

**IN THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION AT  
RANCHI**

**Case No. 16 of 2023**

Tata Steel Ltd. (TSL) ..... Petitioner

**CORAM: HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)  
HON'BLE MR. ATUL KUMAR, MEMBER (TECH)**

For the Petitioner: Mr. P.A.S. Pati and Mr. Salona Mittal, Advocates

**Date – 11<sup>th</sup> August, 2023**

1. The Petitioner-Tata Steel Limited has filed the instant petition under clause A44 read with A45 of the JSERC (Conduct of Business) Regulations, 2016 for approval of Capital Expenditure for "Capacity augmentation of 400/132 KV Bulk Power Receiving Substation (BPRS) at Jamshedpur.
2. The Prayers of the petitioner are as under: -
  - (a) To approve the capital expenditure and capitalization of Rs 226.77 Cr for capacity expansion of Bulk Power Receiving Substation.
  - (b) To condone any inadvertent omissions/errors/shortcomings and permit TSL to add/change/modify alter this filing and make further submissions as may be required at a future date.
  - (c) To allow TSL to submit any other data information if any required for kind approval of this Capital Expenditure.

**Submissions of the Petitioner**

3. The representative of the petitioner - Tata Steel Limited (hereinafter to be referred as "the Petitioner" or "TSL") submitted that TSL is a power distribution licensee for Jamshedpur and provides power supply to all category of consumer including domestic, commercial and industrial consumers in Jamshedpur. Jamshedpur being an industrial city most of the sales are industrial sales.
4. It was submitted that TSL sources power from Damodar Valley Corporation (DVC) and Tata Power Company Limited (Tata Power) through two contracts one at 132 KV and another at 400 KV for distribution of power in Jamshedpur and in addition to it sources power from power exchange and Tata Steel works on few occasions to meet the demand during outage or restriction of power supply from long term power sources i.e., DVC and Tata Power.
5. It was submitted that TSL has submitted the Business plan and MYT petition before the Hon'ble Commission on 29th Nov'2020 incorporating the Capital investment plan to meet the demand during the period FY2022 to FY2026.
6. It was submitted that the capital investment plans were made based on estimates prepared with available information at that time (year 2020) and projections received from various industries in the licensed area but due to ongoing COVID crisis and lockdown, industrial outlook was uncertain and conservative.

7. The petitioner submitted that after submission of Business Plan, during the year FY2023, few large industries have planned capacity expansion, and few have planned new factory setup. Therefore, more demand for power has been put up by these industrial units in Jamshedpur, in addition to what was proposed in the business plan and the total demand is approximately 241 MVA which includes 40 MVA (approx.) load which is expected to be added in domestic and commercial segment in the next 5 years as per the estimates made in the Business Plan. Further loads are planned to be fed through TSL network connectivity with DVC at Bulk Power Receiving Substation (BPRS), for which capacity enhancement needed, by adding another Power Transformer, related switchgears, control panel, cabling, earthing etc.
8. The petitioner further submitted that to accelerate India's Renewable Energy Program, Ministry of Power, Govt. of India has notified The Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 on 6<sup>th</sup> June' 2022 which requires Licensee to procure Green Power for providing the same to consumers on demand at Green Tariff. Further, Tata Steel has also received intent from few customers for Green Energy which need to be wheeled to Jamshedpur and to wheel additional green power augmentation of Transformation capacity at BPRS substation is required.
9. The petitioner submitted the summary of works to be done for Capacity enhancement of BPRS Substation along with the Detailed Project Report or DPR of the Capacity expansion scheme as under: -
  - Installation of one number new 315MVA 400/132kV transformer
  - Installation of one 400kV bay & its connectivity with existing switchyard.
  - Installation of one new 132kV GIS bay and its coupling with existing GIS switchboard.
  - Installation of Control Panels for 400kV and 132kV Bays.
  - Associated civil & structural works.
  - Enabling work.
10. It was submitted that the total Capital expenditure (Capex) for creating the additional transformation capacity at BPRS substation comes out to be **Rs. 226.77 Cr** and the expansion is extremely essential to upgrade the capacity of 400/132kV substation.
11. It was submitted that the engineering, procurement and construction for capacity enhancement of this substation will take approximately 33 months post approval for execution and it has become urgent to initiate action for augmentation of Bulk Power Receiving Substation (BPRS) now on emergency basis.
12. It was also submitted that special circumstances have arisen post Covid period; due to additional demand arising out of expansion programs of various entities/ industries and requirement of wheeling of Green Energy which has resulted into an urgent need for augmentation of power substation capacity.
13. It was submitted by the petitioner that this Capital Expenditure has

already been approved by the Board of Tata Steel Limited in a Board meeting held on 02nd May 2023.

14. The representative of the petitioner submitted that this additional capital expenditure will not have an impact of the existing tariff as the incremental revenue generated at existing tariff by the expected increase in sales and wheeling of Green Power is expected to be more than the costs (Financing, Power Purchase, O&M costs Etc.) that will be chargeable to tariff, as such this scheme does not have adverse impact on the existing tariff.

**Commission’s observation and findings**

15. The Commission has considered the submissions made by the petitioner and perused the materials available on records.

16. The Commission observed that clause 6.15 of JSERC (Terms and conditions for Determination of Distribution tariff) Regulations, 2020 provides as under: -

*“In case the capital expenditure is required for emergency work, which has not been approved in the Capital Investment Plan, the Licensee shall submit an application containing all relevant information along with reasons justifying emergency nature of the proposed work seeking approval of the Commission wherever possible:*

*Provided that in case the capital expenditure is required for emergency work or unforeseen situation to mitigate threat to life and property and if prior intimation thereof to the Commission shall cause any irreparable loss or injury, the Licensee may undertake Such capital expenditure and submit the details for post-facto approval of the Commission along with next Tariff Petition with all relevant details”*

17. It is also observed as submitted by the petitioner that the proposed capital expenditure will not have any impact on the existing tariff of the petitioner-TSL and the proposal of capital expenditure is emergency in nature to meet the power supply to the upcoming loads in the area, however, it requires public consultation process i.e. inviting suggestion/comments/objections on the proposal of the petitioner-TSL so that the proposal can be assessed on the point of “Cost benefit analysis, rate reasonability and improvement in operational efficiency”

In the result, it is ordered as;

**ORDER**

18. Considering the facts and circumstances of the case and in view of the emergent situation as submitted by the petitioner, the prayers of the petitioner are provisionally allowed subject to the condition that the petitioner shall re-submit the proposal for approval of the Commission of the capital expenditure in the Business plan along with the next tariff petition.

19. The petition stands disposed off with the aforesaid directions

Sd/-  
Member (T)

Sd/-  
Member (L)