



झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No. 16 of 2022/ 294
Date: 19th January 2023

To

Shri Sharad Kumar
Chief Power Systems & Energy
Tata Steel Ltd. (TSL)
Sakchi Boulevard Road
Northern Town, Bistupur
Jamshedpur – 831 001

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for True-up of ARR for FY 2021-22, Annual Performance Review of ARR for FY 2022-23 and Aggregate Revenue Requirement (ARR) & Tariff for FY 2023-24 of Tata Steel Ltd. (TSL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dt. 19.01.2023 passed by the Commission in Case (Tariff) No. 16 of 2022 along with office report dt. 19.01.2023 pointing out some discrepancies in the petition as cited.

A compliance report to this effect removing the discrepancies together with required additional data may please be sent within two weeks as ordered.

Thanking you.

Yours faithfully,


(R. P. Nayak)
Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDING

Case (Tariff) No. 16 of 2022

Tata Steel Limited (TSL)

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Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
2.	19.01.2023	<p>The petition dated 30.11.2022 for True-up of ARR for FY 2021-22, Annual Performance Review of ARR for FY 2022-23 and Aggregate Revenue Requirement (ARR) & Tariff for FY 2023-24 of the petitioner – Tata Steel Ltd. (TSL) has been scrutinized and several deficiencies/ discrepancies have been pointed out as shown in the office report dated 19.01.2023.</p> <p>The petitioner is directed to meet the deficiency and remove the defects within two weeks.</p> <p>Put on receipt of replies.</p>	
		Sd/- Member (T)	Sd/- Chairperson



Office Report

The petition dated 30.11.2022 for True-up of ARR for FY 2021-22, Annual Performance Review of ARR for FY 2022-23 and Aggregate Revenue Requirement (ARR) & Tariff for FY 2023-24 of the petitioner – Tata Steel Ltd. (TSL) has been scrutinized and several deficiencies/ discrepancies have been scrutinized and several deficiencies/discrepancies have been found in the petition as indicated below:

Note on Discrepancies/ Data gaps in respect of the True-Up Petition FY 2021-22, Annual Performance Review for FY 2022-23 and ARR for FY 2023-24 filed by Tata Steel Limited

True-Up for FY 2021-22:

1. The Petitioner is required to provide the Searchable pdf of the Annexure. Further, the Petitioner is directed to submit clear copies of Annexure- 1 (page no-20), 10 (page no- 2427).
2. The Petitioner is required to provide the load curve for FY 2021-22 including the base load and peak load.
3. As per table 2-1 of the petition, the Petitioner has claimed the sale of energy under MESRTODL, and IEX as 1.08 MUs & 137.40 MUs respectively. But the same was not approved in the MYT Order dated 24-11-2022 for ARR of FY 2021-22. In this regard, the Petitioner is required to justify such deviation.
4. As per table 2-2 of the petition, the Petitioner has claimed Energy Sale to Steel Work as 46.67 MU against 176.32 MU approved in the MYT order dated 24-11-2022. In this regard, the Petitioner is directed to provide the proper justification.
5. It is observed that, the Petitioner didn't fulfil the Renewable Purchase Obligation (RPO). But a certain quantum of RPO is fulfilled through G-TAM (Green Term Ahead Market) and Solar rooftops. In this regard, the Petitioner is directed to submit the monthly quantum of power generated through rooftops connected to the Petitioner's distribution system.
6. As per table 2-3 of the petition, the Petitioner has claimed the Power Purchase Rate as Rs 4.82/KWh against Rs 4.64/KWh as approved in MYT Order dated 24.11.2022. In this regard, the Petitioner is required to provide a detailed justification for such an increase in the Power Purchase Rate.
7. As per Renewable Purchase Obligation (RPO) compliance (read with para 2.4.17 to 2.4.19, table 2-6) for FY 2021-22, the Petitioner has purchased a quantum of power through Solar as 70.88 MUs against the target of 388.59 MUs and Non-Solar as 340.79 MUs against the target of 343.37 MUs towards RPO compliance. In this regard, the Petitioner is directed to provide proper justification.
8. As per table 2-18 of the petition, the Petitioner has claimed Normative A&G as Rs 32.22 Cr against Rs 31.43 Cr approved in MYT Order dated 24-11-2022. In this regard, the Petitioner is required to provide proper justification.
9. As per table 2-22 of the petition, the Petitioner has claimed O&M expenses as Rs 96.02 Cr against the Rs 95.21 Cr approved in the MYT Order dated 24-11-2022. In this regard, the Petitioner is required to provide the proper justification.
10. As per Audit note 14(f) of the Balance sheet, the Petitioner has booked Rs 0.71 Cr under Other Miscellaneous Expenses. In this regard, the Petitioner is directed to provide the break-up of Other Miscellaneous Expenses.

11. As per table 2-35 of the petition, the Petitioner has claimed Delay Payment Surcharge (DPS) as Rs 1.65 Cr and Interest of funding of Principal amount on DPS as Rs 0.96 Cr. In this regard, the Petitioner is directed to submit the basis of such claim. Also, the Petitioner is directed to submit the details of the Principal amount of DPS.
12. As per Audit note 10A (c) of the Balance sheet, the Petitioner has booked 0.08 Cr under Other Income. In this regard, the Petitioner is directed to provide the break-up of Other Income.
13. As per table 2-25 of the petition, the Petitioner has claimed capex during FY 2021-22 as Rs 2.92 Cr. In this regard, the Petitioner is required to provide DPR, cost benefit analysis and applicable regulatory provision.

Annual Performance Review for FY 2022-23:

1. As per table 3-4 of the petition, the Petitioner has submitted Overall Distribution loss during H1 period as 3.04% & H2 period as 3.86% respectively. In this regard, the Petitioner is directed to submit a detailed justification for estimating an increase in Overall Distribution loss during the H2 period.
2. As per table 3-5 of the petition, the Petitioner has submitted Power Purchase per unit cost during H1 period as Rs 5.59 & H2 period as Rs 5.74. In this regard, the Petitioner is directed to submit a detailed justification for considering an increase in Power Purchase Per Unit Cost during the H2 period.
3. As per para 3.4.10 of the petition, the Petitioner has incurred Transmission & scheduling Charges for the H2(estimated) period as Rs 41.41 Cr each. In this regard, the Petitioner is directed to provide the proper computation and methodology used for considering the cost of Rs 41.41 Cr for the H2 period.
4. As per para 3.4.13 of the petition, the Petitioner has estimated the purchase of 7.92 MU's of power from exchanges at the rate of Rs. 5.59 per kWh. In this regard, the Petitioner is directed to submit a detailed analysis of the requirement of power purchase from Short-term. As per MoP guidelines, any short-term power purchase must be approved by the Appropriate Commission. In this regard, the Petitioner is directed to provide a detailed justification of whether the TSL has taken prior approval from the JSERC towards short-term power procurement or not.
5. As per table 3-9 of the petition, the Petitioner has projected Employee cost, A&G Expenses, and R&M Expenses as Rs 15.00 Cr, Rs 14.00 Cr and Rs 17.00 Cr respectively. In this regard, the Petitioner is directed to provide the detailed computation of Employee cost, A&G Expenses, and R&M Expenses for the H2 period.
6. As per table 3-10 of the petition, the Petitioner has computed Normative R&M Expenses by considering the inflation factor as 6.41%. In this regard, the Petitioner is directed to submit the detailed methodology and computation to obtain the inflation factor as 6.41%.
7. As per table 3-11 of the petition, the Petitioner has estimated CGRF expenses & petition filing fees as Rs 0.44 Cr & Rs 0.20 Cr respectively. In this regard, the Petitioner is required to provide proper justification.

Aggregate Revenue Requirement (ARR) for FY 2023-24:

1. It is observed that the Petitioner has projected energy sales to MESRTODL & IEX- Power Market as 1.11 (MUs) & 84.96 (MUs) respectively. In this regard, the Petitioner is directed to

- provide the detailed computation for considering the energy sale to MESRTODL & IEX- Power Market.
2. It is observed that the Petitioner has projected energy available from 400 kV of Damodar Valley Corporation as 1107.04 MUs respectively. In this regard, the Petitioner is directed to submit the methodology used for the computation of energy availability.
 3. As per table 4-3 of the petition, the Petitioner has projected the PGCL and ERLDC charges as Rs 78.11 Cr. In this regard, the Petitioner is required to provide the basis for considering the PGCL and ERLDC charges.
 4. As per table 4-5 of the petition, the Petitioner has expected Renewable Energy generation under net metering as 12 MUs for FY 2023-24. In this regard, the Petitioner is directed to provide the methodology used for projecting Renewable Energy generation under net metering.
 5. As per table 4-8 of the petition, the Petitioner has computed Normative R&M Expenses by considering the 'K' factor as 5.08% for FY 2023-24. In this regard, the Petitioner is directed to submit the detailed methodology and computation to obtain the 'K' factor as 5.08%.
 6. The Petitioner has Projected additional capital expenditure amounting to Rs 48.33 Cr in its Aggregate Revenue Requirement (ARR) against Rs 26.62 Cr approved in Business Plan Order dated 24-11-2022. In this regard, the Petitioner is required to provide the scheme-wise break-up of additional capitalization, cost-benefit analysis, DPR and applicable Regulatory provision.
 7. As per table 4-11 of the petition, the Petitioner has projected the Consumer contribution received during the FY 2023-24 as Rs 2.00 Cr. In this regard, the Petitioner is required to provide the basis for considering the Consumer contribution received during the FY 2023-24.
 8. As per para 4.12.1 of the petition, the Petitioner has considered Rs 7.10 Cr towards Non-Tariff income for FY 2023-24. In this regard, the Petitioner is required to provide the break-up of Non-Tariff income as per para 10.54 of the JSERC (Term and condition for Determination of Distribution Tariff) Regulations, 2020.


Secretary