by JSPL-D (Rs. Crore)**

| Sl. No. | Particulars | Type | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|---|---|
| 1 | Minimum RPO Target | Solar | 1.50% | 2.00% | 3.50% | | |
| | | Non-solar | 6.50% | 7.00% | 7.50% | | |

| Sl. No. | Particulars | Type | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|---|---|
| 2 | Annual sales (MU) | | 662.31 | 733.47 | 992.84 | | |
| 3 | RPO liability (MU) | Solar | 9.93 | 14.67 | 34.75 | | |
| | | Non-solar | 43.05 | 51.34 | 74.46 | | |
| 4 | Price of REC in Rs./kWh | Solar | 3.50 | 3.50 | 2.40 | | |
| | | Non-solar | 1.50 | 1.53 | 2.00 | | |
| 5 | RPO Cost | Solar | 3.48 | 5.14 | 8.34 | | |
| | | Non-solar | 6.46 | 7.88 | 14.89 | | |
| **6** | **Total RPO expenses** | | **9.93** | **13.02** | **26.41** | **12.97** | **2.54** |

The total power purchase cost claimed by the Petitioner from FY 2016-17 to FY 2020-21 is shown in the Table below:

**Table 5-6: Power Purchase Cost for FY 2016-17 to FY 2020-21 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Quantum of Power Purchase (MU) | 663.81 | 734.61 | 1001.47 | 1050.47 | 1178.12 |
| Power Purchase Cost | 242.95 | 265.21 | 361.02 | 413.74 | 469.55 |
| RPO Expense | 9.93 | 13.02 | 26.41 | 12.97 | 2.54 |
| **Total Power purchase cost** | ***252.56** | **278.23** | **387.42** | **426.71** | **472.09** |

**The Commission has noticed that there is error in addition of power purchase cost for FY 2016-17 it should be Rs. 252.88 (242.95+9.93)*

**Commission's View**

## 5.4 Power Purchase cost

It is observed that the Petitioner has not provided any details about the source, quantum and rate of power purchased for FY 2019-20 and FY 2020-21. The Petitioner has just mentioned the total power purchase cost for FY 2019-20 and FY 2020-21. The power purchase quantum and average rate claimed by the Petitioner for FY 2019-20 and FY 2020-21 have been considered from the true-up Financial Model for FY 2019-20 and FY 2020-21 submitted by JSPL-D. Thus, the power purchase quantum is 1050.47 MU and 1178.12 MU for FY 2019-20 and FY 2020-21, respectively, and average rate of purchase claimed by the Petitioner is Rs. 3.94/kWh and Rs. 3.99/kWh for FY 2019-20 and FY 2020-21, respectively.

In Chapter 2 of this Order, the Commission has elaborated the detailed analysis of the surplus power availability from JSPL's two captive power plants, viz., RCPP and DCPP. Based on the analysis and scrutiny on the input data provided by the Petitioner, it is observed that the entire energy requirement of JSPL-D for FY 2016-17 and FY 2017-18 can be easily met through the surplus power availability from RCPP and DCPP. However, for FY 2018-19, there is a shortfall of 670.60 MU after utilising the surplus power of RCPP and DCPP and the same has to be considered as purchased from another source. For FY 2019-20, there is a shortfall of 775.46 MU, which has to be purchased from another source. For FY 2020-21, the shortfall of 940.60 MU is to be purchased from another source.

The summary of power purchase from RCPP and DCPP and other sources for FY 2016-17 to FY 2020-21, is shown in the Table below:

**Table 5-7:Quantum of Power Purchase from RCPP and DCPP and Other Sources for FY 2016-17 to FY 2020-21 as approved by the Commission**

| Particulars | JSPL-D power purchase quantum | Met from Surplus of | | Balance power purchase from other sources |
|---|---|---|---|---|
| | | RCPP | DCPP | |
| 2016-17 | 663.81 | 208.30 | 455.51 | - |
| 2017-18 | 734.61 | 162.03 | 572.58 | - |
| 2018-19 | 1,001.47 | 102.78 | 228.08 | 670.60 |
| 2019-20 | 1,050.47 | 130.00 | 145.01 | 775.46 |
| 2020-21 | 1,178.12 | 164.48 | 73.03 | 940.60 |

The rate of power purchase from RCPP and DCCP for the respective years have been determined in the Suo-motu Orders in Petition Nos. 61 of 2022 and 60 of 2022, respectively, as summarised in the Table below:

**Table 5-8: Power Purchase Rate for RCPP and DCPP for FY 2016-17 to FY 2020-21 as approved by the Commission (Rs./kWh)**

| Source | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| RCPP | 1.99 | 1.89 | 1.96 | 1.82 | 1.73 |
| DCPP | 3.18 | 3.02 | 3.60 | 3.25 | 3.28 |

In this context, the Raigarh Ispat Udyog Sangh (RIUS) has objected that for FY 2018-19 to FY 2020-21, JSPL-D has not taken any prior approval of the source as well as the tariff for procurement of power from the alternate sources.

For FY 2018-19, LOI dated 31.05.2018 has been issued by JSPL-D to Mittal Processors Pvt. Ltd. for purchase of 60 MW at Rs. 3.705/kWh from 01.06.2018 to 17.06.2018 and PPA dated 24.08.2018 has been signed with Adani Enterprises Ltd. (AEL) for purchase of up to 150 MW at Rs. 3.7/kWh from 26.08.2018 to 31.03.2019. For FY 2019-20, PPA dated 24.08.2018 has been signed with AEL for purchase up to 150 MW at Rs. 3.70/kWh from 01.04.2019 to 31.10.2019 and LOI dated 15.06.2019 has been issued to JPL for purchase of up to 200 MW at Rs. 4.05 from 16.06.2019 to 31.03.2020. For FY 2020-21, extension dated 12.03.2020 to LOI dated 15.06.2019 has been issued to JPL for purchase of up to 200 MW at Rs. 3.90/kWh from 01.04.2020 to 30.09.2020 and LOI dated 22.09.2020 has been issued to JPL for purchase of up to 200 MW at Rs. 4.35/kWh from 01.10.2020 to 31.03.2021.

The Commission finds RIUS' objections to be valid as all the above LOIs and PPAs have not been approved by the Commission. Normally, under such circumstances, the cost of power purchase from such unapproved sources would not have been approved at the truing up stage. However, the present circumstances are very unusual, on account of the history of Judgments/Orders issued by higher Courts. Hon'ble APTEL vide para 23 of order dated 07/03/2014 passed in appeal no. 89 of 2012, has ordered as under:

*"In view of the above, we are constrained to conclude that the State Commission's finding on this issue is wrong and the same is liable to be set aside. The State Commission should have examined the pattern of surplus power available from the*

*captive power plant after meeting the requirement of captive load of the Steel Plant and load pattern in the licensed area of Jindal Steel and should have considered part of energy supplied in the licensed area from the Captive Power Plant of Jindal Steel. Unfortunately, this has not been done. Therefore, we remand the matter with directions to the State Commission to carry out the exercise and evaluate the energy from the Captive Power Plant that should have been booked to distribution business of Jindal Steel at the cost of the generation tariff of Jindal Steel's Captive Power Plant. The consequential relief may be passed on to the Appellant and other consumers. The State Commission should also facilitate increasing the contract demand of Jindal Steel from 1 MW to 80 MW from CSPDCL as sought by Jindal Steel for meeting the increased load of Jindal Steel. This will help in availability of continuous and sustainable supply from the Captive Power Plant to Jindal Industrial Park in future".*

Hence, with the intent to resolve the issue in compliance to direction of Hon'ble APTEL, the Commission has considered the alternate source of power and rate of power purchase as submitted by JSPL wherever required for meeting the shortfall after utilisation of captive surplus from RCPP and DCPP.

The rate of power purchase from alternate sources has hence, been considered as Rs. 3.66/kWh, Rs. 3.94/kWh, and Rs. 3.99/kWh for FY 2018-19, FY 2019-20, and FY 2020-21, respectively, as submitted by JSPL-D.

**RPO Cost**

It is noted that the Petitioner has not purchased any power from renewable sources and the entire RPO compliance has been claimed to be met from purchase of REC's. The RPO targets for FY 2016-17 to FY 2020-21 have been computed as per Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) Regulations, 2016.

It is observed that though the Petitioner has claimed RPO expenses towards RPO compliance by purchase of RECs from Exchange for FY 2016-17 to FY 2020-21, the Petitioner has actually purchased RECs only for FY 2017-18. Hence, the RPO expenses have been approved for only FY 2017-18 as Rs. 7.70 Crore against purchase of 91,615 Non-Solar Certificates at Rs. 1.500 per certificate and no RPO expenses have been considered for FY 2016-17, FY 2018-19, FY 2019-20, and FY 2020-21, as the Petitioner has only made provision for such expenses in its audited accounts.

The summary of power purchase expenses approved after true-up for FY 2016-17 to FY 2020-21 is shown in the Table below:

**Table 5-9: Power Purchase Cost approved by the Commission after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| **Quantum of Power Purchase (MU)** | | | | | | | | | | |
| **JPL/alternate source** | - | - | - | - | 875.89 | 670.60 | 1050.47 | 775.46 | 1178.12 | 940.60 |
| **RCPP** | - | 208.30 | - | 162.03 | | 102.78 | - | 130.00 | - | 164.48 |
| **DCPP** | 663.81 | 455.51 | 734.61 | 572.58 | 125.58 | 228.08 | - | 145.01 | - | 73.03 |
| **Total (MU)** | **663.81** | **663.81** | **734.61** | **734.61** | **1001.47** | **1001.47** | **1050.47** | **1050.47** | **1178.12** | **1178.12** |
| **Power Purchase Cost** | | | | | | | | | | |
| **JPL/alternate source** | - | - | - | - | 315.67 | 241.69 | 413.74 | 305.53 | 469.55 | 375.30 |
| **RCPP** | - | 41.43 | - | 30.60 | - | 20.15 | - | 23.63 | - | 28.48 |
| **DCPP** | 242.95 | 144.75 | 265.21 | 172.67 | 45.33 | 82.14 | - | 47.06 | - | 23.98 |
| **Total** | **242.95** | **186.17** | **265.21** | **203.27** | **361.02** | **343.98** | **413.74** | **376.22** | **469.55** | **427.75** |
| **RPO Expenses** | 9.93 | 0.00 | 13.02 | 7.70 | $23.23 | 0.00 | 12.97 | 0.00 | 2.54 | 0.00 |
| **Total Power purchase cost** | ***252.56** | **186.17** | **278.23** | **210.97** | **384.25** | **343.98** | **426.71** | **376.22** | **472.09** | **427.75** |
| **Avg. Power Purchase Rate(Rs./kWh)** | | | | | | | | | | |
| **JPL/alternate source** | - | - | - | - | 3.60 | 3.66 | 3.94 | 3.94 | 3.99 | 3.99 |
| **RCPP** | - | 1.99 | - | 1.89 | - | 1.96 | - | 1.82 | - | 1.73 |
| **DCPP** | 3.66 | 3.18 | 3.61 | 3.02 | 3.61 | 3.60 | - | 3.25 | - | 3.28 |

***Note:*** ** The Commission has noticed that there is error in addition of power purchase cost for FY 2016-17 it should be Rs. 252.88 Crore (242.95+9.93)*

*$ For FY 2018-19, Petitioner has claimed Rs. 23.23 Crore in ARR Summary, whereas Petitioner has claimed Rs. 26.41 Crore in RPO section.*

## 4.5 O&M Expenses

### JSPL-D's Submission

The Petitioner has submitted both the actual and normative O&M expenses for FY 2016-17 to FY 2020-21. JSPL-D has considered the actual O&M expenses based on the audited accounts and normative O&M expenses as per CERC MYT Regulation, 2015. The Petitioner has claimed actual O&M expenses for FY 2017-18 and has claimed normative O&M expenses for FY 2016-17, FY 2018-19, FY 2019-20, and FY 2020-21. The O&M expenses claimed by JSPL-D in the True-up for FY 2016-17 to FY 2020-21 are as shown in the Table below:

**Table 5-10: O&M Expenses for FY 2016-17 to FY 2020-21 claimed by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Employee Expenses | 6.50 | 8.83 | 9.06 | 7.46 | 7.51 |
| A&G Expenses | 1.67 | 2.52 | 2.17 | 1.79 | 1.81 |
| R&M Expenses | 1.48 | 1.77 | 1.85 | 1.59 | 1.61 |
| **Total O&M Expenses** | **9.66** | **13.12** | **13.08** | **10.84** | **10.94** |

### Commission's View

The Petitioner has claimed actual O&M expenses of Rs. 13.12 Crore for FY 2017-18 and normative O&M expenses of Rs. 9.66 Crore, Rs. 13.08 Crore, Rs. 10.84 Crore, and Rs. 10.94 Crore for FY 2016-17, FY 2018-19, FY 2019-20, and FY 2020-21, respectively.

### Actual O&M Expenses

The Commission has verified the actual O&M expenses from the Audited Accounts of FY 2016-17 to FY 2020-21.

It is noted that the Petitioner has claimed Social Welfare expense under A&G expenses amounting to Rs. 0.06 Crore, Rs. 0.05 Crore, Rs. 0.02 Crore, Rs. 0.02 Crore, and Rs. 0.005 Crore for FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21, respectively. As stated in the previous Chapter, the CSR or Social Welfare expenses cannot be recovered from consumers as per CSERC MYT Regulations, 2015. Hence, the above claimed Social Welfare expenses have been disallowed while approving the actual A&G expenses.

The actual R&M expenses have been verified from the audited accounts and actual R&M expenses of Rs. 1.98 Crore, Rs. 1.76 Crore, Rs. 0.99 Crore, Rs. 1.37 Crore, and Rs. 1.47 Crore have been approved for FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21, respectively.

The actual Employee expenses have been verified from the audited accounts and actual employee expenses of Rs. 7.36 Crore, Rs. 8.82 Crore, Rs. 8.7 Crore, Rs. 7.46 Crore, and Rs. 7.51 Crore have been approved for FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21, respectively.

Accordingly, the actual O&M Expenses considered for sharing of gains and losses are given in the following Table:

**Table 5-11: Actual O&M Expenses for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up |
| Employee Cost | 7.36 | 7.36 | 8.82 | 8.82 | 8.70 | 8.70 | - | 7.46 | - | 7.51 |
| A&G Expenses | 2.40 | 2.33 | 2.52 | 2.45 | 2.83 | 2.81 | - | 2.32 | - | 1.17 |
| R&M Expenses | 1.98 | 1.98 | 1.76 | 1.76 | 0.99 | 0.99 | - | 1.37 | - | 1.47 |
| **Total O&M Expenses** | **11.75** | **11.67** | **13.12** | **13.03** | **12.53** | **12.50** | **-** | **11.15** | **-** | **10.15** |

**Normative O&M Expenses**

Regulation 57.4 of the CSERC MYT Regulations, 2015 specifies as under:

*(a) Operation and Maintenance (O&M) expenses for transmission licensee/ STU shall include:*

*I. Employees costs;*

*II. Administrative and General expenses;*

*III. Repairs and Maintenance expenses*

*(b) The Commission shall stipulate a separate trajectory for each of the components of O&M expenses viz., employee cost, R&M expense, and A&G expense for the Control Period.*

***Employee Cost***

*(c) The employee cost, excluding pension fund contribution and impact of pay revision arrears for the base year i.e., FY 2015-16, shall be derived on the basis of the normalized average of the actual employee expenses excluding pension fund contribution and impact of pay revision arrears available in the accounts for the previous five (5) years immediately preceding the base year FY 2015-16, subject to prudence check by the Commission. Any other expense of non-recurring nature shall also be excluded while determining normalized average for the previous five (5) years.*

*(d) The normalization shall be done by applying last five-year average increase in Consumer Price Index (CPI) on year-to-year basis. The average of normalized net present value for FY 2010-11 to FY 2014-15, shall then be used to project base year value for FY 2015-16. The base year value so arrived, shall be escalated by the above inflation rate to estimate the employee expense (excluding impact of pension fund contribution and pay revision, if any) for each year of the control period.*

*At the time of true up, the employee costs shall be considered after taking into account the actual increase in CPI during the year instead of projected inflation for that period.*

*Provided further that impact of pay revision (including arrears) and pension fund contribution shall be allowed on actual during the true-up as per accounts, subject to prudence check and any other factor considered appropriate by the Commission.*

***A&G Expenses and R&M Expenses***

*(e) The administrative and general expenses and repair and maintenance expenses, for the base year i.e., FY 2015-16, shall be derived on the basis of the normalized average of the actual administrative and general expenses and repair and maintenance expenses, respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 2015-16, subject to prudence check by the Commission. Any expense of non-recurring nature shall be excluded while determining normalized average for the previous five (5) years.*

*(f) The normalization shall be done by applying last five-year average increase in Wholesale Price Index (WPI) on year-to-year basis. The average of normalized net present value for FY 2010-11 to FY 2014-15, shall then be used to project base year value for FY 2015-16. The base year value so arrived, shall be escalated by the above inflation rate to estimate the administrative and general expense and repair and maintenance expenses for each year of the control period.*

*At the time of true up, the administrative and general expenses and repair and maintenance expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period.*

*(g) The additional O&M Expenses on account of new transmission lines/ substations commissioned after March 31, 2016 shall be allowed by the Commission subject to prudence check at the time of truing up exercise"*

The CSERC MYT Tariff Regulations, 2015 was amended vide CSERC First Amendment Regulations, 2016 and was made effective from 1st April 2016. A new proviso was introduced vide the First Amendment Regulations in the matter of sharing of loss and gain on account of controllable factors in which the employee expense was excluded from the sharing mechanism and was allowed to be considered on actual basis. The relevant extract from the CSERC First Amendment Regulations, 2016 is provided below for ready reference.

***"Provided further that employee cost shall not be factored in for sharing of gains or losses on account of Operation & Maintenance expenses;"***

As stated in the previous Chapter, the escalation factor has been considered as considered in the True-up Orders of CSPDCL for the respective years. Also, the escalation factor has been considered only on R&M expenses and A&G expenses, as Employee expenses are excluded from the sharing mechanism and are to be allowed on actual basis as per vide CSERC First Amendment Regulations, 2016. The escalation factor as 1.73%, 2.92%, 4.27%, 1.68%, and 1.27% have been considered for FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21, respectively.

The revised normative O&M expenses approved for FY 2016-17 to FY 2020-21 are shown in the Table below:

**Table 5-12: Revised Normative O&M Expenses approved by the Commission after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up |
| Employee Expenses | 6.50 | 7.36 | 6.86 | 8.82 | 9.06 | 8.70 | 7.46 | 7.46 | 7.51 | 7.51 |
| A&G Expenses | 1.67 | 1.91 | 1.72 | 1.96 | 2.17 | 2.04 | 1.79 | 2.08 | 1.81 | 2.11 |
| R&M | 1.48 | 0.48 | 1.53 | 0.50 | 1.85 | 0.52 | 1.59 | 0.53 | 1.61 | 0.54 |

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up |
| Expenses | | | | | | | | | | |
| **Total O&M Expenses** | **9.66** | **9.75** | **10.11** | **11.28** | **13.08** | **11.26** | **10.84** | **10.07** | **10.94** | **10.15** |

As per the provisions in the Regulations for sharing of (gains)/losses of O&M expenses, the efficiency (gains)/losses for FY 2016-17 to FY 2020-21 have been computed as per CSERC MYT Regulations, 2015 on the basis of revised normative O&M expenses, as shown in the following Table:

**Table 5-13: Sharing of (Gain)/Loss for O&M Expenses approved after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | Revised Normative | Actual Expenses | Efficiency (Gain)/Loss | Entitlement of (Gain)/Loss | |
|---|---|---|---|---|---|
| | | | | JSPL-D | Consumers |
| **FY 2016-17** | | | | | |
| Employee Expenses | 7.36 | 7.36 | | | |
| A&G Expenses | 1.91 | 2.33 | 0.42 | 0.21 | 0.21 |
| R&M Expenses | 0.48 | 1.98 | 1.50 | 0.75 | 0.75 |
| **Total O&M** | **9.75** | **11.67** | **1.92** | **0.96** | **0.96** |
| **FY 2017-18** | | | | | |
| Employee Expenses | 8.82 | 8.82 | | | |
| A&G Expenses | 1.96 | 2.45 | 0.49 | 0.24 | 0.24 |
| R&M Expenses | 0.50 | 1.76 | 1.26 | 0.63 | 0.63 |
| **Total O&M** | **11.28** | **13.03** | **1.75** | **0.88** | **0.88** |
| **FY 2018-19** | | | | | |
| Employee Expenses | 8.70 | 8.70 | | | |
| A&G Expenses | 2.04 | 2.81 | 0.77 | 0.38 | 0.38 |
| R&M Expenses | 0.52 | 0.99 | 0.47 | 0.24 | 0.24 |
| **Total O&M** | **11.26** | **12.5** | **1.24** | **0.62** | **0.62** |
| **FY 2019-20** | | | | | |
| Employee Expenses | 7.46 | 7.46 | | | |
| A&G Expenses | 2.08 | 2.32 | 0.24 | 0.12 | 0.12 |

| Particulars | Revised Normative | Actual Expenses | Efficiency (Gain)/Loss | Entitlement of (Gain)/Loss | |
|---|---|---|---|---|---|
| | | | | JSPL-D | Consumers |
| R&M Expenses | 0.53 | 1.37 | 0.84 | 0.42 | 0.42 |
| **Total O&M** | **10.07** | **11.15** | **1.08** | **0.54** | **0.54** |
| **FY 2020-21** | | | | | |
| Employee Expenses | 7.51 | 7.51 | | | |
| A&G Expenses | 2.11 | 1.17 | (0.93) | (0.47) | (0.47) |
| R&M Expenses | 0.535 | 1.47 | 0.94 | 0.47 | 0.47 |
| **Total O&M** | **10.15** | **10.15** | **0.00** | **0.00** | **0.00** |

The sharing of efficiency loss has been approved as Rs. 0.96 Crore, Rs. 0.88 Crore, Rs. 0.62 Crore, Rs. 0.54 Crore, and Nil for FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21, respectively.

## 5.5 Gross Fixed Assets

### JSPL-D's Submission

The Petitioner has submitted that for FY 2016-17, the opening GFA is same as closing GFA of FY 2015-16 and there has not been any asset addition during the year. For FY 2017-18, JSPL-D has considered the fair value of Property, Plant and Equipment in the accounts in accordance with the provisions of INDAS 101, which resulted in an increase in value of GFA by Rs. 126.12 Lakh, resulting in the revised GFA to Rs. 3413.53 Lakh. The transition date considered was 01.04.2015 as per the option available in INDAS. There was a disposal of plant and machinery equivalent to Rs. 1.90 Lakh at the end of FY 2017-18, resulting in the revised opening GFA of Rs. 3411.63 Lakh for FY 2018-19. During FY 2018-19, an ambient air quality monitoring system was installed to monitor air quality in the plant costing Rs. 25.55 Lakh, thus, the closing GFA of FY 2018-19 is Rs. 3437.18 Lakh. For FY 2019-20, the Petitioner has not claimed any asset addition during the year and the GFA is same as in previous year. For FY 2020-21, the Petitioner has claimed asset addition for plant and equipment of Rs. 3.16 Crore, resulting in closing GFA of Rs. 3753.52 Lakh.

### Commission's View

The opening GFA for FY 2016-17 has been considered as Rs. 22.35 Crore, same as the closing GFA approved in the truing up of FY 2015-16, and there has not been any asset addition during the year. For FY 2017-18, it is observed that the Petitioner has claimed increase in GFA by Rs. 1.26 Crore on account of INDAS adjustment. However, this is only a book adjustment, and there is no actual increase in the GFA, which does not need to be considered for determination of ARR and tariff. The Petitioner's claim of disposal of asset of Rs. 0.02 Crore in FY 2017-18 has been accepted. For FY 2018-19, the Petitioner has claimed asset addition of Rs. 0.26 Crore, however, no justification for this asset addition has been submitted by the Petitioner and prior approval for the capital expenditure has neither been sought by the Petitioner nor granted by the Commission. Further, the Commission is unable to understand the requirement of 'ambient air quality monitoring system for monitoring air quality in the plant' for a Distribution Licensee. Hence, the increase in GFA sought by the Petitioner for FY 2018-19 has not been considered. On similar grounds, the Petitioner's claim of asset addition of Rs. 3.16 Crore in FY 2020-21 for plant and equipment has not been considered, in the absence of any justification submitted by the Petitioner and lack of prior approval for the capital expenditure. The amount of capitalisation is also quite high, at Rs. 3.16 Crore. The GFA approved after true-up for FY 2016-17 to FY 2020-21 is shown in the Table below:

**Table 5-14: GFA approved after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up | True-up Petition | Approved after True-up |
| Closing GFA | 32.87 | 22.35 | 34.13 | 22.33 | 34.37 | 22.33 | 34.37 | 22.33 | 37.53 | 22.33 |

## 5.6 Depreciation

### JSPL-D's Submission

The Petitioner has submitted that the depreciation has been computed based on the rates specified under the CSERC MYT Regulations, 2015 for FY 2016-17 to FY 2020-21. The Petitioner has added that the GFA has been created from both the Consumer and licensee contribution. Therefore, only the depreciation on assets pertaining to Licensee contribution is considered for calculation of ARR, as shown in the Table below:

**Table 5-15: Depreciation for FY 2016-17 to FY 2020-21 submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Opening GFA | 32.87 | 32.87 | 34.11 | 34.37 | 34.37 |
| Addition of GFA | 0.00 | 1.26 | 0.26 | 0.00 | 3.16 |
| Closing GFA | 32.87 | 34.13 | 34.37 | 34.37 | 37.53 |
| Average GFA | 32.87 | 33.5 | 34.24 | 34.37 | 35.95 |
| Depreciation Rate % | 5.03 | 5.04 | 5.05 | 6.81 | 5.26 |
| Gross Depreciation | 1.65 | 1.72 | 1.73 | 2.34 | 1.89 |
| Consumer contribution | 5.15 | 6.84 | 9.82 | 9.82 | 9.82 |
| Less: Depreciation on consumer contribution | 0.26 | 0.34 | 0.5 | 0.67 | 0.52 |
| **Net Depreciation** | **1.39** | **1.38** | **1.23** | **1.67** | **1.37** |

### Commission's View

For computation of depreciation, the opening GFA for FY 2016-17 has been considered as Rs. 22.35 Crore, equal to the closing GFA of FY 2015-16. The GFA for the remaining years has been considered as explained in previous Section. The depreciation has been computed as per Regulation 24 of the CSERC MYT Regulations, 2015 for the purpose of final true-up for FY 2016-17 to FY 2020-21. Accordingly, the weighted average depreciation rates have been computed as 5.03%, 5.04%, 5.05%, 5.12%, and 5.14% for FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21, respectively. Further, the depreciation on Consumer Contribution/Grants has been deducted as per CSERC MYT Regulations, 2015. The depreciation approved after true-up for FY 2016-17 to FY 2020-21 is shown in the following Table:

**Table 5-16: Approved Depreciation for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Opening GFA | 32.87 | 22.35 | 32.87 | 22.35 | 34.11 | 22.33 | 34.37 | 22.33 | 34.37 | 22.33 |
| Addition of GFA | 0.00 | 0.00 | 1.26 | -0.02 | 0.26 | 0.00 | 0.00 | 0.00 | 3.16 | 0.00 |
| Closing GFA | 32.87 | 22.35 | 34.13 | 22.33 | 34.37 | 22.33 | 34.37 | 22.33 | 37.53 | 22.33 |
| Average GFA for the year | 32.87 | 22.35 | 33.5 | 22.34 | 34.24 | 22.33 | 34.37 | 22.33 | 35.95 | 22.33 |
| Depreciation Rate % | 5.03% | 5.03% | 5.04% | 5.04% | 5.05% | 5.05% | 6.81% | 5.12% | 5.26% | 5.14% |
| Gross Depreciation | 1.65 | 1.12 | 1.72 | 1.13 | 1.73 | 1.13 | 2.34 | 1.14 | 1.89 | 1.15 |
| Consumer contribution | 5.15 | 5.15 | 6.84 | 6.84 | 9.82 | 9.82 | 9.82 | 9.82 | 9.82 | 9.82 |
| Less: Depreciation on consumer contribution | 0.26 | 0.26 | 0.34 | 0.34 | 0.50 | 0.50 | 0.67 | 0.50 | 0.52 | 0.50 |
| **Net Depreciation** | **1.39** | **0.87** | **1.38** | **0.78** | **1.23** | **0.63** | **1.67** | **0.64** | **1.37** | **0.64** |

## 5.7 Interest on Loan Capital

### JSPL-D's Submission

The Petitioner has submitted that the normative Debt:Equity ratio has been considered as per Regulation 17 of the CSERC MYT Regulations, 2015, which allows a Distribution Licensee to recover interest on loan expenses as a part of retail tariff. JSPL-D has considered the weighted average cost of debt, which is the notional interest on funds from JSPL against fixed assets, and is same as the average rate at which JSPL sources funds from its lenders.

Accordingly, in the Petition, JSPL-D has calculated the normative debt after reducing the assets funded through Consumer Contribution from the GFA and by applying the normative debt: equity ratio of 70:30. The interest on loan claimed by the Petitioner is shown in the Table below:

**Table 5-17: Interest on Loan Capital for FY 2016-17 to FY 2020-21 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Opening Net Normative loan | 9.00 | 7.58 | 5.88 | 2.65 | 0.98 |
| Addition of normative loan | - | - | - | - | 2.21 |
| Repayment of normative loan | 1.39 | 1.38 | 1.23 | 1.67 | 1.37 |
| Reduction in Normative loan | - | - | - | - | - |
| Closing Net Normative loan | 7.61 | 6.21 | 4.65 | 0.98 | 1.82 |
| Average Normative loan | 8.31 | 6.90 | 5.27 | 1.82 | 1.40 |
| Rate of Interest (%) | 11.50% | 11.00% | 11.00% | 11.72% | 11.42% |
| **Interest on loan capital** | **0.96** | **0.74** | **0.48** | **0.21** | **0.16** |

### Commission's View

The opening normative loan for FY 2016-17 has been considered equal to the closing normative loan approved in the true-up of FY 2015-16. There has been no addition of loan from FY 2016-17 to FY 2020-21. The allowable depreciation for the respective year has been considered as the normative repayment for that year. The rate of interest has been considered the same as the rate of interest allowed in the true-up for JSPL-T for the respective years, as there are no separate loans. Interest on the loan capital is derived by applying interest rate on average normative loan for the respective years. Thus, the Interest on Loan Capital approved after True-up for FY 2016-17 to FY 2020-21 is shown in the Table below:

**Table 5-18: Approved Interest on Loan Capital after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Opening Net Normative loan | 9.00 | 9.63 | 7.58 | 8.77 | 5.88 | 7.99 | 2.65 | 7.35 | 0.98 | 6.71 |
| Addition of normative loan | - | - | - | - | - | - | - | - | 2.21 | - |
| Repayment of normative loan | 1.39 | 0.87 | 1.38 | 0.78 | 1.23 | 0.63 | 1.67 | 0.64 | 1.37 | 0.64 |
| Reduction in Normative loan | - | - | - | - | - | - | - | - | - | - |
| Closing Net Normative loan | 7.61 | 8.77 | 6.21 | 7.99 | 4.65 | 7.35 | 0.98 | 6.71 | 1.82 | 6.07 |
| Average Normative loan | 8.31 | 9.20 | 6.90 | 8.38 | 5.27 | 7.67 | 1.82 | 7.03 | 1.40 | 6.39 |
| Rate of Interest (%) | 11.50% | 11.50% | 11.00% | 10.42% | 11.00% | 10.25% | 11.72% | 10.69% | 11.42% | 10.30% |
| **Interest on loan capital** | **0.96** | **1.06** | **0.74** | **0.87** | **0.48** | **0.79** | **0.21** | **0.75** | **0.16** | **0.66** |

## 5.8 Interest on Consumer Security Deposit

### JSPL-D's Submission

The Petitioner has submitted that Regulation 23.11 of the CSERC MYT Regulations, 2015 allows a Distribution Licensee to recover the interest paid on Consumer Security Deposit (CSD) as a part of the Interest and Finance charges. Interest payable on CSD is governed by provisions under Chapter 6 of the CSERC Supply Code 2011. The interest on CSD paid to the consumers are calculated based on the average of the opening and closing balance of the actual CSD for the respective financial year as recorded in the segregated audited accounts. The Interest on CSD claimed by the Petitioner for FY 2016-17 to FY 2020-21, is shown in the following Table:

**Table 5-19: Interest on Consumer Security Deposits for FY 2016-17 to FY 2020-21 submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Opening Balance of CSD | 40.07 | 45.24 | 54.56 | 65.94 | 88.29 |
| Addition of CSD | 5.17 | 9.32 | 11.38 | 22.35 | 10.76 |
| Closing Balance of CSD | 45.24 | 54.56 | 65.94 | 88.29 | 99.05 |
| Average Balance | 42.66 | 49.90 | 60.25 | 77.12 | 93.67 |
| Rate of Interest (%) | 6.56 | 6.43 | 6.76 | 6.60 | 4.36 |
| **Interest on CSD** | **2.80** | **3.21** | **4.07** | **5.09** | **4.08** |

### Commission's View

The actual interest paid on the CSD has been verified from the Audited Accounts for FY 2016-17 to FY 2020-21. For FY 2017-18, the Interest on CSD as per the Audited Accounts is Rs. 3.55 Crore, while the amount claimed by the Petitioner is Rs. 3.21 Crore. For FY 2018-19, the Interest on CSD as per the Audited Accounts is Rs. 3.70 Crore, while the Petitioner has claimed Rs. 4.07 Crore. The interest on CSD has been approved after true-up for FY 2016-17 to FY 2020-21, based on the audited accounts, as shown in the following Table:

**Table 5-20: Interest on Consumer Security Deposits approved by Commission after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Interest on CSD | 2.80 | 3.55 | 3.70 | 5.09 | 4.08 |

## 5.9 Interest on Working Capital

### JSPL-D's Submission

The Petitioner has submitted that Regulation 25 of the CSERC MYT Regulations, 2015 allows a Distribution Licensee to recover interest on working capital on a normative basis notwithstanding that the Licensee has not taken loan for working capital from any outside agency. JSPL-D submitted that due to non-availability of tariff determined by the Commission for FY 2016-17 to FY 2018-19, JSPL-D has charged a tariff which was less than actual expenses incurred by JSPL-D during that period. Therefore, the surplus CSD over and above the normative working capital requirement was used to fund the operations of JSPL-D and JSPL-D did not earn any interest on the surplus CSD. Further, for FY 2019-20 and FY 2020-21, it has been observed that the CSD is in excess of normative working capital requirement. Therefore, the Petitioner has not claimed any Interest on Working Capital for FY 2019-20 and FY 2020-21. The Petitioner has claimed Nil Interest on Working Capital based on the methodology prescribed by CSERC MYT Regulations, 2015 for FY 2016-17 to FY 2020-21.

The computation of Interest on Working Capital for FY 2016-17 to FY 2020-21 as submitted by the Petitioner is shown in the Table below:

**Table 5-21: Interest on Working Capital for FY 2016-17 to FY 2020-21 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| O&M Expenses | 0.80 | 1.09 | 1.09 | 0.90 | 0.91 |
| Maintenance Spares | 0.59 | 0.71 | 0.39 | 0.63 | 0.64 |
| Receivables | 21.31 | 24.44 | 33.09 | 36.10 | 40.65 |
| Total Working Capital Requirement | 22.70 | 26.24 | 34.57 | 37.63 | 42.20 |
| Less: Consumer security deposit | 45.23 | 54.56 | 65.94 | 65.94 | 88.29 |
| Net Working Capital Requirement | -22.53 | -28.32 | -31.37 | -28.31 | -46.09 |
| Rate of Interest (%) | 11.50% | 12.60% | 12.20% | 12.55% | 11.65% |
| **Interest on Working Capital** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |

### Commission's View

The normative Interest on Working Capital (IoWC) has been computed in accordance with Regulation 25 of the CSERC MYT Regulations, 2015 for FY 2016-17 to FY 2020-21. The revised normative O&M expenses have been considered for computing the working capital requirement. The receivables have been considered equivalent to one-month actual revenue received for the respective years. The interest rate for computing IoWC has been considered equal to the SBI Base Rate as on 1st April of the respective FY plus 350 basis points, in accordance with the CSERC MYT Regulations, 2015. The CSD has been considered as per the Audited Accounts for the respective years, as submitted by JSPL-D. The normative IoWC works out to be negative and has accordingly been considered from FY 2016-17 to FY 2020-21, in accordance with the CSERC MYT Regulations, 2015. The normative IoWC approved after true-up for FY 2016-17 to FY 2020-21 is shown in the following Table:

**Table 5-22: Approved Interest on Working Capital after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **True-up Petition** | **Approved** | **True-up Petition** | **Approved** | **True-up Petition** | **Approved** | **True-up Petition** | **Approved** | **True-up Petition** | **Approved** |
| O&M Expenses | 0.80 | 0.81 | 1.09 | 0.94 | 1.09 | 0.94 | 0.90 | 0.84 | 0.91 | 0.85 |
| Maintenance Spares | 0.59 | 0.19 | 0.71 | 0.20 | 0.39 | 0.21 | 0.63 | 0.21 | 0.64 | 0.21 |
| Receivables | 21.31 | 21.31 | 24.44 | 25.67 | 33.09 | 34.75 | 36.10 | 36.49 | 40.65 | 40.86 |
| Total Working Capital Requirement | 22.70 | 22.32 | 26.24 | 25.59 | 34.57 | 34.24 | 37.63 | 37.16 | 42.20 | 41.72 |
| Less: Consumer Security Deposit | 45.23 | 45.24 | 54.56 | 54.56 | 65.94 | 65.94 | 65.94 | 88.29 | 88.29 | 99.05 |
| Net Working Capital Requirement | (22.53) | (22.92) | (28.32) | (27.75) | (31.37) | (30.04) | (28.31) | (50.75) | (46.09) | (57.13) |
| Rate of Interest (%) | 11.50% | 12.75% | 12.60% | 12.60% | 12.20% | 12.20% | 12.55% | 12.45% | 11.65% | 10.90% |
| **Interest on Working Capital** | **0.00** | **(2.92)** | **0.00** | **(3.50)** | **0.00** | **(3.67)** | **0.00** | **(6.32)** | **0.00** | **(6.23)** |

## 5.10 Bad and Doubtful Debts

### JSPL-D's Submission

The Petitioner has submitted that bad debts amounting to Rs. 1.03 Crore have been written off only for FY 2019-20, which has been considered in the true-up for FY 2019-20.

**Table 5-23: Bad Debt details for FY 2016-17 to FY 2020-21 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| | True-up Petition | True-up Petition | True-up Petition | True-up Petition | True-up Petition |
| Bad Debt | - | - | - | 1.03 | - |

### Commission's View

The provision for bad and doubtful debts have been considered for the purpose of true-up for FY 2019-20 as per CSERC MYT Regulations, 2015. The amount of Rs. 1.03 Crore has been approved for FY 2019-20, as the same is less than 1% of the revenue for the year.

## 5.11 Return on Equity

### JSPL-D's Submission

The Petitioner has submitted that it has computed the normative equity after reducing the assets funded through Consumer Contribution from the GFA by applying the normative Debt:Equity ratio of 70:30 on the asset base as per segregated audited accounts. Regulation 22 of the CSERC MYT Regulations, 2015 allows a Distribution Licensee to recover return on normative equity at a pre-tax rate of 16% to be grossed up by applying the tax rate applicable to the Licensee for the Financial Year. Considering the fact that if the actual ARR would have been allowed to JSPL-D, it would have been in profit, hence, JSPL-D has grossed up the RoE by MAT rate to fulfil tax liability after the true-up for FY 2016-17 to FY 2018-19. Further, for FY 2019-20 and FY 2020-21, a rate of 16.00% has been applied for calculating the normative return on equity. Addition of normative equity @30% of the licensee contribution for addition of asset for FY 2020-21 has also been considered. As no tax has been paid for FY 2019-20 and FY 2020-21, the same has been considered as nil. The return on equity for FY 2016-17 to FY 2020-21 as computed by the Petitioner is shown in the Table below:

**Table 5-24: Return on Equity for FY 2016-17 to FY 2020-21 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Opening GFA | 32.87 | 34.13 | 34.37 | 34.37 | 34.37 |
| Less: Consumer contribution | 5.15 | 6.84 | 9.82 | 9.82 | 9.82 |
| Net opening GFA | 27.72 | 27.29 | 24.55 | 24.55 | 24.55 |
| Opening equity qualified for RoE calculations (30%) | 8.32 | 8.19 | 7.37 | 7.37 | 7.37 |
| Equity addition during the year | - | - | - | - | 0.95 |
| Closing GFA | 32.87 | 34.13 | 34.37 | 34.37 | 37.52 |
| Less: Consumer contribution | 5.15 | 6.84 | 9.82 | 9.82 | 9.82 |
| Net closing GFA | 27.72 | 27.29 | 24.55 | 24.55 | 27.7 |
| Closing equity qualified for RoE calculations (30%) | 8.32 | 8.19 | 7.37 | 7.37 | 8.31 |
| Avg equity for the FY | 8.32 | 8.19 | 7.37 | 7.37 | 7.84 |
| Rate of RoE % | 16.00% | 16.00% | 16.00% | 16.00% | 16.00% |
| MAT Rate % | 19.06% | 21.34% | 21.55% | - | - |
| Grossed up rate of reasonable return % | 19.77% | 20.34% | 20.40% | - | - |
| ROE | **1.64** | **1.67** | **1.58** | **1.18** | **1.25** |

**Commission's View**

The RoE has been computed in accordance with Regulation 22 of the CSERC MYT Regulations, 2015 for FY 2016-17 to FY 2020-21. There has been no equity addition during FY 2016-17 to FY 2020-21. There has been increase in the Consumer Contribution in some years, as a result of which, the equity contribution has been correspondingly reduced, as the normative Debt:Equity ratio of 70:30 has to be applied on the GFA net of Consumer Contribution. The Return on Equity has been computed on the average equity for the respective year at 16% for FY 2016-17 to FY 2020-21. The RoE has not been grossed up by the MAT rate considering that the Petitioner has not submitted any evidence that actual Income Tax has been paid for FY 2016-17 to FY 2020-21. The RoE approved after true-up for FY 2016-17 to FY 2020-21 is shown in the Table below:

**Table 5-25: Approved Return on Equity for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Opening equity | 8.32 | 5.16 | 8.19 | 5.16 | 7.37 | 4.65 | 7.37 | 3.76 | 7.37 | 3.76 |
| Equity addition during the year | - | - | - | - | - | - | - | - | 0.95 | - |
| Closing equity | 8.32 | 5.16 | 8.19 | 4.65 | 7.37 | 3.76 | 7.37 | 3.76 | 8.31 | 3.76 |
| Average equity | 8.32 | 5.16 | 8.19 | 4.91 | 7.37 | 4.21 | 7.37 | 3.76 | 7.84 | 3.76 |
| Rate of RoE (%) | 16.00% | 16.00% | 16.00% | 16.00% | 16.00% | 16.00% | 16.00% | 16.00% | 16.00% | 16.00% |
| MAT Rate (%) | 19.06% | - | 21.34% | - | 21.55% | - | - | - | - | - |
| Grossed up RoE Rate (%) | 19.77% | - | 20.34% | - | 20.40% | - | - | - | - | - |
| **Return on Equity** | **1.64** | **0.83** | **1.67** | **0.79** | **1.58** | **0.67** | **1.18** | **0.60** | **1.25** | **0.60** |

## 5.12 Non-Tariff Income

### JSPL-D's Submission

The Petitioner has submitted that the NTI includes income from meter rent and Delayed Payment Surcharge (DPS). JSPL-D has charged monthly meter rent at the rate of 1.5% of the actual installation cost of the meter from its consumers. JSPL-D has claimed the NTI earned during FY 2016-17 to FY 2020-21 as recorded in the audited accounts.

**Table 5-26: Non-Tariff Income for FY 2016-17 to FY 2020-21 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Meter Rent | 0.11 | 0.12 | 0.13 | 0.13 | 0.14 |
| Delayed Payment Surcharge | 0.31 | 0.23 | | | |
| Other charges from consumers | | | | | 1.75 |
| **Total** | **0.42** | **0.35** | **0.13** | **0.13** | **1.89** |

### Commission's View

It is noted that JSPL-D has included DPS under NTI for FY 2016-17 and FY 2017-18. However, as stated in previous Chapter, the DPS has not been considered under NTI in accordance with the Hon'ble APTEL Judgment. The various heads of NTI have been verified from the audited accounts for the respective years. The Non-Tariff Income approved after True-up for FY 2016-17 to FY 2020-21 is shown in the Table below:

**Table 5-27: Approved Non-Tariff Income after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Meter Rent | 0.11 | 0.11 | 0.12 | 0.12 | 0.13 | 0.13 | 0.13 | 0.13 | 0.14 | 0.14 |
| Delayed Payment Surcharge | 0.31 | | 0.23 | | | | | | | |
| Other charges | | | | | | | | | 1.75 | 1.75 |
| **Total** | **0.42** | **0.11** | **0.35** | **0.12** | **0.13** | **0.13** | **0.13** | **0.13** | **1.89** | **1.89** |

## 5.13 Transmission charges

### JSPL-D's Submission

JSPL-D has submitted that the power is supplied to the licensed distribution and retail supply business through the licensed transmission lines (23.7 km line from JSPL to Punjipathra and 19.5 km line from JPL to Punjipathra).

For FY 2016-17, FY 2017-18 and FY 2018-19, JSPL-D has considered 25%, 37% and 47.19%, respectively, of the trued up ARR of its licensed transmission business (JSPL-T) as the Transmission Charges payable by JSPL-D. The Petitioner has claimed an expense of Rs. 6.25 Crore for FY 2019-20 and Rs. 5.83 Crore for FY 2020-21 as per the audited accounts, against Transmission Charges.

**Table 5-28: Transmission charges for FY 2016-17 to FY 2020-21 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Intra-State Transmission charges | 2.93 | 4.30 | 5.51 | 6.25 | 5.83 |

### Commission's View

The Transmission Charges payable/paid by JSPL-D to JSPL-T have been considered equivalent to the revenue for each year, as considered in the true-up of JSPL-T. The Transmission Charges approved after true-up for FY 2016-17 to FY 2020-21 are shown in the Table below:

**Table 5-29: Transmission Charges approved after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Intra state Transmission charges | 2.93 | 1.99 | 4.30 | 2.20 | 5.51 | 2.98 | 6.25 | 6.26 | 5.83 | 5.84 |

## 5.14 Aggregate Revenue Requirement

Based on the above, the Net ARR approved after true-up for FY 2016-17 to FY 2020-21 is shown in the following Table:

**Table 5-30: Net ARR approved after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Sr. No. | Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Petition** | **Approved** | **Petition** | **Approved** | **Petition** | **Approved** | **Petition** | **Approved** | **Petition** | **Approved** |
| 1 | Power Purchase Cost | 252.56 | 186.17 | 278.22 | 210.97 | 384.25 | 365.37 | 426.71 | 376.22 | 472.08 | 427.75 |
| 2 | O&M Expenses | 9.65 | 11.67 | 13.12 | 13.03 | 13.08 | 12.50 | 10.84 | 11.15 | 10.94 | 10.15 |
| 3 | Depreciation | 1.39 | 0.87 | 1.38 | 0.78 | 1.24 | 0.63 | 1.68 | 0.64 | 1.38 | 0.64 |
| 4 | Interest on Loan | 0.96 | 1.06 | 0.74 | 0.87 | 0.47 | 0.79 | 0.21 | 0.75 | 0.16 | 0.66 |
| 5 | Interest on Security Deposit | 2.80 | 2.80 | 3.21 | 3.55 | 4.07 | 3.70 | 5.09 | 5.09 | 4.08 | 4.08 |
| 6 | Interest on Working Capital Requirement | 0.00 | (2.92) | 0.00 | (3.65) | 0.00 | (3.87) | 0.00 | (6.37) | 0.00 | (6.25) |
| 7 | Return on Equity | 1.64 | 0.83 | 1.68 | 0.79 | 1.59 | 0.67 | 1.18 | 0.60 | 1.25 | 0.60 |
| **8** | Transmission charges | 2.94 | 1.99 | 4.31 | 2.20 | 5.51 | 2.98 | 6.26 | 6.26 | 5.84 | 5.84 |
| 9 | Provision for Bad & Doubtful Debt | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.03 | 1.03 | 0.00 | 0.00 |
| **10** | Less: (Gain)/Loss on Sharing O&M Efficiency | - | 0.96 | - | 0.88 | - | 0.62 | 0.60 | 0.54 | -0.38 | 0.00 |
| **11** | Less: Non-Tariff Income | 0.42 | 0.11 | 0.35 | 0.12 | 0.14 | 0.13 | 0.14 | 0.13 | 1.89 | 1.89 |
| 12 | **Net ARR** | **271.52** | **201.39** | **302.31** | **227.54** | **413.25** | **382.02** | **453.46** | **394.71** | **493.46** | **441.59** |

## 5.15 Revenue from Sale of Electricity

### JSPL-D's Submission

The Petitioner has submitted Revenue from Sale of Electricity for FY 2016-17 to FY 2020-21, as shown in the Table below:

**Table 5-31: Revenue from Sale of Electricity for FY 2016-17 to FY 2020-21 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Revenue from Sale of Electricity | 255.73 | 293.39 | 397.11 | 433.30 | 487.87 |

### Commission's View

The actual revenue from sale of electricity received for FY 2016-17 to FY 2020-21 has been approved based on the audited accounts, same as submitted by the Petitioner.

The revenue considered by the Commission in the true-up for FY 2016-17 to FY 2020-21 is shown in the Table below:

**Table 5-32: Revenue from Sale of Electricity approved by the Commission after true-up for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Revenue from Sale of Electricity | 255.73 | 293.39 | 397.12 | 433.30 | 487.87 |

## 5.16 Revenue Gap/(Surplus)

### JSPL-D's Submission

Petitioner has submitted the Revenue Gap for FY 2016-17 to FY 2020-21, along with Carrying Cost, as shown in the Table below:

**Table 5-33: Revenue Gap/(Surplus) for FY 2016-17 to FY 2020-21 as submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---|---|---|---|---|---|
| Opening Gap | 78.90 | 104.68 | 127.35 | 160.01 | 201.53 |
| Revenue from sale of energy | 255.73 | 293.39 | 397.12 | 433.29 | 487.87 |
| ARR | 271.53 | 302.30 | 413.25 | 453.46 | 493.46 |
| Addition of Revenue Gap | 15.80 | 8.92 | 16.13 | 20.17 | 5.58 |
| Closing Gap | 94.70 | 113.60 | 143.48 | 180.19 | 207.12 |
| Average Gap | 86.80 | 109.14 | 135.41 | 170.10 | 204.33 |

| | | | | | |
|---|---|---|---|---|---|
| Interest Rate (%) | 11.50% | 12.60% | 12.20% | 12.55% | 11.65% |
| Carrying cost on Revenue Gap | 9.98 | 13.75 | 16.52 | 21.35 | 23.80 |
| Closing gap including carrying cost | 104.68 | 127.35 | 160.01 | 201.53 | 230.92 |

**Commission's View**

The ARR approved for JSPL-D after true-up for FY 2016-17 to FY 2020-21 and the Revenue approved in the earlier Sections of this Chapter, has been considered to compute the Revenue Gap/(Surplus) for FY 2016-17 to FY 2020-21, along with associated Carrying/(Holding) cost, as shown in the Table below:

Table 5-34: **Approved Revenue Gap/(Surplus) for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2016-17 | | FY 2017-18 | | FY 2018-19 | | FY 2019-20 | | FY 2020-21 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved | True-up Petition | Approved |
| Opening Revenue Gap/(Surplus) | 78.90 | (461.37) | 104.68 | (578.00) | 127.35 | (720.82) | 160.01 | (824.77) | 201.53 | (968.44) |
| Revenue from sale of energy | 255.73 | 255.73 | 293.39 | 293.39 | 397.11 | 397.11 | 433.29 | 433.29 | 487.87 | 487.87 |
| ARR | 271.53 | 201.39 | 302.30 | 227.54 | 413.25 | 382.02 | 453.46 | 394.71 | 493.46 | 441.59 |
| Addition of Revenue Gap/(Surplus) in the year | 15.80 | (54.34) | 8.92 | (65.85) | 16.13 | (15.09) | 20.17 | (38.58) | 5.58 | (46.28) |
| Closing Revenue Gap/(Surplus) | 94.70 | (515.71) | 113.60 | (643.85) | 143.48 | (735.91) | 180.19 | (863.35) | 207.12 | (1014.72) |
| Average Revenue Gap/(Surplus) | 86.80 | (488.54) | 109.14 | (610.92) | 135.41 | (728.37) | 170.10 | (844.06) | 204.33 | (991.58) |
| Carrying/(Holding) Cost Interest Rate (%) | 11.50% | 12.75% | 12.60% | 12.60% | 12.20% | 12.20% | 12.55% | 12.45% | 11.65% | 10.90% |
| Carrying/(Holding) Cost | 9.98 | (62.29) | 13.75 | (76.98) | 16.52 | (88.86) | 21.35 | (105.09) | 23.80 | (108.08) |
| **Closing Revenue Gap/(Surplus) with Carrying cost** | **104.68** | **(578.00)** | **127.35** | **(720.82)** | **160.01** | **(824.77)** | **201.53** | **(968.44)** | **230.92** | **(1122.80)** |

# 6 ARR FOR MYT CONTROL PERIOD FROM FY 2022-23 TO 2024-25

## 6.1 Background

The Commission notified the CSERC MYT Regulations, 2021 for the MYT Control Period from FY 2022-23 to FY 2024-25 on November 14, 2021. For determining the ARR for the MYT Control Period from FY 2022-23 to FY 2024-25, the Commission has considered the Petition No. 46 of 2022 submitted by JSPL-D.

JSPL-D has submitted the projected ARR for the MYT Control Period from FY 2022-23 to FY 2024-25 under various heads, viz., Power Purchase expenses, O&M expenses, depreciation, interest on loans, interest on working capital, etc., in accordance with the CSERC MYT Regulations, 2021. The Commission has carried out prudence check for approval of each of the above expenditure heads and ARR of JSPL-D for the MYT Control Period from FY 2022-23 to FY 2024-25, in the following sections.

## 6.2 Sales Projections

**JSPL-D's Submission**

JSPL-D submitted that energy sales have been projected based on per kVA consumption in the past. The Petitioner has restricted the growth rate to 10% over previous year for consumers showing abnormal increase in consumption beyond 15%. Similarly, for the consumers showing reduced consumption over previous year, the growth rate has been considered as 5% over previous year. The Petitioner has used provisional figures available for energy sales in FY 2021-22 as a base for projection. The Petitioner has used average per kVA consumption for FY 2021-22 to project the future consumption of new consumers. The category-wise energy sales projected by the Petitioner for FY 2022-23 to FY 2024-25 is provided in the Table below:

**Table 6-1: Category-Wise Sales Projected by JSPL-D for FY 2022-23 to FY 2024-25 (MU)**

| Sl. No. | Category | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|
| **A** | **LT** | | | |
| 1 | Demand Based Non-Domestic | 1.98 | 2.18 | 2.40 |
| 2 | Non-Domestic | 0.19 | 0.19 | 0.21 |
| **B** | **11 kV** | | | |

| | | | | |
|---|---|---|---|---|
| 1 | Steel Industries | 2.67 | 2.67 | 2.67 |
| 2 | Other industries | 38.23 | 42.06 | 46.26 |
| 3 | Other General Purpose | 1.26 | 1.39 | 1.53 |
| **C** | **33 kV** | | | |
| 1 | Steel industries | 1,455.57 | 1,697.66 | 1,786.55 |
| 2 | Other industries | 14.47 | 15.68 | 17.01 |
| **D** | **Total** | **1,514.37** | **1,761.83** | **1,856.63** |

**Commission's Views**

The Commission has projected the category-wise energy sales for FY 2022-23 to FY 2024-25 by applying CAGR of actual sales for the period from FY 2011-12 to FY 2020-21, i.e., 9 year period. The Commission has considered FY 2020-21 as a base year and computed the CAGR for different periods for the purpose of projecting the sales for the Control Period. The Commission has computed the CAGR and Year-on-Year (YoY) growth in sales for each LT and HT category.

The most appropriate growth rate has been considered for projecting the category-wise sales for the Control Period. For instance, in HT Category, there is a sub-category of 33 kV steel industries, which comprises more than 90% of total sales volume. From the past trend, it is observed that there is a consistent increase in sales, except for couple of years in between, where declining trend is observed, hence, in order to ensure more realistic sales projections, 9-year CAGR reflecting the longer-term trend has been considered for projecting the sales for each year of the Control Period. Similarly, for LT-2 Non-Domestic category, 6-year CAGR basis has been considered. For 11 kV 'other industries' category, it is observed that consumption was nil for most of the years, hence, 10% growth rate has been assumed. The Commission, after analysing the historic growth trends in each consumer category, has considered the basis for forecasting the sales for that category. The category-wise CAGR considered by the Commission is shown in the Table below:

**Table 6-2: CAGR considered by the Commission for projecting the sales for FY 2022-23 to FY 2024-25**

| Consumer Category | CAGR | Basis of Growth Rates |
|---|---|---|
| LT-1: Domestic | 0% | No Growth |
| LT-2: Non-Domestic | 5.06% | 6-year CAGR |

| | | |
|---|---|---|
| LT: Street Lighting | 0% | No Growth |
| HT: 33 kV Steel Industries | 7.18% | 9-year CAGR |
| HT: 33 kV Other Industries | 0% | No Growth |
| HT:11kV Steel Industries | 0% | No Growth |
| HT: 11 kV other industries | 10% | Assumption |
| HT: 11 kV General purpose non-industrial | 0% | No Growth |

On the basis of the above CAGR, the Commission has projected the energy sales for the Control Period from FY 2022-23 to FY 2024-25 considering the actual sales for FY 2020-21 as base-year sales. The energy sales estimated by the Commission for the Control Period from FY 2022-23 to FY 2024-25 is shown in the following Table:

**Table 6-3:Energy Sales for FY 2022-23 to FY 2024-25 approved by Commission (MU)**

| Category | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Non-Domestic | 2.17 | 0.43 | 2.37 | 0.45 | 2.61 | 0.48 |
| **Total LT** | **2.17** | **0.43** | **2.37** | **0.45** | **2.61** | **0.48** |
| 33 kV Steel Industry | 1455.57 | 1294.55 | 1697.66 | 1387.52 | 1786.55 | 1487.17 |
| 33 kV other industry | 14.47 | 10.77 | 15.68 | 10.77 | 17.01 | 10.77 |
| 11 kV Steel Industry | 2.67 | 2.47 | 2.67 | 2.47 | 2.67 | 2.47 |
| 11 kV other industry | 38.23 | 31.82 | 42.06 | 35.01 | 46.26 | 38.51 |
| 11 kV Non-residential and Gen. Purpose | 1.26 | 0.69 | 1.39 | 0.69 | 1.53 | 0.69 |
| **Total HT** | **1512.20** | **1340.30** | **1759.46** | **1436.45** | **1854.02** | **1539.61** |
| **Total Sales** | **1514.37** | **1340.73** | **1761.83** | **1436.91** | **1856.63** | **1540.08** |

## 6.3 Energy Balance

**JSPL-D's Submission**

The Petitioner submitted that its losses are low on account of smaller size of the licensed distribution area, higher concentration of 33kV retail consumers and zero theft in the distribution area. The table below summarizes the projection for energy sales, transmission, and distribution losses for JSPL-D for FY 2022-23 to FY 2024-25.

**Table 6-4: Energy Balance projected for FY 2022-23 to FY 2024-25 as submitted by JSPL-D (MU)**

| Category | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| Energy Sales | 1514.37 | 1761.83 | 1856.63 |
| Distribution loss (%) | 0.33% | 0.33% | 0.33% |
| Energy delivered at Distribution periphery | 1519.34 | 1767.6 | 1862.71 |
| Transmission Loss (%) | 0.59% | 0.59% | 0.59% |
| Energy Requirement at transmission periphery | 1528.42 | 1778.17 | 1873.85 |

**Commission's Views**

In the previous Tariff Orders, the Commission had directed the Petitioner to submit the detailed energy accounting reports based on meter readings at various interface points, in order to assess the losses at various levels accurately. However, no such details have been submitted by the Petitioner. In the absence of any alternative data, the Commission has been forced to accept the loss data submitted by the Petitioner. However, at the time of true-up, the Commission shall consider the lower of the actual losses based on actual meter readings and target losses.

The Commission has accepted the Distribution loss of 0.33% as submitted by the Petitioner for the MYT Control Period. The Commission has computed the energy required at distribution periphery by grossing up the sales with the distribution loss. The Commission has considered the Transmission Loss of 0.59% as submitted by the Petitioner. The Commission has computed the energy required at the transmission periphery by grossing up the energy required at the distribution periphery with the transmission loss. The Commission has approved the Energy Balance for each Year of the Control Period based on the approved sales, approved Distribution Losses and intra-State Transmission Losses, as shown in the Table below:

**Table 6-5: Approved Energy Balance for the MYT Control Period from FY 2022-23 to FY 2024-25 (MU)**

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Energy Sales | 1514.37 | 1340.73 | 1761.83 | 1436.91 | 1856.63 | 1540.08 |
| Distribution loss (%) | 0.33% | 0.33% | 0.33% | 0.33% | 0.33% | 0.33% |
| Distribution loss | | 4.44 | | 4.76 | | 5.1 |
| Energy delivered at | 1519.34 | 1345.17 | 1767.6 | 1441.66 | 1862.71 | 1545.18 |

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Distribution periphery | | | | | | |
| Transmission Loss (%) | 0.59% | 0.59% | 0.59% | 0.59% | 0.59% | 0.59% |
| Transmission Loss | | 7.98 | | 8.56 | | 9.17 |
| **Energy Requirement at Transmission Periphery** | **1528.42** | **1353.15** | **1778.17** | **1450.22** | **1873.85** | **1554.35** |

## 6.4 Power Purchase cost

**JSPL-D's Submission**

The Petitioner has submitted that it had an Agreement with Jindal Power Limited (JPL) to procure uninterrupted power at the rate of Rs. 4.05 per kWh. However, the Agreement expired on 31.03.2022 and JPL intimated its inability to supply power after the said date at the agreed upon price considering significant increase in cost of generation, which forced the Petitioner to procure power through short-term bids from Traders/power generators or from the Power Exchange to supply power to its consumers. The Petitioner has also mentioned that the price discovered in the Power Exchange is extremely high, i.e., Avg. Market Clearing Price (MCP) was Rs. 5.35/kWh in the 4$^{th}$ Quarter of FY 2021-22, Rs. 10.07/kWh for April 2022 and Rs. 8.23/kWh for first 15 days of May 2022.

The Petitioner submitted that the Hon'ble Appellate Tribunal vide its Judgment dated 06.05.2022 in Appeal Nos. 72 and 100 of 2016 has directed the Commission to allow the Petitioner to purchase power through long-term competitive bidding process under Section 63 of the EA 2003. In the Petition, the Petitioner submitted that it has already initiated the bidding process and shall approach the Commission for adoption of tariff for the same and consequential changes in the power purchase cost for the MYT Control Period during the filing of yearly Petition.

The Petitioner requested the Commission to pass an Order for procurement of power from market / bilateral agreement / short-term bids from generators / traders / any other sources and supply to its consumers at Rs. 8.70 per unit for FY 2022-23. The Petitioner has submitted that the average MCP at Power Exchange for April and May 2022 was Rs. 9.15/kWh and it expects the price to be stabilised and has thus, considered the power purchase price lower than the average MCP. The Petitioner has projected power purchase cost for FY 2023-24 and FY 2024-25 with nominal escalation of 5% on year-to-year basis. The Petitioner has proposed to claim the difference in power purchase cost being an uncontrollable cost, during the true up exercise. The power purchase expenses projected by the Petitioner for the Control Period from FY 2022-23 to FY 2024-25 is shown in the Table below:

**Table 6-6: Estimated Power Purchase Cost for FY 2022-23 to FY 2024-25 (Rs. Cr.)**

| **Particulars** | **FY 2022-23** | **FY 2023-24** | **FY 2024-25** |
|---|---|---|---|
| Power Purchase Quantum (MU) | 1528.42 | 1778.17 | 1873.85 |
| Projected Unit Rate (Rs./kWh) | 8.70 | 9.14 | 6.95 |
| **Power Purchase Cost** | **1329.72** | **1,624.36*** | **1,797.35#** |

***Note:*** * *JSPL-D has made computation error in PPC for FY 2023-24; correct value is Rs. 1625.24 Crore*

*# JSPL-D has made computation error in PPC for FY 2024-25; correct value is Rs. 1302.32 Crore*

During the regulatory proceedings, the Petitioner made an additional submission stating that it has undertaken a short-term competitive bidding process on the Discovery of Efficient Electricity Price (DEEP) portal in which JPL emerged as a successful bidder by quoting the lowest tariff of Rs. 5.50/kWh, and accordingly, a Letter of Intent (LoI) was issued by JSPL-D on 13.07.2022 to JPL for the entire duration from 21.07.2022 to 31.03.2023 for Round-the-Clock (RTC) power procurement of 150 MW. The Petitioner has also submitted that it is working on long-term competitive bidding arrangement for subsequent period.

Further, since the earlier agreement with JPL has expired on 31.03.2022, hence, in order to maintain the continuity of supply of power to its consumers the Petitioner has made an arrangement of power from JPL at the rate of Rs. 6/kWh from 01.04.2022 to 31.07.2022.

**RPO Targets**

The Petitioner has submitted the RPO cost in accordance with the Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) Regulations, 2021 (herein called as '**CSERC RPO Regulations, 2021**'). The Petitioner has provisionally considered the targets for FY 2023-24 to be applicable for FY 2024-25 also, as the said Regulations are applicable for the period from FY 2021-22 to FY 2023-24.

**Table 6-7: Estimated RPO Cost for FY 2022-23 to FY 2024-25 as submitted by JSPL-D (Rs. Crore)**

| Sl. No. | Particulars | Type | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|---|
| | | | Petition | Petition | Petition |
| 1 | Minimum RPO Target | Solar | 11.50% | 12.50% | 12.50% |
| | | Non-solar (Others) | 10.50% | 10.50% | 10.50% |
| | | Non-solar (HPO) | 0.35% | 0.66% | 0.66% |
| 2 | Annual sales (MU) | | 1514.37 | 1761.83 | 1856.63 |
| 3 | RPO liability (MU) | Solar | 174.15 | 220.23 | 232.08 |
| | | Non-solar (Others) | 159.01 | 184.99 | 194.95 |
| | | Non-solar (HPO) | 5.30 | 11.63 | 12.25 |
| 4 | Price of REC (Rs./kWh) | Solar | 2.21 | 2.21 | 2.21 |
| | | Non-solar | 01 | 01 | 01 |
| 5 | RPO liability | Solar | 38.53 | 48.72 | 51.34 |
| | | Non-solar | 16.43 | 19.66 | 20.72 |
| 6 | Total Cost | | 54.96 | 68.38 | 72.06 |
| 7 | 18% GST | | 9.89 | 12.31 | 12.97 |
| 8 | Exchange Charges (Rs. 20 per 1000 units + 18% GST) | | 0.79 | 0.96 | 1.01 |
| 9 | Trader Fee (1 Paise per Unit + 18% GST) | | 0.39 | 0.48 | 0.50 |
| **10** | **Total REC Purchase Cost** | | **66.03** | **82.12** | **86.54** |

**Commission's Views**

**Power Purchase cost**

The Petitioner has stated in the additional submission that it has purchased power at the rate of Rs. 6 per kWh from JPL for the period from 01.04.2022 to 20.07.2022. However, the Petitioner has not submitted any documentary evidence for the same or justification for such costly power purchase. The Agreement between the Petitioner and JPL for this period has also not received the Commission's approval. For the purpose of this Order, the Commission has considered the rate for purchase from 'alternate sources/JPL' from April 01, 2022 to July 20, 2022 at the rate of Rs. 3.99/kWh, which is the average rate for such sources in FY 2020-21. The quantum of purchase for this period from April 01, 2022 to July 20, 2022 has been considered proportionately, as 411.51 MU.

Vide its Order dated 21 July 2022 in Petition No. 50 of 2022, the Commission has adopted the competitively discovered tariff of Rs. 5.50/kWh for procurement of short-term power of 150 MW on RTC basis from JPL for the period from 21 July 2022 to 31 March 2023, subject to the condition that the Licensee's surplus power shall be examined during the tariff determination process. The Commission has ruled that if the cost of surplus power computed by the Commission is lower than the above discovered rate of Rs. 5.50/kWh, then appropriate treatment shall be given in accordance with related Orders of the Hon'ble APTEL.

From the period from July 21, 2022 to March 31, 2023, the Commission has hence, considered the source of power as JPL and rate of power purchase as Rs. 5.50/kWh. The same shall be adjusted at the time of true-up depending on the actual quantum of surplus power available at RCPP and DCPP, and the Generation Tariff for DCPP and RCPP for the year.

For FY 2023-24 to FY 2024-25, JSPL has submitted that it is exploring long-term tie-up and shall approach the Commission for approval of such PPA at the appropriate time. In the absence of any other rate, for the purpose of this Order, the Commission has considered the same power purchase rate of Rs. 5.50/kWh for estimating the power purchase cost for FY 2023-24 and FY 2024-25.

**RPO cost**

The Commission has computed the RPO targets for FY 2022-23 to FY 2024-25 as per 'CSERC RPO Regulations, 2021' and calculated RPO liability in MU on the total volume of power sales. The said Regulation is applicable for the period from FY 2021-22 to FY 2023-24. As this Regulation is effective from FY 2021-22 to FY 2023-24, hence, the Commission has considered the targets for FY 2023-24 to be applicable for FY 2024-25 also, based on the provision in the Regulations that it will be continued till any further revision.

**Table 6-8: Approved RPO liability for FY 2022-23 to FY 2024-25 (MU)**

| Particulars | Type | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|---|
| | | Petition | Approved | Petition | Approved | Petition | Approved |
| Minimum RPO Target (%) | Solar | 11.50% | 11.50% | 12.50% | 12.50% | 12.50% | 12.50% |
| | Non-solar (Others) | 10.50% | 10.50% | 10.50% | 10.50% | 10.50% | 10.50% |
| | Non-solar (HPO) | 0.35% | 0.35% | 0.66% | 0.66% | 0.66% | 0.66% |
| Annual sales | | 1514.37 | 1340.73 | 1761.83 | 1436.91 | 1856.63 | 1540.08 |
| RPO liability | Solar | 174.15 | 154.18 | 220.23 | 179.61 | 232.08 | 192.51 |
| | Non-solar (Others) | 159.01 | 140.78 | 184.99 | 150.88 | 194.95 | 161.71 |
| | Non-solar (HPO) | 5.30 | 4.69 | 11.63 | 9.48 | 12.25 | 10.16 |

The Commission has considered purchase of RECs for meeting the RPO targets, considering that there is a gestation period for procurement of actual RE power. However, the Petitioner should strive to purchase RE power rather than RECs to meet its RPO target, which is likely to help JSPL to reduce its overall power purchase cost, considering the lower rate prevalent for RE power purchase.

**Table 6-9: Approved Power Purchase Cost for FY 2022-23 to FY 2024-25**

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| **Quantum of Power Purchase (MU)** | | | | | | |
| **JPL** | | 411.51 | | | | |
| **Alternate source** | 1528.42 | 941.65 | 1778.17 | 1450.22 | 1873.85 | 1554.35 |
| **Total (MU)** | **1528.42** | **1353.15** | **1778.17** | **1450.22** | **1873.85** | **1554.35** |
| **Power Purchase Cost (Rs. Crore)** | | | | | | |
| **JPL** | | 164.19 | | | | |
| **Alternate source** | 1329.72 | 517.90 | 1624.36 | 797.62 | 1797.35 | 854.89 |
| **Total (Rs. Cr.)** | **1329.72** | **682.10** | ***1624.36** | **797.62** | **#1797.35** | **854.89** |
| **RE Power Purchase cost (Rs. Crore)** | | | | | | |
| **Solar** | 38.53 | 15.42 | 48.72 | 17.96 | 51.34 | 19.25 |

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| **Non-solar** | 16.43 | 14.08 | 19.66 | 15.09 | 20.72 | 16.17 |
| **HPO** | | 0.47 | | 0.95 | | 1.02 |
| **Total RE Power cost (Rs. Crore)** | **66.03** | **29.97** | **82.12** | **34.00** | **86.54** | **36.44** |
| **Total Power purchase cost including RE/REC (Rs. Crore)** | **1395.75** | **712.06** | **1706.48** | **831.62** | **1883.89** | **891.33** |
| **Avg. Power Purchase Rate (Rs./kWh)** | | | | | | |
| **JPL** | | 3.99 | | | | |
| **Alternate source** | 8.70 | 5.50 | 9.14 | 5.50 | 6.95 | 5.50 |
| **Solar REC** | 2.21 | 1.0 | 2.21 | 1.0 | 2.21 | 1.0 |
| **Non-solar REC** | 01 | 1.0 | 01 | 1.0 | 01 | 1.0 |
| **HPO** | - | 1.0 | - | 1.0 | - | 1.0 |

***Note:*** ** JSPL-D has made computation error in PPC for FY 2023-24; correct value is Rs. 1625.24 Crore*

*# JSPL-D has made computation error in PPC for FY 2024-25; correct value is Rs. 1302.32 Crore*

## 6.5 O&M

### JSPL-D's Submission

The Petitioner has submitted that it has computed the O&M expenses, comprising employee expenses, A&G expenses and R&M expenses for the Control Period from FY 2022-23 to FY 2024-25, as per the Regulation 92.6 read with 83.4.1 and 83.4.2 of the CSERC MYT Regulations, 2021.

### Human Resource (HR) expenses

The Petitioner has submitted that the human resource expenses for the base year, i.e., FY 2021-22 has been derived on the basis of the normalized average of the actual HR expenses for FY 2016-17 to FY 2020-21. The normalization has been done by applying last five-year average increase in Consumer Price Index (CPI) (4.49%) on year-to-year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21 has been used to project the HR expense for the base year, FY 2021-22. The base year value has been escalated by the above inflation rate to estimate the employee expenses for each year of the Control Period.

### Administrative and General (A&G) expenses

The Petitioner has submitted that the A&G expenses for the base year, i.e., FY 2021-22 has been derived on the basis of the normalized average of the actual A&G expenses as per the accounts for FY 2016-17 to FY 2020-21. The normalization has been done by applying last five-year average increase/decrease in inflation considered on the basis of 40% weightage of WPI and 60% weightage of CPI (which calculates to be 3.65%) on year-to-year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, has been used to project the base year value for FY 2021-22. The calculated base year value has been escalated by the above inflation rate to estimate the A&G expenses for subsequent years of the Control Period.

### Repair & Maintenance expenses (R&M expenses)

The Petitioner has submitted that the R&M expenses for the base year, i.e., FY 2021-22 has been derived on the basis of the normalized average of the actual R&M expenses for FY 2016-17 to FY 2020-21. The normalization has been done by applying last five-year average increase in Wholesale Price Index (WPI) (2.39%) on year-to-year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21 has been used to project the R&M expense for the base year, FY 2021-22. The base year value so arrived has been escalated by the above inflation rate to estimate the R&M expenses for each year of the Control Period.

### Total O&M expenses

The O&M expenses projected by JSPL-D for the period from FY 2022-23 to FY 2024-25 are given below:

**Table 6-10: O&M expenses estimated for FY 2022-23 to FY 2024-25 by JSPL-D (in Rs. Crore)**

| Sl. No. | Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|
| 1 | Employee Expenses | 9.15 | 9.56 | 9.99 |
| 2 | Administrative & General Expenses | 2.82 | 2.93 | 3.03 |
| 3 | Repair & Maintenance Expenses | 1.68 | 1.72 | 1.76 |
| **4** | **Total** | **13.65** | **14.20** | **14.78** |

### Commission analysis

Regulation 83.4 of the CSERC MYT Regulations, 2021 specifies as under as regards O&M Expenses:

*“**83.4. Operation And Maintenance (O&M) Expenses***

***83.4.1. Human Resource (HR) Expenses***

*(a) HR expenses shall include:*

*(i) employees costs;*

*(ii) impact of Pay revision;*

*(iii) manpower deployed on outsourcing basis;*

*(b) The Commission shall stipulate a separate trajectory for each of the components of HR expenses for the Control Period.*

*(c) The HR expenses includes employee cost, impact of pay revision arrears, all expenses towards manpower deployed on outsourcing basis, pension fund contribution, and any other expense of non-recurring nature related to HR. The base year i.e. FY 2021-22, shall be derived on the basis of the normalized average of the actual HR expenses excluding pension fund contribution, impact of pay revision arrears and any other expense of non-recurring nature, available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission.*

*(d) The normalization of HR expenses shall be done by applying last five year average increase in Consumer Price Index Industrial Worker (CPI (IW)) on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22. The projected base year value shall be escalated by the above inflation rate to estimate the HR expenses (excluding impact of pension fund contribution and pay revision and any other expense of non-recurring nature, if any) for each year of the control period.*

*(e) At the time of true up, the HR expenses shall be considered at actual and shall not be subjected to gain/loss mechanism.*

*Provided further that during the true-up, actual cash outflow on impact of pay revision (including arrears) and pension fund contribution shall be allowed as per accounts, subject to prudence check and any other factor considered appropriate by the Commission.*

*(f) CPI (IW) (all India) shall be as per Labour Bureau, Government of India {Base Year: 2001:100}.*

***83.4.2. Maintenance and General (M&G) Expenses***

*(a) Maintenance and General (M&G) expenses shall include:*

*(i) Administrative and General (A&G) expenses;*

*(ii) Repair and Maintenance (R&M) expenses*

*(b) The Commission shall stipulate a separate trajectory for each of the components of M&G expenses viz., R&M and A&G expenses for the Control Period.*

*(c) The A&G expenses (excluding expenses towards outsourcing manpower) (A&G) and R&M expenses (excluding expenses towards outsourcing manpower) (R&M) for the base year i.e. FY 2020-21, shall be derived on the basis of the normalized average of the actual A&G expenses (excluding expenses towards outsourcing manpower) and R&M expenses (excluding expenses towards outsourcing manpower), respectively available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22, subject to prudence check by the Commission. Any other expense of non- recurring nature shall be excluded while determining normalized average for the previous five (5) years.*

*(d) The normalization of R&M expenses shall be done by applying last five year average increase/decrease in Wholesale Price Index (WPI) of all commodities on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2021-22.*

*(e) For normalization of A&G expenses shall be estimated by applying last five year average increase/decrease in Inflation to be considered on the basis of 40% weightage of WPI and 60% weightage of CPI respectively on year to year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, shall then be used to project base year value for FY 2020-21.*

*(f) The projected base year value shall be escalated by the above inflation rate to estimate the A&G and R&M expenses for each year of the control period.*

(g) *Wholesale Price Index numbers of all commodities shall be as per Office of Economic Advisor, Ministry gf Commerce & Industry, Government of India {Base Year: 2011-12 Series};*

(h) *Consumer Price Index for Industrial Workers (all India) shall be as per Labour Bureau, Government of lndia {Base Year: 2001:100}.*

(i) *At the time of true up, the A&G and R&M expenses shall be considered after taking into account the actual inflation instead of projected inflation for that period."*

The O&M expenses for the Control Period from FY 2022-23 to FY 2024-25 have been estimated in accordance with the methodology specified in the CSERC MYT Regulations, 2021.

The summary of the yearly escalation in CPI and WPI over the last five years up to FY 2020-21 and the average escalation rate considered for projecting the O&M expenses is shown in the following Table:

**Table 6-11: Computation of Escalation Rate for Projections (%)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | Average of 5 years increase |
|---|---|---|---|---|---|---|
| CPI-IW (%) | 4.12% | 3.08% | 5.45% | 7.53% | 5.02% | 5.04% |
| WPI-AC (%) | 1.73% | 2.92% | 4.27% | 1.68% | 1.27% | 2.38% |

***Note**: CPI-IW: Consumer Price Index - Industrial Workers*
*WPI-AC: Wholesale Price Index - All Commodities*

### 6.5.1 Employee Expenses

In accordance with the CSERC MYT Regulations, 2021, the Commission has considered the employee expenses on the basis of the normalized average of the actual prudent Human Resource (HR) expenses available in the accounts for the previous five (5) years immediately preceding the base year FY 2021-22.

The normalization has been done by applying last five-year average increase in CPI on year-to-year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, has then been used to project base-year value for FY 2021-22. The projected base-year value so arrived, has been escalated by the above inflation rate to estimate the HR expense (excluding impact of pension fund contribution and pay revision and any other expense of non-recurring nature) for each year of the Control Period.

### 6.5.2 A&G Expenses

In accordance with the CSERC MYT Regulations, 2021, the Commission has considered the A&G expenses on the basis of the normalized average of the actual prudent A&G expenses (excluding expenses towards outsourcing manpower) available in the accounts for the previous five (5) years immediately preceding the base-year FY 2021-22.

The normalisation of A&G expenses has been done by applying last five-year average increase/decrease in Inflation on the basis of 40% weightage of WPI and 60% weightage of CPI, respectively, on year-to-year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, has then been used to project base-year value for FY 2021-22. The projected base-year value has been escalated by the above inflation rate to estimate the A&G expenses for each year of the Control Period.

### 6.5.3 R&M Expenses

In accordance with the CSERC MYT Regulations, 2021, the Commission has considered the R&M expenses has been derived on the basis of the normalized average of the actual prudent R&M expenses available in the accounts for the previous five (5) years immediately preceding the base-year FY 2021-22.

The normalization of R&M expenses has been done by applying last five-year average increase/decrease in WPI of all commodities on year-to-year basis. The average of normalized net present value for FY 2016-17 to FY 2020-21, has then been used to project base-year value for FY 2021-22. The projected base-year value has been escalated by the above inflation rate to estimate the R&M expenses for each year of the Control Period.

The normative Employee expenses, A&G expenses and R&M expenses as approved for the Control Period from FY 2022-23 to FY 2024-25 are shown in the Tables below:

**Table 6-12: Approved Employee Expenses for the Control Period FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|---|---|---|---|---|
| Employee Expenses | 7.36 | 8.82 | 8.70 | 7.46 | 7.51 | | | | |
| Normalised FY 2016-17 value to FY 2020-21 NPV | 7.36 | 7.59 | 8.00 | 8.60 | 9.03 | | | | |
| Normalised FY 2017-18 value to FY 2020-21 NPV | | 8.82 | 9.30 | 10.00 | 10.50 | | | | |
| Normalised FY 2018-19 value to FY 2020-21 NPV | | | 8.70 | 9.36 | 9.82 | | | | |
| Normalised FY 2019-20 value to FY 2020-21 NPV | | | | 7.46 | 7.83 | | | | |
| Normalised FY 2020-21 value | | | | | 7.51 | | | | |
| **Net Employee Expenses** | | | | | **8.94** | **9.39** | **9.87** | **10.36** | **10.89** |

**Table 6-13: Approved A&G expenses for the Control Period FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Particulars | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|---|---|---|---|---|
| A&G Expenses | 2.33 | 2.45 | 2.81 | 2.32 | 1.17 | | | | |
| Normalised FY 2016-17 value to FY 2020-21 NPV | 2.33 | 2.40 | 2.52 | 2.65 | 2.74 | | | | |
| Normalised FY 2017-18 value to FY 2020-21 NPV | | 2.45 | 2.57 | 2.71 | 2.80 | | | | |
| Normalised FY 2018-19 value to FY 2020-21 NPV | | | 2.81 | 2.96 | 3.06 | | | | |
| Normalised FY 2019-20 value to FY 2020-21 NPV | | | | 2.32 | 2.40 | | | | |
| Normalised FY 2020-21 value | | | | | 1.17 | | | | |
| **Net A&G Expenses** | | | | | **2.44** | **2.53** | **2.63** | **2.74** | **2.85** |

**Table 6-14: Approved R&M expenses for the Control Period FY 2022-23 to FY 2024-25 (Rs. Crore)**

| **Particulars** | **FY 2016-17** | **FY 2017-18** | **FY 2018-19** | **FY 2019-20** | **FY 2020-21** | **FY 2021-22** | **FY 2022-23** | **FY 2023-24** | **FY 2024-25** |
|---|---|---|---|---|---|---|---|---|---|
| R&M Expenses | 1.98 | 1.76 | 0.99 | 1.37 | 1.47 | | | | |
| Normalised FY 2016-17 value to FY 2020-21 NPV | 1.98 | 2.04 | 2.12 | 2.16 | 2.19 | | | | |
| Normalised FY 2017-18 value to FY 2020-21 NPV | | 1.76 | 1.84 | 1.87 | 1.89 | | | | |
| Normalised FY 2018-19 value to FY 2020-21 NPV | | | 0.99 | 1.01 | 1.02 | | | | |
| Normalised FY 2019-20 value to FY 2020-21 NPV | | | | 1.37 | 1.39 | | | | |
| Normalised FY 2020-21 value | | | | | 1.47 | | | | |
| **Net R&M Expenses** | | | | | **1.59** | **1.63** | **1.67** | **1.71** | **1.75** |

The summary of O&M expenses approved for the Control Period is shown in the Table below:

**Table 6-15 Approved O&M expenses for the Control Period FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Employee Expenses | 9.15 | 9.87 | 9.56 | 10.36 | 9.99 | 10.89 |
| A&G Expenses | 2.82 | 2.63 | 2.93 | 2.74 | 3.03 | 2.85 |
| R&M Expenses | 1.68 | 1.67 | 1.72 | 1.71 | 1.76 | 1.75 |
| **Total O&M Expenses** | **13.65** | **14.17** | **14.2** | **14.81** | **14.78** | **15.48** |

## 6.6 Gross Fixed Assets

### JSPL-D's Submission

The Petitioner has submitted the closing Gross Fixed Asset as per the audited annual accounts for FY 2020-21 and added that the Petitioner has added an asset in FY 2021-22 under plant and equipment amounting to Rs. 702.18 Lakh to address the increase in load from the consumers for calculation of opening GFA for FY 2022-23. The Petitioner has also kept a provision for an addition to the asset base under Plant and Equipment amounting to Rs. 50 Lakh for each year from FY 2022-23 to FY 2024-25 in view of increased contracted capacity and energy sales.

**Table 6-16: Estimated GFA for FY 2022-23 to FY 2024-25 submitted by JSPL-D(Rs. Cr.)**

| Sl. No. | Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|
| 1 | Leasehold Land | 0.32 | 0.32 | 0.32 |
| 2 | Buildings | 7.88 | 7.88 | 7.88 |
| 3 | Plant & Equipment | 36.23 | 36.74 | 37.24 |
| 4 | Computers | 0.006 | 0.006 | 0.006 |
| 5 | Air Conditioners | 0.08 | 0.08 | 0.08 |
| 6 | Furniture & Fixtures | 0.01 | 0.01 | 0.01 |
| 7 | Office Equipment | 0.007 | 0.007 | 0.007 |
| 8 | Vehicle | 0.004 | 0.004 | 0.004 |
| 9 | Total Opening | 44.56 | 45.06 | 45.56 |
| 10 | Add: Plant & Equipment | 0.50 | 0.50 | 0.50 |
| **11** | **Total Closing** | **45.06** | **45.56** | **46.06** |

The Petitioner submitted that GFA created for the wheeling and retail supply business comprises asset created out of Consumer Contribution and Licensee Contribution. Accordingly, the assets created out of Licensee Contribution have been considered for calculation of ARR as provided below:

**Table 6-17: Estimated GFA from Licensee Contribution for FY 2022-23 to FY 2024-25 submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| Opening GFA | 34.73 | 35.23 | 35.73 |
| Addition | 0.50 | 0.50 | 0.50 |
| Disposal | 0 | 0 | 0 |
| Closing GFA | 35.23 | 35.73 | 36.23 |
| Average GFA | 34.98 | 35.48 | 35.98 |
| **Licensee Contribution as % of total GFA** | **78.07%** | **78.31%** | **78.54%** |

### Commission's View

It is noted that the Petitioner has requested for provision of asset addition towards plant and equipment of Rs. 50 Lakh for each year of the Control Period. However, the Commission has not approved any capitalisation for the Control Period, since, the Petitioner has not planned and submitted any Capital Investment Plan (CIP) with proper justification, in accordance with the MYT Regulations, 2021. Hence, the Commission has not considered any capitalisation during FY 2022-23 to FY 2024-25.

The closing GFA for JSPL-D for FY 2020-21, as approved in the true-up for FY 2020-21 in this Order, has been considered as the opening GFA for FY 2021-22, which is Rs. 22.33 Crore. Capitalisation for FY 2021-22 has been considered as Nil to arrive at the closing GFA for FY 2021-22, as there is no approved capital investment for FY 2021-22.

The closing GFA of FY 2021-22 has been considered as the opening GFA for FY 2022-23, which is Rs. 22.33 Crore. Similarly, for each year of the Control Period, closing balance of the previous year has been considered as the opening balance for the next year which is the same as Rs. 22.33 Crore. The capitalisation approved for the Control Period of JSPL-D is considered as Nil from FY 2022-23 to FY 2024-25.

**Table 6-18: GFA for FY 2022-23 to FY 2024-25 approved by the Commission (Rs. Cr.)**

| Sl. No. | Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|---|
| | | Petition | Approved | Petition | Approved | Petition | Approved |
| 1 | Land under full ownership | 0.32 | | 0.32 | | 0.32 | |
| 2 | Building & Civil works | 7.88 | | 7.88 | | 7.88 | |
| 3 | Plant & Equipment | 36.74 | 15.87 | 37.24 | 15.87 | 37.74 | 15.87 |
| 5 | Computers | 0.006 | | 0.006 | | 0.006 | |
| 6 | Air Conditioners | 0.08 | | 0.08 | | 0.08 | |
| 8 | Furniture and fixtures | 0.01 | | 0.01 | | 0.01 | |
| 9 | Office equipment | 0.007 | | 0.007 | | 0.007 | |
| | Vehicle | 0.004 | | 0.004 | | 0.004 | |
| 10 | Others | | 6.46 | | 6.46 | | 6.46 |
| **11** | **Total** | **45.06** | **22.33** | **45.56** | **22.33** | **46.06** | **22.33** |

**Table 6-19: Opening and Closing GFA for FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Opening GFA | 44.56 | 22.33 | 45.06 | 22.33 | 45.56 | 22.33 |
| Addition | 0.5 | 0 | 0.5 | 0 | 0.5 | 0 |
| Closing GFA | 45.06 | 22.33 | 45.56 | 22.33 | 46.06 | 22.33 |

## 6.7 Depreciation

### JSPL-D's Submission

The Petitioner has submitted that the depreciation has been calculated on the aforesaid GFA created out of Licensee contribution based on the methodology and depreciation rates prescribed under CSERC MYT Regulations, 2021. Regulation 92.3 of the CSERC MYT Regulation, 2021 provides that the depreciation shall be calculated as per Regulation 25.

**Table 6-20: Estimated Depreciation pertaining to Licensee Contribution for FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| Cumulative depreciation till previous year | 18.80 | 20.38 | 21.96 |
| Depreciation during the Year for the entire GFA | 2.02 | 2.02 | 2.02 |
| Licensee Contribution in entire GFA | 78.07% | 78.31% | 78.54% |
| **Allowable depreciation pertaining to Licensee Contribution** | **1.57** | **1.58** | **1.58** |
| Cumulative Depreciation | 20.38 | 21.96 | 23.54 |

### Commission's View

Regulation 25 of the CSERC MYT Regulations, 2021 specifies as under:

*"**25. DEPRECIATION***

*25.1. The value base for the purpose of depreciation shall be the capital cost of the asset as admitted by the Commission:*

*25.2. Provided that the capital cost shall not include funds from grant or consumer contribution or deposit works received for funding of fixed asset as specified in Regulation 22.*

*25.3. The salvage value of the asset except for IT equipments and software used for SLDC business shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.*

*25.4. Provided that, the salvage value for IT equipments and Software shall be considered as NIL and 100% value of the assets shall be considered depreciable.*

*25.5. Land other than the land held under lease and the land for reservoir in case of hydro generating station and the land for ash-bund for thermal power stations shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. Subject to specific provisions, Land for integrated mine shall also be considered for depreciation.*

*25.6. Depreciation shall be calculated annually based on Straight Line Method and at rates as specified in Appendix-I to this regulation for the assets of the generating station, transmission system, distribution system and SLDC and Appendix –I (A) for integrated coal mine:*

*Provided that, in case of the existing projects, the balance depreciable value as on 01.04.2022 shall be worked out by deducting the cumulative depreciation as* *admitted by the Commission up to 31.03.2022 from the gross depreciable value of the assets.*

*Provided that in those cases where the capital investment plan has been approved by the Commission and the depreciation rates as provided in this Regulation are insufficient for the repayment of loan, the rate of depreciation shall be decided by the Commission at the time of issuance of tariff order, subject to prudence check.*

*Provided that in the case where additional capital investment is approved by the commission for a plant at the end of its useful life or after its useful life is already over, the recoverable depreciation in respect of additional capital investment, shall be spread over the balance projected physical life as submitted by the generation company or the licensee in the capital investment plan after prudence check by the Commission.*

*Provided that until a Government company or any authority or corporation is notified for operating the SLDC, the depreciation shall be calculated as applicable for the STU under these Regulations.*

*Provided further the balance depreciable value as on the date of transfer shall be worked out by deducting the cumulative depreciation from the gross depreciable value of the assets appearing in the books of accounts of the SLDC for the SLDC as on the date of transfer."*

*Depreciation shall be chargeable from the first year of commercial operation. The depreciation shall be computed on the average asset base during the year:*

*Provided that for the new generating station or unit, assets of transmission licensee or assets of distribution licensee or SLDC, as the case may be, the depreciation on such new assets shall be charged on day-wise pro-rata basis during the first year the asset has been declared under commercial operation. For subsequent years, the depreciation shall be computed on the average asset base during the year."*

Depreciation for the Control Period from FY 2022-23 to FY 2024-25 has been calculated in accordance with the above mentioned Regulations, on the average GFA during the year. The opening GFA for FY 2022-23 has been considered equal to the closing GFA for FY 2021-22, which is same as closing GFA of FY 2020-21. Since, there is no GFA addition during the Control Period, the closing GFA is same as opening GFA for FY 2022-23 to FY 2024-25. The Commission has considered the rate of depreciation as proposed by JSPL-D as it is reasonable, viz., 4.49%, 4.44% and 4.39%, for FY 2022-23, FY 2023-24 and FY 2024-25, respectively.

The depreciation related to consumer contribution on live assets has been deducted from the gross depreciation to arrive at net depreciation based on the consumer contribution, which is same for FY 2022-23 to FY 2024-25, i.e., Rs. 9.82 Crore as approved for FY 2020-21.

The depreciation estimated by the Commission for the Control Period from FY 2022-23 to FY 2024-25 is shown in the following Table:

**Table 6-21: Approved Depreciation for the Control Period**

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Opening GFA | 44.55 | 22.33 | 45.05 | 22.33 | 45.55 | 22.33 |
| Addition of GFA | 0.50 | 0 | 0.50 | 0 | 0.50 | 0 |
| Closing GFA | 45.05 | 22.33 | 45.55 | 22.33 | 46.05 | 22.33 |
| Average GFA for the year | 44.80 | 22.33 | 45.30 | 22.33 | 45.80 | 22.33 |
| Depreciation Rate % | 4.49 | 4.49 | 4.44 | 4.44 | 4.39 | 4.39 |
| Gross Depreciation | 2.01 | 1.00 | 2.01 | 0.99 | 2.01 | 0.98 |
| Consumer contribution | 9.82 | 9.82 | 9.82 | 9.82 | 9.82 | 9.82 |
| Less: Depreciation on consumer contribution | 0.44 | 0.44 | 0.44 | 0.44 | 0.43 | 0.43 |
| **Net Depreciation** | **1.57** | **0.56** | **1.57** | **0.56** | **1.58** | **0.55** |

## 6.8 Interest on Loan Capital

### JSPL-D's Submission

The Petitioner has submitted that the opening balance of the normative loan has been calculated by deducting the cumulative depreciation up to previous year from the gross normative loan in line with the methodology provided in the CSERC MYT Regulations, 2021. Normative Repayment has been considered to be equal to depreciation during the year in line with Regulation 24.3 of the CSERC MYT Regulations, 2021.

The Petitioner has calculated interest on the aforesaid normative loan at the actual weighted average rate of interest as per Regulation 24.5. The Petitioner has considered the weighted average rate of FY 2020-21 for calculation of interest on loan for the MYT Control Period. The detailed calculation of interest on normative loan is provided in the Table given below:

**Table 6-22: Estimated Interest on normative loan for FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| Opening normative loan | 5.51 | 4.28 | 3.05 |
| Addition to normative loan | 0.35 | 0.35 | 0.35 |
| Normative Repayment equivalent to depreciation | 1.57 | 1.57 | 1.58 |
| Closing normative loan | 4.28 | 3.05 | 1.82 |
| Average normative loan | 4.90 | 3.67 | 2.44 |
| Weighted Average Rate of Interest % | 11.42% | 11.42% | 11.42% |
| **Interest on Loan Capital** | **0.56** | **0.42** | **0.28** |

### Commission's View

Regulation 24 of the CSERC MYT Regulations, 2021 specifies as under:

*"**24. INTEREST AND FINANCE CHARGES ON LOAN CAPITAL***

*24.1 The debt arrived at in the manner indicated in Regulation 17 shall be considered as gross normative loan for calculation of interest on loan.*

*24.2. The normative loan outstanding as on 01.04.2022 shall be worked out by deducting, the cumulative repayment as admitted by the Commission up to 31.03.2022, from the gross normative loan.*

*24.3. The repayment of loan for the year of the tariff period shall be deemed to be equal to the depreciation allowed for that year.*

*24.4. Notwithstanding any moratorium period availed by the generating company or the licensee, as the case may be the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.*

*24.5. The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:*

*Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:*

*Provided further that if the generating station or the licensee, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the licensee as a whole shall be considered:*

*Provided further, in case of new generating station or the licensee commencing its operation after the date of effectiveness of this Regulation, and which don't have actual loan portfolio, the rate of interest shall be considered on normative basis and shall be equal to the Marginal Cost of Fund based Lending Rate (MCLR - one year tenor) of State Bank of India plus 150 basis points as applicable on the date of COD.*

*24.6. The interest on loan shall be calculated on the average of opening and closing loan of the year. For the computation of interest amount, the interest rate shall be the weighted average rate of interest for the same year.*

*24.7. The interest amount as per regulation 24.6 shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by consumer contribution, grants or deposit works carried out by generating company, transmission licensee, SLDC or distribution licensee, as the case may be".*

The closing normative loan as approved in the true-up of FY 2020-21 has been considered as the opening normative loan for FY 2021-22. The normative loan repayment during FY 2021-22 has been considered equal to the depreciation in FY 2020-21. The opening normative loan for FY 2022-23 has been considered equal to the closing normative loan of FY 2021-22. The Commission has not considered any new addition of loan during the Control Period also as no new asset addition has been considered for capitalisation. For each year of the Control Period, the closing normative loan for previous year has been considered as the opening normative loan for that year. Repayment of normative loan for each year has been considered equal to the depreciation allowed for that year. The rate of interest has been computed at the same rate as the actual weighted average rate of interest as approved in the true-up for FY 2020-21 in this Order. The interest on loan approved for the Control Period is shown in the Table below:

**Table 6-23: Interest on Loan Capital approved by Commission for FY 2022-23 to FY 2024-25 (Rs. Crore)**

| **Particulars** | **FY 2022-23** | | **FY 2023-24** | | **FY 2024-25** | |
|---|---|---|---|---|---|---|
| | **Petition** | **Approved** | **Petition** | **Approved** | **Petition** | **Approved** |
| Opening Net Normative loan | 5.51 | 5.43 | 4.29 | 4.87 | 3.07 | 4.31 |

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Addition of normative loan | 0.35 | 0 | 0.35 | 0 | 0.35 | 0 |
| Repayment of normative loan | 1.57 | 0.56 | 1.57 | 0.56 | 1.58 | 0.55 |
| Reduction in Normative loan | | | | | | |
| Closing Net Normative loan | 4.28 | 4.87 | 3.05 | 4.31 | 1.82 | 3.76 |
| Average Normative loan | 4.90 | 5.15 | 3.67 | 4.59 | 2.44 | 4.04 |
| Rate of Interest (%) | 11.42 | 10.30 | 11.42 | 10.30 | 11.42 | 10.30 |
| **Interest on loan capital** | **0.56** | **0.53** | **0.42** | **0.47** | **0.28** | **0.42** |

## 6.9 Interest on Consumer Security Deposit

### JSPL-D's Submission

The Petitioner has submitted that the Regulation 24.10 of CSERC MYT Regulations, 2021 provides that the interest paid on security deposit to the consumers shall not be allowed as a part of Annual Revenue Requirement and the Licensee shall bear the interest liability on security deposit.

The Petitioner has submitted that it does not have any other mechanism to fund the interest to be paid to the consumers on the security deposit and the same is lying unutilized with the Petitioner. Therefore, the Petitioner has requested the Commission to kindly allow the interest to be paid on the security deposit of the consumers as a part of ARR.

The Petitioner has calculated the interest on security deposits to be paid to the consumers on the average of the opening and closing balance of the consumer security deposit for the year. 5% Y-o-Y increment on the consumer deposit of FY 2021-22 has been estimated for each year of the Control Period. The detailed calculation of interest on security deposit has been provided below.

**Table 6-24: Estimated Interest on Consumer Security Deposit for FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| Opening Security Deposit | 111.63 | 117.21 | 123.07 |
| Addition during the year | 5.58 | 5.86 | 6.15 |
| Closing Security Deposit | 117.21 | 123.07 | 129.22 |
| Average during the year | 114.42 | 120.14 | 126.15 |
| **Interest to be Paid** | **4.01** | **4.21** | **4.42** |

**Commission's View**

In accordance with Regulation 24.10 of the CSERC MYT Regulations, 2021, the Commission has not allowed the Interest on Security Deposit as part of the ARR for the Control Period from FY 2022-23 to FY 2024-25. However, JSPL-D shall pay interest on the Consumers' Security Deposit in accordance with Regulation 6.13 of the Chhattisgarh Supply Code, 2011.

## 6.10 Interest on Working Capital

**JSPL-D's Submission**

The Petitioner has submitted that Regulation 26 of the CSERC MYT Regulations, 2021 allows a Distribution Licensee to recover interest on working capital on a normative basis notwithstanding that the Licensee has not taken loan for working capital. The Petitioner has calculated the Interest on Working Capital for the Control Period by considering interest rate at 9.00%, which is SBI 1-year MCLR prevailing in September 2021 plus 200 basis points (i.e. 7.00% + 2.00%). The detailed calculation for the interest of working capital is provided in the Table below:

**Table 6-25: Estimated Interest on Working Capital for FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| O&M expenses for 15 days | 0.56 | 0.58 | 0.61 |
| Maintenance spares @ 20% of Maintenance and General expenses (A&G + R&M) | 0.90 | 0.93 | 0.96 |
| Receivables equivalent to one (1) month of ARR | 120.79 | 147.21 | 162.32 |
| Total Working Capital | 122.25 | 148.72 | 163.89 |
| Rate of Interest (SBI 1 Yr MCLR + 200 Basis Points) | 9% | 9% | 9% |
| **Interest on Working Capital** | **11** | **13.38** | **14.75** |

**Commission's View**

Regulation 26.1 (e) of the CSERC MYT Regulations, 2021 specifies as under:

*"26.1. The working capital shall include:*

…

*(e) For Retail Supply of Electricity:*

*i. O&M expenses for 15 days; plus*

*ii. Maintenance spares @ 20% of maintenance and general expenses specified in Regulation 92.6.2; plus*

*iii. Receivables equivalent to one (1) month of the revenue from sale of electricity at the prevailing tariffs within state;*

…

*26.4. "Interest on working capital shall be allowed at a rate equal to the Marginal Cost of Fund based Lending Rate (MCLR – one year tenor) of State Bank of India plus 200 basis point prevailing on 30th September of current financial year. During true up, the interest on working capital shall be computed at an average actual sanctioned rate of interest during the year."*

The Interest on Working Capital has been calculated in accordance with the above-said Regulations. The working capital requirement has been computed by considering normative O&M Expenses for 15 days, Maintenance spares @ 20% of approved Maintenance and General expenses and receivables equivalent to one month of the revenue from sale of power at approved tariff for FY 2022-23 and one month equivalent of the ARR approved for FY 2023-24 and FY 2024-25.

The interest rate of 9.00% has been considered, which is the one-year MCLR of SBI as on September 30, 2021, plus 200 basis points, for computing the Interest on Working Capital for the entire Control Period. The Interest on Working Capital approved for the Control Period is shown in the Table below:

**Table 6-26: Interest on Working Capital approved for FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | **Petition** | **Approved** | **Petition** | **Approved** | **Petition** | **Approved** |
| O&M Expenses | 0.56 | 0.58 | 0.58 | 0.61 | 0.61 | 0.64 |
| Maintenance Spares | 0.90 | 0.86 | 0.93 | 0.89 | 0.96 | 0.92 |
| Receivables | 120.79 | 46.78 | 147.21 | 71.57 | 162.32 | 76.65 |
| Total Working Capital Requirement | 122.25 | 48.22 | 148.72 | 73.07 | 163.89 | 78.20 |
| Rate of Interest (%) | 9% | 9% | 9% | 9% | 9% | 9% |
| **Interest on Working Capital** | **11** | **4.34** | **13.38** | **6.58** | **14.75** | **7.04** |

## 6.11 Provision for Bad debt

### JSPL-D's Submission

The Petitioner has submitted that Regulation 92.8 of the CSERC MYT Regulations, 2021 provides that the Commission may allow bad debts written off, as a pass through in the Aggregate Revenue Requirement, based on the trend of write off of bad debts in the previous years. The Petitioner has also submitted that the Regulation 66.8 of the CSERC MYT Regulations, 2015 provides that the Petitioner is eligible for expense under bad debt, which shall be 1% of the revenue of retail supply business.

The Petitioner has submitted that it has relied on the Regulation 66.8 of the CSERC MYT Regulations, 2015 to consider 1% of ARR for the corresponding years towards provision for bad debt and has requested the Commission to kindly allow the same.

**Table 6-27 Provision for Bad debt for FY 2022-23 to FY 2024-25 submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| Bad Debt | 14.49 | 17.66 | 19.48 |

### Commission's View

Regulation 92.8 of the CSERC MYT Regulations, 2021 specifies as under:

*"**92.8. Bad debt written off***

*92.8.1. The Commission may allow bad debts written off, as approved by the Competent Authority, as a pass through in the Aggregate Revenue Requirement, based on the trend of write off of bad debts in the previous years, subject to prudent check:"*

The Commission has observed that bad debts have been written off for only FY 2014-15 and FY 2019-20. Hence, the Commission does not find any rationale for allowing Provision for bad and doubtful debts for the Control Period. Therefore, the Commission has not considered any provision for bad and doubtful debts for the Control Period from FY 2022-23 to FY 2024-25. If there are any actual bad debts written off for FY 2022-23 to FY 2024-25, the same shall be considered at time of true-up for respective year, subject to prudence check.

## 6.12 Return on Equity

### JSPL-D's Submission

The Petitioner has submitted that the normative Debt: Equity ratio has been considered as per Regulation 17 of the CSERC MYT Regulations, 2021. The Petitioner has considered closing equity of FY 2021-22 as opening equity for FY 2022-23 and so on. The Petitioner has considered rate of return on equity investment as 16.00% on pre-tax basis. The base rate of 16.00% has been grossed up by available MAT rate for FY 2021-22. The Petitioner has assumed that it would have been in a profitable situation in case the Commission would have allowed a cost reflective tariff in a timely manner. Addition of normative equity @30% of the Licensee contribution for addition of asset for the Control Period has been considered by the Petitioner. The Petitioner has requested the Commission to allow the return on equity on pre-tax basis.

**Table 6-28: Estimated RoE for FY 2022-23 to FY 2024-25 (Rs. Crore)**

| **Particulars** | **FY 2022-23** | **FY 2023-24** | **FY 2024-25** |
|---|---|---|---|
| Opening Equity | 10.42 | 10.57 | 10.72 |
| Additions to Equity | 0.15 | 0.15 | 0.15 |
| Closing Equity | 10.57 | 10.72 | 10.87 |
| Average Equity | 10.49 | 10.64 | 10.79 |
| Base Rate of Return | 16% | 16% | 16% |
| MAT Rate | 17.47% | 17.47% | 17.47% |
| Applicable Rate of Return | 19.39% | 19.39% | 19.39% |
| **Return on Equity** | **2.03** | **2.06** | **2.09** |

### Commission's View

Regulation 23 of the CSERC MYT Regulations, 2021 specifies as under:

*"**23 RETURN ON EQUITY***

*23.1. Base rate for Return on equity shall be computed in rupee terms on the equity base determined in accordance with Regulation 17. Return on equity shall be computed at the rate of 14.0% for Generation and Transmission and SLDC.*

*23.2. Distribution: Base rate for Return on equity shall be computed in rupee terms on the equity base determined in accordance with Regulation 17. Return on equity shall be computed at the rate of 16.0%.*

*23.3. The ROE shall be grossed up at the time of tariff by MAT rate for the year in which tariff is being determined, subject to the condition that MAT / Corporate tax has been paid for last three consecutive years for regulated business filed petition under these Regulations. In such case, Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:*

*Rate of return on equity = Base rate / (1-MAT Rate)*

*At the time of True up, the income tax shall be pass through on actual basis, subject to ceiling as following:*

*= Average Permissible Equity X Base Rate of Return X ((t/ (1-t))*

*Where "t" is the actual tax rate for the year. The tax rate shall be calculated without considering the delay payment surcharge received or receivable during the said financial year by generating company or licensee as the case may be."*

The Return on Equity for the Control Period has been computed in accordance with the above Regulations. The closing normative equity as approved in the true-up of FY 2020-21 has been considered as the opening normative equity for FY 2021-22 and the same has been considered for FY 2022-23, as no asset addition has been considered for FY 2021-22. For each year of the Control Period, the closing normative equity for previous year has been considered as the opening normative equity for that year.

The rate of RoE has not been grossed up with the MAT rate as JSPL-D has not paid any Income Tax for the previous three years as required under the MYT Regulations, 2021, and the RoE rate of 16% has been considered for the purpose of approving RoE for the Control Period. In case JSPL-D actually pays Income Tax for any year of the Control Period, then reimbursement of the actual Income Tax subject to prudence check shall be allowed at the time of truing up for the respective year.

**Table 6-29: Return on Equity for FY 2022-23 to FY 2024-25 as approved by Commission (Rs. Crore)**

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Opening equity | 10.42 | 3.76 | 10.57 | 3.76 | 10.72 | 3.76 |

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Equity addition during the year | 0.15 | 0 | 0.15 | 0 | 0.15 | 0 |
| Closing equity | 10.57 | 3.76 | 10.72 | 3.76 | 10.87 | 3.76 |
| Average equity | 10.49 | 3.76 | 10.64 | 3.76 | 10.79 | 3.76 |
| Rate of RoE (%) | 16 | 16 | 16 | 16 | 16 | 16 |
| MAT Rate (%) | 17.47 | - | 17.47 | - | 17.47 | - |
| Grossed up RoE Rate (%) | 19.39 | - | 19.39 | - | 19.39 | - |
| **Return on Equity** | **2.03** | **0.60** | **2.06** | **0.60** | **2.09** | **0.60** |

## 6.13 Non-Tariff Income

### JSPL-D's Submission

The Petitioner has submitted that it has considered provisional Non-Tariff Income from meter rent for FY 2021-22 amounting to Rs. 14.84 Lakh as Non-Tariff Income for FY 2022-23 to FY 2024-25.

### Commission's View

The actual Non-Tariff Income in FY 2020-21 is Rs. 1.89 Crore including Rs. 0.14 Crore for meter rent and Rs. 1.75 Crore as other charges from consumers. However, the Petitioner has claimed only Rs. 0.14 Crore against meter rent. The Commission has considered Non-Tariff Income for the Control Period at the same level as approved for FY 2020-21 in this Order as shown in the below table:

**Table 6-30: Non-Tariff Income approved by the Commission for FY 2022-23 to FY 2024-25 (Rs. Cr.)**

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Meter Rent | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 |
| Other charges | | 1.75 | | 1.75 | | 1.75 |
| **Total** | **0.14** | **1.89** | **0.14** | **1.89** | **0.14** | **1.89** |

## 6.14 Transmission charges

**JSPL-D's Submission**

The Petitioner has submitted that the power is supplied to the licensed distribution and retail supply business through the licensed transmission lines (23.7 km line from JSPL to Punjipathra and 19.5 km line from JPL to Punjipathra).

The Petitioner has submitted that it is eligible for recovery of transmission charges under Regulation 92.5 of the CSERC MYT Regulations, 2021. The Petitioner has considered the transmission charges for FY 2022-23, FY 2023-24 and FY 2024-25 based on the Petition submitted for the licensed transmission business.

The Petitioner has estimated transmission charges amounting to Rs. 652.58 Lakh for FY 2022-23, Rs. 662.10 Lakh for FY 2023-24, and Rs. 675.07 Lakh for FY 2024-25.

**Commission's View**

The commission has considered the Transmission Charges payable by JSPL-D to JSPL-T equivalent to the Transmission Charges approved for JSPL-T for the MYT Control Period. The Commission has approved the Transmission Charges for FY 2022-23 to FY 2024-25 as shown in the Table below:

**Table 6-31 : Transmission Charges approved by the Commission for FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|
| | Petition | Approved | Petition | Approved | Petition | Approved |
| Intra state Transmission charges | 6.53 | 6.02 | 6.62 | 6.10 | 6.75 | 6.24 |

## 6.15 Aggregate Revenue Requirement for the MYT Control Period from FY 2022-23 to FY 2024-25

The summary of the ARR claimed by JSPL-D and the ARR approved by the Commission for JSPL-D for the Control Period from FY 2022-23 to FY 2024-25 is shown in the Table below:

**Table 6-32: ARR approved for FY 2022-23 to FY 2024-25 (Rs. Crore)**

| Sr. No. | Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|---|
| | | Petition | Approved | Petition | Approved | Petition | Approved |
| 1 | Power Purchase Cost | 1395.76 | 712.06 | 1706.48 | 831.62 | 1883.39 | 891.33 |
| 2 | O&M Expenses | 13.65 | 14.17 | 14.20 | 14.81 | 14.78 | 15.48 |
| 3 | Depreciation | 1.57 | 0.56 | 1.57 | 0.56 | 1.58 | 0.55 |
| 4 | Interest on Loan | 0.56 | 0.53 | 0.42 | 0.47 | 0.28 | 0.42 |
| 5 | Interest on Security Deposit | 4.01 | 0 | 4.21 | 0 | 4.42 | 0 |
| 6 | Interest on Working Capital Requirement | 11.00 | 4.34 | 13.38 | 6.58 | 14.75 | 7.04 |
| 7 | Return on Equity | 2.03 | 0.60 | 2.06 | 0.60 | 2.09 | 0.60 |
| **8** | Transmission Charges | 6.53 | 6.02 | 6.62 | 6.10 | 6.75 | 6.24 |
| 9 | Provision for Bad & Doubtful Debt | 14.49 | 0 | 17.66 | 0 | 19.48 | 0 |
| **11** | Less: Non-Tariff Income | 0.14 | 1.89 | 0.14 | 1.89 | 0.14 | 1.89 |
| 12 | **ARR** | **1449.46** | **736.39** | **1766.49** | **858.84** | **1947.89** | **919.77** |

## 6.16 Revenue from Sale of Electricity

**JSPL-D's Submission**

The Petitioner has not submitted any details in the Petition about revenue for the Control Period from FY 2022-23 to FY2024-25.

**Commission's View**

For the purpose of computing the standalone Revenue Gap/(Surplus) for FY 2022-23, the Commission has considered the existing tariff as flat rate of Rs. 4.20/kWh, resulting in total revenue from sale of electricity of Rs. 563.11 Crore.

## 6.17 Stand-alone Revenue Gap/(Surplus) for FY 2022-23

**Commission's View**

The standalone Revenue Gap for FY 2022-23 has been computed based on the ARR approved and Revenue from existing tariff as computed earlier, as shown in the Table below:

**Table 6-33: Standalone Revenue Gap/(Surplus) for FY 2022-23 (Rs. Crore)**

| Particulars | JSPL-D Petition | Approved |
|---|---|---|
| Aggregate Revenue Requirement | 1449.46 | 736.39 |
| Revenue from sale of power at existing tariff | 1449.46 | 563.11 |
| **Standalone Revenue Gap/(Surplus) for FY 2022-23** | **0** | **173.28** |

**The Commission approves the standalone Revenue Gap of Rs. 173.28 Crore for FY 2022-23 for JSPL-D.**

## 6.18 Cumulative Revenue Gap/(Surplus) for FY 2022-23

### JSPL-D's Submission

Considering the Revenue Gap calculated for the previous periods, the Petitioner has estimated the cumulative revenue gap along with carrying cost for FY 2022-23 to FY 2024-25 period as follows:

**Table 6-34 : Revenue Gap and Carrying Cost submitted by JSPL-D (Rs. Crore)**

| Particulars | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|---|---|
| Opening revenue gap | 160.02 | 201.53 | 230.92 | 365.49 | 398.39 | 434.24 |
| Addition | 20.17 | 5.58 | 103.75 | 0 | 0 | 0 |
| Closing revenue gap | 180.19 | 207.12 | 334.67 | 365.49 | 398.39 | 434.24 |
| Average revenue Gap | 170.10 | 204.33 | 282.80 | 365.49 | 398.39 | 434.24 |
| Carrying cost interest rate | 12.55% | 11.65% | 10.90% | 9% | 9% | 9% |
| Carrying cost | 21.35 | 23.80 | 30.82 | 32.89 | 35.86 | 39.08 |
| **Closing revenue gap including carrying cost** | **201.53** | **230.92** | **365.49** | **398.39** | **434.24** | **473.33** |

## Commission's View

The Commission has computed the cumulative Revenue Gap/(Surplus) with associated Carrying/Holding till the end of FY 2020-21, in the earlier Chapters. Considering that no recovery of the Revenue Gap/(Surplus) has been made in FY 2021-22, and the same will be recovered in FY 2022-23 only, the Commission has computed the cumulative Revenue Gap/(Surplus) with associated Carrying/Holding till the beginning of FY 2022-23, as shown in the Table below:

**Table 6-35: Approved Revenue Gap/(Surplus) for FY 2016-17 to FY 2020-21 (Rs. Crore)**

| Particulars | FY 2020-21 | FY 2021-22 |
|---|---|---|
| Opening Revenue Gap/(Surplus) | (968.44) | (1122.80) |
| Revenue from sale of energy | 487.87 | |
| ARR | 441.59 | |
| Addition of Revenue Gap/(Surplus) in the year | (46.28) | |
| Closing Revenue Gap/(Surplus) | (1014.72) | (1122.80) |
| Average Revenue Gap/(Surplus) | 991.58 | (1122.80) |
| Carrying/(Holding) Cost Interest Rate (%) | 10.90% | 11.00% |
| Carrying/(Holding) Cost | (108.08) | (123.51) |
| **Closing Revenue Gap/(Surplus) with Carrying cost** | **(1122.80)** | **(1246.31)** |

# 7 TARIFF PRINCIPLES AND TARIFF DESIGN

## 7.1 Approach for Tariff for FY 2022-23

In this Order, the Commission has done the truing up for JSPL-D for the ten year period from FY 2011-12 to FY 2020-21, and has computed a cumulative Revenue Surplus of Rs. 1246.31 Crore, at the end of FY 2021-22, along with associated holding cost.

The ARR of JSPL-D for FY 2022-23 has been estimated as Rs. 736.39 Crore, as elaborated in the previous Chapter. On a stand-alone basis, JSPL-D is estimated to have a Revenue Gap of Rs. 173.28 Crore for FY 2022-23, as elaborated in the previous Chapter.

It is obvious that the entire cumulative Revenue Surplus computed based on past true-ups with associated holding cost cannot be passed through to the consumers in a single year. The primary objective of the Commission is to protect the interest of the consumer and at the same time ensuring recovery of reasonable and justified cost by the utilities.

Para 8.2.2 of Tariff Policy 2016 prescribes that outstanding regulatory assets along with carrying cost should be recovered in a time bound and within a period of not exceeding seven years. Same principle has been adopted by the Commission for adjustment of surplus amount hold by JSPL-D. Hence, a part of the cumulative Revenue Surplus, i.e., Rs. 175 Crore, has been adjusted against the ARR of JSPL-D for FY 2022-23, in such a manner that neither the consumers are subjected to a tariff shock nor is the Licensee adversely affected in terms of steep tariff reduction.

Based on the ARR and Sales approved, the adjusted Average Cost of Supply (ACoS) approved by the Commission for FY 2022-23 is shown in the Table below:

**Table 7-1: Average Cost of Supply (Rs./kWh) for JSPL-D for FY 2022-23**

| Sr. No. | Particulars | Approved |
|---|---|---|
| 1 | Aggregate Revenue Requirement for FY 2022-23 (Rs. Crore) | 736.39 |
| 2 | Income from sale of power at existing tariff (Rs. Crore) | 563.11 |
| 3 | Standalone Revenue Gap/(Surplus) (Rs. Crore) | 173.28 |
| 4 | Cumulative Revenue Gap/(Surplus) carried forward from final true-up from FY 2011-12 to FY 2020-21 with Holding Cost till FY 2021-22 | 1246.31 |

| Sr. No. | Particulars | Approved |
|---|---|---|
| | (Rs. Crore) | |
| 5 | Revenue Surplus adjusted in FY 2022-23 (Rs. Crore) | 175.00 |
| 6 | Adjusted ARR for FY 2022-23 (Rs. Crore) | 561.39 |
| 7 | Total estimated sales (MU) | 1353.15 |
| 8 | Stand-alone Average Cost of Supply (ACOS) | 5.44 |
| **9** | **Adjusted ACOS after considering Surplus** | **4.15** |

## 7.2 Overall Tariff Philosophy for FY 2022-23

The category-wise tariffs have been determined in such a manner that the approved ARR for JSPL-D for FY 2022-23 shall be recovered.

In its Petition, JSPL-D has not proposed any category-wise tariffs and has only asked for the projected ARR to be recovered along with past Revenue Gaps.

The consumers of JSPL-D are presently paying average single-part tariff of Rs. 4.20/kWh in accordance with the interim decision of the Hon'ble High Court. The adjusted ACOS approved in this Order is Rs. 4.15/kWh, hence, there shall be no significant difference in the tariff to be paid by the consumers.

The tariff of HT and LT categories has been determined such that there is no cross-subsidy between consumer categories, as the Average Billing Rate (ABR) has been equated to the Average Cost of Supply (ACOS).

## 7.3 Tariff Categorisation

In the last Tariff Order issued for JSPL-D, there were 4 HT categories, viz., HT-1: Steel Industry, HT-2: Other Industry, HT-3: Residential, and HT-4: Other Industrial and Non-Industrial General Purpose category. Of these categories, there is no consumption in the HT-3 Residential category. There was only 1 category under LT, viz., LT-1: Non-domestic category.

The consumption in the HT-1 category is 97% of the total consumption, with other categories having miniscule consumption. Under this scenario, the Commission has decided to merge the categories, such that there is only 1 LT category and 1 HT category, and the tariffs have been adjusted in such a manner that there is no cross-subsidy. This helps to achieve the objection of reduction of cross-subsidy.

### 7.4 Two-Part Tariff

The existing tariff of Rs. 4.20/kWh being paid by the consumers is a single-part tariff linked only to the energy consumption. However, the Commission has taken a consistent view for all Distribution Licensees that two-part tariff in accordance with the provisions of the Act should be applicable, viz., Fixed/Demand Charges linked to Sanctioned Load/Contract Demand and Energy Charges linked to the energy consumption.

Also, in the last Tariff Order issued for JSPL-D for FY 2013-14, two-part tariff has been determined for JSPL-D. Hence, two-part tariff has been approved for JSPL-D for FY 2022-23 in this Order.

JSPL-D has not submitted proper data regarding the Contract Demand, Billing Demand, etc., in its Petition. In a separate matter before the Commission, JSPL-D has submitted data on Contract Demand, and the Commission has relied upon this data to assess the revenue based on Demand Charges. However, given the lack of reliable authentic data and lack of complete understanding regarding the impact on Demand Charges on the consumers, the Demand Charges have been determined at a very low level. JSPL-D is directed to submit all relevant data including the impact of Demand Charges, along with its next Tariff Petition for FY 2023-24, and the Commission will revisit the Demand Charges applicable to the consumers at that point of time.

### 7.5 kVAh based Energy Charges

The existing energy charges are in terms of Rs/kWh. In the last Tariff Order issued for JSPL-D for FY 2013-14, energy charges for JSPL-D were determined in terms of Rs/kWh. Subsequently, the Commission has moved towards energy charges in terms of Rs/kVAh for HT categories for the Distribution Licensees in the State of Chhattisgarh.

However, considering the fact that tariff is being determined after several years by the Commission, and reliable data about the Power Factor of the consumers is not available, the Commission has deferred the implementation of kVAh tariffs for JSPL-D. JSPL-D is directed to submit data on kWh and kVAh consumption for the HT category, and the actual Power Factor, along with its next Tariff Petition for FY 2023-24.

## 7.6 Time-of-Day (ToD) tariff

The ToD tariffs are applicable for other Distribution Licensees in the State of Chhattisgarh. However, JSPL-D has not submitted any data regarding the ToD consumption.

Hence, for the time-being, no ToD tariffs have been determined for the consumers of JSPL-D. JSPL-D is directed to submit the relevant data on ToD time-slot wise consumption, along with its next Tariff Petition for FY 2023-24.

## 7.7 Applicability of Order

**The approved Tariff Schedule for FY 2022-23 is given in the next Chapter.**

**The revised tariff will be applicable with effect from December 1, 2022 for the consumers of JSPL-D, and will remain in force till March 31, 2023 or till the issue of next Tariff Order, whichever is later. The Commission directs JSPL-D to take appropriate steps to implement the Tariff Order.**

# 8 TARIFF SCHEDULE FOR FY 2022-23

This Tariff Schedule shall be applicable from December 1, 2022.

## 8.1 Tariff Schedule for Low Voltage (LV) Consumers

This tariff schedule is applicable to all LV consumers as follows:

a) Single-phase, 230 Volts up to a maximum Sanctioned Load of 5 kW (excluding agriculture and industrial consumers), and

b) Three-phase, 400 Volts for maximum demand up to 112.5 kW in case of demand-based tariff or for maximum Sanctioned load of 150 HP in case of other tariff, as applicable.

### 8.1.1 LV-1: All LV consumers

**Applicability**

This tariff is applicable to all LV consumers.

**Tariff:**

| Category of Consumers | Units Slab | Fixed Charge (Rs per kW of Contracted load/Billing Demand) | Energy Charge (Rs. per kWh) |
|---|---|---|---|
| **LV-1.1**: Single Phase | All units | Rs. 25 per kW per month | 3.75 |
| **LV-1.2**: Three Phase | All units | Demand Charges- Rs 50/kW/month on billing demand | 4.00 |

**Notes:**

i. Fixed Charges of LV-1.1 and Demand Charge on contract demand of tariff LV-1.2 is a monthly minimum charge, whether any energy is consumed during the month or not.

ii. If the Recorded Demand exceeds the Sanctioned Load for any three consecutive months, then the Sanctioned Load shall automatically be restated to the highest demand recorded in these three months. In such cases of upward restatement of Sanctioned Load, the load enhancement charges shall be applicable; however, the Security Deposit shall not be required to be increased correspondingly.

iii. If the Recorded Demand is lower than the Sanctioned Load for any three consecutive months, then the Sanctioned Load can be restated to the highest demand recorded in these three months at the option of the consumer.

iv. For charging stations of electric vehicles, a flat rate single part tariff of Rs. 3.50 per unit shall be applicable.

### 8.1.2 Terms and Conditions of L.V. Tariff

1. Energy will be supplied to the consumer ordinarily at a single point for the entire premises of the consumer.
2. Sanctioned Load or Contract Demand/Maximum Demand infraction shall be rounded off to the next whole number.
3. If the bills are not issued consecutively for three months or more for any LT Consumer, billing on accumulated meter reading shall not be raised without approval of concerned officer of JSPL-D.
4. For the purpose of separate independent LV connection to HV Industrial consumer in the same premises of HV industrial connection, to meet out its essential load during emergency or non-availability of supply in HV connection under LV category, conditions as mentioned in Clause 4.40 of the Chhattisgarh State Electricity Supply Code and its amendment, if any, shall be applicable.
5. For the purpose of Demand Based Tariff (LV-1.2)

   i. **Determination of Maximum Demand**- The maximum demand means the highest load measured by sliding window principle of measurement in average kVA or average kW as the case may be at the point of supply of a consumer during any consecutive period of 30 minutes during the billing period.

   ii. **Billing Demand** – The billing demand for the month shall be the actual maximum kW demand of the consumer recorded during the month or 80% of the Contract Demand, whichever is higher. The billing demand shall be rounded off to the next whole number.

   iii. **Minimum Charge** – The demand charge on contract demand (CD) is a monthly minimum charge whether any energy is consumed during the month or not.

6. The recorded demand for the respective month shall be reflected in the consumer bill.

### 8.1.3 Power Factor Incentive and Surcharge

i. All LV 1.2 consumers with Contracted Load of 15 kW or above shall arrange to install suitable Low Tension capacitors of appropriate capacity at their cost. The consumer shall ensure that the capacitors installed by him properly match with the actual requirement of the load so as to ensure average monthly Power Factor of 0.9 or above. A consumer who fails to do so will be liable to pay Power Factor surcharge @ 35 paise per kWh on the entire consumption of the month.

ii. All LV installations having welding transformer are required to install suitable Low Tension capacitors so as to ensure Power Factor of not less than 0.9. Consumers not complying with the above shall have to pay Power Factor surcharge of 75 paise per kWh on the entire monthly consumption, provided the load of the welding transformer(s) exceeds 25% of the total Sanctioned load.

    **Note -** For the purposes of computing the connected load of welding transformers in kW, a Power Factor of 0.6 shall be applied to the kVA rating of such welding transformers. The kVA rating can also be calculated on the basis of load voltage and maximum load current on secondary side of welding machine.

iii. The average monthly Power Factor recorded in the meter shall be considered for billing of Power Factor surcharge or Power Factor incentive, as the case maybe.

iv. Levy of Power Factor surcharge as indicated above, shall be without prejudice to the rights of JSPL-D to disconnect the consumer's installation after issue of 15 days’ notice if the average monthly Power Factor remains 0.7 or below for a period of more than two consecutive months. It shall remain disconnected till the consumer makes suitable arrangements to improve the Power Factor.

v. Notwithstanding the above, if the average monthly Power Factor of a new consumer is found to be less than 0.9 at any time during the first six months from the date of connection and if he maintains average monthly Power Factor continuously in subsequent three months at not less than 0.9, then the surcharge billed on account of low Power Factor during the said period shall be withdrawn and credited in next month's bill.

vi. All categories of LV consumers in whose case power factor surcharge is applicable; shall be eligible for Power Factor incentive for Power Factor of above 0.95. Such incentive shall be payable @ 1% of the energy charges for each 0.01 increase or part thereof in power factor above 0.95 up to unity power factor. For example, consumers with Power Factor of 0.965 shall be considered as 0.97 and be eligible for power factor incentive of 2% of energy charges. Consumers with Power Factor of 0.964 shall be considered as 0.96 and be eligible for power factor incentive of 1% of energy charges.

### 8.1.4 Provisions of billing in case of Excess Supply

**1. <u>For Sanctioned load-based tariff</u>**

i. The consumers availing supply at Sanctioned load-based tariff shall restrict their actual connected load within the Sanctioned load. However, in case the actual connected load in any month exceeds the Sanctioned load, the Sanctioned load-based tariff shall apply only to the extent of Sanctioned load and corresponding units of energy. The connected load in excess of Sanctioned load and corresponding units of energy shall be treated as excess supply. The excess supply so consumed in any month, shall be charged at the rate of one and half times of the Sanctioned load based tariff applicable to the consumer (fixed and energy charges) for the excess connected load to the extent of 20% of Sanctioned load and at the rate of two times of Sanctioned load based tariff if the excess connected load is found beyond 20% of Sanctioned load for actual period of enhancement of load or 6 months whichever is less, including the month in which the existence of excess load is detected and shall be continued to be billed till excess load is removed or Sanctioned load is enhanced.

ii. Where the recording facility of demand is available, the billing on account of excess supply shall be restricted to the recorded month only.

iii. If the Recorded Demand exceeds the Sanctioned Load for any three consecutive months, then the Sanctioned Load, as applicable, shall automatically be restated to the highest demand recorded in these three months;

iv. If the Recorded Demand is lower than the Sanctioned Load for any three consecutive months, then the Sanctioned Load shall be restated to the highest demand recorded in these three months at the option of the consumer.

**2. <u>For Demand Based tariff consumers</u>**

i. Consumers availing supply at demand-based tariff (LV-1.2) should at all times restrict their maximum demand to the contract demand or Sanctioned load, whichever is applicable. However, contract demand for the demand-based tariff consumer can be less than Sanctioned load. In case the maximum demand in any month exceeds the contract demand, the said demand-based tariff (LV–1.2) shall apply only to the extent of the contract demand and corresponding units of energy. The demand in excess of contract demand and corresponding units of energy shall be treated as excess supply. The excess supply so availed in any month, shall be charged at the rate of one and half times of the normal tariff applicable to the consumer (fixed and energy charges) for the excess demand to the extent of 20% of contract demand and at the rate of two times of normal tariff if the excess demand is found beyond 20% of contract demand.

ii. For the purpose of billing of excess supply, the billing demand and the units of energy shall be determined as under:

a) Billing Demand: The demand in excess of the contract demand in any month shall be the billing demand.

b) Units of Energy: the units of energy corresponding to kW portion of the demand in excess of the contract demand shall be:-

EU= TU (1-CD/MD)

Where

EU – denotes excess units,

TU – denotes total units supplied during the month,

CD – denotes contract demand, and

MD – denotes actual maximum demand.

I. The excess supply availed in any month shall be charged along with the monthly bill and shall be payable accordingly.

II. The above billing of excess supply at one and half times/two times of the normal tariff shall be applicable to consumers without prejudice to JSPL-D's right to discontinue supply in accordance with the provisions contained in the Chhattisgarh State Electricity Supply Code, 2011, as amended from time to time.

iii. If the Recorded Demand exceeds the Contracted Demand for any three consecutive months, then the Contracted Demand, as applicable, shall automatically be restated to the highest demand recorded in these three months.

**3. <u>Delayed Payment Surcharge</u>**

If the bill is not paid by the consumer within the period (due date) prescribed for payment of the bill, a surcharge @ 1.5% per month or part thereof, on the total outstanding amount of the bill (including arrears, if any, but excluding amount of surcharge), subject to minimum of Rs. 5 shall be payable in addition, from the due date of payment as mentioned in the bill.

**4. <u>Additional Charges</u>**

Every Local Body shall pay an additional charge equivalent to any tax or fee levied by it under the provisions of any law including the Corporation Act, District Municipalities Act or Gram Panchayat Act on the poles, lines, transformers and other installations through which the Local Body receives supply.

**5. <u>Advance Payment Rebate</u>**

For advance payment made before commencement of consumption period for which bill is to be prepared, a rebate @ 0.5% per month on the amount which remains with the Licensee at the end of the calendar month excluding security deposit, shall be credited to the account of consumer after adjusting any amount payable to the Licensee subject to the net amount of advance being not less than Rs.1000 and shall be adjustable in next month's bill.

**6. <u>Rounding off</u>**

The bill shall be rounded off to the nearest multiple of Rs.10. Difference, if any, between the bill amount before and after rounding off, shall be adjusted in next month's bill.

For example: - If the total amount of bill is Rs. 235.00, then the bill shall be rounded off to Rs. 240 and Rs. 5.00 will be credited in next month's bill, whereas if the total amount of bill is Rs. 234.95, then the bill will be rounded off to Rs. 230 and Rs. 4.95 will be debited in next month's bill. In view of the above provision, no surcharge will be levied on outstanding amount, which is less than Rs. 10.

**7. <u>Applicability of tariff</u>**

In case of any dispute about applicability of tariff to a particular LV category, the decision of the Commission shall be final and binding.

**8. <u>Tax or Duty</u>**

The tariff does not include any tax or duty, etc., on electrical energy that may be payable at any time in accordance with any law in force. Such charges, if any, shall be payable by the consumer in addition to tariff charges.

**9. <u>Meter Hire</u>**

Meter hire shall be charged as per the schedule of miscellaneous charges to all categories of LV consumers.

**10. <u>Method of payment of Bills</u>**

(1) Consumer shall have the option to pay bills online or offline.

(2) Bill amount of more than **five thousand rupees** shall mandatorily be paid online.

(3) For bill amount less than or equal to **five thousand rupees**, consumer may pay the bill through cash or cheque or demand draft or electronic clearing system at designated counters of a bank or through credit or debit cards or online payment through distribution licensees' web portal or any digital mode of payment and any change or further addition in the mode of payment shall be more user friendly for the consumers than the prevailing system.

Provided that the distribution licensee may stipulate a suitable incentive or rebate for payment through online system for consumers who opt to pay bill amount less than or equal to **five thousand rupees**.

(4) The distribution licensee shall establish online portal as well as sufficient number of collection centres or drop boxes at suitable locations with necessary facilities, where consumer can deposit the bill amount with ease.

**11. <u>Conditions to have over-riding effect</u>**

All the above conditions of tariff shall be applicable to the consumer notwithstanding the provisions, if any, in the agreement entered into by the consumer with the Licensee.

## 8.2 Tariff Schedule for High Voltage (HV) Consumers

### 8.2.1 HV-1: All HV consumers

**Applicability**

This tariff is applicable to all HV consumers.

**Tariff:**

| Demand Charge (Rs./kVA/month) | Energy Charge (Rs. per kWh) |
|---|---|
| 50 | 4.05 |

**Notes:-**

i. For charging stations of Electric Vehicles, a flat rate single part tariff of Rs. 4 per unit shall be applicable.

### 8.2.2 Terms and Conditions of HV Tariff

The maximum and minimum contract demand for different supply voltages is governed as per provisions of the Chhattisgarh State Electricity Supply Code, 2011 and its amendments thereof. Presently, the minimum and maximum permissible load at respective supply voltage are as below except for independent distributed renewable energy system plants (IDRES) which will be governed by CSERC (Grid Interactive Distributed Renewable Energy Sources) Regulations, 2019:

| Supply Voltage | Minimum | Maximum |
|---|---:|---:|
| 11 kV | 60 kVA | 500 kVA |
| 33 kV | 60 kVA | 15 MVA |
| 132 kV | 4 MVA | 40 MVA |
| 220 kV | 15 MVA | 150 MVA |

Deviation in contract demand, if any, in respect of the above provisions on account of technical reasons, may be permitted with the approval of the Commission and billing shall be done accordingly. The HV consumers having contract demand exceeding the maximum limit mentioned above for respective voltage of supply shall be billed as specified at Clause 7 of Terms and Conditions of HV Tariff.

**1. Point of Supply**

Power will be supplied to consumers ordinarily at a single point for the entire premises. HV industrial consumers can avail separate LV supply as per Clause 4.40 of the Chhattisgarh State Electricity Supply Code, 2011 and its amendments thereof, in the same premises.

**2. Billing demand**

The billing demand for any month shall be the maximum demand (in kVA) of the consumer recorded during the billing month or 80% of the contract demand whichever is higher. The billing demand shall be rounded off to the next whole number.

### 3. Determination of Demand

The maximum demand means the highest load measured by sliding window principle of measurement in average kVA at the point of supply of a consumer during any consecutive period of 15 minutes during the billing period.

### 4. Minimum Charge

The demand charge on contract demand (CD) is a monthly minimum charge whether any energy is consumed during the month or not.

### 5. Rounding off

The amount of HV energy bill shall be rounded off to the nearest multiple of Rs.10.

For example - the amount of Rs. 12345 will be rounded off to Rs. 12350 and Rs. 12344.95 shall be rounded off to Rs. 12340.

In view of the above provision no surcharge will be levied on outstanding amount, which is less than Rs. 10.

### 6. Delayed Payment Surcharge

If the bill is not paid by the consumer within the period prescribed (due date) for payment of the bill, a surcharge @ 1.5% per month or part thereof, on the total outstanding amount of the bill (including arrears, if any but excluding amount of surcharge), shall be payable in addition, from the due date of payment as mentioned in the bill.

### 7. Additional charges for Local Bodies

Every Local Body shall pay an additional charge equivalent to any tax or fee levied by it under the provisions of any law including the Corporation Act, District Municipalities Act or Gram Panchayat Act on the poles, lines, transformers and other installations through which the Local Body receives supply.

### 8. Advance Payment Rebate

For advance payment made before commencement of consumption period for which bill is to be prepared, a rebate @ 0.5% per month on the amount, which remains with the Licensee at the end of calendar month excluding security deposit, shall be credited to the account of consumer after adjusting any amount payable to the Licensee, subject to the net amount of advance being not less than Rs.20,000 and shall be adjustable in next month's bill.

## 9. Additional Charge for Exceeding Contract Demand

The consumers should restrict their maximum demand to the extent of contract demand. In case the maximum demand during any month exceeds the contract demand, the tariff at normal rate shall apply only to the extent of the contract demand and corresponding units of energy. The demand in excess of contract demand and corresponding units of energy shall be treated as excess supply. The excess supply so availed, if any, in any month shall be charged at one and half times of the normal tariff applicable to the consumer (demand and energy charges) for the excess demand to the extent of 20% of contract demand and at the rate of two times of normal tariff if the excess demand is found beyond 20% of contract demand.

Provided further that in case of excess supply to consumers having minimum contract demand of 150 MVA, and having captive generating plant(s) of capacity of at least 150 MW, such consumers shall have to pay an additional demand charges of Rs. 20/kVA/month on the quantum of power availed over and above its contract demand notwithstanding anything contained anywhere in this order. Further, energy consumed corresponding to excess supply shall be billed at normal tariff.

For the purpose of billing of excess supply, the billing demand and the units of energy shall be determined as under:-

i. **Billing Demand / Contract Demand:**

The demand in excess of the contract demand in any month shall be the billing demand/ contract demand of the excess supply.

ii. **Units Energy:**

The units of energy corresponding to kVA of the portion of the demand in excess of the contract demand shall be:

EU= TU (1-CD/MD)

Where

EU - denotes units corresponding to excess supply, TU - denotes total units supplied during the month,

CD - denotes contract demand, and

MD - denotes maximum demand.

The excess supply availed in any month shall be charged along with the monthly bill and shall be payable by the consumer.

The billing of excess supply at one and half times/two times of the normal tariff applicable to consumer is without prejudice to JSPL-D’s right to discontinue the supply in accordance with the provisions contained in the Chhattisgarh State Electricity Supply Code, 2011 and its amendments thereof.

i. No rebates/incentive is payable on such excess supply.

**10. Additional Charge**

The HV consumers having contract demand exceeding the maximum limit as prescribed in Clause 1 of terms and conditions of HV tariff shall be levied additional charges at the rate of 5% on Energy Charges of the respective consumer category.

**11. Meter Hire**

Meter hire shall be charged as per the schedule of miscellaneous charges to all categories of HV consumers.

**12. Tax or Duty**

The tariff does not include any tax or duty, etc., on electrical energy that may be payable at any time in accordance with any law/State Government Rules in force. Such charges, if any, shall be payable by the consumer in addition to tariff charges.

**13. Dispute on applicability of tariff**

In case of any dispute on applicability of tariff on a particular category of HV industry/ consumer, the decision of the Commission shall be final and binding.

All the above conditions of tariff shall be applicable to the consumer notwithstanding the provisions, if any, in the agreement entered into by the consumer with the Licensee.

**16. Method of payment of Bills**

(1) Consumer shall have the option to pay bills online or offline.

(2) Bill amount of more than **five thousand rupees** shall mandatorily be paid online.

(3) For bill amounts less than or equal to **five thousand rupees** consumer may pay the bill through cash or cheque or demand draft or electronic clearing system at designated counters of a bank or through credit or debit cards or online payment through distribution licensees' web portal or any digital mode of payment and any change or further addition in the mode of payment shall be more user friendly for the consumers than the prevailing system.

Provided that the distribution licensee may stipulate a suitable incentive or rebate for payment through online system for consumers who opt to pay bill amount less than or equal to **five thousand rupees**.

(4) The distribution licensee shall establish online portal as well as sufficient number of collection centres or drop boxes at suitable locations with necessary facilities, where consumer can deposit the bill amount with ease.

## 8.3 Open Access Charges

### 1. Transmission Charges

The long-term and medium-term open access customers including JSPL-D shall be required to pay the Annual Transmission Charges approved by the Commission. Bills shall be raised for Transmission Charge on monthly basis by JSPL-T, and payments shall be made by the beneficiaries and long-term and medium-term open access customers directly to the JSPL-T. These monthly charges shall be shared by the long-term open access customers and medium-term open access customers as per allotted capacity proportionately. The monthly transmission charge is Rs. 50.43 lakh

### 2. Energy Losses for Transmission

Transmission Losses of 0.6% for the energy scheduled for transmission at the point or points of injection shall be recoverable from open access customers.

### 3. Wheeling Charges

For long-term, medium-term and short-term open access customer: Rs. 31.85/MWh (or Rs. 0.0318 per kWh) for the energy computed as per the provisions made in Regulation 33 of the CSERC (Connectivity and Intra State Open access) Regulations, 2011 and its subsequent amendment(s)/revision, if any, at 100% load factor for wheeling. The same charges shall be applicable for both collective and bilateral transactions at the point of injection.

### 4. Energy losses for distribution

Distribution Losses of 0.3% for the energy scheduled for distribution at the point or points of injection at 33 kV side of 33/11 kV sub-station shall be recoverable from open access customers.

### 5. Operating Charges

The short-term open access customer shall pay the Operating Charges to SLDC at the rate of Rs. 2000 per day.

### 6. Cross Subsidy Charges

Cross-Subsidy Charges shall be Nil, as the Average Billing Rate has been equated to the ACOS.

### 7. Standby Charges

The Standby Charges for consumers availing open access (using transmission and/or distribution system of Licensee) and who draw power from the grid up to the contracted capacity of open access during the outage of generating plant/CPP shall be 1.5 times of the per kWh weighted average tariff of HV consumers, which is Rs. 6.23 per kWh (1.5 times of the average billing rate of Rs.4.15 per kWh). For drawal of power in excess of the contracted capacity of open access, the tariff for availing standby support from the grid shall be two times of the per unit weighted average tariff of HV consumers, which is Rs. 8.30 per kWh (2 times of the average billing rate of Rs. 4.15 per kWh). Further, in case of outage of CPP supplying power to captive/non-captive consumer who has reduced its contract demand to zero and also availed open access draws power of JSPL-D, then billing of such power drawn shall be done as per the standby charges mentioned above.

## 8. Intra-State Open Access Charges for Renewable Energy transactions

a) Transmission Charges in cash for long-term/medium-term/short-term open access - NIL

b) Wheeling Charges in cash for long-term/medium-term/short-term open access - NIL

c) SLDC Charges (Operating Charges) for long-term/medium-term/short-term open access - NIL

d) The Open Access customers availing long-term/medium-term/short-term open access customers shall bear the energy loss specified as under:

   a. Energy Losses for using only the Transmission system of JSPL-T shall be 0.6%.

   b. Energy Losses/for using only distribution system of JSPL-D shall be 0.5%.

   c. Energy losses for using both the transmission system of JSPL-T and distribution system of JSPL-D or Combination thereof shall be 0.6%.

# Directives

1. JSPL-D is directed to henceforth file all its Petitions on time, in compliance with the Regulations notified by the Commission.
2. JSPL-D is directed to submit year-wise details of consumer security deposit, tax certificate available with it.
3. JSPL-D is directed to submit data on kWh and kVAh consumption for the HT category, and the actual Power Factor, along with its next Tariff Petition for FY 2023-24.