



# झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No.11 of 2019/416  
Date: 10<sup>th</sup> February 2020

To

Shri A. N. Choudhary  
Dy. Chief Manager (Power Services Division)  
Tata Steel Limited (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 FY 2018-19, Annual Performance Review (APR) for FY 2019-20, Revised Aggregate Revenue Requirement (ARR) and Tariff proposal for FY 2020-21 of Tata Steel Limited (TSL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dt. 10.02.2020 passed by the Commission in Case (Tariff) No. 11 of 2019 along with office report dt. 10.02.2020 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 order.

Thanking you.

Yours faithfully,

(R. P. Nayak)  
Secretary



**Office Report**

The petition dated 26.12.2019 of Tata Steel Limited (TSL) for True-up of FY 2018-19, Annual Performance Review (APR) for FY 2019-20, Revised Annual Revenue Requirement (ARR) and Tariff Proposal For FY 2020-21 have been scrutinized and several deficiencies have been found in the petition as indicated below:

**General**

1. The Petitioner is required to submit the editable copy of the petition along with formats in MS Excel with proper linkages and formulas.
2. The Petitioner is required to provide the load curve for FY 2018-19 detailing the base load and peak load. Further, the Petitioner is required to furnish the detail of PPA with each source for FY 2018-19, FY 2019-20 & FY 2020-21.
3. The Petitioner is required to submit the details of actual Water Charges under different head i.e. water charges and water tax collected from the consumers (industries) of water supply from April 1, 2011 till date and the actual Water Charges/Taxes paid to GoJ from April 1, 2011 till date. The Petitioner is also required to provide the detail of water consumption for their own purpose and by other industries.
4. The Petitioner should submit the load connected to each source (TSL, TSW, DVC 132 kV and DVC 400 kV), its consumption and the interconnection capacity for FY 2018-19 to FY 2020-21. The Petitioner should also provide justification as to why MoD may not be applicable for TSL as a whole. The Petitioner should further submit steps taken by it overcome the issue.
5. The Petitioner has considered both inflation and load growth while calculation of A&G Expenses for FY 2018-19 to FY 2020-21 which is not in accordance with the methodology specified in the MYT Regulations and that considered in the MYT Order. The Petitioner is required to submit appropriate justification for deviating from the methodology specified in the Regulations.
6. The Petitioner has projected finance charge as Rs. 0.30 Crore in FY 2019-20 and FY 2020-21 for providing Bank Guarantee to be submitted to generators against payment security for power purchase. The Petitioner is required to submit under what provisions of PPA with the generators the Bank Guarantee has been provided.



### **True up for FY 2018-19**

7. The Petitioner submitted the per unit rate as Rs. 4.99/kWh for energy procured from open access. The Petitioner is required to provide the reasons for procurement of power from open source when sufficient energy is available from long term source.
8. The Petitioner should submit the scheme wise reasons for deviation in capitalisation of assets as claimed in the petition against that approved in the MYT Order.
9. The Petitioner is required to provide the detailed calculation of Consumer Contribution (CC) for FY 2018-19 on the basis of Opening CC addition during the year and Closing CC and reconcile the same with audited accounts.
10. The Petitioner should justify the reason for claiming depreciation on assets created out of Consumer Contribution.
11. The Petitioner is required to provide the reason for negative security deposit of Rs. -0.026 Crore in FY 2018-19.
12. The Petitioner has claimed Rs. 2.17 Crore towards interest on funding of principal amount of delay payment surcharge for FY 2018-19. The Petitioner is required to state under which Clause of JSERC Distribution Tariff Regulations, 2015, such interest has been claimed.
13. As per Income Tax Return Acknowledgement, Tata Steel Limited had paid Rs. 4128.22 Crore against the estimated value of Rs. 3585.40 Crore for FY 2018-19. The Petitioner is required to clarify the difference in the amounts. Further, the Petitioner is required to substantiate the income tax associated to power distribution business.

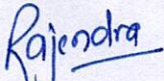
### **APR for FY 2019-20**

14. The Petitioner has submitted no increase in number of consumers and connected load in the second half (H2) of the FY 2019-20. The Petitioner is required to submit appropriate justification for the same.
15. The Petitioner has estimated the distribution loss as 3.79% in second half of FY 2019-20 against the actual value of 2.51% for first half of FY 2019-20. The Petitioner is required to provide the reason for projecting higher distribution loss.
16. The Petitioner has projected the addition in GFA as Rs. 51.26 Crore in FY 2019-20. The Petitioner is directed to provide the scheme wise physical and financial status as on 31.01.2020.
17. The Petitioner should submit the basis for considering the income tax rate as 25.168%.



## ARR for FY 2020-21

18. The Petitioner has projected distribution loss as 3.75% when compared to actual for FY 2018-19 as 3.02% and estimated 3.03% for FY 2019-20. The Petitioner is required to provide the basis for projecting higher distribution loss.
19. The Petitioner has projected the power procurement rate from open market as Rs. 4.00/kWh which is very high as compared the average rate of 3.05 per unit for FY 2019-20. The Petitioner is required to provide the justification for projecting such high rate.
20. The Petitioner has proposed a distribution loss of 11.00% for LT consumers and for HT consumers ranging from 2.20% to 0.70% depending on the voltage. The Petitioner should submit the basis for the same.
21. The Petitioner is required to provide the following for calculation of voltage wise wheeling and cross subsidy Surcharge.
  - a. Voltage wise assets (GFA) estimated for FY 2020-21
  - b. Voltage wise sales estimated for FY 2020-21
  - c. Voltage wise loss estimated for FY 2020-21
22. The Petitioner is further required to suggest any tariff rationalisation measures that will benefit consumers.
23. With reference to MoP letter dated January 16, 2020, regarding reduction in cost of power due to prepayment by end consumers, the Petitioner is required to provide their proposal for implementation of prepaid meters, its pros and cons and impact on tariff structure.

  
Secretary