

Jharkhand State Electricity Regulatory Commission



Order on True-up for
FY 2016-17 to FY 2018-19

&

Suo-Motu Order on ARR of FY 2020-21

for

Steel Authority of India Limited, Bokaro

JANUARY 08, 2021



TABLE OF CONTENTS

LIST OF TABLES	4
A 1 INTRODUCTION.....	6
Jharkhand State Electricity Regulatory Commission.....	6
The Petitioner – Steel Authority of India Limited, Bokaro.....	7
The Petitioner’s Prayers	8
Scope of the Present Order.....	9
A 2 PROCEDURAL HISTORY	10
Background	10
Information Gaps in the Petition	12
Inviting Public Comments/Suggestions	12
Submission of Comments/ Suggestions and Conduct of Public Hearing	13
A 3 BRIEF FACTS OF THE PETITION.....	14
True-up for FY 2016-17 to FY 2018-19	14
ARR for FY 2019-20.....	15
A 4 PUBLIC CONSULTATION PROCESS	18
Demand Charge & Fixed Charge	18
Supply from DVC	19
Distribution Losses.....	19
Separate Account.....	20
A 5 TRUE UP FOR FY 2016-17 TO FY 2018-19.....	23
Energy Sales/Consumption	23
Distribution Loss	26
Energy Balance	29
Power Purchase Cost.....	29
Operation and Maintenance Expenses	31
Gross Fixed Asset.....	33
Depreciation	34
Interest on Loan.....	35
Interest on Working Capital	36
Return on Equity	37
Revenue from sale of power.....	39
Summarized ARR & Revenue Gap for FY 2018-19.....	40
A 6 ANNUAL REVENUE REQUIREMENT & TARIFF FOR FY 2020-21.....	42



A 7 OTHER TARIFF RELATED ISSUES	43
A 8 APPROVED RETAIL TARIFF FOR FY 2020-21	46
A 9 TARIFF SCHEDULE	47
Consumer Tariff	47
Domestic Service-LT	47
Domestic Service - HT	49
Irrigation & Agriculture Service (IAS)	52
Industrial Services	53
HT Services	54
Street Light.....	55
HT Institutional Services.....	56
Temporary Connections	58
Tariff to be paid by the Licensee for Gross/Net Metering of rooftop Solar PV projects.....	59
Schedule of Miscellaneous Charges.....	60
A 10 TERM AND CONDITION OF SUPPLY	61
A 11 COMPLIANCE OF DIRECTIVES	66
A 12 DIRECTIVES.....	83
ANNEXURE 1.....	84



LIST OF TABLES

Table 1 List of newspapers and dates of publication of public notice by the Petitioner	13
Table 2 List of newspapers and dates of publication of public notice by the Commission.....	13
Table 3 Energy Sales submitted by the Petitioner (MUs).....	14
Table 4 Energy Balance submitted by the Petitioner (MUs)	14
Table 5 ARR submitted by the Petitioner (Rs. Cr.)	15
Table 6 Energy Sales submitted by the Petitioner (MUs).....	15
Table 7 Energy Balance submitted by the Petitioner (MUs)	15
Table 8 ARR submitted by the Petitioner (Rs. Cr.)	16
Table 9 Net Revenue (Gap) Surplus submitted by the Petitioner (Rs. Cr.)	16
Table 10 Total Revenue Gap submitted by the Petitioner (Rs. Cr.)	16
Table 11 Category wise no. of Consumer submitted by the Petitioner	23
Table 12 Category wise connected load submitted by the Petitioner	24
Table 13 Category Wise energy sales submitted by the Petitioner in MUs.....	24
Table 14 Category Wise no. of Consumer approved by the Commission.....	26
Table 15 Category Wise Connected Load approved by the Commission	26
Table 16 Category Wise Energy Sales approved by the Commission.....	26
Table 17 Distribution Loss Submitted by the Petitioner.....	28
Table 18 Distribution loss against energy sales by the similar distribution utilities in Jharkhand	28
Table 19 Distribution Loss (%) approved by the Commission for the Township.....	28
Table 20 Energy Balance submitted by the Petitioner (MUs)	29
Table 21 Energy sales approved by the Commission	29
Table 22 Power Purchase Cost submitted by the Petitioner	30
Table 23 Power Purchase Cost submitted by the Petitioner against total power purchase bills	30
Table 24 Power purchase cost as approved by the Commission (Rs. Cr.)	30
Table 25 Operation & maintenance Cost submitted by the Petitioner (Rs. Cr.).....	31
Table 26 Operation & Maintenance Cost as approved by the Commission (Rs. Cr.)	32
Table 27 GFA submitted by the Petitioner (Rs. Cr.)	33
Table 28 GFA approved by the Commission (Rs. Cr.).....	34
Table 29 Depreciation submitted by the Petitioner (Rs. Cr.).....	34
Table 30 Depreciation approved by the Commission (Rs. Cr.).....	35
Table 31 Interest on Loan submitted by the Petitioner (Rs. Cr.)	35
Table 32 Interest on Loan approved by the Commission (Rs. Cr.)	36
Table 33 Interest on Working Capital submitted by the Petitioner (Rs. Cr.).....	36
Table 34 Interest on Working Capital approved by the Commission (Rs. Cr.).....	37
Table 35 Return on Equity submitted by the Petitioner (Rs. Cr.).....	37
Table 36 Return on Equity as approved by the Commission (Rs. Cr.).....	38
Table 37 Revenue from Sale of Power submitted by the Petitioner	39
Table 38 Revenue from Sale of Power approved by the Commission (Rs. Cr.)	39
Table 39 Summary of ARR submitted by the Petitioner (Rs. Cr.)	40
Table 40 Summary of ARR approved by the Commission (Rs. Cr.)	40
Table 41 Retail Tariff approved by the Commission for the FY 2020-21.....	46



Before

Jharkhand State Electricity Regulatory Commission, Ranchi

Case (Tariff) No.: 08 of 2019

In the matter of:

**Petiiton for True-up for
FY 2016-17 to FY 2018-19
and
ARR for FY 2019-20**

In the matter:

Steel Authority of India Limited, Bokaro.....**Petitioner**

PRESENT

Mr. R.N. Singh

Member (Engg.)

Mr. P.K.Singh

Memebr (Legal)

Order dated January 08, 2021

Steel Aythority of India Limited, Bokaro (hereinafter referred to as SAIL-BSL or the Petitioner) filed Petition dated July 31, 2019. In this Petition, SAIL-BSL had prayed for Truing-up for FY 2016-17 to FY 2018-19 and ARR for FY 2019-20 for the distribuion of electricity in its licensed area of the State of Jharkhand.



A 1 INTRODUCTION

Jharkhand State Electricity Regulatory Commission

- 1.1 The Jharkhand State Electricity Regulatory Commission (hereinafter referred to as “JSERC” or “the Commission”) was established by the Government of Jharkhand under Section 17 of the Electricity Regulatory Commission Act, 1998 on August 22, 2002. The Commission became operational with effect from April 24, 2003.
- 1.2 The Government of Jharkhand vide its notification dated August 22, 2002 had defined the functions of JSERC as per Section 22 of the Electricity Regulatory Commission Act, 1998 to be the following, namely: -
- a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in section 29;
 - b) to determine the tariff payable for the use of the transmission facilities in the manner provided in section 29;
 - c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;
 - d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Act.
- 1.3 After the Electricity Act, 2003 came into force, the earlier Electricity Regulatory Commission Act of 1998 stands repealed and the JSERC is discharging its functions as prescribed in Section 86 of the Act.
- 1.4 In accordance with provisions of the said Act, the JSERC discharges the following functions: -
- a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:
Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
 - b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
 - c) facilitate intra-state transmission and wheeling of electricity;
 - d) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;



- e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
 - f) adjudicate upon the disputes between the licensees and generating companies; and to refer any dispute for arbitration;
 - g) levy fee for the purposes of this Act;
 - h) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
 - i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
 - j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
 - k) discharge such other functions as may be assigned to it under this Act.
- 1.5 The Commission advises the State Government on all or any of the following matters, namely: -
- a) promotion of competition, efficiency and economy in activities of the electricity industry;
 - b) promotion of investment in electricity industry;
 - c) reorganisation and restructuring of electricity industry in the State;
 - d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.
- 1.6 The State Commission ensures transparency while exercising its powers and discharging its functions.
- 1.7 In discharge of its functions, the State Commission is guided by the National Tariff Policy framed and published by Government of India under the provisions of Section 3 of the Act. The objectives of the present National Tariff Policy are to:
- a) ensure availability of electricity to consumers at reasonable and competitive rates;
 - b) ensure financial viability of the sector and attract investments;
 - c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
 - d) promote competition, efficiency in operations and improvement in quality of supply.

The Petitioner – Steel Authority of India Limited, Bokaro

- 1.8 SAIL-BSL is a company incorporated in the year 1964 under the provisions of the Companies Act, 1956 and is a wholly owned subsidiary of Steel Authority of India Limited, New Delhi.



- 1.9 SAIL-BSL is the sanction holder of power supply in Bokaro Steel City under section 28(1) of the erstwhile Indian Electricity Act 1910 and has been managing the power distribution in Bokaro steel city since its inception.
- 1.10 Post the enactment of Electricity Act, 2003, as per the provisions of Section 14 of the Act, status of Distribution Licensee has been granted by the Commission to SAIL-BSL (No.01 of 2005-06) w.e.f. July 28, 2004.
- 1.11 The area of supply of the Petitioner, including the Bokaro Steel Plant and the Bokaro township, is the whole of the area bounded as follows:
- | | |
|--------|-----------------------------------|
| North: | River Damodar |
| South: | River Garga |
| East: | River Garga |
| West: | Bokaro Steel City Railway Station |
- 1.12 The Town Administration department of SAIL-Bokaro is responsible for providing various municipal services to Bokaro Steel City, including horticulture, water supply, construction and maintenance of roads etc. The Town Administration Electrical Department (TA-Electrical) manages the power distribution system of the licensed area.

The Petitioner's Prayers

- 1.13 The Petitioner in this Petition has made the following prayers before the Commission:
1. Admit this Petition filed by SAIL-BSL;
 2. Condone the delay in filing the present Petition;
 3. Consider the submissions with respect to the filing of the True up for FY 2016-17 to FY 2018-19 and Tariff for the FY 2019-20 for the licensee;
 4. Pass suitable orders with respect to the true up for the period FY 2016-17 to FY 2018-19 and ARR for FY 2019-20 for the expenses already incurred / projected to be incurred by SAIL-BSL for improvement and maintenance of Distribution Network serving its consumers and for increasing the operational and commercial efficiency of the Petitioner as proposed in the present Petition;
 5. Approve the revenue gap and appropriate tariff increase as detailed in the enclosed proposal;
 6. Approve the Proposed Tariff Schedule;
 7. Pass suitable orders for implementation of the tariff proposal for the FY 2019-20

for making it applicable from the date of issue of Tariff Order;

8. Condone any inadvertent omissions/ errors/ shortcomings and permit SAIL- BSL to add/ change/ modify / alter this filing and make further submissions as may be required at a future date as the data submitted is tentative;
9. Pass such orders as the Honourable Commission may deem fit and proper, keeping in view of the facts and circumstances of the case.

Scope of the Present Order

- 1.14 The Petitioner filed the current Petition for truing up of FY 2016-17 to FY 2018-19 and ARR for FY 2019-20. As per JSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2015, the Petitioner is required to submit the ARR Petition for FY 2019-20 latest by November 01, of preceding financial year i.e., by 30.11.2018. However, the Petitioner filed the current Petition on July 31, 2019 that too with numerous deficiencies which were communicated to the Petitioner through various communications. The Petitioner could not submit the complete clarification sought by the Commission till date. The Commission having provided ample time and opportunity to the Petitioner, the Commission has proceeded on the basis of information received till date.
- 1.15 Since, FY 2019-20 is already completed, the Commission does not find it prudent to revise the tariff for the year at this stage. Hence, the Commission directs the Petitioner to submit the true up petition for FY 2019-20. Along with MYT Petition for the period FY 2021-22 to FY 2025-26.
- 1.16 The Commission in this Order has therefore approved the True-up for FY 2016-17 to FY 2018-19 and as the Petitioner has failed to submit Petition for ARR determination for FY 2020-21 as per timeline specified in the JSERC Distribution Tariff Regulation, 2015, the Commission deems fit to carry out Suo-moto Order on ARR of FY 2020-21.
- 1.17 While approving this Order, the Commission has taken into consideration:
 - (a) Material placed on record by the Petitioner;
 - (b) Provisions of the Electricity Act, 2003;
 - (c) Principles laid down in the National Electricity Policy;
 - (d) Principles laid down in the National Tariff Policy;
 - (e) and JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015.
- 1.18 Accordingly, the Commission had scrutinized the Petition in detail and hereby issues the Order on Truing-up for FY 2016-17 and FY 2018-19 and Suo-moto Order on ARR for FY 2020-21.



A 2 PROCEDURAL HISTORY

Background

- 2.1 The Petitioner had filed its first ARR and tariff petition for FY 2007-08 in February 2007. After examining the petition, the Commission directed the Petitioner to submit its tariff petition for the licensed area as per the Tariff Regulations issued by the Commission from time to time, after separating the accounts of electricity distribution business from the consolidated audited accounts of the company. However, the Petitioner was unable to segregate the accounts of the electricity distribution business from the consolidated audited accounts of company. The Petitioner was also not able to provide the requisite data to the Commission for determining the ARR and Tariff for FY 2007-08.
- 2.2 Consequently, the Commission vide its order dated November 2, 2007, decided to allow a provisional tariff for FY 2007-08 for the licensed area of the Petitioner. The approved tariff was the same as was approved for Jharkhand State Electricity Board (JSEB) in FY 2006-07.
- 2.3 The Commission further directed the Petitioner to submit the tariff petition for determination of the ARR for FY 2008-09 after segregating accounts of its electricity distribution business from the consolidated accounts of the company. However, the Petitioner requested the Commission, vide SAIL-BSL letter no. DGM I/c (TEElect)/2009-840 dated August 13, 2009, to give it three months' time to file the ARR for FY 2008-09. The Commission vide its letter no. JSERC/51/209 dated August 19, 2009 accepted the Petitioner's plea.
- 2.4 The Petitioner was again unable to file the ARR and tariff petition by the said date. It was submitted by the Petitioner that as the cost of power purchased from DVC was under dispute at the Appellate Tribunal for Electricity (APTEL), New Delhi, it would not be possible for it to file a petition. It requested the Commission, vide SAIL-BSL letter no TA/DGM/ (Elect Maint)/860 dated November 19, 2009, for further eight weeks' time to submit the tariff petition which was accepted by the Commission vide letter no. JSERC/51/347 dated November 24, 2009.
- 2.5 Since the Judgement of the Hon'ble APTEL was still pending by the said date, the Petitioner requested further extension till May 15, 2010 for filing the ARR and tariff petition. Considering it to be a special case, the Commission accepted the Petitioner's plea vide letter no. JSERC/51/43 dated April 23, 2010.
- 2.6 The Petitioner filed the petition for determination of ARR and tariff for FY 2010-11 on May 14, 2010. The Tariff Order for the same was issued by the Commission on October 9, 2010.



- 2.7 The petition for determination of ARR and tariff for FY 2011-12 was filed by the Petitioner on March 30, 2011. The Tariff Order for the same was issued by the Commission on September 28, 2011.
- 2.8 The petition for determination of ARR and tariff for FY 2012-13 was filed by the Petitioner on February 9, 2012. The Tariff Order for the same was issued by the Commission on August 3, 2012.
- 2.9 The Petitioner was required to file the Business Plan and petition for determination of ARR and tariff for MYT period FY 2013-14 to FY 2015-16 by November 1, 2012. The Petitioner, however, vide its letter dated September 4, 2012, requested for an extension of the deadline up to November 30, 2012. The Commission extended the deadline for submission of the MYT petition to November 30, 2012. However, the Petitioner did not submit the petition within such extended timeline. The Commission further sent reminder letter to the Petitioner for the submission of Business Plan and petition for determination of ARR and tariff for MYT FY 2013-14 to FY 2015-16 vide letter dated December 17, 2012.
- 2.10 The Petitioner further requested an extension upto March 2013 vide letter dated January 7, 2013. Considering that the previous Tariff Order was issued only in August 2012, the Commission extended the timelines to January 7, 2013 which was again extended to May 31, 2013 on request of the Petitioner. The Petitioner filed the Business Plan for the MYT period FY 2013-14 to FY 2015-16 in May 2013 with a request to extend the timeline to file the MYT Petition to June 24, 2013. The Commission on such request extended the timeline for submission of MYT Petition to June 24, 2013. The Petitioner submitted the MYT petition on July 4, 2013.
- 2.11 The Petitioner filed the petition before the Commission for true up of FY 2011-12, Annual Performance Review for FY 2012-13 and ARR for the MYT period (FY 2013-14 to FY 2015-16) on July 4, 2013. The Commission had issued its last Tariff Order for SAIL-BSL on September 03, 2014 on the MYT Order for the approval of ARR for the FY 2013-14 to FY 2015-16 as the Commission was unable to conduct the public hearing for the aforementioned Petition as the Chairperson of the Commission retired on December 15, 2012 and the Commission was functioning with only one Member i.e., Member (Technical).
- 2.12 The Commission had not approved the True-up for the FY 2011-12 and Annual performance review for the FY 2012-13 in its Order dated September 03, 2014 as the accounts submitted by the Petitioner are merely extracted from the accounts of the steel plant on the basis of certain norms and assumptions. The accounts were also not certified by the statutory auditor of the company. Also, the Petitioner was not able to provide sufficient justification to the queries raised by the Commission even after repeated reminders by the Commission.



- 2.13 The Petitioner filed the petition with the Commission for true up of FY 2013-14 to FY 2015-16 and MYT for the period (FY 2016-17 to FY2020-21). The Commission had issued its last Tariff Order for SAIL-BSL on June 07, 2018 on the MYT Order for period FY 2016-17 to FY 2020-21 and True Up for FY 2013-14 to FY 2015-16.
- 2.14 The Petitioner has now filed the current Petition before the Commission for True-up of FY 2016-17 to FY 2018-19 and ARR for FY 2019-20 on July 31, 2019 for which the Commission is issuing the present order.

Information Gaps in the Petition

- 2.15 As part of tariff determination exercise, several deficiencies/information gaps were observed in the Petition submitted by the Petitioner. The Petitioner further communicated that the copy of the audited accounts will be submitted shortly before the Commission for completeness of the Petition. The Petitioner, however, did not submit the same. The Commission, therefore identified comprehensive list of information requirement and communicated it to the Petitioner vide letter no. JSERC/Case (Tariff) no. 08 of 2019/419 dated 10.02.2020.
- 2.16 The Petitioner didn't submit any response to the aforesaid letter but later submitted annual audited account on September 03,2020 via email.
- 2.17 The Commission has scrutinized the additional data/information submitted and has considered the same while passing this Order on the Petition filed by the Petitioner. The Commission also examined the audited account and sent queries regarding discrepancies in audited account and the Petition via mail to the Petitioner on December 16, 2020. The Petitioner partially submitted its response/replies with supporting documents to the aforesaid queries and furnished additional data/information via mail on December 22, 2020.
- 2.18 In order to provide adequate opportunity to all stakeholders and general public as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulation(s) framed by the Commission and further in order to ensure transparency in the process of tariff determination, the Commission decided to conduct public hearings on December 18, 2020 by video conferencing in the Commission's Conference room in Ranchi for inviting comments/suggestion/objection.

Inviting Public Comments/Suggestions

- 2.19 The Commission directed the Petitioner to make available copies of the Petition to the members of general public on request, and also issued a public notice inviting comments/ suggestions on the above said Petition.

2.20 The aforesaid public notice was issued by the Petitioner in various newspapers and a period of twenty-one (21) days was given to the members of the general public for submitting their comments/suggestions.

Table 1 List of newspapers and dates of publication of public notice by the Petitioner

S. No.	Newspaper	Version	Date of Publication
1.	Telegraph	English	14.11.2020
2.	Dainik Bhaskar	Hindi	17.11.2020
3.	Hindustan	Hindi	18.11.2020
4.	Pioneer	English	19.11.2020
5.	Prabhat Khabar	Hindi	20.11.2020
6.	Dainik Jagran	Hindi	22.11.2020

2.21 Subsequently, the Commission also issued a notice on its website www.jserc.org and in various newspapers for conducting the public hearing on the Petition filed by the Petitioner. The newspapers wherein the notice for public hearing was issued by the Commission are detailed hereunder:

Table 2 List of newspapers and dates of publication of public notice by the Commission

Sl. No.	Newspaper	Date of Publication
1.	Prabhat Khabar	07.12.2020 & 10.12.2020
2.	Dainik Bhaskar	07.12.2020 & 10.12.2020
3.	Hindustan	07.12.2020
4.	Times of India	07.12.2020 & 10.12.2020
5.	The Pioneer	07.12.2020
6.	The Hindustan Times	07.12.2020 & 10.12.2020

Submission of Comments/ Suggestions and Conduct of Public Hearing

2.22 The public hearing was held on December 18, 2020 by Video Conferencing in the Commission's Conference room in Ranchi.

2.23 Comments/Suggestions on the Petition were received. The Comments/Suggestions of the Public, Petitioner's responses and Commission's views thereon are detailed in Section A4 of this Order.

A 3 BRIEF FACTS OF THE PETITION

True-up for FY 2016-17 to FY 2018-19

a) Energy Sales

3.1 The details of energy sales as approved by the Commission in its MYT order dated June 07, 2018 for FY 2016-17 to FY 2018-19 vis-à-vis actual energy sales as submitted by the Petitioner is provided in table below:

Table 3 Energy Sales submitted by the Petitioner (MUs)

Category	FY 2016-17		FY 2017-18		FY 2018-19	
	MYT	Actual	MYT	Actual	MYT	Actual
DS-LT	112.17	102.84	120.29	101.63	102.84	119.46
DS-HT	6.27	9.14	6.35	8.35	9.14	6.41
LTIS	0.5	0.54	0.5	0.48	0.54	0.45
NDS	15.46	15.74	16.46	18.18	15.74	18.44
HTS-11 KV	12.41	8.39	16.74	7.93	8.39	8.54
HT/LT Utilities	50.17	50.79	50.17	52.04	50.79	56.27
Total Township	196.98	187.44	210.51	188.61	187.44	209.57
Plant Supply (HTS)	458.46	427.57	462.03	897.17	465.64	1116.54
Grand Total	852.42	802.45	883.05	1274.39	840.52	1535.68

b) Energy Balance

3.2 The energy balance as approved by the Commission in its MYT order dated June 07, 2018 for FY 2016-17 to 2018-19 vis-à-vis actual energy sales as submitted by the Petitioner is provided in table below:

Table 4 Energy Balance submitted by the Petitioner (MUs)

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	MYT	Actual	MYT	Actual	MYT	Actual
Energy Sales-Township	196.99	187.44	196.99	188.61	228.49	209.57
Distribution Losses	42%	40.54%	32%	43.64%	24%	32.66%
Distribution Losses	142.65	127.80	99.06	146.04	72.15	101.64
Energy Required (Township)	339.64	315.24	309.57	334.65	300.64	311.21
Energy Sales-Plant	458.46	427.57	462.03	897.17	465.64	1116.54
Total Energy required	798.1	742.81	771.1	1231.82	766.28	1427.75

c) Aggregate Revenue Requirement (ARR)

3.3 The ARR for FY 2016-17 to FY 2018-19 as approved by the Commission in its MYT Order dated June 07, 2018 vis-à-vis as submitted by the Petitioner now has been tabulated below:

Table 5 ARR submitted by the Petitioner (Rs. Cr.)

Particulars	2016-17		2017-18		2018-19	
	Approved	Claimed	Approved	Claimed	Approved	Claimed
Power Purchase Cost	381.90	145.78	376.34	143.62	380.99	125.44
Employee Cost	11.82	8.90	12.34	8.21	12.88	7.90
R&M Expenses	3.67	2.76	3.83	3.62	4.00	5.20
A&G Expenses	2.36	2.37	2.46	2.48	2.57	2.60
Depreciation	1.01	1.01	1.77	1.24	1.95	1.47
Interest on Loan	1.50	1.09	2.08	2.25	2.00	3.34
Return on Equity	1.31	0.91	1.77	1.48	1.89	2.04
Interest on Working Capital	4.85	0.01	4.81	0.27	4.73	0.67
Annual Revenue Requirement	408.44	162.84	405.40	163.17	411.01	148.66

ARR for FY 2019-20

a) Energy Sales

3.4 The details of energy sales projected by the Petitioner for FY 2019-20 vis-à-vis that approved in MYT Order dated June 07, 2018 has been tabulated below:

Table 6 Energy Sales submitted by the Petitioner (MUs)

Particulars	FY 2019-20	
	MYT	Claimed
DS-LT	147.00	152.19
DS-HT	6.50	6.50
LTIS	0.50	0.50
CS-Urban	18.64	19.04
HTS-11 KV	30.45	32.93
HT/LT Utilities	50.17	50.17
Total Township Sales	253.27	261.33

b) Energy Balance

3.5 The details of energy balance in MU projected by the Petitioner for FY 2019-20 vis-à-vis that approved in MYT Order dated June 07, 2018 has been tabulated below:

Table 7 Energy Balance submitted by the Petitioner (MUs)

Particulars	Unit	FY 2019-20	
		MYT	Claimed
Energy Sales-Township	Mus	253.27	261.33
Distribution Loss	%	16.00	16.00
Energy required at township periphery	Mus	301.51	311.11
Energy consumption-Plant	Mus	469.27	459.67
Total Energy Required at SAIL-BSL Periphery	Mus	770.78	770.78

c) Aggregate Revenue Requirement

- 3.6 Considering the Plant consumption as revenue neutral, the Petitioner submitted the ARR based on only township supply for FY 2019-20 as shown below:

Table 8 ARR submitted by the Petitioner (Rs. Cr.)

Particulars	FY 2019-20	
	MYT	Claimed
Power Purchase Cost	390.70	157.73
Employee Cost	13.44	13.44
R&M Expenses	4.17	7.32
A&G Expenses	2.68	2.67
Depreciation	2.30	1.72
Interest on Loan	2.14	3.53
Return on Equity	2.11	2.20
Interest on Working Capital	4.88	0.69
Annual Revenue Requirement	422.42	189.31
Revenue at existing Tariff	327.07	111.21
Revenue (Surplus)Gap at Existing Tariff	95.35	78.10

- 3.7 The Petitioner has proposed a hike in the fixed and energy charges of the consumers to meet the projected ARR and to bridge the revenue gap to some extent. The proposed hike constitutes hike in the energy as well as fixed charges to the tune of 25%.

d) Revenue Gap & Its Treatment

- 3.8 Based on the projected ARR and revenue, the net and cumulative revenue gap at proposed tariff as submitted by the Petitioner is as follows.

Table 9 Net Revenue (Gap) Surplus submitted by the Petitioner (Rs. Cr.)

Particulars	FY 2019-20
Revenue Projected during FY 2019-20	189.38
Revenue from existing Tariff during FY 2019-20	111.21
Revenue from proposed tariff during FY 2019-20	138.98
Net (Surplus)/Gap during FY 2019-20 at the Proposed Tariff	50.40

Table 10 Total Revenue Gap submitted by the Petitioner (Rs. Cr.)

Particulars	FY 2019-20
Revenue Gap up to FY 2015-16	283.67
Revenue Gap from FY 2016-17 to FY 2018-19	249.69
Revenue Gap for FY 2019-20	50.40
Total Revenue Gap	583.76

- 3.9 The Petitioner has proposed to create regulatory assets of the uncovered revenue gap and provide an appropriate recovery mechanism to recover the Regulatory Assets as



per the provisions of Tariff Regulations and Guidelines of National Tariff Policy, 2016.

a) Tariff Rationalisation

- 3.10 The Petitioner has also proposed to introduce of a new category of consumer namely “HT- Industrial” which will be availing power at 33 kV and above voltage level and will have minimum CD of 10 MVA. The Petitioner submitted that since this new category of consumer will be a bulk consumer availing power at EHV, the losses for such consumer will be minimal and therefore tariff for such consumers has been proposed at 20% less than the existing tariff for HTS category of consumers. However, Fixed Charges has been kept unchanged.
- 3.11 In addition, the Petitioner has also proposed the following considerable changes in the Tariff Schedule, which may affect the Consumer Categorization:
- i) Bifurcation of LT Domestic Consumers into categories of upto 4 kW and categories above 5 kW and upto 85 kW;
 - ii) Inclusion of LT Domestic Consumers with contracted load above 85 kW in HT Domestic;
 - iii) Limiting LT Domestic Consumers to connected load of upto 85 kW; and
 - iv) Introduction of HT Industrial and HT Commercial Categories.
- 3.12 The Petitioner has proposed to retain the Terms and Conditions of Supply, Rebate/Surcharge Structure and Miscellaneous Charges as approved by the Commission vide its Order dated June 07, 2018.



A 4 PUBLIC CONSULTATION PROCESS

- 4.1 The Petition filed by the Petitioner evoked responses from several Stakeholders. The Public Hearing through Video Conferencing was held on December 18, 2020 to ensure maximum Public participation and transparency wherein Stakeholders put forth their comments and suggestions before the Commission in the presence of the Petitioner. The list of the attendees is attached as **Annexure-1** to this Order.
- 4.2 The Comments/Suggestion of the members of the Public along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

Demand Charge & Fixed Charge

Public Comments/Suggestions

- 4.3 The Stakeholder has submitted that major portion of the power supplied by DVC is consumed in Bokaro Steel Plant, so the Demand Charge/Fixed Charge charged by DVC, should be recovered from the Petitioner Steel Plant, instead of consumers of township.

Petitioner Response

- 4.4 The Petitioner has submitted that it is procuring electricity for consumption in the Steel Plant as well as for sale to the township. The Petitioner is purchasing power from DVC under a contractually binding PPA of 220 MVA. The power is procured to meet the requirements of plant and revenue from such consumption of power by the plant has not been considered as part of the ARR, as the rate at which power is sold to the plant is same as the power purchase rate from DVC. The purchase and sale of power for the Steel Plant is revenue neutral.
- 4.5 The Petitioner further submitted that, being a Distribution Licensee and pursuant to the enactment of the Electricity Act, 2003, the Petitioner is required to submit its ARR and Tariff Petition as per the procedures outlined in the Section 61, 62 and 64 of the Electricity Act 2003 and in accordance with Clause A9 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015. Therefore, SAIL-BSL is submitting its ARR & Tariff Petitions for recovering the Fixed Charges and Energy Charges from its consumers. Hence, the cost of power purchase and other distribution cost are recovered from consumers in two-part tariff as approved by JSERC. The recovery from the consumers is only to the extent of consumers demand and the Petitioner submitted that no additional burden is levied to consumers on account of Bokaro Steel Plant.

Views of the Commission

4.6 The Commission has considered the submissions of the Stakeholder and reply by the Petitioner. The Commission is of the view that the fixed/demand charges needs to be borne by each of the consumers on the basis of contracted capacity and the onus of payment of entire fixed/demand charges cannot be shifted to any one consumer.

Supply from DVC

Public Comments/Suggestions

4.7 The Stakeholder submitted that, the Petitioner's statement that DVC power supply is only supplied to the city consumer is not correct. The power of DVC is also used in the Petitioner Steel Plant as the distribution system is embedded.

Petitioner Response

4.8 The Petitioner has submitted that it has already reiterated in its Petition that the Power purchase for the purpose of meeting the requirements of plant and revenue from such consumption of power by the plant has not been considered as part of the ARR, as the rate at which power is sold to the plant is same as the power purchase rate from DVC. Whenever the DVC supply goes off, the township is black out totally. The purchase and sale of power for the Steel Plant is revenue neutral. Further, the Petitioner has provided the details of the energy requirement at township periphery and energy requirement at SAIL-BSL periphery in its Energy Balance.

Views of the Commission

4.9 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission is of the view that the Petitioner does supply power to all its consumers including Bokaro Steel Plant in the capacity of a Distribution Licensee.

Distribution Losses

Public Comments/Suggestion

4.10 The Stakeholder has submitted that, the distribution Loss should not be more than 2.5% in case the theft/pilferage is controlled.

Petitioner Response

4.11 The Petitioner has submitted that the existing legacy of high distribution losses in several pockets of the licensed area is majorly due to theft of electricity through unauthorized means in the rural areas and several illegal possessions of the locals. The Petitioner submitted that it is striving hard to reduce distribution losses and has made



several efforts to control such unauthorized usage of electricity. The key initiatives in these regards as submitted by the Petitioner are listed below:

- a. Formation of groups and roster wise site visits to check illegal connections and hooking in local area.
 - b. Formation of teams jointly with the District police to launch massive drives to curb illegal power theft.
 - c. Routine visits by senior officials in high theft prone areas.
- 4.12 Further, the Petitioner submitted that it is vigilant and is constantly striving to reduce the unauthorized connections and punish those indulging in theft of electricity.

Views of the Commission

- 4.13 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission appreciates the steps/initiatives taken by the Petitioner to curb pilferage. However, it is the duty of the Petitioner to ensure 100% metering and billing in its licensee area and to ensure that the legitimate consumers are not burdened due to theft/unauthorized use. Accordingly, the Commission has approved distribution losses in line with the trajectory set in the MYT Order dated June 07, 2018.

Separate Account

Public Comments/Suggestion

- 4.14 The Stakeholder has submitted that the balance sheet presented by the Petitioner is not depicting the correct statement of power distribution as the distribution account of the licensee is not separate. Therefore, the tariff cannot be determined on the basis of this balance sheet.

Petitioner Response

- 4.15 The Petitioner has submitted in its Petition that in compliance to the directives of the Commission, the Petitioner has prepared accounts for its Electricity Business. The copy of the accounts duly certified by chartered accountant is already submitted before the Commission for its pursuance. For the purpose of the filing, the segregation and allocation of costs is based on accounts of the Petitioner for its Electricity Business.

Views of the Commission

- 4.16 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has observed various issues with regards to the accounts submitted which have been dealt in the subsequent section of this Order. The



Commission directs the Petitioner to ensure proper segregation of Power Business Accounts from its other Business.

Bifurcation of LT Domestic Consumer upto 4 KW and <5 KW and upto 85 KW

Public Comments/Suggestion

4.17 The Stakeholder submitted that the proposed category is highly objectionable. The purpose of the changes of the LT domestic consumers is only for generating the revenue from small consumers, shopkeepers, residential etc. The above proposal is against notification dated 12/04/2006 and dated 07/09/2015 of Jharkhand State Electricity Regulatory Commission Gazette.

Petitioner Response

4.18 The Petitioner submits that the Stakeholder has wrongly inferred the bifurcation of LT consumers. The Petitioner has not bifurcated LT Domestic consumers into categories of upto 4 kW and categories above 5kW and upto 85 kW. However, as per the previous trends the Petitioner has added a new category of those consumers whose connected load is upto 4 kW in Domestic Service LT and a new category for those whose power supply at 11 kV voltage level and load above 85 kW.

Views of the Commission

4.19 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission has dealt with the issue in detail in **Section A 9** of this Order.

Power Theft

Public Comments/ Submission

4.20 The Stakeholder submitted that Electricity theft continues in Bokaro and is up to 50%. Unauthorized/legalized settlements, slum settlements of the city, 5000 Khatal of the city, 20000 encroached shops of the city, 5000 permanent shops, Dundibad market have taken permanent forms almost 25000 shops, 15000 quarters lying vacant in the city, electricity used by the encroachers, in most E-type quarters and in other quarters, no electricity meter is available and the average power is set to only Rs. 100/- per Month, in the residential colonies of the employees. Provision of average bill instead of meter, and electricity cost is increasing due to other described reasons. By stopping this, electricity loss can be prevented. The increase in tariff, change in category, fixed charge based on cable size, the proposal to bring most of the people under contract load will be against the interests of the consumer and the provisions of the rules of the Regulatory Commission.



Petitioner Response

4.21 The Petitioner submitted that the unauthorised power connections in BSL township are being removed on daily basis with the help of BSL Security department. BSL management has also installed Aerial Bunch Cables to control unauthorised power connections. Defective Energy Meters are being replaced regularly for obtaining actual power consumption. The key initiatives in these regards are listed below:

- a. Formation of groups and roster wise site visits to check illegal connections and hooking in local areas.
- b. Formation of teams jointly with the District police to launch massive drives to curb illegal power theft.
- c. Routine visits by senior officials in high theft prone areas.

Views of the Commission

4.22 The Commission has gone through the submissions of the Stakeholder and the Petitioner. The Commission appreciates the steps/initiatives taken by the Petitioner to curb pilferage. However, it is the duty of the Petitioner to ensure all the consumers are metered and 100% accounting of electricity and it achieved losses in line with the trajectory specified by the Commission from time to time.

A 5 TRUE UP FOR FY 2016-17 To FY 2018-19

- 5.1 The Petitioner has submitted that the true-up Petition for the period from FY 2016-17 to FY 2018-19 has been prepared based on the audited/certified accounts taking into consideration the provision of JSERC Distribution Tariff Regulation 2015 and the methodology adopted by the Commission in the previous order.
- 5.2 The Commission based on the provision of the JSERC Distribution Tariff Regulation 2015 has now carried out true-up for FY 2016-7 to FY 2018-19 taking into consideration:
- Audited (Statutory) Accounts for FY 2016-17, FY 2017-18 and FY 2018-19 and additional details submitted by the Petitioner:
 - JSERC Distribution Tariff Regulations 2015:
 - Methodology adopted by the Commission in the earlier order:

Energy Sales/Consumption

Petitioner Submission

- 5.3 The Petitioner submitted that it is drawing power at 220 kV level from DVC. The 220/132 kV sub-station is maintained by DNW which further distributes power to Plant and township through different feeders. The purchase and sale of power for the Steel Plant is revenue neutral. The Petitioner submitted that the power purchase for the purpose of meeting the requirements of plant and Revenue from such consumption of power by the plant has not been considered as part of the ARR. The Petitioner further submitted that the power consumption of the Steel Plant is self-consumption of the Petitioner and not power sale at HTS tariff.
- 5.4 The category-wise number of consumers, connected load and energy sales as submitted by the Petitioner are given in the table below:

Table 11 Category wise no. of Consumer submitted by the Petitioner

Category	FY 2016-17		FY 2017-18		FY 2018-19	
	MYT	Actual	MYT	Actual	MYT	Actual
DS-LT	33609	32297	33609	32893	33848	33608
DS-HT	6	6	7	5	8	5
LTIS	35	35	35	33	35	33
NDS	1773	1775	1787	1802	1801	1828
HTS-11 KV	8	8	9	16	10	16
HT/LT Utilities	656	656	656	656	656	656
Total Township	35827	34777	36103	35405	36358	36146

Table 12 Category wise connected load* submitted by the Petitioner

Category	Unit	FY 2016-17		FY 2017-18		FY 2018-19	
		MYT	Actual	MYT	Actual	MYT	Actual
DS-LT	kW	85760	92305	85760	93682	86372	95070
DS-HT	kVA	6067	4821	7432	4815	8918	4815
LTIS	HP	1017	1019	1017	993	1017	993
NDS	kW	13236	12878	13341	14100	13445	13902
HTS-11 KV	kVA	3539	4488	3982	5109	4424	5109
HT/LT Utilities	KW	26891	29771	26891	29771	26891	29771

* Rounding off to nearest digit

Table 13 Category Wise energy sales submitted by the Petitioner in MUs

Category	FY 2016-17		FY 2017-18		FY 2018-19	
	MYT	Actual	MYT	Actual	MYT	Actual
DS-LT	112.17	102.84	120.29	101.63	131.30	119.46
DS-HT	6.27	9.14	6.35	8.35	6.43	6.41
LTIS	0.50	0.54	0.50	0.48	0.50	0.45
NDS	15.46	15.74	16.46	18.18	17.52	18.44
HTS-11 KV	12.41	8.39	16.74	7.93	22.57	8.54
HT/LT Utilities	50.17	50.79	50.17	52.04	50.17	56.27
Total Township	196.98	187.44	210.51	188.61	228.49	209.57

Commission Analysis

Treatment of the Steel Plant

5.5 The Commission in its previous Order has considered the consumption of the Petitioner, Steel Plant as sale to HT Consumers. The relevant extract of the Order dated August 03, 2012 is reproduced below:

“5.129 However, considering the treatment of the sales to the Steel Plant by the Petitioner, the Commission agrees that the Steel Works of the Petitioner shall henceforth be treated as a consumer of the electricity distribution business.

5.130 With respect to the categorization and tariff applicability of the Steel Plant, the Commission observes that power to Steel Plant is being supplied at 132 kV from the Petitioner’s network. Therefore, the Steel Plant is to be treated as an HTS consumer of the Petitioner and the tariff applicable to it shall be the tariff applicable to the HTS category. This is also in line with the treatment of other steel works of other distribution licensees in the State.”

5.6 Later, the Petitioner had adopted a similar methodology of considering steel plant as HTS consumer at 132 KV for calculating the revenue in its tariff Petition for the MYT Period FY 2013-14 to FY 2015-16. Later, the Commission in its Tariff Order dated

September 03, 2014, in line with its earlier Order adopted a similar methodology adopted by the Petitioner.

- 5.7 Similarly, in its MYT Order for period from FY 2016-17 to FY 2020-21 dated June 07, 2018, the Commission adopted similar methodology of considering steel plant as HTS consumer at 132 KV for calculating its revenue.
- 5.8 In accordance with the above, the Commission finds no merit in the claims made by the Petitioner and the Petitioner Steel Plant has been considered as HT consumer of Electricity Distribution Business of SAIL-BSL.

Energy Sales, No. of consumers, Connected Load

- 5.9 The Commission in its MYT order dated June 07, 2018 approved energy sales for the control period based on the sales data provided by the Petitioner from FY 2011-12 to FY 2015-16 considering CAGR trends on the historical data of sales. Similar exercise was undertaken to project the number of consumers. For projecting the connected load, the Commission has considered the submission of the Petitioner in which the Petitioner had submitted that at different instants it has found consumers in DS-II category with load requirements more than 4 kW, specifically the consumers in B type and C type quarters have been observed on sample basis with consumption pattern depicting load requirement of more than 4 kW and submitted results of sample load assessment conducted for such quarters.
- 5.10 Accordingly, the Commission had approved the sales, Number of Consumer and connected load for the MYT Period.
- 5.11 The Commission in its analysis of actual data found abrupt increase in the consumption of steel plant from 458.46 MU in FY 2016-17 to 1116.54 MU in FY 2018-19. The Commission vide its discrepancy note directed the Petitioner to submit the reason for sudden increase in the sales to the Steel Plant. The Petitioner in its reply submit that due to non-availability of captive generating station of SAIL-BSL, there was increase in sale to Steel Plant.
- 5.12 As per clause 5.30 of the JSERC Distribution Regulation, 2015, energy sale is considered to be an uncontrollable parameter and shall be treated as a pass through to consumers. The relevant extracts of the regulations have been reproduced below:

“5.31 The variation on account of uncontrollable elements shall be treated as a pass through to be ultimately charged to the consumers, subject to validation and approval by the Commission.”

- 5.13 In line with the above regulations, the Commission approves the actual sales for the MYT period as per audited data for the respective years. The following table

summarizes the consumer category-wise sales, No. of consumers, connected load for FY 2016-17 to FY 2018-19 as approved by the Commission

Table 14 Category Wise no. of Consumer approved by the Commission

Category	FY 2016-17	FY 2017-18	FY 2018-19
DS-LT	32297	32893	33608
DS-HT	6	5	5
LTIS	35	33	33
NDS	1775	1802	1828
HTS-11 KV	8	16	16
HT/LT Utilities*	656	656	656
Total Township	34777	35405	36146
Plant Supply (HTS)	1	1	1
Total	34778	35406	36147

Table 15 Category Wise Connected Load# approved by the Commission

Category	Unit	FY 2016-17	FY 2017-18	FY 2018-19
DS-LT	kW	92305	93682	95070
DS-HT	kVA	4821	4815	4815
LTIS	HP	1019	993	993
NDS	kW	12878	14100	13902
HTS-11 KV	kVA	4488	5109	5109
HT/LT Utilities*	kW	29771	29771	29771
Plant Supply (HTS)	kVA	45000	45000	45000

#Rounded off to nearest zero

Table 16 Category Wise Energy Sales approved by the Commission

Category	2016-17	2017-18	2018-19
DS-LT	102.84	101.63	119.46
DS-HT	9.14	8.35	6.41
LTIS	0.54	0.48	0.45
NDS	15.74	18.18	18.44
HTS-11 KV	8.39	7.93	8.54
HT/LT Utilities*	50.79	52.04	56.27
Total Township	187.44	188.61	209.57
Plant Supply (HTS)	427.37	897.17	1116.54

* For the purpose of comparison sales to HT/LT Utilities have been shown separately. However, no such category has been approved by the Commission and the sales under this head have been reclassified into NDS & SS for the purpose of calculation of revenue.

Distribution Loss

Petitioner Submission

5.14 The Petitioner has submitted that distribution loss for FY 2016-17, FY 2017-18 and FY 2018-19 as 40.54%, 43.64% and 32.66% respectively and after consideration of

steel plant consumption, the overall distribution losses comes out to be 17.20%, 11.86% and 7.12% respectively for the above said period. The Petitioner submitted that the key reason behind the significantly high losses is theft of electricity through unauthorized means in the rural areas.

5.15 The Petitioner further submitted that it has made several efforts to control such unauthorized usage of electricity and the issues encountered, steps undertaken thereof by the Petitioner have been summarized below:

- a. There are several illegal possessions of the locals, and these illegal occupants do not have electricity connection. The Petitioner has not released connections to such illegal habitants, since that would tantamount to giving them a legal right to the occupied place. So, they have been consuming electricity through hooking and illegal tapings. It may be further noted that there are some areas which even though do not come under the Licensed area of SAIL-BSL, have been consuming electricity through hooking from SAIL-BSL's distribution system. These local people are supposed to use distribution system of Jharkhand Bijli Vitran Nigam Limited (JBVNL) but due to contiguousness of the area of supply with JBVNL, they have been illegally using the distribution system of SAIL-BSL despite several efforts made to control such theft of electricity. Subsequently, the officers of SAIL-BSL have disconnected such illegal connections and JBVNL had provided connections to such consumers which fall under its area of supply.
- b. The Petitioner further submitted that TA-electrical has been conducting time bound raids under various initiatives to identify illegal connections and hooking in different areas. However, the teams deployed for such purposes have been seriously manhandled in a number of cases. Similarly, the Police personnel accompanying the SAIL officers have also faced the brunt of the people consuming through illegal means.
- c. In an instance of vigilance conducted in Bharra Basti, around 7000 illegal connections were disconnected. This has been covered in several local media report. This was one of the biggest operations conducted so far after meticulous planning with support of Police personnel and resulted in unearthing more than 20 electricity poles, half a dozen feeders and thousands of meters of wire which were being used illegally for power theft. However, whenever the Petitioner has tried to take corrective action in such instances, the local people have hurled stones, wielded rods, swords hurting the accompanying policemen, BSL guards and the employees.

5.16 In view of the aforesaid reasons, the Petitioner requested the Commission to kindly relax the norms and approve the actual distribution losses for FY 2016-17 to FY

2018-19 as per the audited accounts. The Distribution loss levels for the Control period FY 2016-17 to FY 2018-19 as submitted by the Petitioner has been summarized below:

Table 17 Distribution Loss Submitted by the Petitioner

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	MYT	Actual	MYT	Actual	MYT	Actual
Distribution Loss to Township	42%	40.54%	32%	43.64%	24%	32.66%

Commission Analysis

5.17 The Commission appreciates the steps taken by the Petitioner to reduce distribution losses in its area of operation, but it is a matter of grave concern that the actual level of Distribution losses submitted by the Petitioner are significantly higher as compared to the similar distribution utilities in the State of Jharkhand. The distribution losses reported by the Petitioner in the Township area are very high as compared to other licensees of comparable size and even bigger size. The following table details the sales and distribution losses of the Petitioner and some other utilities in the State of Jharkhand

Table 18 Distribution loss against energy sales by the similar distribution utilities in Jharkhand

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	Sales (MU)	Distribution Losses	Sales (MU)	Distribution losses	Sales (MU)	Distribution Losses
TSUISL (JUSCO)	481.48	1.24%	583.08	0.98%	709.30	1.83%
TSL	2877.34	3.05%	3003.04	2.30%	2940.02	2.44%
SAIL-BSL (Township)	187.44	40.54%	188.61	43.64%	209.57	32.66%
SAIL-BSL (including Plant Supply)	615.01	17.20%	1085.78	11.86%	1326.11	7.12%

5.18 The Commission in its MYT order dated June 07, 2018 after prudence check and taking into account reasons presented before the Commission approved the Distribution loss trajectory for the Petitioner. Henceforth, the Commission does not find any merit to revisit the Distribution loss during the MYT Period.

5.19 Based on the facts and actual loss submitted by the Petitioner, the distribution loss approved by the Commission for FY 2016-17 to FY 2018-19 for the Township is shown below.

Table 19 Distribution Loss (%) approved by the Commission for the Township

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	Actual	Approved	Actual	Approved	Actual	Approved
Distribution Loss	40.54%	40.54%	43.64%	32.00%	32.66%	24.00%

Energy Balance

Petitioner Submission

5.20 The Petitioner submitted that the energy requirement has been arrived based on the actual power, energy sales and distribution losses for FY 2016-17 to FY 2018-19. The below table highlights the Energy Balance as approved in MYT Order dated June 07, 2018 and that submitted by the Petitioner.

Table 20 Energy Balance submitted by the Petitioner (MUs)

Particulars	Unit	FY 2016-17		FY 2017-18		FY 2018-19	
		MYT	Actual	MYT	Actual	MYT	Actual
Energy Sales -Township	MU	196.99	187.44	210.51	188.61	228.49	209.57
Distribution Losses	%	42.00%	40.54%	32.00%	43.64%	24.00%	32.66%
Distribution Losses	MU	142.65	127.80	99.06	146.04	72.15	101.64
Energy Requirement (Township)	MU	339.64	315.24	309.57	334.65	300.64	311.21
Energy Sales-Plant	MU	458.46	427.57	462.03	897.17	465.64	1116.54
Energy Requirement	MU	798.10	742.81	771.60	1231.82	766.28	1427.75

Commission Analysis

5.21 The Commission has approved the Energy Requirement based on the Distribution loss approved in this Order. The Energy Requirement claimed and as approved by the Commission for the FY 2016-17 to FY 2018-19 based on the approved energy sales and distribution loss is summarized below.

Table 21 Energy sales approved by the Commission

Particulars	Unit	FY 2016-17		FY 2017-18		FY 2018-19	
		Claimed	Approved	Claimed	Approved	Claimed	Approved
Energy Sales _Township	MU	187.44	187.44	188.61	188.61	209.57	209.57
Distribution Losses	%	40.54%	40.54%	43.64%	32.00%	32.66%	24%
Distribution Losses	MU	127.80	127.80	146.04	88.76	101.64	66.18
Total Energy Required for Township	MU	315.24	315.24	334.65	277.37	311.21	275.75
Energy Sales -Plant	MU	427.57	427.57	897.17	897.17	1116.54	1116.54
Total Energy required	MU	742.81	742.81	1231.82	1174.54	1427.75	1392.29

Power Purchase Cost

Petitioner Submission

5.22 The Petitioner submitted that it procures power from Damodar Valley Corporation, whose generation and transmission tariff is determined by the CERC and retail tariff is determined by JSERC. The Petitioner further submitted that the township area of Petitioner is supplied with electricity purchased from Damodar Valley Corporation

only and not the Captive Power Plant. Whenever the DVC supply goes off, the township is cut off totally. The power from the Captive Power Plant is used for emergency load of the Steel Plant only.

- 5.23 The Petitioner submitted that the power purchase expenses is calculated based on the actual bills raised and payment made to DVC. The power purchase cost as approved by the Commission in its MYT Order and as incurred by the Petitioner during FY 2016-17 to FY 2018-19 are shown in the table below.

Table 22 Power Purchase Cost submitted by the Petitioner

Particulars	Unit	2016-17		2017-18		2018-19	
		MYT	Actual	MYT	Actual	MYT	Actual
Total Power Purchase	Mus	798.1	315.22	771.6	334.66	766.28	311.19
Per Unit power purchase cost	Rs/KWh	4.79	4.62	4.88	4.29	4.97	4.03
Power Purchase Cost	Rs. Crore	381.9	145.78	376.34	143.62	380.99	125.44

Commission Analysis

- 5.24 The Commission vide its discrepancy note directed the Petitioner to submit the power purchase bills for the FY 2016-17 to FY 2018-19. The Petitioner vide its reply has submitted the same to the Commission.
- 5.25 After scrutinizing the submissions made by the Petitioner with respect to power purchase bills which involves total power purchase cost for the Petitioner, the Commission finds it prudent to approve the power purchase rate (Rs/kWh) as per the power purchase bills as the power purchase cost for Steel Plant Supply is also being considered by the Commission for the computation of final power purchase cost.

Table 23 Power Purchase Cost submitted by the Petitioner against total power purchase bills

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	Claimed *	PP Bills	Claimed *	PP Bills	Claimed *	PP Bills
Unit Sold	315.22	742.81	334.66	1229.84	311.19	1417.01
Power Purchase Cost	145.78	343.61	143.62	527.57	125.44	570.02
Power Purchase Rate	4.62	4.63	4.29	4.29	4.03	4.02

**Only for Township Supply*

- 5.26 Accordingly, the power purchase cost as approved by the Commission for the FY 2016-17 to FY 2018-19 based on the energy required as approved has been tabulated below:

Table 24 Power purchase cost as approved by the Commission

Particulars	Unit	FY 2016-17		FY 2017-18		FY 2018-19	
		Claimed	Approved	Claimed	Approved	Claimed	Approved
Total Power Purchase	Mus	315.22	742.81	334.66	1174.54	311.19	1392.29



Particulars	Unit	FY 2016-17		FY 2017-18		FY 2018-19	
		Claimed	Approved	Claimed	Approved	Claimed	Approved
Per Unit power purchase cost	Rs/kWh	4.62	4.63	4.29	4.29	4.03	4.02
Power Purchase Cost	Rs Crore	145.78	343.61	143.62	503.84	125.44	560.08

Operation and Maintenance Expenses

Petitioner Submission

- 5.27 The Petitioner submitted that the O&M expenses for FY 2016-17 to FY 2018-19 have been calculated by considering the actual O&M expenses incurred by TA-Electrical department and the O&M expense incurred by DNW and ETL and is based on the ratio of energy transferred to the TA-Electrical to the total energy received (distribution capacity ratio).
- 5.28 **Employee Expenses:** The Petitioner submitted that amount to wages and salaries for officers and staff who are directly engaged in the Petitioner's electricity distribution business and employee expenses incurred on DNW and of ETL proportionately in the ratio of distribution capacity of TA-Electrical Department to the total capacity. The actual employee expenses have been less as the pay revision has not been implemented.
- 5.29 **R&M expenditure:** The Petitioner submitted that for distribution network, R&M expenses includes expenditure on distribution lines, power & distribution transformers, substation equipment, civil maintenance, spares, consumables, service contracts, complaints management etc. The expenditure has been considered on the basis of purchase orders identified by TA-Electrical. Similarly, expenses with regard to DNW and ETL have been considered based on distribution capacity ratio.
- 5.30 **A&G expenses:** The Petitioner submitted that A&G expenses includes items of expenditure incurred directly in managing the distribution business in licensed area. These include regulatory and legal charges, consultancy charges, travel expenses, printing & stationery, press advertisement, telephone and mobile expenses, insurance premium, training, hired vehicle expenses, rent rates & taxes etc. The Petitioner submitted that these expenses have been computed after considering total expenses on this account for TA-Electrical. Similarly, expenses with regard to DNW and ETL have been considered based on distribution capacity ratio.
- 5.31 The summary of the O&M Expenses for FY 2016-17 to FY 2018-19 approved by the Commission in its MYT Order vis-à-vis actually incurred is as shown in the table below:

Table 25 Operation & maintenance Cost submitted by the Petitioner (Rs. Cr.)

Particulars	2016-17	2017-18	2018-19
-------------	---------	---------	---------

	MYT	Claimed	MYT	Claimed	MYT	Claimed
Employee Expenses	11.82	8.90	12.34	8.21	12.88	7.90
R&M Expenses	3.67	2.67	3.83	3.62	4.00	5.20
A&G Expenses	2.36	2.37	2.46	2.48	2.57	2.60
Total O&M Expenses	17.85	13.94	18.63	14.31	19.45	15.70

Commission Analysis

- 5.32 The Commission in its MYT Order dated June 07, 2018 approved the employee cost, A&G cost by increasing the employee cost and A&G cost as approved in the True up for FY 2015-16, by the inflation factor of 4.36%. As ‘k’ factor estimated was very high for a distribution utility like SAIL-BSL which is serving consumers in a limited geographical area. Hence, the Commission in its MYT Order found it appropriate to approve the R&M cost in line with methodology adopted for approval of employee cost and A&G expenses which was subject to trueing up.
- 5.33 The Commission vide its discrepancy note directed the Petitioner to submit the reason for variation in O&M Expenses claimed by the Petitioner and that booked in audited account. The Petitioner its reply submitted that it has filed the True-up Petition for FY 2016-17 to FY 2018-19 based on the provisional annual accounts.
- 5.34 The Petitioner submitted the audited annual accounts for FY 2016-17 to FY 2018-19 before the Commission in its additional submission wherein it revised its claim with regards to O&M Expenses.
- 5.35 The Commission observed that the Petitioner’s revised claims for FY 2016-17 and FY 2017-18 were considerably higher than that approved by the Commission in the MYT Order and was contradicting the submissions made by the Petitioner in the Original Petition. The Petitioner further did not provide any reasons for sudden increase in its claimed figures and therefore the Commission doesn’t find any merit in allowing O&M expenses in excess of that approved in its MYT Order dated June 07, 2018 for FY 2016-17 and FY 2017-18.
- 5.36 In line with the above methodology, the Commission has calculated the O&M Expenses on the basis of revised escalation rates which is as summarized below.

Table 26 Operation & Maintenance Cost as approved by the Commission (Rs. Cr.)

Particulars	2016-17			2017-18			2018-19		
	MYT	Claimed*	Approved	MYT	Claimed*	Approved	MYT	Claimed*	Approved
Emp. Expenses	11.82	12.03	11.68	12.34	10.54	12.10	12.88	8.80	12.55
R&M Expenses	3.67	4.15	3.63	3.83	4.71	3.76	4.00	5.92	3.90
A&G Expenses	2.36	3.84	2.33	2.46	3.77	2.41	2.57	3.52	2.50
O&M Expenses	17.85	20.02	17.63	18.63	19.02	18.27	19.45	18.24	18.96

*Revised as per audited account

Gross Fixed Asset

Petitioner Submission

5.37 The Petitioner submitted that the figures of GFA have been derived from the accounts. The Petitioner further reiterated that the purchase Orders of various items have been identified for the distribution business through the data maintained on SAP platform under different cost centers. Further, the figures here only pertain to TA-Electrical and any additions during the year, directly identifiable towards power distribution business, have been considered in the accounts. The table below summarizes the GFA and Capitalization during the Year approved in MYT and claimed by the Petitioner:

Table 27 GFA submitted by the Petitioner (Rs. Cr.)

Particulars	2016-17		2017-18		2018-19	
	MYT	Claimed	MYT	Claimed	MYT	Claimed
Opening GFA	18.57	18.58	37.81	20.62	38.21	43.21
Capitalization during the Year	19.24	2.04	0.40	22.59	4.80	1.28
Closing GFA	37.81	20.62	38.21	43.21	43.01	44.49

Commission Analysis

- 5.38 The Commission in its MYT Order dated June 07, 2018 had considered the opening balance of GFA for FY 2016-17 based on the closing GFA for FY 2015-16 as approved in the True up for the FY 2015-16.
- 5.39 The Commission vide its discrepancy note directed the Petitioner to submit the reason for variation in GFA claimed by the Petitioner and that mentioned in the audited account. The Petitioner in its reply submitted that it has filed the True-up Petition for FY 2016-17 to FY 2018-19 on the basis of provisional annual accounts. Further, it has submitted the audited annual accounts for FY 2016-17 to FY 2018-19 before the Commission. As per the audited annual accounts, the Petitioner has revised its claim of additional capitalization for FY 2016-17 as Rs. 2.01 Crore, FY 2017-18 as Rs. 1.69 Crore and for FY 2018-19 as Rs. 22.18 Crore and requested the Commission to consider the same as audited annual accounts for FY 2017-18 and FY 2018-19.
- 5.40 The Commission observes that it has approved capitalization of Rs. 19.24 Crore for the FY 2016-17 in its MYT order towards Augmentation of 132/11 KV substation and Installation of High mast lighting Tower. The Commission further observes that the Petitioner has capitalised the work in FY 2018-19.
- 5.41 The Commission has considered the opening balance of GFA for FY 2016-17 based on the closing GFA for FY 2015-16 as approved in the True up for the FY 2015-16 and additional capitalization as per the audited account submitted by the Petitioner. The GFA approved by the Commission is summarized in the below table.

Table 28 GFA approved by the Commission (Rs. Cr.)

Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Opening GFA	16.11	18.57	20.58	22.27
Capitalization During the Year	2.46	2.01	1.69	22.18
Closing GFA	18.57	20.58	22.27	44.45

Depreciation

Petitioner Submission

5.42 The Petitioner submitted that it has calculated the depreciation as per the Straight-Line Method and has considered depreciation rates as prescribed in the schedule attached to the Regulation as Appendix-I of the Distribution Tariff Regulation, 2015. The Petitioner further provided that capital base for the purpose of depreciation shall be the cost of the asset and the residual life of asset shall be 10% of approved historical cost.

Table 29 Depreciation submitted by the Petitioner (Rs. Cr.)

Particulars	2016-17		2017-18		2018-19	
	MYT	Claimed	MYT	Claimed	MYT	Claimed
Depreciation	1.01	1.01	1.77	1.24	1.95	1.47

Commission Analysis

5.43 According to JSERC Distribution Tariff Regulations, 2015

“Depreciation”

6.32 Depreciation shall be calculated every year, on the amount of original cost of the fixed assets as admitted by the Commission; Provided that depreciation shall not be allowed on assets funded by consumer contribution and capital subsidies/grants. Provision for replacement of such assets shall be made in the capital investment plan;

6.33 Depreciation for each year shall be determined based on the methodology as specified in these Regulations along with the rates and other terms specified in Appendix 1 of these Regulations;

6.34 Depreciation shall be calculated annually, based on the straight line method, over the useful life of the asset. The base value for the purpose of depreciation shall be original cost of the asset;

Provided that the Distribution Licensee shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent, remaining depreciable value as on 31st March of the year closing shall be spread over the balance useful life of the asset.

6.35 Depreciation shall be charged from the first year of operation of the asset. In case, the operation of the asset is for a part of the year, depreciation shall be charged on a pro rate basis;

6.36 The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset. Land is not a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset;

5.44 The Commission after scrutinizing the submission made by the Petitioner approves the depreciation by multiplying the Average Gross fixed asset to the average rate of depreciation claimed by the Petitioner in its Petition.

Table 30 Depreciation approved by the Commission (Rs. Cr.)

Particulars	2016-17		2017-18		2018-19	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Opening Gross Block	18.58	18.58	20.62	20.59	43.21	22.58
Additional Capitalisation	2.04	2.01	22.59	1.69	1.28	22.18
Closing Gross Block	20.62	20.59	43.21	22.28	44.49	44.46
Average Gross Block	19.60	19.59	31.92	21.44	42.345	33.37
Depreciation	1.01	1.01	1.24	0.83	1.47	1.12

Interest on Loan

Petitioner Submission

5.45 The Petitioner submitted that since all the investments have been made in the electricity business from the funds received from SAIL-BSL, the normative debt: equity ratio of 70:30 has been considered for the purpose of tariff computations. The Petitioner further submitted the interest on loan approved by the Commission in its MYT Order vis-à-vis as claimed now as shown below.

Table 31 Interest on Loan submitted by the Petitioner (Rs. Cr.)

Particulars	2016-17		2017-18		2018-19	
	MYT	Claimed	MYT	Claimed	MYT	Claimed
Interest on Loan	1.50	1.09	2.08	2.25	2.00	3.34

Commission Analysis

5.46 Taking into account the fact that the Petitioner has carried out all its investment from internal funds, the Commission has calculated additional loan considering the normative debt-equity ratio of 70:30 in line with Regulation 6.15 and Regulation 6.16 of the JSERC MYT Regulations 2015.

- 5.47 The repayment for the year of the tariff period has been considered to be equal to the depreciation allowed for that particular financial year. The closing loan values for the FY 2015-16 has been considered as opening loan value for FY 2016-17.
- 5.48 The interest rate for normative loan during the MYT Control period has been considered as the SBI base rate as on 1st April of the financial year plus 200 basis points as per JSERC Distribution Tariff Regulations 2015.
- 5.49 The normative loan component has been worked out and is as summarized in the following table:

Table 32 Interest on Loan approved by the Commission (Rs. Cr.)

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Net Loan-Opening	7.06	7.06	7.78	7.46	22.73	7.81
Additions	1.43	1.41	15.81	1.18	0.9	15.53
Repayment during the Year	0.71	1.01	0.87	0.83	1.03	1.12
Net Loan- closing	7.78	7.46	22.73	7.81	22.59	22.22
Average Loan	7.42	7.26	15.25	7.63	22.66	15.01
Interest on Loan (%)	14.75%	11.30%	14.75%	11.10%	14.75%	10.70%
Interest on Loan	1.09	0.82	2.25	0.85	3.34	1.61

Interest on Working Capital

Petitioner Submission

- 5.50 The Petitioner submitted that it has calculated the Interest on Working Capital (IoWC) as per the Clause 6.28 of the JSERC Distribution Tariff Regulation, 2015 and the rate of interest is considered as short-term Prime Lending Rate of State Bank of India on April 01, of the relevant financial Year. The Interest on working capital claimed by the Petitioner vis-à-vis that approved by the Commission in its MYT Order is given below:

Table 33 Interest on Working Capital submitted by the Petitioner (Rs. Cr.)

Particulars	2016-17		2017-18		2018-19	
	MYT	Claimed	MYT	Claimed	MYT	Claimed
O&M expenses for 1 month	1.49	1.17	1.55	1.19	1.62	1.43
Maintenance Spares (1% of opening GFA)	0.19	0.19	0.38	0.21	0.38	0.42
2 Months Revenue	68.07	46.63	67.57	90.42	68.5	111.08
Less: (1-month PPC)	31.83	28.61	31.36	43.96	31.75	47.85
Total Working Capital	37.92	19.37	38.14	47.85	38.75	65.08
S.B.I. PLR	12.80%	14.00%	12.6%	15.00%	12.2%	15.00%
Interest on Working Capital	4.85	2.80	4.81	7.06	4.73	9.60

Commission Analysis

5.51 The Commission has considered Interest on Working Capital (IoWC) as per the norms specified in the JSERC MYT Regulations 2015.

5.2 As per JSERC MYT Regulations 2015, the working capital requirements are to be determined as per the following norms:

- a. Operation & Maintenance expenses for one month; plus
- b. Maintenance spares @ 1% of opening GFA; plus
- c. Receivables equivalent to expected revenue of two months; minus Amount held as security deposit; minus
- d. One-month equivalent of cost of power purchased, based on the annual power procurement plan

5.52 The rate of IoWC has been considered to be equal to the Base rate of SBI as applicable on the April 01, of the relevant financial year plus 350 bp as per Regulation 6.31 of the JSERC MYT Regulations 2015.

Table 34 Interest on Working Capital approved by the Commission (Rs. Cr.)

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
O&M expenses for 1 month	1.17	1.47	1.19	1.52	1.43	1.58
Maintenance spares 1% of opening GFA	0.19	0.19	0.21	0.21	0.42	0.22
2 Months Revenue	46.63	61.40	90.42	88.48	111.08	98.23
Less: 1 month of power purchase cost	28.61	28.63	43.96	41.99	47.85	46.67
Total Working Capital	19.37	34.42	47.85	48.22	65.08	53.36
S.B.I. PLR	14.00%	12.80%	15.00%	12.60%	15.00%	12.20%
Interest on Working Capital	2.80	4.41	7.06	6.08	9.60	6.51

Return on Equity

Petitioner Submission

5.53 The Petitioner submitted that the Return on Equity (RoE) for FY 2016-17 to FY 2018-19 had been computed in accordance with Clause 6.17 of Tariff Regulations, 2015.

5.54 The Petitioner submitted that the opening value of equity and the addition during the year has been considered in accordance with Clause 6.19 of the Tariff Regulations, 2010. The equity addition during the financial year has been considered in the ratio of 70:30 (debt: equity) ratio as per Tariff Regulations. The return on equity has been computed on the average equity base for the year after applying the rate of return at 15.50%. The RoE submitted by the Petitioner as against the approved value in MYT Order dated June 07, 2018 is summarized below.

Table 35 Return on Equity submitted by the Petitioner (Rs. Cr.)

Particulars	2016-17	2017-18	2018-19
-------------	---------	---------	---------

	MYT	Claimed	MYT	Claimed	MYT	Claimed
Opening Equity	5.57	5.57	11.34	6.18	11.46	12.45
Additions	5.77	0.61	0.12	6.27	1.44	0.51
Closing Equity	11.34	6.18	11.46	12.45	12.90	12.96
Average Equity*	8.46	3.09*	11.40	6.23*	12.18	6.48*
Rate of Return	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Equity*	1.31	0.48*	1.77	0.96*	1.89	1.00*

*Calculation error by the Petitioner

Commission Analysis

5.55 The Commission in its MYT order dated June 07, 2018 had approved the Return on Equity employed for the Control period as per the Regulations specified in the JSERC Distribution Regulations, 2015:

6.17 *The rate of return on equity shall be 15.5% (post-tax) for the period of these Regulations; Provided that in case of projects commissioned on or after 1st April, 2016 the rate of return shall be increased by 0.50%, if such projects are completed within the time line specified in the capital investment plan approved by the Commission;*

6.18 *Return on equity shall be allowed on equity employed in assets in use considering the following:*

a) *Equity employed in accordance with clause 6.15-6.16 of these Regulations on assets (in use) commissioned as on the beginning of the year; and*

b) *Average equity projected to be employed in accordance with clause 6.16 of these Regulations on assets (in use) commissioned during the year;*

6.19 *Return on equity invested in work in progress shall be allowed from the date of commercial operation of the assets;*

5.56 Accordingly, the Commission has computed the normative return on Equity as follows:

Table 36 Return on Equity as approved by the Commission (Rs. Cr.)

Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Opening Equity	5.57	5.57	6.18	6.17	12.45	6.68
Additions	0.61	0.60	6.27	0.51	0.51	6.65
Closing Equity	6.18	6.17	12.45	6.68	12.96	13.33
Average Equity*	3.09*	5.87	6.23*	6.43	6.48*	10.01
Rate of Return	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Equity*	0.48*	0.91	0.96*	1.00	1.00*	1.55

* Calculation error by the Petitioner

Revenue from sale of power

Petitioner Submission

5.57 The Petitioner submitted that it has only considered the revenue from sale of power to consumers of township, at the existing tariff, as shown below.

Table 37 Revenue from Sale of Power submitted by the Petitioner

Category	2016-17	2017-18	2018-19
DS-LT	15.94	25.95	30.08
DS-HT	1.89	1.33	2.08
LTIS	0.38	0.31	0.33
CS-Urban	10.59	8.57	13.04
HTS-11 KV	8.35	2.43	5.56
HT/LT Utilities	28.70	29.21	33.92
Total Revenue	65.17	74.80	85.01

Commission Analysis

5.58 The Commission has scrutinized the information and observed the discrepancy in the revenue from sale of power claimed by the Petitioner and that submitted in the audit report for FY 2016-17 to Y 2018-19. The Commission vide its discrepancy note asked the Petitioner to reconcile the same with the audited report of FY 2016-17 to FY 2018-19.

5.59 The Petitioner in its reply submitted that in the Petition it had claimed the revenue from sale of power during FY 2016-17 to FY 2018-19 on the basis of provisional annual accounts.

5.60 The Commission has considered the sales to the Petitioner Steel plant in the ARR and therefore the revenue from Steel Plant on normative basis has also been considered in the revenue from sale of power by the Petitioner in line with the methodology adopted by the Commission in its earlier Orders. The total revenue from sale of power as approved by the Commission is summarized in the below table:

Table 38 Revenue from Sale of Power approved by the Commission (Rs. Cr.)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19
Steel Plant Sale (MU)	427.57	897.17	1116.54
Steel Plant Load (MVA) @ 132 kV	45	45	45
Fixed Charges (Rs/kVA/Month)	230	230	230
Energy Charges (Rs/kVA/Month)	5.40	5.40	5.40
Revenue from Fixed Charges (Rs Cr)	12.42	12.42	12.42
Revenue from Energy Charges (Rs. Cr.)	230.89	484.47	602.93
Total Revenue (Rs. Cr.)	243.31	496.89	615.35
Voltage Rebate - 5% on Demand & Energy Charges	12.17	24.84	30.77
Power Factor Rebate- 2% on Demand & Energy Charges	4.87	9.94	12.31
Net Revenue from Steel Plant (Rs. Cr.)	226.28	462.11	572.28



Particulars	FY 2016-17	FY 2017-18	FY 2018-19
Revenue from Township as per audited account (Rs. Cr.)	67.46	68.70	73.32
Total Revenue (Rs. Cr.)	293.74	530.81	645.60

Summarized ARR & Revenue Gap for FY 2018-19

Petitioner Submission

5.61 The ARR and Revenue gap for FY 2016-17 to FY 2018-19 as submitted by the Petitioner is summarized in the below table.

Table 39 Summary of ARR submitted by the Petitioner (Rs. Cr.)

Particulars	2016-17		2017-18		2018-19	
	MYT	Claimed	MYT	Claimed	MYT	Claimed
Power Purchase Cost	381.90	145.78	376.34	143.62	380.99	125.44
Employee Cost#	11.82	8.90	12.34	8.21	12.88	7.90
R&M Expenses #	3.67	2.67	3.83	3.62	4.00	5.20
A&G Expenses #	2.36	2.37	2.46	2.48	2.57	2.60
Depreciation	1.01	1.01	1.77	1.24	1.95	1.47
Interest on Loan	1.50	1.09	2.08	2.25	2.00	3.34
Return on Equity*	1.31	0.91*	1.77	1.48*	1.89	2.04*
Interest on Working Capital	4.85	0.01*	4.81	0.27*	4.73	0.67*
Annual Revenue Requirement	408.44	165.53*	405.40	169.96*	411.01	157.59*
Revenue at Existing Tariff	301.11	65.17	308.14	74.80	316.38	85.01
Revenue (Surplus)/Gap	107.33	100.36	97.26	95.16	94.63	72.58

Revised submitted by the Petitioner

* Mathematical error in Petitioner's computation

Commission Analysis

5.62 The ARR and Revenue Gap approved by the Commission is summarized in the table below:

Table 40 Summary of ARR approved by the Commission (Rs. Cr.)

Particulars	2016-17		2017-18		2018-19	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Power Purchase Cost	145.78	343.61	143.62	503.84	125.44	560.08
Employee Cost#	12.03	11.68	10.54	12.10	8.80	12.55
R&M Expenses#	4.15	3.63	4.71	3.76	5.92	3.90
A&G Expenses #	3.84	2.33	3.77	2.41	3.52	2.33
Depreciation	1.01	1.01	1.24	0.83	1.47	1.12
Interest on Loan	1.09	0.82	2.25	0.85	3.34	1.61
Return on Equity*	0.48	0.91	0.96	1.00	1.00	1.55
Interest on Working Capital*	2.80	4.41	7.06	6.08	9.60	6.51
Less Sharing of Gain (O&M Exp.)	0.00	0.00	0.00	0.00	0.00	-0.29
Annual Revenue Requirement	171.18	368.39	174.15	530.86	159.09	589.36
Revenue at Existing Tariff	65.17	293.74	74.80	530.81	85.01	645.60

SAIL-BSL True Up for FY 2016-17 to FY 2018-19 & ARR for FY 2020-21



Revenue (Surplus)/Gap	106.01	74.66	99.35	0.05	74.08	-56.24
<i>#Revised submitted by the Petitioner</i>						
<i>*Computation error by the Petitioner</i>						

5.63 The Commission is of the view that as the Petitioner has not filed the Petition for truing up of FY 2016-17 and FY 2017-18 on time and therefore no carrying cost on the gap amount shall be allowed for the period of delay. Further, as the Petitioner has not filed for ARR for FY 2020-21 and the Commission is carrying out the ARR on suo-motu basis, the Commission is of the view that the above amount including the amount outstanding till FY 2015-16 shall be considered to be passed on to the consumers on the basis of truing up of FY 2019-20, APR of FY 2020-21 and MYT Petition to be filed by the Petitioner.



A 6 ANNUAL REVENUE REQUIREMENT & TARIFF FOR FY 2020-21

6.1 The Petitioner SAIL-BSL has not submitted the Petition for determination of ARR for FY 2020-21 as per the timeline prescribed in Distribution Tariff Regulation 2015. In the event of non-submission of tariff petition by the Petitioner within the timelines stipulated in the Distribution Tariff Regulations, 2015, Regulation 12.2 of the Distribution Regulation, 2015 states as follows.

“12.2 Notwithstanding anything contained in these Regulations, the Commission shall have the authority, either suo motu or on a petition filed by any interested or affected party, to determine the tariff of any Licensee.”

6.2 The Commission is therefore of the view that the tariff for FY 2020-21 cannot be kept in abeyance for long and therefore has carried out suo-motu determination of Tariff for FY 2020-21.

6.3 As there is not much information available for FY 2019-20 and FY 2020-21, the Commission has therefore not gone into the details of computing ARR for FY 2020-21 and considers it deem fit to continue with the existing tariff without any hike. However, the Commission has carried out the Tariff simplification and Rationalization. The Tariff Schedule approved by the Commission for FY 2020-21 is detailed in Section A 9 of this Order.

A 7 OTHER TARIFF RELATED ISSUES

Tariff Rationalisation

Commission's Analysis

- 7.1 The Commission has simplified the tariff and wherever necessary has rationalized the tariff structure in line with the Tariff Policy, 2016 with an intent to gradually move towards cost reflective tariff.
- 7.2 The Commission has rationalised the Fixed Charges of different Consumer Categories in such a way that it is more or less uniform with the Fixed Charges of the Other Licensees in the State. The Commission has also kept in mind that there is no/marginal increase/decrease in Average Billing Rate (ABR) for each category of consumers, while re-allocating recovery from Fixed and Energy Charges.
- 7.3 The Commission, in order to simplify the tariff, in the past Orders has been gradually reducing slabs in all consumer categories. The Commission in order to further simplify the Tariff, is of the view that all consumers (irrespective of the usage type except Streetlight and Agricultural Consumers) with Contracted Demand (CD) up to 5 kW shall be considered as Domestic Consumers. The Commission has considered this re-categorisation to enable financially challenged consumers to earn from their homes/workplaces without being levied commercial/LT tariffs. This would also do away with the necessity of having two separate connections for small economic activities to be done from home itself.
- 7.4 As regards the existing mechanism of charging Fixed Charges to Domestic HT consumers and Commercial consumers, the Commission is of the view that the Fixed Charge should not be billed for entire contracted capacity, instead the same should also take into consideration the maximum demand of such consumers similar to that of LTIS and HTS consumers. The Commission therefore is of the view that for billing purposes, for all HT-Domestic Consumers and LT Commercial Consumers (CD > 5 kW) the Maximum Demand for such categories should also be considered along with Contracted Demand. The Commission has therefore made necessary amendment to Fixed Charge billing mechanism as discussed in detail in **Section A 9** of this Order.
- 7.5 The Commission observed that for LTIS (CD > 5 kW), HTS Consumers and Domestic and LTIS Demand Based Consumers, though the Demand is already measured in kVA and Fixed Charge billing is done on per kVA basis, the Energy Charge is billed on kWh basis. The Commission is of the view that in order to have better grid discipline, kVAh billing is more appropriate and also considering that the Tariff Structure should be consistent throughout the State, the Commission approves kVAh based billing for the above category of consumers.



- 7.6 The Commission has decided to do away with PF Rebate/Surcharge as the same is no longer relevant as metering is done in kWh only for LT Domestic, LT Commercial, LT IAS and LT Streetlight consumers. In addition, the LT Commercial consumers are to install capacitors to maintain Power Factor as per the Supply Code Regulations, hence, PF rebate is no more relevant and is thus, withdrawn.
- 7.7 Historically, the Commission has been allowing Load Factor Rebate which was allowed only on the incremental consumption above a specified load factor. However, taking into cognisance of the detrimental impact of pandemic situation and since energy cost being one of the major cost components of industries of the State, the Commission is of the view that in order to speed up the economic recovery process which is vital for general socio-economic development of the State there is need to modify the Load Factor Rebate mechanism. The Commission has therefore enhanced the Load Factor rebates as stated in **Section A 10** of this Order.
- 7.8 In the wake of the COVID-19 pandemic and the sluggish market situation, the Commission has reduced the Delayed Payment Surcharges to be paid by the consumers from 1.50% per month or part thereof to 1.00% per month or part thereof.
- 7.9 The Commission has eliminated Meter Rent currently paid by consumers since the Meters bought by the Licensees are already included in the GFA and its servicing cost forms part of ARR, which in turn is recovered through tariff. Further, any Meter Rent collected as per current provisions are reduced from the ARR as part of Non-Tariff Income. The Commission is therefore, of the view that there is little rationale in collecting these rents from consumers, which is finally refunded to the consumers. The Commission has therefore, in order to simplify the process, eliminated the need to collect Meter Rent.
- 7.10 The Commission in order to implement transparent recovery of Fixed/Demand Charges based on the actual availability of power to the consumer has introduced recovery of Fixed/Demand Charges based on the actual Hours of Supply as recorded in the Consumer's meter. The Commission is of the view that the Distribution Licensees should be held accountable for round the clock availability of power to the Consumers. The Licensees should compensate the consumers for unavailability of power at least in terms of reduced Fixed/Demand Charges as per the mechanism approved in **Section A 9** of this Order.
- 7.11 It is observed that the Petitioner in its Tariff Proposal has not submitted any proposal with regard to Time of Day (ToD) Tariff. As regards ToD Tariff mechanism, the Commission is of the view that it is an important tool for Utilities to shift demand from peak hours to off-peak hours. In order to assess the necessity of such mechanism for the Petitioner, **the Commission directs the Petitioner to submit the load curves for days with maximum peak demand and minimum peak demand for each**



month of FY 2019-20 and April 2020 to September 2020 along with its technical preparedness for implementation of ToD Tariffs while submitting the Business Plan and MYT Petition for FY 2021-22 to FY 2025-26. In the meanwhile, the Commission has introduced ToD uniformly to all Discoms as an Option for HTS and HT Institutional Consumers.

- 7.12 The Commission has introduced Rebate to Consumers on the Delayed billing by the Licensees to promote timely billing practices in the License Area.
- 7.13 The Commission has also introduced Prepaid Metering primarily to promote billing and collection efficiency of the Licensee. The target Consumers who shall be installed with Prepaid Meters on priority basis shall be the Consumers from whom the Collection/Billing Efficiency is the lowest, e.g., Government Utilities/offices/officials, Pockets where LT Domestic collection is very low, etc.
- 7.14 The Commission has modified the Rebate on Prompt Online Payment to promote transparent and immediate payment of Bills by the Consumers.
- 7.15 The Commission has approved Terms and Conditions of Supply consistent with JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

A 8 APPROVED RETAIL TARIFF FOR FY 2020-21

Based on the above discussion, the summary of Tariff approved by the Commission for FY 2020-21 is as below:

Table 41 Retail Tariff approved by the Commission for the FY 2020-21

Consumer Category	Consumption Slab	Existing Tariff		Approved Tariff	
		Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
Domestic Existing: (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
Domestic Approved: (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
Domestic-LT	All units	80	3.25	80	3.25
Domestic-HT Existing: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
Domestic-HT Approved: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
Domestic-HT	All units	90	2.75	75	2.80
Commercial Service Existing: (Fixed Charge: Rs./kW/Month, Energy Charge: Rs./kWh)					
Commercial Service Approved: (Fixed Charge: Rs./kW/Month, Energy Charge: Rs./kWh)					
Commercial	All units	140	5.70	125	5.70
Irrigation & Agriculture Service Existing: (Fixed Charge: Rs./HP/Month, Energy Charge: Rs./kWh)					
Irrigation & Agriculture Service Approved: (Fixed Charge: Rs./HP/Month, Energy Charge: Rs./kWh)					
IAS	All units	20	5.00	40	4.50
Industrial Services Existing: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
Industrial Services Approved: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
LTIS (Demand Based)	All units	210	4.50	150	4.60
Industrial Services Existing: (Fixed Charge: Rs./HP/Month, Energy Charge: Rs./kWh)					
Industrial Services Approved: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
LTIS (Installation Based)	All units	110	4.50	150	4.60
Industrial Services Existing: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
Industrial Services Approved: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
HTS	All units	230	5.40	300	5.10
Streetlight Services Existing: (Fixed Charge: Rs./Conn./Month, Energy Charge: Rs./kWh)					
Streetlight Services Approved: (Fixed Charge: Rs./kW/Month, Energy Charge: Rs./kWh)					
Street Light	All Units	40	4.50	50	4.50
Institutional Services Existing: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kWh)					
Institutional Services Approved: (Fixed Charge: Rs./kVA/Month, Energy Charge: Rs./kVAh)					
RTS, MES & Other Distribution Licensees	All Units	350	6.00	300	5.05



A 9 TARIFF SCHEDULE

Applicable from 01/01/2021

Consumer Tariff

Ceiling Tariff

The Tariffs approved below are Ceiling Tariffs and the Licensee is at liberty to Supply at lower and more competitive rates based on the requirement of the Consumers. However, this reduced recovery shall be attributable to the Licensee and shall not be recoverable in the ARR.

Domestic Service-LT

Applicability:

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. and including motor pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

This rate is also applicable for supply to religious institutions such as Temples, Gurudwaras, Mosques, Church and Burial/ Crematorium grounds, Rural Drinking Water Schemes and other recognised charitable institutions, where no rental/fees are charged for the energy needs and for its products and services.

This rate is also applicable for all consumers with contracted demand of upto 5 kW mixed, commercial, industrial, educational institutions, drinking water schemes or for any other purpose, except streetlight connections and agriculture/allied connections.

Category of Services:

Domestic Service-LT: For Urban areas covered by notified Area Committee /municipality / Municipal Corporation / All District Town / All sub-divisional Town / All Block Headquarters /Industrial Area / contiguous sub-urban area all market places urban including rural drinking water schemes.

Service Character:

For LT: AC, 50 Cycles, Single Phase at 230 Volts, Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
DS-LT	Rs./Conn./month	80	3.25



Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.



Domestic Service - HT

Applicability:

This schedule shall apply to private residential premises for domestic use for household electric appliances such as Radios, Fans, Televisions, Desert Coolers, Air Conditioner, etc. and including motor pumps for lifting water for domestic purposes and other household electrical appliances not covered under any other schedule.

Category of Services:

Domestic Service - HT: This Schedule shall apply for domestic connection in Housing Colonies/ Housing Complex/Houses of multi storied buildings purely for residential use for single point metered supply, with power supply at 33kV or 11kV voltage level. DS-HT consumers, who supply power to individual households, the average per unit charges billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Service Character:

(i) For HT: AC, 50 Cycles, at 11kV or 33kV

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
DS-HT	Rs./kVA/month	75	2.80

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand whichever is higher. The penalty on exceeding Billing Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.



Commercial Services

Applicability:

This schedule shall apply to all consumers, using electrical energy for light, fan and power loads for non-domestic purposes like shops, hospitals (govt. or private), nursing homes, clinics, dispensaries, restaurants, hotels, clubs, guest houses, marriage houses, public halls, show rooms, workshops, central air-conditioning units, offices (govt. or private), commercial establishments, cinemas, X-ray plants, schools and colleges (govt. or private), boarding/ lodging houses, libraries (govt. or private), research institutes (govt. or private), railway stations, fuel - oil stations, service stations (including vehicle service stations), All India Radio / T.V. installations, printing presses, commercial trusts / societies, Museums, poultry farms, banks, theatres, common facilities in multi-storied commercial office/buildings, Dharmshalas, public Electric Vehicles Charging stations and such other installations not covered under any other tariff schedule whose Contracted Demand is greater than 5 kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

This schedule shall also be applicable to electricity supply availed through separate (independent) connections for the purpose of advertisements, hoardings and other conspicuous consumption such as external flood light, displays, neon signs at public places (roads, railway stations, airports etc.), departmental stores, commercial establishments, malls, multiplexes, theatres, clubs, hotels and other such entertainment/ leisure establishments whose Connected Load/Contracted Demand is greater than 5kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

Service Category:

Commercial Service-: Areas covered by Notified Areas Committee /municipality

/ Municipal Corporation / All District Town / All Sub-divisional Town / All Block Headquarters

/Industrial Area & Contiguous Sub-urban area, urban market place

Service Character:

Urban: AC 50 Cycles, Single phase at 230 Volts or Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
All Units	Rs./kW/month	125	5.70



Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.



Irrigation & Agriculture Service (IAS)

Applicability:

This schedule shall apply to all consumers for use of electrical energy for Agriculture purposes including tube wells and processing of the agricultural produce, confined to Chaff-Cutter, Thresher, Cane crusher and Rice-Hauler, when operated by the agriculturist in the field or farm and does not include Rice mills, Flour mills, Oil mills, Dal mills.

Service Character:

AC 50 Cycles, Single Phase at 230 volts /Three Phase at 400 volts

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
IAS	Rs./HP/month	40	4.50

Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.



Industrial Services

Applicability:

Low Tension Industrial Service (LTIS): This schedule shall apply to all industrial units having a Contracted Load more than 5 kW and less than or equal to 100 kVA (or equivalent in terms of HP or kW). The equivalent HP for 100 kVA shall be 114 HP and the equivalent kW for 100 kVA shall be 85 kW.

Service Character:

Low Tension Industrial Service (LTIS): AC, 50 Cycles, Single Phase supply at 230 Volts or
Three Phase Supply at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
LTIS	Rs./kVA/month	150	4.60

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 50% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order. In case Recorded Demand is more than 100 kVA/85 kW for any month for more than three instances within a Financial Year, the average of the Maximum Demand recorded during such instances shall be treated as the new Contract Demand for the purpose of billing of future months and the consumer will have to get into a new Agreement under the HTS category.

Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Installation of Shunt Capacitors: In accordance with **Clause VI: Installation of Shunt Capacitors** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

HT Services

Applicability:

High Tension Service (HTS): All the consumers drawing power at voltage level at 6.6 kV and above except Domestic-HT consumers and HT- Institutional Consumers.

Service Character:

High Tension Service (HTS): 50 Cycles, Three Phase at 6.6 kV/11 kV/33 kV/132 kV/220 kV/400 kV

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs.kVAh)
HTS	Rs./kVA/month	300	5.10

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Voltage Rebate: In accordance with **Clause IV: Voltage Rebate** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

TOD Tariff: In accordance with **Clause VII: ToD Tariff** as provided in section on Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.



Street Light

This tariff schedule shall apply for use of Street Lighting system.

Applicability:

Street Light Service (SS): This tariff schedule shall apply for use of Street Lighting system, including single system in corporation, municipality, Notified Area Committee, panchayats etc., and also in areas not covered by municipalities and Notified Area Committee provided the number of lamps served from a point of supply is not less than 5.

Service Character:

Street Light Service (SS): AC, 50 cycles, Single phase at 230 Volts or Three phase at 400 Volts

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
Streetlight	Rs./kW/month	50	4.50

Delayed Payment Surcharge: In accordance with **Clause III: Delay Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.



HT Institutional Services

This tariff schedule shall apply for use of Railway Traction, Military Engineering Services and Other Distribution Licensees.

Applicability:

Railway Traction (RTS) and Military Engineering Services (MES): This tariff schedule shall apply for use of railway traction and Military Engineering Services (MES) for a mixed load in defence cantonment and related area.

Other Distribution Licensees: This tariff schedule shall apply to other distribution licensees procuring power from the Licensee for the sole purpose of supplying it to its consumers. It is clarified that such tariff shall not be applicable for the quantum of power utilised in industrial units owned by it or its parent or affiliate company.

Service Character:

Railway Traction Service (RTS): AC, 50 cycles, Single phase at 25kV/132 kV.

Military Engineering Services (MES): AC, 50 cycles, three phase at 6.6 kV and above

Other Distribution Licensees: AC, 50 cycles, three phase at 6.6 kV and above.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HT- Institutional Services	Rs./kVA/month	300	5.05

Billing Demand: The Billing Demand shall be the Maximum Demand recorded during the month or 75% of Contract Demand, whichever is higher. The penalty on exceeding Contract Demand will be applicable in accordance with **Clause I: Penalty for exceeding Billing/Contract Demand** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Load Factor Rebate: In accordance with **Clause V: Load Factor Rebate** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

Voltage Rebate: In accordance with

Clause IV: Voltage Rebate of Terms & Conditions of Supply as provided in **Section A 10** Error! Reference source not found. of this Tariff Order.

Delayed Payment Surcharge: In accordance with **Clause III: Delayed Payment Surcharge** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.



Rebate for Online Payment and Due Date Payment: In accordance with **Clause VIII: Rebate for Online Payment and Due Date Payment** of Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

TOD Tariff: In accordance with **Clause VII: ToD Tariff** as provided in section on Terms & Conditions of Supply as provided in **Section A 10** of this Tariff Order.

RPO Compliance: RPO Compliance for Sale to Other Licensees, RTS and MES shall be made by the first Licensee which sells the power. viz., in case SAIL buys power from Discom-1 which in turn has procured such quantum of power from Discom-2 then the onus to comply with RPO will be with Discom-2 only.



Temporary Connections

Applicability:

The Temporary tariff shall be applicable as per the following conditions:

- (a) Temporary tariff shall be equivalent to 1.5 times of the applicable fixed and energy charges for temporary connections falling in each prescribed tariff category with all other terms and conditions of tariff remaining the same.
- (b) Temporary connections may be given with normal meters with security deposit as per JSERC (Electricity Supply Code) Regulations, 2015.
- (c) Temporary connections may also be given with prepaid meters with minimum prepaid balance equivalent to 45 days of sale of power, which shall be based on the assessment formula as per JSERC (Electricity Supply Code) Regulations, 2015 and amendment thereof.

Tariff:

Category	Fixed Charges	Energy Charges
	Rate	(Rs.)
All Units	1.5 times of the applicable Fixed Charges	1.5 times of the applicable Energy Charges



Tariff to be paid by the Licensee for Gross/Net Metering of rooftop Solar PV projects

The Commission had notified the JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) Regulations, 2015, on November 10, 2015, and further notified its 1st amendment as JSERC (Rooftop Solar PV Grid Interaction Systems and Net/Gross Metering) (1st Amendment) Regulations, 2019. The Tariff for sale of surplus power by Gross/Net metering of Rooftop Solar PV for FY 2020-21 for such eligible consumers of the Petitioner shall be as under:

Gross Metering: Rs. 4.16/kWh

Net Metering: Rs. 3.80/kWh

The tariff approved as above for FY 2020-21 shall remain effective till the issue of subsequent Tariff Order/Individual Order as the case may be.



Schedule of Miscellaneous Charges

S. No.	Purpose	Scale of Charges	Manner in which payment will be realized
1	Application fee		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
2	Revision of estimate when a consumer intimates changes in his requirement subsequent to the preparation of service connection estimate based on his original application		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
3	Testing of consumers Installation⁽¹⁾		
	LT Supply	Rs. 100	Payable with Energy Bill
	HT Supply	Rs. 500	
4	Meter test when accuracy disputed by consumer⁽²⁾		
	Single phase/Three Phase	Rs. 100	Payable with Energy Bill
	Trivector/ special type meter, HT, EHT Metering Equipment	Rs. 500	
5	Removing/ Refixing of meter		
	Single phase/Three Phase	Rs. 200	Payable with Energy Bill
	Trivector/ special type meter, HT, EHT Metering Equipment	Rs. 1000	
6	Replacement of meter card, if lost or damaged by consumer	Rs. 100	Payable with energy bill
7	Fuse call – Replacement		
	Consumer fuse	Rs. 100	Payable with energy bill
8	Disconnection/Reconnection		
	LT Connection	Rs. 200	Payable in advance along with the Consumer request. In case the same consumer is reconnected or disconnected within 12 months, 50% will be charged extra
	HT Connection	Rs. 1500	
9	Security Deposit	As per the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time	
10	Replacement of Brunt Meter	Cost of Meter	Payable with Energy Bill
11	Transformer Rent⁽³⁾		
	Upto 200 kVA	Rs. 5500/Month	Payable with energy bill
	Above 200 kVA	Rs. 7500/Month	

¹First test & Inspection free of charge, but should any further test and inspection be necessitated by faults in the installation or by not compliance with the conditions of supply for each extra test or inspection.

²If the meter is found defective within the meaning of the Indian Electricity Rules 1956, no charge shall be levied. If it is proved to be correct within the permissible limits laid down in the Rules, the amount will be charged in the next energy bill.

Note: Meter Rent Deleted as the same is done away with in this Order.

A 10 TERMS AND CONDITION OF SUPPLY

Clause I: Penalty for exceeding Billing/Contract Demand

In case the Recorded/Actual Demand exceeds 110% of the Contract Demand, the consumer shall pay penal charges. The penal charges would be charged as follows: If the Recorded Demand exceeds 110% of Contract Demand, then the Demand Charge up to Contract Demand will be charged as per the normal Tariff rate. The remaining Recorded Demand over and above the Contract Demand will be charged at 1.5 times the normal Tariff rate.

In case Recorded Demand is higher than the Contract Demand by the quantum and for the duration as specified in the JSERC (Electricity Supply Code) Regulations, 2015, as amendment from time to time, the Contract Demand shall be revised as per the procedure specified therein.

Clause II: Jharkhand Electricity Duty

The charges in this tariff schedule do not include charges on account of State Electricity Duty/Surcharge to the consumers under the State Electricity Duty Act and the rules framed there under as amended from time to time and any other Statutory levy which may take effect from time to time.

Clause III: Delayed Payment Surcharge

The Delayed Payment Surcharge will be at the rate of 1.00% per month chargeable proportionately. The due date for making payment of energy bills or other charges shall be 21 days after issue date of bill. The bill should be generated and delivered on monthly basis. In case, the Licensee defaults in generating and delivering bills on monthly basis, Delayed Payment Surcharge will not be charged for the period of default by Licensee. The consumer should not be deprived of any subsidy/benefit which could have been otherwise accrued to the consumers i.e. energy units/amount (in case of unmetered) billed has to be apportioned on average monthly basis for the whole billing duration.

Illustration:

In case the payment is made 10 days after the due date, the DPS shall be at:

$$10/30 * 1\% = 0.33\%$$

Clause IV: Voltage Rebate

Voltage rebate* will be applicable on Demand and Energy Charges as per the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time at the rate given below:

Consumer Category	Voltage Rebate
HTS/HT Institutional -33 kV	3.00%
HTS/ HT Institutional -132 kV	5.00%
HTS/ HT Institutional – 220 kV	5.50%
HTS/ HT Institutional – 400 kV	6.00%

* **Note:** The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.

Clause V: Load Factor Rebate

As also discussed in the Tariff Rationalisation section, the Commission is of the view that in order to speed up the economic recovery process which is vital for general socio-economic development of the State there is need to modify the Load Factor Rebate mechanism.

The Commission after prudence check observed that the consumption of HT consumer increased abruptly during FY 2017-18 and FY 2018-19 and Petitioner has not submitted the APR for FY 2019-20 and ARR of FY 2020-21. Due to these reasons' calculation of average Load Factor of HT Consumers of SAIL cannot be done accurately for this Order.

The Commission therefore taking in consideration of the above situation and necessity to revive the Industries approves the Load Factor rebate equivalent to JBVNL approved in the order dated October 01, 2020.

The Load factor rebate shall be allowed to all the consumers whose load factor exceeds 45%. For any 'X' % increase in the load factor over and above 45%, the rebate shall be allowed at the rate of 'X' % on the total energy charges corresponding to energy consumption of the consumer subject to a maximum ceiling rebate of 15%.

Illustration: If a consumer's load factor for a given billing month is 58.50% then the percentage rebate allowed to such consumer shall be (58.50%-45.00%) i.e., 13.50%. The percentage rebate thus calculated (13.50%) shall be multiplied with the total energy charges corresponding to the entire energy consumption of the consumers and the rebate amount shall be allowed.

The above rebate will be available only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebate shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate Courts.



Clause VI: Installation of Shunt Capacitors

Connections with inductive load/motors as specified in Clauses 8.2.34 and 8.2.35 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time, shall be installed with Shunt Capacitors to meet the Power Factor requirements.

For existing consumer, the Petitioner should first serve one month's notice to all such consumers who do not have or have defective shunt capacitors. In case the consumers do not get the capacitor installed/replaced within the notice period, the consumer shall be levied a surcharge at 5% on the total billed amount charge (metered or flat), till they have installed the required capacitors.

Clause VII: ToD Tariff

TOD tariff shall be applicable as an option to HTS and HT Institutional Consumers as follows:

- **Off Peak Hours: 10:00 PM to 06:00 AM:** 85% of normal rate of energy charge
- **Normal Hours: 10:00 AM to 06:00 PM:** 100% of normal rate of energy charge
- **Peak Hours: 06:00 AM to 10:00 AM and 06:00 PM to 10:00 PM:** 120% of normal rate of energy charge

Clause VIII: Rebate for Online Payment and Due Date Payment

The due date for making payment of energy bills or other charges shall be 21 days after issue date of the bill.

A rebate of 1.00% shall be allowed on the billed amount for payment within the due date of the entire billed amount made either through online or any digital mode or through cash.

Further, additional 1.00% rebate shall be allowed if the bills are paid in full within the due date through online web portal or any digital methods.

It is clarified that in accordance with the above, if a person pays the entire billed amount through online web portal or any digital mode, the consumer shall be entitled to 2.00% rebate on the total billed amount. Further no rebate shall be allowed after due date irrespective of the mode of payment.

Clause IX: Rebate for Prepaid Metering

The Commission has introduced rebate to prepaid meters at 3% of the Energy Charges for the respective Consumer Category. For such consumers, the Petitioner shall refund the entire Security Deposit within one month from the date of installation of such prepaid meters.

Clause X: Rebate for Delayed Billing

The Commission has introduced rebate in case of delayed billing to consumers to promote prompt billing by the Licensees. In case the bill is not received for two continuous billing cycles, a rebate at the rate of 1.00% on the bill amount per month for delay beyond two months or part thereof shall be applicable subject to a ceiling of 3%. The Utility shall not be eligible to claim such Rebate as a part of ARR. The same shall be treated as a Compensation for the consumers out of the RoE of the Licensee. This clause shall be applicable for all consumers.

Clause XI: Other Terms and Conditions

Reduction in Fixed Charges

Recovery of Complete Fixed/Demand Charges from consumers shall be based on the availability of hours of supply recorded by meters installed in the consumer's premises. SAIL to include the same in the consumer's bill and recover the Fixed Charges only in proportion to the hours of supply as per the meter. The cut off hours for complete recovery from Fixed/Demand Charges shall be 21 hours per day for LT consumers and 23 hours per day for HT Consumers.

Provided that the planned outages/Rostering in the network that are uploaded on its website seven days in advance with a copy to the Commission and intimation to the respective consumers shall be excluded while computing scheduled supply hours.

Provided that any reduction in recovery of Fixed/Demand Charges on account of lower than stipulated hours of supply shall not be claimed as a part of the ARR. Any reduction in the Fixed/Demand Charges shall be considered as a compensation to be paid to the Consumer by the Licensee.

The Commission directs the Petitioner to submit a report on implementation of the above, within 30 days of issue of this Order and implement the same from the subsequent billing cycle following the issuance of this Order.

Point of Supply

The Power supply shall normally be provided at a single point for the entire premises. In certain categories like coal mines power may be supplied at more than one point on request of consumer subject to technical feasibility. But in such cases metering and billing shall be done separately for each point.

Dishonoured Cheques

In terms of Regulation 10.10.5 of the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time, in the event of dishonoured cheque for payment against a



particular bill, the Licensee shall charge a minimum of Rs. 300 or 0.5% of the billed amount, whichever is higher. In addition to the same, the Delay Payment Surcharge shall be levied extra as per the applicable terms and conditions of Delay Payment Surcharge.

Stopped/Defective Meters

In case of existing consumers with previous consumption pattern, the provisional average bill shall be issued as per Clause 10.3.1 of the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time.

In case of meter being out of order from the period before which no pattern of consumption is available, the provisional average bill shall be issued on the basis of Sanctioned/Contract Load on following Load Factor applicable to respective categories:

Consumer Category	Load Factor
Domestic	0.15
Non-Domestic	0.20
LTIS	0.20
DS-HT	0.15
HT Consumers-Below 132 kV	0.30
HT Consumers- 132 kV & Above	0.50

Sale of Energy

No consumer shall be allowed to sell the electricity purchased from the Licensee to any other person/entity. In case of DS-HT consumers, who supply power to individual households, the average per unit charges billed to an individual consumer shall not exceed 105% of average per unit cost paid to the Petitioner. This additional 5% allowed reflects the internal distribution losses in housing complex and administrative and distribution costs.

Release of New Connections

No new connections shall be provided without appropriate meter.

Conversion Factors

The following shall be the conversion factors, as and where applicable: (PF=0.85):

1 kiloWatt (kW) = 1.176 kiloVolt Ampere (kVA)

1 kiloWatt (kW) = 1/0.746 Horse Power (HP)

1 Horse Power (1 HP) = 0.878 kiloVolt Ampere (kVA)

Fuel & Power Purchase Cost Adjustment (FPPCA)

Applicable as per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 and as amended by the Commission from time to time.

A 11 COMPLIANCE OF DIRECTIVES

10.1 The Commission has time and again issued various directives in order to improve the functioning of the Petitioner. However, the Commission notes with concern that the Petitioner has repeatedly failed to comply with the directives of the Commission. The Commission directs the Petitioner to comply with the directives with utmost sincerity failing which penal action may be taken.

Directives	Status	Views of the Commission
<p>Segregation of Accounts of the Electricity Distribution Business and Audit of Accounts.</p> <p>As per the provisions under Section 51 of the Act, a distribution licensee is required to maintain separate accounts for each business so as to ensure that the power supply business does not subsidize or burden its distribution assets to support other business activities of the licensee.</p> <p>The Commission observed that the annual accounts submitted by the Petitioner have been merely extracted from the main accounts of Bokaro Steel Plant on basis on certain norms</p>	<p>SAIL has an integrated steel production business and the Company has been incorporated under the Companies Act. It prepares the Audited Annual Accounts as a statutory requirement since inception. The licensed electricity distribution business i.e. SAIL- BSL is a part of this overall integrated steel production business. SAIL continues to prepare its Audited Accounts as described above.</p> <p>The licensee in compliance to the directives of the Honorable Commission prepares accounts for its Electricity Business, being duly verified and audited by a Chartered Accountant. The copy of the accounts would be submitted shortly before the Honorable Commission for its pursuance. For the purpose of the instant filing, the segregation and allocation of costs is based on the accounts of the Petitioner for its Electricity Business. The cost data is captured through the Financial Accounting System</p>	<p>The Commission has taken a note on the compliance of the Petitioner.</p> <p>However, the Commission notes with concern that the Accounts as submitted by the Petitioner have following issues</p> <ol style="list-style-type: none"> 1. The annual account submitted have been extracted from the main accounts of Bokaro steel Plant and does not represent the complete picture of expenses. 2. Detail of employee engaged in the electricity business; their salary drawn are not calculated accurately. 3. Deficit of Corporate Office/CMO/CCSO is calculated based on Income from electricity business vis-à-vis sales of Bokaro Steel Plant which is not correctly represent the real picture. <p>The Commission, however, provides one more opportunity to comply with the directive, failing which appropriate</p>



Directives	Status	Views of the Commission
<p>and assumptions. Such extraction of expenses, on a normative basis, is not scientific and does not represent the complete picture of expenses of the distribution business. The Petitioner is directed to undertake an exercise for full and final segregation of accounts and get it certified.</p> <p>The Commission directed the Petitioner to maintain and submit to the Commission separate lists of all the employees who are partially and wholly engaged in the electricity distribution business, along with their role and responsibility and salary drawn during the past financial year as on March 31, 2018 with the next tariff petition.</p>	<p>maintained on SAP platform and separate cost centers that have been created through which identification of directly allocable expenditures has been provided for.</p>	<p>penal action shall be taken</p>
<p><u>Maintenance of Fixed Asset Register</u> The Commission has noted that the Petitioner does not</p>	<p>The Petitioner submitted that Fixed Assets Register has been prepared for the Steel Plant as a whole and it encompasses all</p>	<p>The Commission is of the view that the directive has not been complied with. The Petitioner must expedite the process and submit the report</p>



Directives	Status	Views of the Commission
<p>maintain a separate fixed asset register for its electricity distribution business and has only been able to identify fixed assets worth Rs 7.90 Cr (in FY 2009-10) in use in its licensed area, in its books of accounts.</p> <p>The Commission is of the view that the directive has not been complied with. The Petitioner must expedite the process and submit the report of the exercise within 6 months of the date of issuance of Order.</p>	<p>the assets of SAIL- BSL.</p>	<p>the exercise within 3 months of the date of issuance of Order.</p>
<p><u>Timeliness and Data Adequacy in Next tariff Petition.</u></p> <p>The Commission directs the licensee to come up with the next tariff petition, after removing the various data deficiencies highlighted in this Tariff Order. The Petitioner should prepare the petition in a professional manner and ensure that the data submitted to the Commission is</p>	<p>The Petitioner has prepared an internal group of senior officials to prepare all data table and the draft of the petition. Petitioner is in the process of appointing a professional group which will be engaged for a period of 3 years. The appointment of such professional group is expected by the end of August, 2019.</p> <p>Any observation of the Hon'ble Commission on the petition and submitted data will be suitably replied with consultation from the such appointed Professional group</p>	<p>The Petitioner has not complied with the timelines as specified in the JSERC Distribution Tariff Regulations, 2015. The Commission re-directs the Petitioner to comply with the timelines as specified in the Regulations failing with appropriate actions under Section 142 of the Act for non-compliance shall be initiated.</p>



Directives	Status	Views of the Commission
<p>accurate. The Commission also directs the licensee to ensure submission of subsequent ARR and Tariff filings for the ensuing year by 1st November of every year.</p>		
<p><u>Distribution Losses</u> The Commission has taken note of the steps taken by the Petitioner to contain distribution loss levels. However, it is a matter of grave concern that the actual distribution loss levels of the Petitioner have been significantly high compared to the distribution utilities serving in a similar geographical area. The Commission re-directs the Petitioner to continue taking measures so as to comply with the distribution loss levels as set by the Commission.</p>	<p>The Petitioner has submitted that it has appointed different teams from TA-Electrical for monitoring of theft of energy in license area. The Petitioner has been making all out efforts towards reduction in the incidents of theft and losses. It is submitted in this regard that teams have been formed comprising senior officials to regularly visit different sites during the weeks and take appropriate action wherever hooking/illegal tapping is encountered.</p> <p>The above effort has helped in reduction of Distribution Losses to the level of 32.66% during the year 2018-19. Losses are further down the level of only 7.12% after consideration of steel plant consumption.</p> <p>The petitioner is confident of further reducing the distribution losses and has also planned for</p>	<p>The Commission has taken note of the steps taken by the Petitioner to contain distribution loss levels. However, it is a matter of grave concern that the actual distribution loss levels of the Petitioner have been significantly high compared to the distribution utilities serving in a similar geographical area. The Commission re-directs the Petitioner to continue taking measures so as to comply with the distribution loss levels as set by the Commission.</p>

Directives	Status	Views of the Commission
	<p>appointment of an external agency to carry out billing/ accounting and collection process.</p> <p>In view of the above, distribution loss for 2019-20 has been projected as 16% which is same as approved by the Hon'ble Commission in MYT tariff for the year.</p>	
<p>Billing and Metering Related issues</p> <p>The Commission directs the Petitioner to provide status update to the Commission regarding category-wise defective/ burnt/ non- performing meters and action plan on replacement of these with the next tariff Petition.</p> <p>The Commission directs the Petitioner to prepare a metering plan to provide meters to all the unmetered consumers and also ensure that no new connection is released without a meter. The metering plan should be submitted within three months of the</p>	<p>The Petitioner submitted that it has taken steps to ensure metering of all the connections issued in the area. However, the same being a gradual process may take some more time to achieve 100% metering.</p> <p>In order to address the matter, the petitioner has also planned for appointment of an external agency to carry out billing/ accounting and collection process.</p>	<p>The Commission is concerned that not much progress has been made by the Petitioner on the directive issued by the Commission regarding the installation of meters and a large number of consumers are still unmetered.</p> <p>Further, the Commission has observed that in several cases even when a meter is installed, billing is being done on a flat rate basis and not on the basis of the actual meter reading.</p> <p>The Commission re-iterates that Petitioner should achieve 100% metering and submit a comprehensive plan for achieving the same. Further, the consumers should be billed on the basis of actual consumption during the month and not on a flat rate basis.</p> <p>The Petitioner is directed to</p>



Directives	Status	Views of the Commission
<p>issuance of this Tariff Order.</p> <p>Further, the plan should be implemented within a year of issuance of this Order failing which the Commission shall be constrained to declare such un-metered categories as illegal and the tariff for such categories shall stand abolished.</p>		<p>provide meters for all unmetered services (own consumption) by December 2018 and submit compliance report failing which action will be initiated under Section 142 of the Act.</p>
<p>Cost of supply</p> <p>The Commission directs the Petitioner to conduct a COS study for each category of consumers and submit it to the Commission along with the next Tariff Petition.</p>	<p>The Petitioner submitted that in order to calculate the category wise cost of supply, losses at different voltage level will have to be determined for which meters and CT/PT sets are to be installed at the substation. Further, metering of 11 kV feeders hasn't been accomplished so far.</p> <p>Actions have been initiated for installation of CT/ PTs and meters at all levels in the distribution network including 11 KV individual feeders.</p> <p>The Petitioner will be therefore in a position to calculate the category wise cost of supply only after installation of such CTs /PTs and meters for which</p>	<p>The Commission directs the Petitioner to conduct a CoS study for each category of consumers and submit it to the Commission along with the next Tariff Petition.</p>



Directives	Status	Views of the Commission
	actions have been taken.	
<p>Quality of power/ Reliability Indices and Standard of Performance (SOP)</p> <p>The Commission directs the Petitioner to continue submitting monthly report on Reliability Indices in MS-Excel format along with compliance to SOPs in true spirit, in course of achieving 24x7 quality & reliable power.</p>	<p>The Petitioner submitted that it has prepared a 'Contingency Plan for restoration of power' wherein stepwise approach has been framed to restore power supply at different instances of events. Besides other details, the plan consists of aspects such as damage report preparation, preventive actions to be taken, priority wise feeder restoration, deployment of officers and availability of vehicles etc.</p> <p>Further, the Petitioner has set objectives and targets in accordance with ISO 9001:2015 Quality Management System for the next MYT period. The key features of these objectives and targets are as below:</p> <ol style="list-style-type: none"> a. 'No -Light' complaint in general to be attended between 8 AM to 10 PM same day: Target 100% by 2019-20 b. 'No -Light' complaint due to failure of Transformers and Feeder cables etc. within 24hrs: Target 100% for 2019-20 c. 10% reduction in no. of No-Light complaints with respect to the previous year's complaints: Target 12447 for FY2019-20 d. 6% reduction in no. of General complaints with respect to the previous year's complaints: Target 33074 for FY 2019-20 	<p>The Petitioner has not complied with the Directives. The Commission directs the Petitioner to continue submitting monthly report on Reliability Indices in MS-Excel format along with compliance to SOPs in true spirit, in course of achieving 24x7 quality & reliable power.</p> <p>The Commission directs the Petitioner to continue implementing SoP as per Standards of Performance as per the JSERC (Standards of Performance) Regulations, 2015 and report to the Commission as per Regulation.</p>



Directives	Status	Views of the Commission
	<p>e. 5% reduction in breakdown of Transformers: Target 45 for FY 2019-20</p> <p><i>*No-Light - The minimum criteria for 'No-Light' is that there should be no electricity in the whole premises of an occupant. Moreover, it extends to no electricity in a block, more than a block, a sub-sector or area and a complete sector or area. Partial failure of Electricity in a Quarter is beyond the purview of 'No-Light'</i></p> <p>Similarly, the Petitioner submitted that steps are being taken to adhere with the industry-wide standards of performance for other parameters also.</p>	
<p>Energy Audit & T&D Loss Reduction Plan</p> <p>The Commission directs the Petitioner to conduct Energy Audit & prepare T&D loss Reduction Plan. The Energy Audit will enable the Petitioner to ascertain the flow of power within its system, the actual level of distribution losses and commercial loss. The energy audit</p>	<p>The Petitioner submitted that actions for installation of measuring transformers and meters at the various nodes of the distribution network have been initiated. It is submitted that energy audit will be taken up soon.</p>	<p>The Petitioner has not complied with the Directives. The Commission directs the Petitioner to conduct Energy Audit & prepare T&D loss Reduction Plan.</p>



Directives	Status	Views of the Commission
<p>should also include study of the network of SAIL-Bokaro, flow of power in the distribution system and load management of the supply to the township. The Petitioner is required to submit the same along with its progress to the Commission within six months of issue of this Tariff Order.</p>		
<p>Power purchase optimization The energy requirement of the Petitioner is currently being met through purchase of power from a single source i.e. DVC. Further, the Commission observes that the cost of power purchased from DVC is high – the average cost of power purchase from DVC was Rs 4.70/kWh in FY 2015-16. The Commission directs the Petitioner to make all efforts to explore cheaper sources of power and submit a report to the Commission within six</p>	<p>The Petitioner submitted that it is purchasing power through DVC only, as SAIL- BSL has already signed a PPA with DVC to procure power. Hence, it is not possible for SAIL- BSL to procure power other than this source. It is further submitted that the Petitioner expects the rate of power purchase from DVC to come down once a truing up is conducted by the Honorable Commission on the past ARR of DVC. Further, the long term PPA provided certainty of power availability with the Petitioner.</p>	<p>The Commission notes the compliance submitted by the Petitioner.</p>



Directives	Status	Views of the Commission
months of issuance of this Order.		
<p>True-UP Petition for FY 2008-09 to FY 2012-13</p> <p>The Commission directs the Petitioner to submit true-up Petitions for the FY 2008-09 to FY 2012-13 based on the segregated audited accounts of the electricity distribution business of SAIL-BSL.</p>	<p>The Petitioner submitted that it buys power from DVC under long term PPA. Retail tariff of DVC for the period from 2006-09 has not been yet determined due to various litigation in Hon'ble Supreme Court and APTEL.</p> <p>Further, the Petitioner submitted that it will be able to submit True up for the year FY 2008-09 to FY 2012-13 only after finalization of retail tariff of DVC for 2006-09 period without which it would be difficult to ascertain the Power Purchase Cost.</p>	<p>The Commission takes note of the compliance of the directive.</p>
<p>Impact assessment study for switching from kWh billing to kVAh billing</p> <p>The Commission directs the Petitioners to carry out impact assessment study on transition from kWh billing to kVAh billing, for a sample set of consumers in the HTS category and submit a report within six months of issuance of this Order.</p>	<p>The Petitioner submitted that actions for installation of measuring transformers and meters at the various nodes of the distribution network have been initiated. Impact assessment study for switching from kWh to kVAh shall be taken up after the installation of such meters in the network as well as at consumer premises.</p>	<p>The Petitioner has not complied with the Directives of the Commission. The Commission in this Order has introduced kVAh tariff and any impact on account of the same shall not be passed on to the consumers as the same is failure on the part of Distribution Licensee.</p>
<p>Removal of</p>	<p>The Petitioner submitted that</p>	<p>The Petitioner does not</p>



Directives	Status	Views of the Commission
<p>Installation Based Tariff</p> <p>The Commission hereby directs the Petitioner to replace all existing meters of LTIS consumers with MDI meters in a phased manner so as to convert all the existing Installation based consumers to Demand based consumers within one year from the date of issuance of the Order.</p>	<p>actions for installation of measuring transformers and meters at the various nodes of the distribution network have been initiated.</p>	<p>comply with the Directives. The Commission hereby directs the Petitioner to replace all existing meters of LTIS consumers with MDI meters in a phased manner so as to convert all the existing Installation based consumers to Demand based consumers within one year from the date of issuance of the Order.</p>
<p>Strengthening/Increasing effectiveness of consumer grievance redressal mechanism</p> <p>The Commission directs the Petitioner to strengthen and increase effectiveness of its consumer grievance handling mechanism and submit a report to the Commission along with the next Tariff Petition indicating- total number of complaints received, nature of complaint, complaints resolved, average resolution time, complaints</p>	<p>CGRF has been appointed by the Petitioner and all efforts are being taken to improve the effectiveness.</p>	<p>The Commission notes the compliance of the Petitioner.</p>



Directives	Status	Views of the Commission
pending etc.		
<p>Bank Guarantee for security deposit above Rs 10 Lakhs</p> <p>The Commission directs the Petitioner to strictly comply with Clause 8.2.20 of the JSERC (Supply Code) Regulations, 2015 as per which:</p> <p>“The Consumer whose total amount of Security Deposit exceeds Rs. 10 Lacs may, at his option, furnish irrevocable Bank Guarantee from a nationalized or scheduled commercial Bank initially valid for a period of two years. It shall be the responsibility of the consumer to keep the Bank Guarantee valid at all times and to renew the Bank Guarantee at least 2months prior to its expiry”</p> <p>The above-mentioned clause shall be applicable for all existing as well as new consumers.</p>	<p>The Petitioner does not take any security deposit from the Consumers so Petitioner feels there is no requirement of any Bank Guarantee.</p>	<p>The Commission takes note of the submissions made by the Petitioner.</p>



Directives	Status	Views of the Commission
<p>Investment in Cyber Security solutions</p> <p>The Commission directed the Owing to widespread cases of compromise of various Government websites in the country, the Commission is of the view that deployment of cyber security solutions needs to be looked into. Moreover, with increasing focus on digital mode of payment coupled with the rebate on payment of electricity bills online/ through digital mode, it becomes even more important to invest in cyber security solutions. In this regard, the Petitioner may look into the possibilities of investing in such cyber security solutions. The cost incurred on such investment shall be allowed to be recovered through the ARR, subject to prudence check.</p>	<p>The Petitioner submitted that the provisions of online payment system has not yet been adopted by the Petitioner. It will be taken care of in due course of time and the directives of the Hon'ble Commission will be followed at that time.</p>	<p>The Commission observe that bill payment via digital payment mode is still not implemented by the Petitioner.</p> <p>The Commission directs the Petitioner to start implementing the digital payment method and prepare a roadmap for improvement in cyber security system.</p>
<p>Strengthening of</p>	<p>The Petitioner is gradually taking</p>	<p>The Commission directs the</p>



Directives	Status	Views of the Commission
<p>Distribution Network</p> <p>The Commission directs the Petitioner to take appropriate steps to strengthen its distribution network. The Petitioner is directed to submit a detailed plan with expected benefits with the next tariff Petition.</p> <p>In addition, the Commission directs the Petitioner to implement safety measures in its network to avoid accidents which not only disrupts supply but also leads to loss of human life.</p> <p>The Commission also directs the Petitioner to update and implement its Safety Manual in line with the Provisions of Indian Electricity Rules to avoid such disruptions and mishaps.</p>	<p>up the work of strengthening Distribution Network by changing distribution transformers and overhead lines in phased manner.</p>	<p>Petitioner to submit the detailed plan with expected benefits with the next MYT petition.</p>
<p>Wheeling Tariff</p> <p>The Commission directs the Petitioner to propose capacity-based Wheeling tariff and</p>	<p>The directives of the Hon'ble Commission will be taken up after installation of metering systems at the various nodes of the network for which actions have been initiated.</p>	<p>The Petitioner has not complied with the Directives. The Commission directs the Petitioner to propose capacity-based Wheeling tariff and specify the voltage-</p>



Directives	Status	Views of the Commission
<p>specify the voltage-wise distribution losses as per clause 7.9 of the JSERC MYT Regulations, 2015.</p>		<p>wise distribution losses as per clause 7.9 of the JSERC MYT Regulations, 2015 with next tariff petition.</p>
<p>Segregation into Retail & wheeling supply of business</p> <p>According to the Regulation 5.4 of the JSERC Distribution Tariff Regulations 2015, separate accounting has to be done for Wheeling & Retail supply of Business which has not been the case till now. As per Regulation 5.5 of JSERC Distribution Tariff Regulations 2015, until the time accounts are not segregated an Allocation Statement shall be prepared and submitted to apportion the costs and revenues after the approval of the Board of Directors.</p> <p>The Commission strictly directs the Petitioner to make separate accounting for both the businesses and</p>	<p>The petitioner submitted that it is mainly into retail business with most of its consumers connected at LT level. Directives of the Hon'ble Commission will be taken up after appointment of the expert party for which tender has already been issued.</p>	<p>The Commission has taken note of the steps taken by the Petitioner.</p> <p>The Commission directs the Petitioner to make separate accounting for both the businesses and submit the allocation statement duly approved by the Board of Directors with the MYT Petition for the next control period.</p>



Directives	Status	Views of the Commission
<p>submit the allocation statement duly approved by the Board of Directors within 3 months of the date of issue of the Tariff Order.</p>		
<p>Voltage wise- Cost of Supply</p> <p>The Commission directs the Petitioner to carry out a detailed technical study on voltage wise losses on Distribution network and furnish a report along with the next Tariff Petition.</p>	<p>The directives of the Hon'ble Commission will be taken up after installation of metering systems at the various nodes of the network for which actions have been initiated.</p>	<p>The Commission directs the Petitioner to carry out a detailed technical study on voltage wise losses on Distribution network and furnish a report along with the next Tariff Petition.</p>
<p>Theft of Electricity</p> <p>The Commission directs the Petitioner to strengthen the vigilance wing and take up frequent checking of theft prone areas and also take appropriate steps to improve revenue collection in relation to revenue assessed in cases of theft.</p>	<p>The Petitioner submitted that the Petitioner has made several efforts to control such unauthorized usage of electricity. The key initiatives in this regard are listed below:</p> <ol style="list-style-type: none"> 1. Formation of groups and roster wise site visits to check illegal connections and hooking in local areas. 2. Formation of teams jointly with the District police to launch massive drives to curb illegal power theft. 3. Routine visits by senior officials in high theft prone areas. 	<p>The Commission has taken note of the steps taken by the Petitioner to contain distribution loss levels. However, it is a matter of grave concern that the actual distribution loss levels of the Petitioner have been significantly high compared to the distribution utilities serving in a similar geographical area. The Commission re-directs the Petitioner to continue taking measures so as to decrease the theft of electricity in theft prone area.</p>



Directives	Status	Views of the Commission
<p>Power Regulatory Accounts</p> <p>The Commission directs the Petitioner to submit Power Regulatory accounts in line with JSERC Power Regulatory Accounting Regulations, 2016.</p>	<p>The Petitioner submitted that Directives of the Hon'ble Commission will be taken up after appointment of the expert party for which tender has already been issued.</p>	<p>The Commission directs the Petitioner to submit Power Regulatory accounts in line with JSERC Power Regulatory Accounting Regulations, 2016 with the MYT tariff petition.</p>



A 12 DIRECTIVES

Segregation of Accounts of the Electricity Distribution Business and Audit of Accounts

- 12.1 As per the provisions under Section 51 of the Act, a distribution licensee is required to maintain separate accounts for each business so as to ensure that the power supply business does not subsidize or burden its distribution assets to support other business activities of the licensee.
- 12.2 The annual accounts submitted by the Petitioner have been merely extracted from the main accounts of Bokaro Steel Plant on basis on certain norms and assumptions. Such extraction of expenses, on a normative basis, is not scientific and does not represent the complete picture of expenses of the distribution business. The Petitioner is directed to undertake an exercise for full and final segregation of accounts and get it certified.

Employee Details

- 12.3 The Commission identified that the employee expenses is calculated by considering the actual employee expenses incurred by TA-electrical department and employee expenses incurred on DNW and of ETL proportionately in the ratio of distribution capacity of capacity of TA-Electrical Department to the total capacity.
- 12.4 The Petitioner is directed to maintain and submit to the Commission separate lists of all the employees who are partially and wholly engaged in the electricity distribution business, along with their role and responsibility and salary drawn during the past financial year as on March 31, 2021 with the next tariff petition.

Timeliness and Data Adequacy in Next tariff Petition

- 12.5 The Commission directs the licensee to come up with the next tariff petition, after removing the various data deficiencies highlighted in this Tariff Order. The Petitioner should prepare the petition in a professional manner and ensure that the data submitted to the Commission is accurate. The Commission also directs the licensee to ensure submission of True up Petition for FY 2019-20, APR Petition for FY 2020-21 and MYT Petition for the Tariff period from FY 2021-22 to FY2025-26 within three months from the date of publishing of this order.

Sd/-
(P. K. Singh)
MEMBER (Legal)

Sd/-
(R. N. Singh)
MEMBER (Engg.)



Annexure 1

List of participating members of the Public in the Public Hearing though Video Conferencing

Sr. No.	Name	Address/Organization
Date & Time: December 18, 2020 02:30 PM		
1	Mr. Binod Kumar	Bokaro Vayavsayik Plot Holders' Welfare Association
2	Mrs. Abha Devi	Bokaro Vayavsayik Plot Holders' Welfare Association
3	Mr. Navin Kumar	Bokaro Vayavsayik Plot Holders' Welfare Association
4	Mr. Bhaiya Pritam	Bokaro Vayavsayik Plot Holders' Welfare Association
5	Mr. Narendra Kumar Singh	Bokaro Vayavsayik Plot Holders' Welfare Association
6	Mr. Dhanraj Singh	Bokaro Vayavsayik Plot Holders' Welfare Association
7	Mr. Badalchandra Roy	Stakeholder
8	Mr. Kamlesh Sharma	Stakeholder
9	Mr. Naresh Lodha	Stakeholder
10	Mr. Ram Kumar Sharma	Stakeholder
11	Mr. Saroj Devi	Stakeholder
12	Mr. R. K. Vishwakarma	Vaste Bokaro Chambers of Commerce
13.	Mr. Sanjay Kumar Singh	SAIL-BSL
14.	Mr. Vivek	Consultant SAIL-BSL
15.	Mr. Jayesh	Consultant SAIL-BSL
16.	Mr. Anil Kumar	Stakeholder
17.	Mr. Chandan Kumar	Stakeholder
18.	Mr. Sanjeev Kumar Singh	Stakeholder