

**Jharkhand State Electricity Regulatory Commission, Ranchi**  
**Form of Proceedings**  
**Case No. 10 of 2014**  
**&**  
**I.A. No. 02 of 2015**

M/s Tata Steel Limited

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Petitioner

Sl.No	Date of Proceeding	Proceeding of the Commission with signature	Office action taken with date
1	2	3	4
14	31.03.2015	<p>This review application has been filed praying for correction of clerical/arithmetical mistakes occurred in the Tariff Order dated 4<sup>th</sup> June, 2014.</p> <p>Heard learned counsel for the petitioner as well as Mr. Srivastava learned counsel appearing for the Commission.</p> <p>Learned Counsel for the petitioner argued that additions to gross fixed assets should have been considered while determining the tariff in accordance with the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulation, 2010, but instead, the tariff has been determined considering net fixed assets instead. The said error led to fixation of a lower tariff highly prejudicial to the petitioner.</p> <p>Learned counsel submitted that Clause 36 (1) of the</p>	

	<p>JSERC (Conduct of Business) Regulations, 2011, provides for review of clerical or arithmetical errors of its Tariff Orders and reads as follows:</p> <p>“36(1) Provided that power to review by the Commission on its own motion under this clause may be exercised only for correction of clerical or arithmetical mistakes arising from any accidental slip or omission.”</p> <p>In its petition, TSL has contended that, for FY 12-13, additions to gross fixed assets should have been considered while determining the tariff but inadvertently, additions to net fixed assets were considered. This has led to an adverse impact on depreciation, interest on normative loan and return on equity. This has also had an adverse impact on repair and maintenance costs as these are to be calculated @ 13% of gross fixed assets. As a result of this clerical mistake, the annual average power purchase cost of power was taken to be Rs. 3.28 per unit instead of Rs. 3.85 per unit.</p> <p>Learned Counsel for the Commission has not controverted the said contention and submissions of the petitioners.</p> <p>Having heard the parties and considered the facts and material on record the Commission finds merit in the</p>	
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	<p>submissions made by the petitioner and allows the prayers made in the petition.</p> <p>Accordingly the Tariff Order dated 14<sup>th</sup> June, 2014 is reviewed and modified- in the following terms:</p> <p>6.44 will now read as follows:</p> <p>The Commission has scrutinized audited accounts for FY 2012-13 and accordingly approves closing GFA, closing CWIP and addition to GFA during the year. The actual addition to GFA during FY 2012-13 has been Rs. 467.00 crores. Thus, the Commission accepts the submission made by the petitioner and approves the addition to GFA as Rs.306.65 Crores (Closing GFA during FY 2012-13 i.e. Rs. 467.00 crores less opening GFA during FY 2012-13 i.e. Rs. 160.35 Crores) for FY 2012-13 as against Rs. 207.07 Crores approved in order dated 4<sup>th</sup> June, 2014.</p> <p>6.45 will now read as follows:</p> <p>“Following table summarizes the GFA &amp; CWIP as finally approved by the Commission in the previous Tariff Order for FY 2012-13</p>	
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<b>Particulars</b>	<b>Approved in Tariff Order for FY 2012-13</b>	<b>Submitted by the Petitioner</b>	<b>Approved now by the Commission</b>
Capital works in progress as on 31.03.13	136.59	13.40	17.29
Gross fixed Assets as on 31.03.13	290.69	482.11	467.00
Transfer/Additions to GFA during FY 2012-13	129.88	321.76	306.65

6.50 will now read as follows:

“Following table summarizes the gross and net depreciation as finally approved by the Commission for FY 2012-13.

**Depreciation for FY 2012-13 (Rs.Cr)** ”

<b>Particulars</b>	<b>Approved in the Order 4.6.14</b>	<b>Approved now by the Commission</b>	<b>Difference to be adjusted in Revenue gap for FY 2012-13</b>
Depreciation	14.51	24.94	10.43

6.53 will now read as follows:

“The following table summarizes the interest on loan as finally by the Commission for FY 2012-13.

**Interest on Loan for FY 2012-13 (Rs. Cr)** ”

<b>Particulars</b>	<b>Approved in the Order 4.6.14</b>	<b>Approved now by the Commission</b>	<b>Difference to be adjusted in Revenue gap for FY 2012-13</b>
Interest of Normative Loan	11.87	16.24	4.37

6.58 will now read as follows:

“Following table summarizes the interest on normative working capital as finally approved by the Commission for FY 2012-13.

**Interest on working capital for FY 2012-13 (Rs.Cr)** ”

<b>Particulars</b>	<b>Approved in the Order 4.6.14</b>	<b>Approved now by the Commission</b>	<b>Difference to be adjusted in Revenue gap for FY 2012-13</b>
Interest on working capital loans	8.33	8.58	0.25

6.63 will now read as follows:

“The following table summarizes the return on equity as finally approved by the Commission for FY 2012-13.

**Return on Equity for FY 2012-13 (Rs. Cr)      ”**

<b>Particulars</b>	<b>Approved in the Order 4.6.14</b>	<b>Approved now by the Commission</b>	<b>Difference to be adjusted in Revenue gap for FY 2012-13</b>
Return on Equity	10.53	12.84	2.31

Tariff order dated 4<sup>th</sup> June, 2014 is modified in the  
above terms.

The application is allowed, accordingly.

Sd/-  
Member (F)

Sd/-  
Chairperson