



झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No. 04 of 2022/ 235
Date: 02nd November 2022

To

Shri V. P. Singh
General Manager (Power Service)
Tata Steel Utilities and Infrastructure Services Ltd. (TSUISL)
Sakchi Boulevard Road
Northern Town, Bistupur
Jamshedpur – 831 001

Sub: Additional data requirement pertaining to deficiencies observed in the Petition for True-up of FY 2020-21, Annual Performance Review for FY 2021-22 and Aggregate Revenue Requirement & Tariff for FY 2022-23 of Tata Steel Utilities and Infrastructure Services Ltd. (TSUISL) – Regarding thereof.

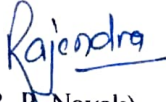
Sir,

Please find enclosed a copy of Order dt. 01.11.2022 passed by the Commission in Case (Tariff) No. 04 of 2022 along with office report dt. 01.11.2022 pointing out some discrepancies in the petition as cited.

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

Thanking you.

Yours faithfully,


(R. P. Nayak)
Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION
RANCHI**

FORM OF PROCEEDING

Case (Tariff) No. 04 of 2022

Tata Steel Utilities and Infrastructure Services Ltd. (TSUISL)

Petitioner

| Sl. No. | Date of proceeding | Proceedings of the Commission with signature | Office action taken with date |
|---------|--------------------|---|-------------------------------|
| 1 | 2 | 3 | 4 |
| 2. | 01.11.2022 | <p>The petition dated 29.11.2021 for True-up of FY 2020-21, Annual Performance Review for FY 2021-22 and Aggregate Revenue Requirement & Tariff for FY 2022-23 of the petitioner – Tata Steel Utilities and Infrastructure Services Ltd. (TSUISL) has been scrutinized and several deficiencies/discrepancies have been pointed out as shown in the office report dated 01.11.2022.</p> <p>The petitioner is directed to meet the deficiency and remove the defects within two weeks.</p> <p>Put on receipt of replies.</p> | |
| | | <p>Sd/- Member (T)</p> <p>Sd/- Member (L)</p> <p>Sd/- Chairperson</p> | |



Office Report

The petition dated 29.11.2021 for True-up for FY 2020-21, Annual Performance Review for FY 2021-22 and Aggregate Revenue Requirement & Tariff for FY 2022-23 of the petitioner – Tata Steel Utilities and Infrastructure Services Ltd. (TSUISL) has been scrutinized and several deficiencies/discrepancies have been found in the petition as indicated below:

Note on Discrepancies/ Data gaps in respect of the True-Up Petition FY 2020-21, Annual Performance Review for FY 2021-22 and ARR for FY 2022-23 filed by The Tata Steel Utilities and Infrastructure Service Limited (JUSCO)

True-Up for FY 2020-21:

1. The Petitioner is required to provide the Clear, Readable and Searchable pdf of Annexure-4 (pg no.160), 5 (pg no.162).
2. The Petitioner is directed to submit all the linked excel workbook which is used in the Tariff Model.
3. The Petitioner is required to submit the Tariff format as per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015. Further, the Petitioner is required to submit the Excel file of the Balance sheet.
4. The Petitioner is required to provide the load curve for FY2020-21 including the base load and peak load.
5. As per Table 1 of the Petition, the Petitioner is directed to submit the following:
 - a) Duly certified billing determinants with energy auditor.
 - b) Detailed justification towards conversion factor for consumer categories.
 - c) Under Low Tension Industrial Services (LTIS) Demand Base (LTIS Demand Base) the Petitioner has claimed sales of 0.43 MU without any connected load and number of consumers. In this regard, the Petitioner is directed to submit a detailed justification.
6. As per table 3 of the Petition, the Petitioner has claimed Power Purchase cost from TSL Source as Rs 4.71/kWh against the Rs 4.64/kWh approved in T.O. dated 29.09.2020. In this regard, the Petitioner is directed to provide a details justification for such an increase in Power Purchase Rate.
7. As per table 3 of the Petition, the Petitioner has claimed Power Purchase Cost from TSL source to the tune of Rs. 121.36 Crore for the True-Up year 2020-21. However, as per the Balance Sheet the Power Purchase Cost from TSL source is to the tune of Rs. 149.50 Crore. In this regard, the Petitioner is directed to provide detailed justification and reconcile the claimed Power Purchase Cost with Audited Annual Accounts.
8. As per para 2.5.7 of Petition, the Petitioner has claimed Actual A&G Expenses as per audited account of Rs 6.18 Cr for FY 2020-21. This Also includes Others Expenses of Rs 0.59 Cr. In this regard, the Petitioner is directed to provide the break-up of Others Expenses as per Annual Audited Account.
9. As per table 7 of the Petition, the Petitioner has considered a Load Growth Factor of 8.80% for the computation of normative A&G expenses for FY 2020-21. However, JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations,

- 2015 allow the provision of only considering efficiency factor. In this regard, the Petitioner is directed to provide a detailed justification for such deviation in methodology.
10. As per para 2.6.1 of the Petition, the Petitioner has claimed a Capitalization of Rs. 25.94 Crore during FY 2020-21. In this regard, the Petitioner is directed to submit scheme-wise DPR and Cost-Benefit Analysis.
11. As per Para 2.8.3 of the Petition, the Petitioner has paid actual income tax for FY 2020-21. In this regard, the Petitioner is directed to submit the following:
- Copy of ITR 6
 - Confirm whether any refund of Income Tax has been received in FY 2020-21
 - Computation of Income Tax payable amounting to Rs. 50 Lakh pertains to the only distribution business.
12. As per para 2.9.1 of the Petition, the Petitioner has claimed Non-Tariff Income to the tune of Rs 1.18 Cr for FY 2020-21. However, as per Additional Notes 17A of the Audited Annual Accounts depicts Non-Tariff Income of Rs. 1.01 Crore. In this regard, the Petitioner is directed to provide a detailed justification and reconcile the same with Audited Annual Accounts.

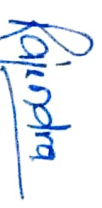
Annual Performance Review for FY 2021-22:

- The Petitioner is directed to submit all the linked excel workbook which is used in the Tariff Model.
- As per the table 30 of the Petition, the Petitioner has submitted energy sale under Low Tension Industrial Service (LTIS) as Composite. In this regard, the Petitioner is directed to provide the detailed break-up of Low-Tension Industrial Service (LTIS).
- As per table 32 of the Petition, the Petitioner has claimed EPPPA charges of Rs. 2.93 Crore and Rs. 3.52 Crore towards Credit Notes during FY 2021-22. In this regard, the Petitioner is directed to submit detailed computation for such claim.
- As per table 32 of the Petition, it is observed that Power Purchase Per Unit Cost Under H2 is slightly higher than the H1 for FY 2021-22. In this regard, the Petitioner is directed to submit the proper justification.
- As per para 3.4.6 of the Petition, the Petitioner has proposed new source of power of 200 kVA from JBVNL at Seraikela town with a purpose to fulfil the load in case of breakdowns/shutdowns of the existing source. In this regard, the Petitioner is directed to provide the detail of instances of breakdowns/shutdowns of the existing source in the last three Financial Year.
- As per para 3.6.1 of the Petition, the Petitioner has claimed additional capitalization during the year to the tune of Rs. 14.41 Crore. In this regard, the Petitioner is directed to submit scheme wise DPR and Cost-benefit Analysis.
- As per para 3.12 of the Petition, the Petitioner has claimed DSM expenses to the tune of Rs. 0.60 Crore. In this regard, the Petitioner is directed to provide detailed justifications and basis of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 under which such claim is made.
- As per Table 44 of the Petition, the Petitioner has computed Return on Equity considering rate of Pre-Tax equity of 19.38% (Grossing-up the post-tax rate of 14.50% with the applicable tax rate i.e. 25.17%). However, Regulation 10.52 of the JSERC Distribution Tariff Regulation, 2020 allows the Petitioner to claim Return on Equity on

Post-Tax basis at the base rate of 14.50% and Petitioner is required to claim Income Tax at the time of Truing-Up as per Regulation 10.52 of the JSERC Distribution Tariff Regulation, 2020. In this regard, the Petitioner is directed to provide the proper justification.

Annual Revenue Requirement for FY 2022-23:

1. The Petitioner is directed to submit all the linked excel workbook which is used in the Tariff Model.
2. As per table 52 of the Petition, the Petitioner has purchased power quantum of 400 MU's from Tata Steel Ltd. at 132 kV, 66 kV, 6.6 kV(A) voltage level. In this regard, the Petitioner is directed to provide the break-up of Power Purchase under different voltage level from Tata Steel Ltd.
3. As per para 4.4.2 of the Petition, the Petitioner has claimed the rate of purchase of power from DVC (33 kV & 132 kV) for FY 2022-23 by escalating the power purchase rate by 3% on power purchase rate claimed for FY 2021-22. In this regard, the Petitioner is required to submit the basis for such escalation rate.
4. As per Para 4.5.6 of the Petition, the Petitioner has claimed Rs 3.77 Cr towards recruitment of additional manpower in its ARR for FY2022-23. In this regard, the Petitioner is directed to provide the detailed justification towards cadre wise recruitment of new employee and their cost.
5. As per table 58 of the petition, the Petitioner has projected the additional capital expenditure of Rs 51.81 Cr for FY 2022-23. In this regard, the Petitioner is directed to provide the cost benefit analysis, DPR and details of scheme wise additional Capital Expenditure claimed during FY 2022-23.
6. As per Table 64 of the Petition, the Petitioner has computed Return on Equity considering rate of Pre-Tax equity of 19.388% (Grossing-up the post-tax rate of 14.50% with the applicable tax rate i.e. 25.17%). However, Regulation 10.52 of the JSERC Distribution Tariff Regulation, 2020 allows the Petitioner to claim Return on Equity on Post-Tax basis at the base rate of 14.50% and Petitioner is required to claim Income Tax at the time of Truing-Up as per Regulation 10.52 of the JSERC Distribution Tariff Regulation, 2020. In this regard, the Petitioner is directed to provide the proper justification.
7. As per para 4.12 of the Petition, the Petitioner has claimed DSM expenses to the tune of Rs. 0.60 Crore for FY 2022-23. In this regard, the Petitioner is directed to provide detailed justifications and basis of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 under which such claim is made.
8. As per para 5.2.7 of the Petition, the Petitioner has submitted additional Gap due to tariff rebates of around Rs 43.08 Cr since Oct'2020 which is almost 10 % of the ARR for FY 2021-22. In this regard, the Petitioner is directed to submit the detailed methodology towards r the computation of additional Gap.
9. As per table 73 of the Petition, the Petitioner has proposed increase in tariff rate for FY 2022-23. In this regard, the Petitioner is directed to submit the methodology used for increase in Tariff Rate.


Secretary