

Jharkhand State Electricity Regulatory Commission, Ranchi
Form of Proceedings
Case No. 23 of 2014

Tata Steel Limited

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Distribution Licensee/Petitioner

For the petitioner : Mr. Manish Mishra, Advocate

Sl.No	Date of Proceeding	Proceeding of the Commission with signature	Office action taken with date
1	2	3	4
	27.02.2017	<p>Heard Mr. Manish Mishra, learned counsel appearing for the petitioner and perused the record.</p> <p>By order dated 07.09.2016 passed in Appeal No. 29 of 2016, the Hon'ble Appellate Tribunal for Electricity has disposed of the said appeal by remanding the matter to the Commission particularly on two issues (i) Distribution loss and (ii) Carrying cost for prior period.</p> <p>As per the record, the petitioner's grievance in the said appeal was that while passing the Tariff Order dated 31.05.2015, the Commission had not followed the provisions of JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations 2010, prescribing the normative target loss level to be achieved by the licensee. Further grievance is that in the said order the Commission had not considered the petitioner's efficiency gains on account of achieving lower distribution losses as compared to normative loss level, while considering the loss level on actual basis.</p>	

		<p>The Hon'ble Appellate Tribunal for Electricity while allowing the petitioner's claim held that the loss level considered by the Commission should have been normative one and not actual and in accordance with the relevant provisions of JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations 2010. The Hon'ble Appellate Tribunal for Electricity (APTEL) held that the concern expressed by the State Commission, while dealing with the said issue, for not extending the supply of electricity in various areas by the petitioner, should have been addressed separately, in the independent proceeding, in accordance with law. The same should not have been a ground for not allowing incentives to the petitioner for achieving lower loss level as compared to normative.</p> <p>On the issue of determination of carrying cost on regulatory assets, the petitioner's grievance was that the Commission restricted the carrying cost of the Regulatory assets created in FY 2013-14 onwards and the carrying costs for the prior period was not allowed in the said order of the Commission.</p> <p>The Hon'ble Appellate Tribunal for Electricity while accepting the said stand of the petitioner has held that the carrying cost should have been allowed from the prior period, as claimed by the petitioner.</p> <p>The petitioner had also raised other issues; such as tax on income, but since the said matter has been</p>	
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remanded only on two issues, the other issues have not been taken up for consideration.

After the order of remand by the Hon'ble Appellate Tribunal for Electricity, the petitioner has submitted their own calculation on the said two issues.

Though the said calculation/computation needs to be verified, we have not considered the verification necessary for the present in view of the order being passed by us.

Having heard learned counsel for the petitioner and considered their submissions and also in view of the order passed by the Hon'ble Appellate Tribunal for Electricity in Appeal No. 29 of 2016, we dispose of the matter in the following terms:-

- (i) With regard to the petitioner's claim of non-consideration of the efficiency gains on account of achieving lower distribution losses as compared to normative loss level in accordance with the JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations 2010 and the order of the Hon'ble Appellate Tribunal for Electricity holding that the loss level should be the normative one and not actual, it is held that the petitioner is entitled for necessary adjustment and the same shall be considered and necessary adjustment shall be made in the ARR of the relevant years

		<p>along with the next MYT Tariff Order for the period FY 2016-17 to FY 2020-21.</p> <p>(ii) As regards determination of carrying cost on regulatory assets, the claim of the petitioner stands allowed. The Commission shall review the calculation of carrying cost and shall make adjustment of carrying cost for the prior period along with the next MYT Tariff Order for the period FY 2016-17 to FY 2020-21.</p> <p>It is made clear that the claim/calculation of the petitioner shall be subject to verification at the relevant stage.</p> <p>This case is, accordingly, disposed off.</p> <p>Sd/- Member (E)</p> <p>Sd/- Chairperson</p>	
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