

PUBLIC NOTICE ON DETERMINATION OF RETAIL SUPPLY TARIFF
Tata Steel Limited (TSL)

Objections/Comments invited from various stakeholders on the Petition submitted by Tata Steel Limited (TSL) for True-up for FY 2016-17 & FY 2017-18, Annual Performance Review for FY 2018-19 and determination of Aggregate Revenue Requirement and Tariff for FY 2019-20

Tata Steel Limited (TSL) is a Distribution Licensee under the provisions of the Electricity Act, 2003 having license to supply electricity in Jamshedpur town.

In accordance with the provisions of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 and other relevant Acts/ Regulations/ Policies, TSL has filed the Petition True-up for FY 2016-17 & FY 2017-18, Annual Performance Review for FY 2018-19 and determination of Aggregate Revenue Requirement and Tariff for FY 2019-20.

The Commission has scrutinized and accepted the Petition and has directed TSL to publish a public notice for inviting objections/comments from various stakeholders.

Some of the highlights of tariff proposal are given below. The copy of the entire Petition is available on the website of the Commission (at www.jserc.org) as well as TSL (at.....). (Exact web address to be given by TSL).

1. TARIFF REVISION PROPOSAL FOR FY 2019-20

Table 1: Tariff Proposal by the Petitioner for FY 2019-20

Category/Sub-category	Existing Tariff		Proposed Tariff	
	Energy Charge (Rs.)	Fixed Charge (Rs.)	Energy Charge (Rs.)	Fixed Charge (Rs.)
Domestic (0-100 units)	2.60/kWh	13/Conn./Month	2.80/kWh	15/Conn./Month
Domestic (Above 100 units)	4.55/kWh	30/Conn./Month	4.85/kWh	35/Conn./Month
Domestic HT	4.20/kWh	40/kVA/Month	4.50/kWh	45/kVA/Month
Commercial	6.25/kWh	100/Conn./Month	6.70/kWh	105/Conn./Month
IAS	4.50/kWh	20/HP/Month	4.80/kWh	25/HP/Month
LTIS	5.00/kWh	100/kVA/Month	5.35/kWh	110/kVA/Month
HTIS	6.30/kWh	320/kVA/Month	6.75/kWh	340/kVA/Month
SS (Metered)	4.90/kWh	35/Conn./Month	5.25/kWh	40/Conn./Month
RTS/MES	6.00/kWh	350/kVA/Month	6.40/kWh	375/kVA/Month

2. AGGREGATE REVENUE REQUIREMENT

The summary of Aggregate Revenue Requirement for FY 2016-17 to FY 2019-20 as submitted by the Petitioner has been tabulated below:

Table 2 ARR for the FY 2016-17 to FY 2019-20 as submitted by the Petitioner (Rs. Crore)

Particulars	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	Approved	Actual	Approved	Actual	Approved	Projected	Approved	Projected
Power Purchase Cost	1227.67	1227.68	1265.55	1334.68	1408.81	1489.98	1464.11	1503.85
O&M Expenses	70.93	72.65	70.41	73.76	71.79	78.55	75.23	75.23
Depreciation	33.80	32.34	29.83	27.90	32.08	28.30	33.62	33.62

Particulars	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	Approved	Actual	Approved	Actual	Approved	Projected	Approved	Projected
Interest and Finance Charges	35.00	34.55	28.51	36.93	29.98	32.06	28.86	28.86
<i>Interest on Loan</i>	<i>15.09</i>	<i>15.17</i>	<i>11.87</i>	<i>12.08</i>	<i>10.93</i>	<i>9.22</i>	<i>9.08</i>	<i>9.08</i>
<i>Interest on Consumer Security Deposit</i>	<i>1.26</i>	<i>1.26</i>	<i>1.85</i>	<i>2.03</i>	<i>1.71</i>	<i>2.04</i>	<i>1.83</i>	<i>1.83</i>
<i>Interest on Working Capital</i>	<i>18.65</i>	<i>18.11</i>	<i>14.80</i>	<i>22.81</i>	<i>17.34</i>	<i>20.80</i>	<i>17.95</i>	<i>17.95</i>
Return on Equity	21.83	33.39	22.18	33.87	22.94	34.42	24.04	24.04
Less: Non Tariff Income	5.86	5.38	5.86	6.58	5.86	5.00	5.86	5.86
Add: Deferred Income Tax		5.51						
Annual Revenue Requirement	1383.37*	1400.74	1412.84*	1500.55	1559.75	1658.31	1620.01	1659.75
Revenue Billed	1528.09	1502.50	1872.52	1813.43		1836.65		1889.40
Opening Gap/(Surplus)	1269.38	1269.38		1323.59		1157.77		1109.80
Gap/(Surplus) during FY	-144.72	-101.76	-459.67	-312.88		-178.34		229.65
Rate of Carrying Cost (%)		12.80%		12.60%		12.20%		12.20%
Carrying Cost on Opening Gap/(Surplus)		162.48		166.77		141.25		135.40
Carrying Cost on Gap/(Surplus) during FY		-6.51		-19.71		-10.88		-14.01
Closing Gap/(Surplus)		1323.59		1157.77		1109.80		1001.53

* Revised ARR as per the Review Order dated 11.09.2018 and carrying cost to be recalculated accordingly.

Note: The Petitioner has proposed to increase the Tariff to reduce the cumulative gap of Rs. 1001.53 Crore at the end of FY 2019-20 to Rs. 967.67 Crore.

3. TARIFF PROPOSAL TO MEET THE TOTAL GAP FOR FY 2019-20

a) Billing Demand

TSL has proposed demand charges at penal rate of 150% of the applicable demand charges on the first 3 instances of recorded demand exceeding the contract demand and 200% of applicable demand charges for the instances exceeding 3.

b) Bill Delivery by Electronic Media

TSL has proposed bill delivery through email, whatsapp or thorough any other electronic media.

c) Rebate on Online Payment

TSL has proposed a rebate of 1% (subject to a maximum of Rs. 250) in addition to the 0.5% prompt payment rebate.

d) Revision in Miscellaneous Charges

The Petitioner has proposed revision in miscellaneous charges as follows:

Table 3 Changes in miscellaneous charges proposed by Petitioner for FY 2019-20 (Rs.)

No.	Purpose	Scale of Charges	Proposed Charges	Manner in which payment will be realized
1	Disconnection/ Reconnection			Payable in cash in advance along with the request by the consumer. If the same consumer is reconnected/ disconnected within 12 months of the last disconnection/ reconnection, 50% will be added to the charges
	Single phase	40	200	
	Three phase	100	350	
	LT Industrial Supply	400	700	
	HT Supply	700	1000	

Comments/Suggestions from stakeholders

1. The Commission has directed TSL to invite comments/suggestions from the public on the above Petition through this Notice.
2. The copy of the petition is available at the website of the Commission (at www.jserc.org/tsl.aspx) as well as TSL (at) (Exact web address to be given by TSL).
3. The copy of the entire petition can be obtained on written request from the offices of TSL on payment of Rs. 100/- (Rupees one hundred) only payable by Cash/ Demand Draft/ Pay in favour of payable at (To be filled by TSL).

Complete Address for obtaining Petition: (To be filled by TSL)

< Name and Details of the representative >

Telephone No. -

Fax -

Email -

4. Suggestions/comments may be sent to the office of TSL at the address mentioned above by, 2019. A copy of the suggestions/ comments may also be sent to Secretary, Jharkhand State Electricity Regulatory Commission at the address given below:

Secretary

Jharkhand State Electricity Regulatory Commission

New Police Line Road, Opposite CM House,

Kanke Road, Ranchi- 834008

Telephone: 0651-2285906, Fax: 0651-2285907

Email id – info@jserc.org

5. The objections can be submitted in English or in Hindi. The sender should clearly specify his/ her full name, postal address, e-mail id and telephone number. It should also be indicated if the objection is being filed on behalf of any organization, consumer or consumer group. It is to be noted that if the sender wants to be heard in person, the opportunity would be given by the Commission at the Public Hearing, for which date and place shall be announced by the Commission separately.
6. TSL shall reply to each of the objections/comments/ suggestions received within seven days of the receipt of the same but not later than, 2019 for all the objections and comments/suggestions received till, 2019. Stakeholders can submit their rejoinders on replies provided by TSL during the public hearing if required.

Name & Signature of the Authorized Representative