



झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No.01 of 2022/205

Date: 14th October 2022

To

Shri A. Bardia
CFO- Finance & Strategy
Inland Power Ltd.
C/218, Road No. - 2
Ashok Nagar, Ranchi - 834002

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for Multi Year Tariff for FY 2021-22 to FY 2025-26 of Inland Power Limited (IPL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dt. 14.10.2022 passed by the Commission in Case (Tariff) No. 01 of 2022 along with office report dt. 14.10.2022 pointing out some discrepancies in the petition as cited.

A compliance report to this effect removing the discrepancies together with required additional data may please be sent within one week as ordered.

Thanking you.

Yours faithfully,


(R. R. Nayak)
Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDING

Case (Tariff) No. 01 of **2022**

Inland Power Limited (IPL)

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Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
2.	14.10.2022	<p>The petition dated 30.03.2021 for Multi Year Tariff for FY 2021-22 to FY 2025-26 of the petitioner - Inland Power Limited (IPL) for 1x63 MW (Stage – 1) Coal Fired CFBC Thermal power Project have been scrutinized and several deficiencies/discrepancies have been pointed out as shown in the office report dated 14.10.2022.</p> <p>The petitioner is directed to meet the deficiency and remove the defects within one week.</p> <p>Put on receipt of replies.</p> <p style="text-align: center;">Sd/- Sd/- Sd/- Member (T) Member (L) Chairperson</p>	



Office Report

The petition dated 30.03.2021 for Multi Year Tariff for FY 2021-22 to FY 2025-26 of the petitioner -Inland Power Limited (IPL) for 1x63 MW (Stage – 1) Coal Fired CFBC Thermal power Project have been scrutinized and several deficiencies/discrepancies have been found in the petition as indicated below:

Note on Discrepancies/ Data gaps in respect of the Multi-Year Tariff Petition filed by Inland Power Ltd. for the FY 2021-22 to 2025-26

1. The Petitioner is required to submit the editable word file of the Petition.
2. In line with Regulation 6.6 of the JSERC Generation Tariff Regulation, 2020, IPL is required to submit efficiency improvement, Cost Benefit Analysis associated with the proposed Capital Expenditure (Installation of LDO System, Fly Ash Brick Manufacturing Unit) read with directive of the JSERC Order dated 22-09-2020 wherein the Commission has directed the IPL to submit DPR alongwith all necessary details of works.

In view of the above shortcomings, IPL is directed to submit the requisite details in support of its CAPEX claims.
3. It is observed that the Petitioner has already incurred CAPEX towards the development of Fly Ash Manufacturing unit during FY 2020-21 itself. It is understood that the instant Petition is governed under JSERC Generation Tariff Regulation, 2020 which is applicable for the Control Period FY 2021-22 to 2025-26 (CAPEX on or after 01-04-2021). The Petitioner is directed to clarify on this aspect.
4. The Petitioner has failed to provide the Board Certificate for approval of equity infusion of Rs. 2.46 Cr and Rs. 4.01 Cr towards (Installation of LDO System, Fly Ash Brick Manufacturing Unit) in the Capex projected for the period in FY 2021-26.
5. As per table 9 of the Petition, IPL has considered re-payment during the year at Rs. 27.43 Cr. which does not resemble with the Depreciation claim for the FY 2021-22 (Rs. 17.96 Cr.). The said observation is in contravention to the clause 15.15 of the JSERC Generation Tariff Regulation, 2020.
6. For the computation of Weighted Average Rate of Interest, IPL has considered Opening and Closing Loan equivalent to the normative Opening and Closing loan for the respective years of the Control Period. The said approach is violation of the Clause 15.18 of the JSERC Generation Tariff Regulation, 2020 which allow computation of Weighted Average Rate of Interest based upon the actual loan portfolio. IPL is directed to explain the reason for being in variance with the Tariff Regulations.
7. The computation of Depreciation for FY 2021-22 has been claimed by IPL considering the asset capitalization of Rs. 8.21 Cr. as on 01-04-2021. However, the IPL has not provided any substantial evidence in such regard. Be that as it may, the IPL is directed provide the expected commissioning date for the proposed items of the CAPEX.
8. JSERC Generation Tariff Regulation, 2020 define the norms of operation for thermal power generators. The table below depicts the operational norms as per Regulations vis a vis the Petitioner's claim (Tariff Filing Format – Cost Sheet)

Particulars	Operational Norms as per Regulations	Operational Parameter as per IPL
PAF (%)	85	82.50
PLF (%)	85	82.50
Gross Station Heat Rate (K.cal/kwh)	2765	2931
Auxiliary Consumption %	10.00	11.15

The Petitioner has computed IOWC without considering the operational norms (JSERC Regulations 2020). IPL is required to explain such anomaly.

9. IPL vide para 2.9.16 of its Petition submits that the increase in O&M cost is due to the handling and disposal of an increased quantity of Ash which is due to Change in Fuel mix. As per the direction of Commission, IPL was directed to submit to Commission a consolidated report on Change in Fuel mix along with Business Plan and MYT Petition, however, the same has not been provided. IPL is required to submit the same.

Rajendra
Secretary