

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

**Case No. 43 of 2023**

Tata Steel Utilities and Infrastructure Services Limited..... Petitioner

**CORAM: HON'BLE JUSTICE MR. AMITAV KUMAR GUPTA,(CHAIRPERSON)  
HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)  
HON'BLE MR. ATUL KUMAR, MEMBER (TECHNICAL)**

For the Petitioner : Mr. Manish Mishra, Advocate

**ORDER**

**Date – 24<sup>th</sup> January, 2024**

1. Tata Steel Utilities and Infrastructure Services Limited (TSUISL) has filed the instant petition under clause 6.15 of JSERC (Terms & Conditions for Determination of Distribution Tariff), Regulations, 2020, and clause A44 read with A45 of the JSERC (Conduct of Business) Regulations, 2016, for approval of capital expenditure which is of emergency nature.
2. The petitioner's prayers are as follows:
  - A. For approval of the Capital expenditure totaling Rs. 35.75 Cr. for execution of the three schemes as under;
    - i. Erection of 2x10/12.5 MVA, 33/11 KV sub-station at Dobo Area & .33 kV feeder. (Scheme Cost: Rs 28.65 Cr.)
    - ii. Purchase of land for Substation in various areas. (Scheme Cost Rs 6.00 Cr.)
    - iii. Real time thermal monitoring system for TGS 132/33 KV substation switchyard. (Scheme Cost Rs 1.1 Cr.)
  - B. For condonation of any inadvertent omissions/errors/shortcomings and permit Tata Steel UISL to alter and modify the petition and make further submissions in future, if required.

**Submissions of the Petitioner**

3. Learned Counsel for the petitioner submitted that the petitioner TSUISL had filed the Business Plan & Multi Year Tariff petition for control period (FY 2021-22 to FY2025-26) in November 2020 which was approved by this Hon'ble Commission on 24th Nov 2022. Thereafter, the petitioner on 21.12.2022 had submitted the petition for additional capex of urgent nature relating to safety and reliability for installation of Nitrogen Injection Protection System (NIFPS) and the approval of the same was given by the Hon'ble Commission on 16th May 2023 which is expected to be completed by March 2024.
4. It was submitted that the capital investment plan with MYT petition in November 2020 was made on conservative estimate due to the prevailing uncertainties on account of COVID, land availability and Right of Way issues faced in network expansion. It is stated that the scenario has changed post COVID and there has been a spurt in power demand from existing as well as prospective consumers, accordingly to meet the growing demand in various areas, the petitioner had added 10 new capex schemes as additional capex relating to network extension/augmentation, power sourcing, safety &

reliability in the petition filed for True up of FY 2022-23, APR of FY2023-24 & for ARR of FY2024-25 on 23rd Nov 2023, before the Hon'ble Commission. It is adverted that, out of these 10 schemes; 3 schemes are urgent in nature which has been approved by Tata Steel UISL Board and the aforesaid schemes being of emergency nature are detailed below;

**I. 2x10/12.5 MVA, 33/11 KV sub-station at Dobo Area & 33 KV feeder of Rs 28.65 Cr.**

5. It was submitted that in Dobo, Pudurili, and nearby areas, several residential & commercial development projects have been announced which are at various stages of construction on both sides of the road from Dobo bridge (connecting Jamshedpur to Dobo area of Chandil block of Seraikela Kharsawan) to Kanderberia area near NH33 in Chandil block. It is adverted that since these areas are adjacent to Jamshedpur and they are witnessing rapid growth and some of the developers are regularly asking Tata Steel UISL for power supply to their projects.
6. It was pointed out that the current demand from this area is estimated to be approximately 3 MVA which is expected to go up to 12 MVA by FY 2030 and the petitioner (TSUISL), doesn't have any sub-station and distribution network in this area.

**II. Purchase of Land for Substation in various areas of Rs.6 Cr.**

7. The learned counsel for the petitioner has submitted that the existing power substation in Phase 1, 2, 4, 7 and large sector of JIADA area are running above the firm capacity and in the event of any failure of transformer, will affect the consumers adversely as such there is an urgent need to refurbish (N-1) level of redundancies to avoid long duration power outage
8. It was stated that the existing substations do not have any space left for further expansion, therefore, there is an urgent need to find suitable land for setting up substation to cater to the upcoming load in Phase1, Phase 2, Phase 3 & Phase 7 of JIADA area.

**III. Real time thermal monitoring system for TGS 132/33 KV substation switchyard of Rs 1.10 Cr.**

9. Learned counsel for the petitioner has submitted that the existing outdoor equipment are ~ 15 years old and any breakdown or equipment failure may lead to power outage of many industrial and residential consumers, as such it is important and urgent to strengthen the inspection and condition monitoring of these equipment. It is stressed that real-time thermal imaging is one of the standard practices of monitoring health of sub-station equipment which helps in identifying the probability of equipment failure.
10. Learned Counsel for the petitioner has stated that the total cost of the three schemes is Rs. 35.75 Cr. spread over a period of FY 24 to FY 26, the phasing of expected Capital expenditure and Capitalization as submitted is tabulated below;

Schemes	Capex			Capitalization		
	FY 24	FY 25	FY 26	FY 24	FY 25	FY 26
Scheme(I)		10.00	18.65			28.65
Scheme(II)	2.00	4.00			6.00	
Scheme(III)		1.10			1.10	
<b>Total</b>	<b>2.00</b>	<b>15.10</b>	<b>18.65</b>		<b>7.10</b>	<b>28.65</b>

11. It was submitted that the details of the above capital expenditure works (scheme (I) & scheme (III)) are enclosed in the petition and once the land for power substation as mentioned in scheme (II) is purchased, the petitioner shall approach this Hon'ble Commission detailing the work required.
12. It was pointed out that due to implementation of above mentioned schemes the **expected tariff of ~ 3 to 5 paisa per unit will be increase.**

**Commission's Observation and findings**

13. The Commission has considered the submissions of the petitioner and perused the materials available on records, and referred to clause 6.15 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 for approval of capital expenditure for emergency work which reads as under:

*"6.15 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"*

14. It is also observed that the aforesaid proposed capital expenditure is urgent in nature and in consonance with the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

In the result, it is ordered as:

**ORDER**

15. Considering the facts and circumstances of the case and in view of the emergency nature of the proposed three schemes as submitted by the petitioner, the prayers of the petitioner are provisionally allowed subject to prudent check at the time of disposal of the petition for True up of FY 2022-23, APR of FY 2023-24 & ARR of FY 2024-25.
16. The petition stands disposed off with the aforesaid directions.

Sd/-  
Member(T)

Sd/-  
Member(L)

Sd/-  
Chairperson