

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDINGS

Case No. 11 of 2011

Steel Authority of India Limited, Bokaro

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 is 1st November 2010. Since the licensee-SAIL, Bokaro did not file the tariff petition on time, the Commission, suo-moto, directed the licensee-SAIL, Bokaro to file its tariff petition by 31.12.2010. In compliance the licensee-SAIL, Bokaro filed a petition for grant of four months time to file its tariff petition for FY 2011-12. The Commission after considering their request and taking a lenient view, allowed time by its order dated 4.1.2011 upto 31.1.2011. The said order was communicated to the licensee –SAIL, Bokaro by Commission’s letter No. 619 dated 4.1.2011.</p> <p>In response to the aforesaid order dated 4.1.2011, the DGM, SAIL/Bokaro vide his letter dated 29.01.2011 has asked for six months time to file the tariff petition for FY 2011-12.</p> <p>Earlier the licensee-SAIL, Bokaro in its letter dated 30.12.2010 had sought time on the ground of assessment of Fixed Asset Base of the distribution system by an expert agency. The relevant para of the</p>	

letter is reproduced below:

“In compliance with clause 10.4 of the Directives (A10) of the Tariff Order for FY 2010-2011 issued by the Hon’ble Commission, the appointment of M/s Mecon Limited as an expert agency for assessment of the Fixed Asset Base of the distribution system of the licensed area is under process.”

Surprisingly, now in the letter dated 29.1.2011 the licensee-SAIL, Bokaro has taken altogether a different ground i.e. separation of accounts for the Power Business for the year 2010-11, for seeking six months time. The relevant para of the letter is reproduced below:

“This is to intimate you that the closing of Accounts for the year 2010-11 is going to be finalized only in June, 2011 at our end. As such, separation of accounts for the Power Business for the year 2010-11 is not possible prior to June, 2011, on the basis of which the Tariff Petition and ARR for the Year 2011-12 is to be prepared and filed.”

From the above letter it seems that the concerned officers of the licensee-SAIL, Bokaro are either not knowing the requirements of filing of ARR and tariff petition or are trying to mislead the Commission. For filing of tariff petition and ARR for FY 2011-12, the Accounts for FY 2009-10 are relevant. The Accounts for 2010-11 are not at all required because the filing date is 1st November 2010. From the letter itself it seems that the Accounts for FY 2009-10 are final and available with the licensee-SAIL, Bokaro. So to say that the licensee-SAIL, Bokaro is not able to file the tariff petition and ARR for FY 2011-12 because their Accounts are to be closed by June 2011, is not at all relevant and not acceptable.

Not only this, the above two letters show that the licensee-SAIL, Bokaro is treating the filing of tariff petition and ARR in a very casual manner.

The Electricity Act, 2003 became operational on 10.6.2003 and all the licensees are expected to abide by the law. Unfortunately, it is more than seven years now that the licensee-SAIL, Bokaro has neither prepared its Fixed Asset Base nor has taken any concrete steps to segregate its Accounts for electricity business.

In the letter dated 30.12.2010, it was stated that the appointment of M/s Mecon Limited as an expert agency for assessment of the Fixed Asset Base of the distribution system of the licensed area is under process. No progress has been reported on that account. Strangely enough, after full one month, entirely a different ground is taken for seeking time, whereas the Commission has clearly directed the licensee-SAIL, Bokaro to file the tariff petition for FY 2011-12 by 31.1.2011. No progress has been reported for preparing the tariff petition. It is abundantly clear that the licensee-SAIL, Bokaro is not complying with the directives of the Commission.

In view of the above, issue notice to the licensee-SAIL, Bokaro to show-cause within one month as to why appropriate action should not be taken against the licensee-SAIL, Bokaro for violation of the Commission's directions/orders 4.1.2011 communicated to them vide

No. 619 dated 4.1.2011, which was sent through FAX as well as courier.

Put up on **05.03.2011** for further orders awaiting show-cause.

Sd/-
Member (E)

Sd/-
Chairperson