



झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No.08 of 2023/272
Date: 27th December 2023

To

Shri Ravi Kumar
Chief Power System & 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 for FY 2022-23, Annual Performance Review for FY 2023-24 and Aggregate Revenue Requirement (ARR) & Tariff for FY 2024-25 of the petitioner – Tata Steel Ltd. (TSL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dated 27.12.2023 passed by the Commission in Case (Tariff) No. 08 of 2023 along with office report dated 27.12.2023 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 order.

Thanking you.

Yours faithfully,

Rajendra
(R. P. Nayak)
Secretary

Office Report

The petition dated 29.11.2023 for True-up for FY 2022-23, Annual Performance Review for FY 2023-24 and Aggregate Revenue Requirement (ARR) & Tariff for FY 2024-25 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 2022-23, Annual Performance Review for FY 2023-24 and ARR for FY 2024-25 filed by Tata Steel Limited

True-Up for FY 2022-23:

1. The Petitioner is required to provide the load curve for FY 2022-23 including the base load and peak load.
2. The Petitioner is required to submit the excel sheet with proper calculation of power purchase bills (i.e. TPCL, DVC, G-TAM, etc.)
3. As per table 2-2 of the petition, the Petitioner has claimed Energy Sale to Steel Work as 123.34 MU against 39.17 MU approved in the Tariff order dated 29-09-2023. In this regard, the Petitioner is directed to provide the proper justification.
4. The petitioner is required to submit the basis of considering the power purchase rate of Rs 4.12/kWh for unit 3 of TPCL.
5. As per table 2-3 of the petition, the Petitioner has claimed the Power Purchase Rate as Rs 5.57/kWh against Rs 5.46/kWh as approved in Tariff Order dated 29.09.2023. In this regard, the Petitioner is required to provide a detailed justification for such an increase in the Power Purchase Rate.
6. As per table 2-17 of the petition, the Petitioner has claim growth factor (Gn) as 4.20%. in this regard the petitioner is directed to provide the proper justification.
7. The petitioner is required to submit the documentary evidence of CGRF expense as claimed in the petition.
8. The petitioner is required to submit the detail break-up of note 14 as submitted in the petition.
9. As per table 2-24 of the petition, the Petitioner has claimed capex during FY 2022-23 as Rs 4.00 Cr. In this regard, the Petitioner is required to provide break-up of capital expenditure, cost benefit analysis.

10. As per table 2-34 of the petition, the petitioner has claimed delayed payment surcharge as Rs 1.78 crore. In this regard, the petitioner is required to provide the documentary evidence.

Annual Performance Review for FY 2023-24:

1. As per table 3-4 of the petition, the Petitioner has claimed the sale of energy under IEX as 200.81 MUs. But the same was not approved in the Tariff Order dated 29-09-2023 for ARR of FY 2023-24. In this regard, the Petitioner is required to justify such deviation.
2. As per table 3-5 of the petition, the Petitioner has claimed Energy Sale to Steel Work as 117.79 MU against 39.17 MU approved in the Tariff order dated 29-09-2023. In this regard, the Petitioner is directed to provide the proper justification.
3. The petitioner is required to submit the basis of considering the PGCIL & ERLDC charge as Rs 0.78/unit.
4. As per para 3.4.13 of the petition, the Petitioner has estimated the purchase of 7.43 MU's of power from exchanges at the rate of Rs. 5.34 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. It is observed that, the Petitioner didn't fulfil the Renewable Purchase Obligation (RPO) in FY 2023-24. In this regard, the petitioner is required to provide the proper justification.
6. As per table 3-14 of the petition, the petitioner has projected capital expenditure tuned to Rs 39.97 crore. In this regard, the petitioner is directed to provide the basis of consideration the same.
7. As per table 3-20 of the petition, the petitioner has projected rate of interest on working capital as 12.00% in. In this regard, the petitioner is directed to provide the basis of considering the rate of interest.
8. The petitioner is required to provide the basis of considering the CGRF expenses and petition filling fee for FY 2023-24 as Rs 0.21 crore and Rs 0.18 crore respectively.
9. It is observed that the Petitioner has projected Employee cost, A&G Expenses, and R&M Expenses as Rs 27.03 Cr, Rs 27.43 Cr and Rs 26.64 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.

10. It is observed that the Petitioner has computed Normative Employee Expenses by considering the inflation factor as 6.81%. In this regard, the Petitioner is directed to submit the detailed methodology and computation to obtain the inflation factor as 6.81%.
11. Further, it is also observed that the petitioner has projected different inflation factor for computation of normative employee expense as 5.96%. In this regard, the petitioner is directed to submit the detailed methodology and computation to obtain the inflation factor as 5.96% and related provision.

Aggregate Revenue Requirement (ARR) for FY 2024-25:

- 1 It is observed that the Petitioner has projected energy sales to IEX- Power Market as 166.38 (MUs) respectively. In this regard, the Petitioner is directed to provide the detailed computation for considering the energy sale to IEX- Power Market.
- 2 As per table 4-3 of the petition, the Petitioner has projected the PGCIL and ERLDC charges as Rs 90.33 Cr. In this regard, the Petitioner is required to provide the basis for considering the PGCIL and ERLDC charges.
- 3 It is observed that the petitioner has projected the power purchase rate from 132kV DVC as Rs 6.46/unit against the Rs 4.40/unit approved in the Tariff Order dated 29.09.2023. In this regard, the petitioner is required to provide the proper justification.
- 4 It is observed that the petitioner has projected the inflation factor as 3.47%. In this regard, the petitioner is directed to submit the basis of considering the same.
- 5 The petitioner is required to submit the basis of considering the growth factor (Gn) as 4.20% for computation of normative employee cost.
- 6 The Petitioner has projected additional capital expenditure amounting to Rs 156.61 Cr in its Aggregate Revenue Requirement (ARR) against Rs 7.02 Cr approved in Tariff Order dated 29-09-2023. 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 8.63 Cr. In this regard, the Petitioner is required to provide the basis for considering the Consumer contribution received during the FY 2024-25.

Rajendra
Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDING

Case (Tariff) No. 08 of 2023

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.	27.12.2023	<p>The petition dated 29.11.2023 for True-up for FY 2022-23, Annual Performance Review for FY 2023-24 and Aggregate Revenue Requirement (ARR) & Tariff for FY 2024-25 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 27.12.2023.</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> <p>Sd/- Member (T)</p> <p>Sd/- Member (L)</p>	

