

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

Case No. 07 of 2024

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

Date – 16th April, 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 emergency in nature.
2. The Prayers of the petitioner are as under: -
 - A. For approval of capital expenditure and capitalization of Rs 31.00 crore for installation of 1*80/100 MVA 132/33 kV transformer and related interconnecting switchgears for TGS sub-station.
 - 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. The petitioner had filed the Business Plan & Multi Year Tariff petition for control period (FY2011-22 to FY2025-26) in November 2020 (Letter ref. PBD/2094/59-J/2020 dated 29.11.2020) and the order was passed by the Hon'ble Commission on November 24,2022. Thereafter, on December 21, 2022, the petitioner had submitted a petition for additional capex of urgent nature relating to safety and reliability for installation of Nitrogen Injection Protection System (NIFPS) for which approval was given by the Hon'ble Commission on May 16, 2023.
4. Learned counsel has submitted that the capital investment plan with MYT petition in November 2020 was made on conservative estimate because of prevailing uncertainties due to COVID. Land availability and Right of Way issues faced in network expansion. It is stated that after the pandemic the scenario has changed, and the economy is doing well. Accordingly, there has been a significantly high level of power demand to what was envisaged in the Business plan. It is further pointed out that several network elements are loaded beyond the firm capacity which require immediate strengthening.
5. It was also submitted that the petitioner has filed the True-up for FY 22-23, APR for FY 2023-24, and ARR & Tariff for FY 2024-25 dated November 27,

2023 with additional 10 new capital schemes totalling to Rs 100.25 crore as submitted in **annexure 11** (list of schemes with revised estimates) and **annexure 12** (10 new additional capex schemes).

6. The petitioner, on December 19, 2023 had submitted the 3 additional schemes urgent in nature vide letter no. PSD/PSK/395/2023 which was subsequently approved by the Commission vide Commission case no 43 of 2023 vide order dated January 24, 2024.
7. It was pointed out that, there has been a spurt in power demand from existing as well as prospective consumers in all areas of network. This has led to increase in the loading of the main 132/33 kV transformer beyond firm capacity and failure of any one transformer will lead to power shortage of long duration (> 6 to 7 months) impacting approx. 35% to 40% of load/consumers. This will lead to litigations and loss of business continuity for consumers.
8. To overcome the above mentioned situation, the petitioner has planned to install one 80/100 MVA, 132/33 kV power transformer and related interconnecting switchgears inside its GSS at TSG Gamharia. It was further submitted that, these schemes are related to augmentation, safety & reliability and are urgent in nature and require the kind attention of the Commission. The petitioner has further submitted the phasing of the capital expenditure and capitalization (in Rs crores) mentioned in the table below:

Scheme	Capex		Capitalization	
	FY 25	FY 26	FY 25	FY 26
80/100 MVA, 132/33 kV power transformer	15	16	0	31
Total	15	16	0	31

9. It was submitted that increase in additional sale of approximately 75 MUs will lead to increase in revenue. Thereafter, there will be **very little or no impact on existing tariff**.

Commission's Observation and findings

10. The Commission has considered the submissions of the petitioner and perused the materials available on record.
11. The Commission has taken note of clause 6.15 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 for approval of capital expenditure for emergency work which is reproduced below:

“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”

12. From the materials on record it would be evident that the Board of Directors of Tata Steel UISL vide agenda note dated January 14, 2024 had approved the above mentioned schemes as annexed in '**Annexure-4**' of this petition.
13. It is also observed that the aforesaid proposed capital expenditure is of urgent nature and is in consonance with the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

In the result, it is ordered as:

ORDER

14. 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 regarding capital expenditure and capitalization of Rs 31.00 crore for installation of 1*80/100 MVA 132/33 kV transformer and related interconnecting switchgears for TGS sub-station at Gamharia are provisionally allowed, subject to prudent check at the time of Truing-up.
15. Accordingly, the petition stands disposed off, with the aforesaid directions.

Sd/-
Member (Tech.)

Sd/-
Member (Law)

Sd/-
Chairperson