

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDINGS

Case No. 10 of 2011

Tata Steel Limited

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Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
1.	02.02.2011	<p>As per the Regulations, the due date for filing the ARR and the tariff petition for FY 2011-12 was 1st November 2010. Since none of the licensees and generators filed their tariff petitions for FY 2011-12 by the due date, the Commission by its order dated 4.12.2010 had directed all the licensees and the generators to file their ARR and tariff petition for FY 2011-12 by 31st December 2010. In compliance to the said order, only JSEB had filed its ARR and tariff petition for determination of tariff for FY 2011-12. The licensee-TSL had filed petition for grant of time for filing its tariff petition for FY 2011-12. The Commission after considering the request and taking a lenient view, by its order dated 4.1.2011, allowed the prayer and directed the licensee-TSL to file its tariff petition by 31.1.2011. The order of the Commission was communicated to the licensee-TSL by letter No. 620 dated 4.1.2011.</p> <p>In response to the above direction dated 4.1.2011, the General Manager (Power Services Division), Tata Steel Limited, Jamshedpur sent a letter dated 27.01.2011 stating therein that earlier energy</p>	

consumption in TSL establishments were being considered as Steel Works consumptions, whereas the latest tariff order of TSL has necessitated the need to convert all these establishments into consumers of power distribution business in which there are approximately 22000 such establishments in the city including TSL employee accommodations for which revenue now need to be calculated for coming year ARR. As this is being done for the first time and multiple agencies are involved it is taking time. It has been stated that this work is expected to be completed in next 4-5 weeks after which 2-3 weeks would be required to complete the ARR and tariff petition.

Besides the above, it has been stated that due to treatment of TSL and its establishment as consumer, it is anticipated that there will be months in the coming years where distribution business of TSL will have to take power from the captive units of TSL. Till last year the residual energy flow was only happening from distribution business to TSL works. This has led to complexity in energy balancing and its accounting with reference to ARR preparation for which several round of discussion had already happened with various departments of TSL, but the same could not be finalized due to various aspects of energy sale and purchase and/or provision of banking and borrowing arrangements between Tata Steel Works and Distribution business.

They expect that they would be in a position to arrive at some conclusion within 7 to 8 weeks.

In view of the above, it has been requested to grant time till 31.3.2011 for filing ARR and tariff petition for FY 2011-12 of TSL.

Perused the letter dated 27.1.2011.

This time TSL has taken a different ground for allowing time to file tariff petition for FY 2011-12. In the earlier letter dated 31.12.2010 it was stated that they need time to understand the JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations, 2010 whereas in the instant letter dated 27.1.2011 it has been stated that the latest tariff order of TSL has necessitated the need to convert all the establishments of TSL into consumers of power distribution business which is being done for the first time and since multiple agencies are involved in this work, it is taking time. Further, due to treatment of TSL and its establishment as consumer, it is anticipated that there will be months in the coming years where distribution business of TSL will have to take power from the captive units of TSL. Till last year the residual energy flow was only happening from distribution business to TSL works. This has led to complexity in energy balancing and its accounting with reference to ARR preparation. These are a totally different stand taken by TSL for grant of time to file ARR and tariff petition for FY 2011-12. The fact that TSL has to convert

its all the establishments into consumers of power distribution business was known from much before when the last tariff order was issued and TSL should have taken steps in this regard earlier. Further, they had not taken this plea in their earlier letter for allowing time to file ARR and tariff petition for FY 2011-12. Why the licensee-TSL is shifting its stand one after another is not understandable.

Be as it may, taking a lenient view, the licensee-TSL is directed to file its ARR and tariff petition for FY 2011-12 by 31st March 2011. No further time will be allowed to file the tariff petition of the licensee-TSL beyond 31.3.2011. If the licensee-TSL fails to file its ARR and tariff petition by 31.3.2011, it will be viewed as violation of direction of the Commission and the Commission will proceed in the matter in accordance with law.

Sd/-
Member (E)

Sd/-
Chairperson