



# झारखण्ड राज्य विद्युत नियामक आयोग JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

JSERC/Case (Tariff) No. 13 of 2022/320

Date: 20<sup>th</sup> December 2022

To

Shri Rajul Harkerni  
General Manager (TA-Electrical)  
Steel Authority of India Limited (SAIL)  
Bokaro Steel Plant, Ispat Bhawan  
Bokaro Steel City, Bokaro  
Jharkhand – 827001.

Sub: Additional data requirement pertaining to 2<sup>nd</sup> deficiencies observed in the Petition for True-up of FY 2019-20 to FY 2020-21, Multi Year Tariff (MYT) and Business Plan of FY 2021-22 to FY 2025-26, Annual Performance Review (APR) of FY 2021-22 and ARR of FY 2021-22 & FY 2022-23 of Steel Authority of India Ltd. (SAIL) – Regarding thereof.

Sir,

Please find enclosed a copy of Order dt. 20.12.2022 passed by the Commission in Case (Tariff) No. 13 of 2022 along with office report dt. 20.12.2022 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 week as ordered.

Thanking you.

Yours faithfully,

  
(R.P. Nayak)  
Secretary

**JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION**  
**RANCHI**

**FORM OF PROCEEDING**  
**Case (Tariff) No. 13 of 2022**

Steel Authority of India Limited (SAIL)

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Petitioner

Sl. No.	Date of proceeding	Proceedings of the Commission with signature	Office action taken with date
1	2	3	4
4.	20.12.2022	<p>The reply dated 09.11.2022 received from petitioner- Steel Authority of India Limited (SAIL) in respect of 1<sup>st</sup> discrepancy note with respect to the True-up of FY 2019-20 to FY 2020-21, Multi Year Tariff (MYT) and Business Plan of FY 2021-22 to FY 2025-26, Annual Performance Review (APR) of FY 2021-22 and ARR of FY 2021-22 &amp; FY 2022-23 have been scrutinized and thereafter several deficiencies/ discrepancies have been pointed out as shown in the office report dated 20.12.2022. The petitioner is directed to meet the 2<sup>nd</sup> discrepancy/deficiencies note and remove the defects within one week.</p> <p style="text-align: center;">Put on receipt of replies.</p> <p style="text-align: center;">Sd/-                      Sd/-                      Sd/- Member (T)              Member (L)              Chairperson</p>	



**Office Report**

The reply dated 09.11.2022 received from petitioner- Steel Authority of India Limited (SAIL) in respect of 1<sup>st</sup> discrepancy note with respect to the True-up of FY 2019-20 to FY 2020-21, Multi Year Tariff (MYT) and Business Plan of FY 2021-22 to FY 2025-26, Annual Performance Review (APR) of FY 2021-22 and ARR of FY 2021-22 & FY 2022-23 have been scrutinized and thereafter several deficiencies/ discrepancies (2<sup>nd</sup>) have been pointed out in the petition as indicated below:

**2<sup>nd</sup> Information Requirement/Discrepancies/Data Gaps on True-Up for FY 2019-20 to 2020-21, Multi Year Tariff and Business Plan of FY 2021-22 to 2025-26, Annual Performance Review of FY 2021-22 and ARR of FY 2021-22 & 2022-23 of Distribution Business of Steel Authority of India Limited- Bokaro Steel Limited**

**TRUE-UP FOR FY 2019-20 TO 2020-21**

1. The Petitioner is directed to submit the certified data for No. of Consumers for HT/LT Category, claimed as 656 Nos. for both FY 19-20 & FY 20-21.
2. The Petitioner is directed to submit the certified data for Energy Sales for HT/LT Category, claimed as 57.96 MUs & 59.70 MUs respectively for FY 19-20 & FY 20-21.
3. The Petitioner is directed to submit the certified data for Connected Load for DS-LT (claimed as 95,070.00 kW for both FY 19-20 & FY 20-21) & HT/LT Category (claimed as 30,812.99 kW & 31,891.44 kW respectively for FY 19-20 & FY 20-21).
4. The Connected Load for CS Category According to '*SAP Data of Energy Sales, No. of Consumers and Connected Load*' in Annexure B, Pg. 143 & 145 of the Petition is 24,077.50 kW & 23,983.00 kW respectively for FY 19-20 & FY 20-21. However, the Petitioner has claimed the same as 14,180.00 kW & 14,464.00 kW respectively for FY 19-20 & FY 20-21. The Petitioner is directed to justify such deviation showing the detailed reasoning and computation for consideration of such figures.
5. The Petitioner has considered the Rate of Depreciation as 4.81% & 5.21% respectively for FY 19-20 & FY 20-21. The Petitioner is required to justify such assumption, showing the detailed reasoning and computation for consideration of such figures.

**MULTI-YEAR TARIFF AND BUSINESS PLAN OF FY 2021-22 TO 2025-26**

6. The Commission in its 1<sup>st</sup> Information Requirement/Discrepancies/Data Gaps had directed the Petitioner to submit the following scheme-wise details in respect of the Capital Expenditure claimed for the Control Period FY 2021-26:
  - a. Detailed Project Report



- b. Implementation Schedule including Timelines
- c. Cost Benefits Analysis and Rate Reasonability
- d. Improvement in operational efficiency envisaged in the Control Period
- e. Any scheme on-going that will spill over into the Control period FY 2021-26
- f. Cost of Financing (interest on Debt) after considering the existing market conditions, terms of the loan agreements

The Commission finds that in response the Petitioner has submitted the following: -

- a. Implementation Schedule including Timelines
- b. Improvement in operational efficiency envisaged in the Control Period
- c. Any scheme on-going that will spill over into the Control period FY 2021-26

The Commission finds that the Petitioner **has not submitted** the following for any of the mentioned schemes: -

- a. Detailed Project Report,
- b. Cost Benefits Analysis and Rate Reasonability, and
- c. Cost of Financing (interest on Debt) after considering the existing market conditions, terms of the loan agreements

As such, the Petitioner is directed to submit the above-mentioned details for ALL of the mentioned schemes.

7. The Petitioner has claimed a Per Unit Power Purchase Cost of Rs. 4.44/kWh for 2021-22 and based on the same has projected the Power Purchase Cost per Unit for the Control Period using the CAGR achieved from DVC's Petition. This Per Unit cost for FY 2021-22 is 19.35% higher than FY 2020-21, which was Rs. 3.72 based on DVC's bills, as submitted by the Petitioner. The Petitioner as such is directed to justify such increase of the Per Unit Power Purchase Cost.

8. The Petitioner in its Petition has considered the '*K Factor*' as 5%, and '*Inflation Factor*' as 3.47% for the computation of O&M Expenses for the MYT control period 2021-22 to 2025-26. In this regard, the Petitioner is directed to submit the detailed reasoning and justification along with computation as to whether the methodology adopted for the computation of '*K Factor*' and '*Inflation Factor*' is in line with JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020.

9. The Petitioner is required to submit the basis, detailed reasoning and justification along with computation for projecting the '*Growth Factor (Gn)*' equal to 5.0% in its MYT Petition. Furthermore, the Petitioner is directed to submit the projected Y-o-Y increase in employee strength throughout the control period.

  
Secretary