

Jharkhand State Electricity Regulatory Commission



Order on

True-up for FY 2019-20 & FY 2020-21,
Multi Year Tariff and Business Plan for Control
Period

FY 2021-22 to FY 2025-26,
Annual Performance Review of FY 2021-22,
&

ARR and Retail Supply Tariff for
FY 2021-22 & FY 2022-23

for

Steel Authority of India Limited, Bokaro

JUNE 22, 2023



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List of Abbreviations

Abbreviation	Description
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
CEA	Central Electricity Authority
COD	Commercial Operation Date
CFBC	Circulating Fluidized Bed Combustion
CCL	Central Coalfield Limited
CIL	Coal India Limited
ECR	Energy Charge Rate
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GHR	Gross Station Heat Rate
GoI	Government of India
GoJ	Government of Jharkhand
IoWC	Interest on Working Capital
IPL	Inland Power Limited
JBVNL	Jharkhand Bijli Vitran Nigam Limited
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
JUVNL	Jharkhand Urja Vikas Nigam Limited
kCal	Kilocalorie
kg	Kilogram
kWh	Kilowatt-hour
MAT	Minimum Alternative Tax
ML	Millilitre
MOU	Memorandum of Understanding
MT	Metric Tonnes
MU	Million Units
MW	Megawatt
MYT	Multi-Year Tariff
NAPAF	Normative Annual Plant Availability Factor
O&M	Operations and Maintenance
PAF	Plant Availability Factor
PLF	Plant Load Factor
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
RoE	Return on Equity
Rs.	Rupees
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SLDC	State Load Dispatch Centre
SLM	Straight Line Method



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**Before
Jharkhand State Electricity Regulatory Commission, Ranchi**

Case (Tariff) No.: 13 of 2022

In the matter of:

**Petition for
True-up for FY 2019-20 and FY 2020-21,
Multi Year Tariff and Business Plan for the Control Period
FY 2021-22 to FY 2025-26,
Annual Performance Review of FY 2021-22,
&
ARR and Retail Supply Tariff for FY 2021-22 & FY 2022-23**

In the matter:

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

PRESENT

Hon'ble Justice Amitav Kumar Gupta

Chairperson

Shri Mahendra Prasad

Member (Legal)

Shri Atul Kumar

Member (Technical)

Order dated June 22, 2023

Steel Authority of India Limited, Bokaro (hereinafter referred to as 'SAIL-BSL' or the 'Petitioner') filed a Petition dated March 30, 2022. In this Petition, the Petitioner had prayed for Truing-up for FY 2019-20 & FY 2020-21, Multi Year Tariff and Business Plan for Control Period FY 2021-22 to FY 2025-26, Annual Performance Review of FY 2021-22, & ARR for FY 2021-22 & FY 2022-23 for the distribution 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 maybe, 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 the discharge of its functions, the State Commission is guided by the National Tariff Policy framed and published by the 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 Steel Authority of India, Bokaro is a company incorporated in the year 1964 under Section 617 of the Companies Act, 1956, and is a wholly owned subsidiary of Steel Authority of India Limited, New Delhi. The Bokaro Steel City in the district of Bokaro, Jharkhand is contiguous to the Bokaro Steel City service area of SAIL-BSL.

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 After the enactment of the Electricity Act, 2003, as per the provisions of Section 14 of the Act, the 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: -

- a) Admit this Petition filed by SAIL-BSL;
- b) Condone the delay in filing the present Petition;
- c) Approve the deviation from the norms for certain parameters prescribed in the JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations 2015, and provisions thereof, as sought in this True up Petition for FY 2019-20 and FY 2020-21.
- d) Approve the deviation from the norms for certain parameters prescribed in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, and provisions thereof, as sought in this Business Plan and ARR of each year for MYT Control period FY 2021-22 to FY 2025-26.
- e) Approve the True-up Petition for FY 2019-20 and FY 2020-21 in accordance with Regulation 9.3 of the JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations, 2015.
- f) Approve the Business Plan and ARR of each year for the MYT Control period FY 2021- 22 to FY 2025-26 in accordance with the JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations, 2020.
- g) Allow SAIL BSL to file truing-up petition for FY 2021-22 upto October 2022 as Annual Performance Review petition is not filed for FY 2021-22.
- h) Approve category-wise tariff proposed for FY 2021-22 and FY 2022-23.
- i) Treat Steel Plant of SAIL as consumer of DVC Licensee instead of SAIL-BSL
- j) 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;
- k) Pass such orders as the Hon'ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case.



Scope of the Present Order

- 1.14 The Petitioner filed the current Petition for true-up of FY 2019-20 to FY 2020-21, Multi Year Tariff and Business Plan for Control Period FY 2021-22 to FY 2025-26, Annual Performance Review of FY 2021-22, & ARR for FY 2021-22 & FY 2022-23. As per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015, the Petitioner was required to submit the True-up Petition for FY 2019-20 latest by November 30, 2020, and for FY 2020-21 latest by November 30, 2021. However, the Petitioner filed the current Petition on March 30, 2022, that too with numerous deficiencies which were communicated to the Petitioner through various notes of discrepancies.
- 1.15 Since, FY 2021-22 has already passed, 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 2021-22.
- 1.16 The Commission in this Order has therefore approved the true-up of FY 2019-20 and FY 2020-21, Multi Year Tariff and Business Plan for the Control Period FY 2021-22 to FY 2025-26, & ARR for FY 2022-23.
- 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) JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015;
 - (f) JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.
- 1.18 Accordingly, the Commission had scrutinized the Petition in detail and hereby issues the Order on the true-up of FY 2019-20 and FY 2020-21, Multi Year Tariff and Business Plan for Control Period FY 2021-22 to FY 2025-26, & ARR for FY 2022-23.



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. Further, 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.
- 2.8 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.
- 2.9 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 timeline 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.

- 2.10 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. The Commission faced some difficulty as the Chairperson retired on December 15, 2012, leaving the Commission to function with only one Member, specifically the Member (Technical).
- 2.11 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.
- 2.12 The Petitioner filed the petition with the Commission for true up of FY 2013-14 to FY2015-16 and MYT for the period (FY 2016-17 to FY2020-21). The Commission issued the Tariff Order for SAIL-BSL on June 07, 2018, on the MYT Order for the period FY 2016-17 to FY 2020-21 and True Up for FY 2013-14 to FY 2015-16.
- 2.13 The Petitioner filed the 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. The Commission issued its last Tariff Order for SAIL-BSL on January 08, 2021, on the Truing-up for FY 2016-17 and FY 2018-19 and Suo-moto Order on ARR for FY 2020-21.
- 2.14 The Petitioner has filed the current Petition before the Commission for truing up of FY 2019-20 and FY 2020-21, Multi Year Tariff and Business Plan for Control Period FY 2021-22 to FY 2025-26, Annual Performance Review of FY 2021-22, & ARR for FY 2021-22 & FY 2022-23 on March 30, 2022, for which the Commission is issuing the present order.



Disclaimer: Relevant information provided herein regarding the Commission, the Petitioner, and the Procedural History have been extracted/ reproduced from the previous Orders of the Commission. This is for information purposes only and does not in any matter reflect opinion or analysis thereon.

Information Gaps in the Petition

- 2.15 As a part of the tariff determination exercise, several deficiencies/information gaps were observed in the Petition. The information gaps were pointed out and communicated vide letter no JSERC/Case(T) No. 13 of 2022/220 dt. 18.10.2022, and Letter No. JSERC/Case(T) No. 13 of 2022/320 dt. 20.12.2022 to SAIL-BSL.
- 2.16 The Petitioner submitted its response to the aforesaid letters and furnished additional data/ information to the Commission vide email dt. 09.11.2022, email dt. 04.01.2023, email dt. 12.01.2023 & email dt. 17.03.2023.
- 2.17 The Commission has scrutinized the additional data/ information and has considered the same while passing this Order. The Commission has examined the replies and supporting documents as supplied by the Petitioner on the discrepancies pointed out to it, only on material already on record in the Petitions filed by the Petitioner.
- 2.18 In order to provide adequate opportunity to all stakeholders and the 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 the public hearing on June 02, 2023, at the Main Auditorium, Human Resource Development Centre, Bokaro Steel Plant in Bokaro Steel City 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

Sl. No.	Newspaper	Version	Date of Publication
1.	Dainik Bhaskar	Hindi	18.02.2023
2.	Prabhat Khabar	Hindi	18.02.2023
3.	The Times of India	English	18.02.2023
4.	Hindustan	Hindi	19.02.2023
5.	Dainik Jagran	Hindi	19.02.2023
6.	Sunday Pioneer	English	19.02.2023

- 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	21.05.2023 & 01.06.2023
2.	Dainik Bhaskar	21.05.2023
3.	Morning India	21.05.2023 & 01.06.2023
4.	The Times of India	21.05.2023 & 01.06.2023



Submission of Comments/ Suggestions and Conduct of Public Hearing

- 2.22 The public hearing was held on June 02, 2023 at the Main Auditorium, Human Resource Development Centre, Bokaro Steel Plant in Bokaro Steel City.
- 2.23 Written objections/ comments/ suggestions on the Petitions were received from various stakeholders. In addition to the written suggestions, various stakeholders also gave their comments/suggestions on the Petition(s) filed during the Public Hearing. The objections/ comments/ suggestions of the Public, Petitioner's responses and Commission's views thereon are detailed in **Chapter A 4** of this Order.

A 3 Brief Facts of the Petition

True-up for FY 2019-20 & FY 2020-21

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 2019-20 and FY 2020-21 vis-à-vis actual energy sales as submitted by the Petitioner is provided in table below:

TABLE 3: CATEGORY-WISE ENERGY SALES FOR FY 2019-20 AND FY 2020-21 (MUS)

Category	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
DS-LT	147.00	88.52	170.38	95.30
DS-HT	6.50	5.85	6.58	6.00
CS	18.64	21.65	19.84	13.92
LTIS	0.50	0.62	0.50	0.45
HTS	30.45	11.14	41.06	10.25
HT/LT	50.17	57.96	50.17	59.70
Township Total	253.27	185.74	288.53	185.61
Steel Plant	469.27	913.42	472.93	1031.68
Grand Total	722.54	1099.17	761.46	1217.29

b) Energy Balance

3.2 The energy balance as approved by the Commission in its MYT order dated June 07, 2018 for FY 2019-20 and FY 2020-21 vis-à-vis actual energy sales as submitted by the Petitioner is provided in table below:

TABLE 4: ENERGY BALANCE FOR FY 2019-20 AND FY 2020-21 (MUS)

Particulars	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
Energy Sales –Township	253.26	185.74	288.53	185.61
Distribution Losses	16.00%	41.26%	10.00%	38.87%
Energy required at township periphery	301.50	316.19	320.59	303.65
Steel Plant consumption	469.27	913.42	472.93	1,031.68
Total Energy Required at SAIL- BSL Periphery	770.77	1,229.61	793.52	1,335.34

c) Aggregate Revenue Requirement (ARR)

3.3 The ARR for FY 2019-20 and FY 2020-21 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: SUMMARY OF ARR COMPONENTS FOR FY 2019-20 AND FY 2020-21 (RS. CR.)

Particulars	2019-20		2020-21	
	MYT	Petition	MYT	Petition
Power Purchase Cost for Township		126.22		119.39
Power Purchase Cost (including Steel Plant)	390.70	490.85	410.11	525.03
Employee Cost	13.44	9.92	14.02	7.83
R&M Expenses	4.17	3.19	4.36	2.03
A&G Expenses	2.68	3.84	2.80	2.34
Depreciation	2.30	2.25	2.49	2.32
Interest on Loan	2.14	2.33	2.06	1.91
Return on Equity	2.11	2.07	2.22	2.07
Interest on Working Capital	4.88	0.90	5.11	0.47
Annual Revenue Requirement for Township only		150.72		138.35
Total Annual Revenue Requirement (including Steel Plant)	422.42	515.35	443.17	543.98

Business Plan for MYT Control Period from FY 2021-22 to FY 2025-26

d) Energy Sales

3.4 The details of energy sales for the Control Period from FY 2021-22 to FY 2025-26 as projected by the Petitioner is provided in the table below:

TABLE 6: CATEGORY-WISE ENERGY SALES FOR THE CONTROL PERIOD (MUS)

Consumer Category	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DS-LT	98.51	101.84	105.27	108.83	112.50
DS-HT	6.07	6.13	6.20	6.27	6.34
CS	15.07	16.31	17.66	19.12	20.70
LTIS	0.45	0.45	0.45	0.45	0.45
HTS	10.76	11.30	11.86	12.45	13.08
HT/LT	61.49	63.33	65.23	67.19	69.21
Township Total (MUs)	192.34	199.36	206.68	214.31	222.28
Steel Plant (MUs)	1,134.85	1,248.34	1,373.17	1,510.49	1,661.54
Total Sales incl. Steel Plant (MUs)	1,327.20	1,447.70	1,579.85	1,724.80	1,883.81



e) Energy Balance

3.5 Energy Balance for the Control Period from FY 2021-22 to FY 2025-26 as submitted by the Petitioner in its submission have been summarized below:

TABLE 7: PROJECTED ENERGY BALANCE FOR SAIL FOR THE CONTROL PERIOD

Consumer Category	UoM	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Energy Sales –Township	MUs	192.34	199.36	206.68	214.31	222.28
Distribution Losses	%	38.66%	36.72%	34.89%	33.14%	31.49%
Energy required at township periphery	MUs	313.55	315.07	317.43	320.56	324.43
Energy required for Steel Plant consumption	MUs	1,134.85	1,248.34	1,373.17	1,510.49	1,661.54
Total Energy Required at SAIL-BSL Periphery	MUs	1,448.41	1,563.41	1,690.60	1,831.05	1,985.96

f) Annual Revenue Requirement

3.6 Summary of ARR for Control period FY 2021-2022 to FY 2025-26 as submitted by the Petitioner in its submission have been summarized below:

TABLE 8: SUMMARY OF PROJECTED ARR FOR THE CONTROL PERIOD (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Power Purchase Cost	139.04	145.37	152.38	160.11	168.60
Employee Expenses	2.03	2.21	2.92	3.63	3.67
R&M Expenses	8.22	8.63	9.06	9.52	9.99
A&G Expenses	2.86	2.57	2.57	2.57	2.57
Depreciation	1.96	2.37	3.03	3.38	3.42
Interest on Loan	1.70	2.14	2.92	3.16	2.91
Return on Equity	2.02	2.44	3.12	3.48	3.52
Interest on Working Capital	0.56	0.57	0.59	0.61	0.60
Annual Revenue Requirement	158.39	166.30	176.58	186.45	195.29

Retail Supply Tariff for FY 2021-22 & FY 2022-23

g) Existing and Proposed Tariff for FY 2021-22 & FY 2022-23

3.7 Summary of Existing and Proposed Tariff for FY 2021-22 & FY 2022-23 as submitted by the Petitioner in its original submission have been summarized below:

TABLE 9: SUMMARY OF EXISTING AND PROPOSED TARIFF FOR FY 2021-22 (RS. CR.)

Category	UoM	Fixed Charges		Energy Charges Rate (Rs/kWh)		Wheeling Charge (Rs/kWh)		ABR (Rs./kWh)	
		Exst.	Prop.	Exst.	Prop.	Exst.	Prop.	Exst.	Prop.
DS-LT	Rs./Con./Mon	80	90	3.25	4.23	0.24	0.39	3.52	4.53
DS-HT	Rs./kVA/Mon	75	100	2.8	3.64	0.24	0.39	3.51	4.59
CS	Rs./kW/Mon	125	140	5.7	7.41	0.24	0.39	8.14	10.14
LTIS	Rs./kVA/Mon	150	175	4.6	5.98	0.24	0.39	8.62	10.67
HTS	Rs./kVA/Mon	300	345	5.1	6.63	0.24	0.39	7.44	9.32
HT/LT	Rs./kVA/Mon	125	150	5.7	7.41	0.24	0.39	6.51	8.38

TABLE 10: SUMMARY OF EXISTING AND PROPOSED TARIFF FOR FY 2022-23 (RS. CR.)

Category	UoM	Fixed Charges		Energy Charges Rate (Rs/kWh)		Wheeling Charge (Rs/kWh)		ABR (Rs./kWh)	
		Exst.	Prop.	Exst.	Prop.	Exst.	Prop.	Exst.	Prop.
DS-LT	Rs./Con./Mon	80	100	3.25	4.65	0.24	0.39	3.52	4.98
DS-HT	Rs./kVA/Mon	75	110	2.8	4.00	0.24	0.39	3.51	5.04
CS	Rs./kW/Mon	125	160	5.7	8.15	0.24	0.39	7.99	11.09
LTIS	Rs./kVA/Mon	150	190	4.6	6.58	0.24	0.39	8.67	11.73
HTS	Rs./kVA/Mon	300	380	5.1	7.29	0.24	0.39	7.44	10.26
HT/LT	Rs./kVA/Mon	125	160	5.7	8.15	0.24	0.39	6.51	9.19

h) 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 11: REVENUE GAP/(SURPLUS) AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Annual Revenue Requirement	158.39	166.30	176.58	186.45	195.29
Revenue at Existing Tariff	97.50	101.03	104.73	108.58	112.61
(Surplus)/Gap for the year	60.89	65.26	71.86	77.87	82.68



A 4 Public Consultation Process

- 4.1 The Petition filed by the Petitioner evoked responses from several Stakeholders. The Public Hearing was held on June 02, 2023 at the Main Auditorium, Human Resource Development Centre, Bokaro Steel Plant in Bokaro Steel City for inviting comments/suggestion/objection 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:

Treatment of the Steel Plant

Public Comments/Suggestions

- 4.3 Bokaro Vayavsayik Plot Holders' Welfare Association & Bokaro Chamber of Commerce submitted that the Company, SAIL, Bokaro Steel Plant has its own captive and Thermal Power Plant with generating capacity of 300MW, meant for running the steel plant and distribution of power within its premises / township comprising of residential quarter of its employees and the leased commercial, Govt., education units, etc. under the power distribution license granted by the Hon'ble Commission.
- 4.4 In addition to this, SAIL, Bokaro Steel Plant has formally formed a subsidiary unit known as Bokaro Supply Co.(P) Ltd in Joint Venture of SAIL, Bokaro Steel Plant and Damodar Valley Corporation to meet the exigency / peak load demand of operating steel plant units as well as for distribution of power at Township as stipulated.
- 4.5 The purchased power from DVC by Bokaro Steel Plant is utilized for operating Plant Units, the demand charges/fixed charges levied by DVC can in no way be kept and reimbursed from the township consumers.
- 4.6 As stated in the petition that *“Electricity is received from DVC at main recycling Substation at Bokaro Steel Plant at 132 KV and from there the same power is distributed for distribution purpose”* in township is a misleading statement.



- 4.7 The fact is that main distribution substation called MSDS is situated inside the plant periphery of Bokaro Steel Plant which is the grid linking substation from which the power at 132 KV from both captive and Thermal Power Plant owned by Bokaro Steel Plant and purchased power from DVC are received and distributed at needed pressures to entire plant working units and also to the township.
- 4.8 As such the statement of SAIL-BSL that power to township is distributed from the purchased power from DVC is false and intended to mislead the Commission.
- 4.9 If the claims made by Bokaro Steel Plant of power being distributed to township area from the purchased power from DVC, has a separate record, if any, for this electricity distribution business could have been maintained and submitted to the Hon'ble Commission.

Petitioner's Response

- 4.10 In reply to paragraphs 4.3 to 4.9, the Petitioner 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. 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.
- 4.11 The Petitioner further submits 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 the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. 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 a 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 account of Bokaro Steel Plant.



Views of the Commission

4.12 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner, and has treated the consumption of the steel plant as detailed in later chapters of this Order.

Distribution Losses

Public Comments/Suggestions

4.13 According to the notice issued by the company on 18/02/2023, as shown in Table 5, the distribution loss is approximately 37%, which is extremely high. The company is not taking any action to reduce this, causing losses worth crores of rupees, which is affecting the Consumers.

4.14 The Power Distribution system of Bokaro Steel Township is quite effective and as such, in no case can the distribution losses go beyond 2.5% of the total energy supplied to township.

Petitioner Response

4.15 In reply to the statement made, the Petitioner submits that the persisting problem 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 by the locals. The Petitioner submits that it is striving hard to reduce the distribution losses and has made several efforts to control such unauthorized usage of electricity. However, SAIL-BSL has submitted key initiatives in these regards as 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.

Further, as a permanent solution, SAIL-BSL is planning to take concrete measures for distribution loss reduction in the Control period of FY 2021-22 to FY 2025-26 such as:

- a) Laying underground cabling of LT network
- b) Installation of Smart meters



Views of the Commission

4.16 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner, and has issued appropriate directions to the Petitioner as detailed in later chapters of this Order.

Operation & Maintenance Expenses

Public Comments/Suggestions

- 4.17 The balancing figure in the balance sheet is vexatious and does not form the capital needed for the electricity business.
- 4.18 The calculation after considering total expenses on TA Electrical is not justifiable.
- 4.19 The data produced on account of stores and spares, as well as repair & maintenance, power & fuel and other expenditure is also not justifiable.
- 4.20 The operation and maintenance (O&M Expenses) shown by Bokaro Steel Plant in the petition is unjustifiable as it is on the higher side.

Petitioner Response

4.21 The Petitioner submits that, in compliance to the directives of the Commission and provisions of the MYT Regulations, the Petitioner has prepared accounts for its Electricity Business. The copy of the accounts duly certified by chartered accountant is already submitted before the Hon'ble 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

4.22 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner. Appropriate treatment of the O&M expenses has been made as detailed in later chapters of this Order.

Categorization of Consumers

Public Comments/Suggestions

4.23 The categorization of Consumers under different heads is not justifiable as other electric businesses like Tata Steel does not categorize or charge the fixed charges like the Petitioner. It cannot be compared with the Jharkhand State Electricity Board as their consumers, liabilities, etc., are different and thus the



Consumers request the Commission to not compare Bokaro Steel Plant with Jharkhand State Electricity Board & other licensees in this regard.

Petitioner Response

4.24 In response, the Petitioner submitted that the categorization of the Consumers is decided as per the provisions of the JSERC Regulations and in line with previous Tariff Orders.

Views of the Commission

4.25 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner, and has issued appropriate directions to the Petitioner as detailed in later chapters of this Order.

Recovery of Delayed Payment Surcharge

Public Comments/Suggestions

4.26 The Stakeholders have submitted that the recovery of delayed payment surcharge as claimed by the Petitioner should not be allowed as consumers are ready to pay as and when the bills are raised.

Petitioner Response

4.27 The Petitioner replied that it has submitted the ARR and its computation, as per the Provisions of the MYT Regulations, 2020.

Views of the Commission

4.28 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner, and has taken appropriate action as detailed in later chapters of this Order.

Segregation of Commercial cum Residential Plots

Public Comments/Suggestions

4.29 Bokaro Steel Plant has allotted Plots for Commercial cum Residential use, where only the ground floor is put to commercial uses while all the other floors are residential. Bokaro Steel Plant is not ready to install separate Meters for commercial and residential areas respectively, that would bifurcate the quantum of consumption by different heads.



Petitioner Response

4.30 The Petitioner submitted that the Plots were allotted on commercial terms.

Views of the Commission

4.31 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner, and has issued appropriate directions to the Petitioner as detailed in later chapters of this Order.

Erratic Power Supply

Public Comments/Suggestions

4.32 The erratic power supply to the consumer is alarmingly poor and as such the demand of raising the tariff is unjustified.

Petitioner Response

4.33 In reply to the above statement, the Petitioner submitted that the power supply is normal, and the supply line is shut only in case of breakdown and preventive maintenance period.

Views of the Commission

4.34 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner, and has issued appropriate directions to the Petitioner as detailed in later chapters of this Order.

Cases of Power Theft

Public Comments/Suggestions

4.35 In Bokaro Steel City, several slum dwellers, footpath vendors and cowshed owners are illegally using electricity through unauthorized connections for years. The Hon'ble Commission has been informed about this earlier as well. There is no system in place to prevent such power theft. Such theft has resulted in losses worth crores of rupees, which BSL is passing on to the consumers. To recover their losses, they have proposed an unjustified increase in electricity tariffs. Therefore, we request that the Hon'ble Commission examine this issue of electricity theft, take appropriate legal action, and refrain from increasing electricity charges for the consumers.



- 4.36 Apart from this, there are several vacant quarters where people have been illegally residing for years and using electricity without making any payments to the company. This has also caused significant financial loss to the company
- 4.37 The regulatory authority has been provided with information that employees have been residing in company quarters where electricity meters are faulty, and even there, illegal use of electricity is taking place, resulting in significant financial losses for the company. The regulatory authority has not taken appropriate action on this matter as well.

Petitioner Response

- 4.38 The Petitioner submitted that efforts are being made to regularly unhook unauthorized electricity connections. Electricity is being disconnected in those quarters that have been illegally occupied, and eviction is being undertaken through the intervention of the Court. Further, faulty meters are regularly being replaced.

Views of the Commission

- 4.39 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner. Appropriate directions regarding the same have been given in later chapters of this Order.

Power Cuts due to Diversion of Power to the Steel Plant

Public Comments/Suggestions

- 4.40 The company indiscriminately cuts off electricity supply, to the residents, for hours when there is an increased demand, to run the steel plant, which is unfair.

Petitioner Response

- 4.41 The Petitioner submitted that such action is extremely rare.

Views of the Commission

- 4.42 The Commission has appropriately linked the recovery of fixed charges with respect to the hours of supply per day, as detailed in '*Clause XI: Other Terms and Conditions: Reduction in Fixed Charges*' of Terms & Conditions of Supply as provided in **Chapter A 10** of this Order.



A 5 True-up for FY 2019-20 & FY 2020-21

- 5.1 The Petitioner has submitted that the true-up Petition for the period from FY 2019-20 and FY 2020-21 has been prepared based on the audited/certified accounts taking into consideration the provisions of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015, and the methodology adopted by the Commission in the previous Orders.
- 5.2 The Commission based on the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 has carried out true-up taking into consideration: -
- Audited (Statutory) Accounts for FY 2019-20 and FY 2020-21 and additional details submitted by the Petitioner;
 - JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015; and;
 - Methodology adopted by the Commission in the earlier orders.

Energy Sales/Consumption

Petitioner Submission

- 5.3 The Petitioner submitted that it has been 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 Petitioner submitted that the determination of the ARR by the Hon'ble Commission including the revenue from steel plant at HTS tariff, had notionally created surplus with the Petitioner, while in actuality there was no surplus on account of sale of power to the steel plant. The Petitioner further submitted that they are not raising any bill to steel plant, and the steel plant is not paying any electricity charges at tariff under HTS category to the Petitioner. The Petitioner is purchasing power from the steel plant at the PPA rate submitted by the Petitioner, in this Petition.
- 5.4 The category-wise number of consumers, connected load and energy sales as submitted by the Petitioner are given in the tables below:



TABLE 12: CATEGORY-WISE NO. OF CONSUMERS AS SUBMITTED BY THE PETITIONER

Category	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
DS-LT	34088	28471	34330	27808
DS-HT	9	5	10	5
CS	1816	1850	1831	1900
LTIS	35	33	35	34
HTS	12	20	14	20
HT/LT	656	656	656	656
TownshipTotal	36616	31035	36876	30423
Steel Plant	1	1	1	1
Grand Total	36617	31036	36877	30424

TABLE 13: CATEGORY-WISE CONNECTED LOAD AS SUBMITTED BY THE PETITIONER

Category	Unit	FY 2019-20		FY 2020-21	
		MYT	Petition	MYT	Petition
DS-LT	kW	86987.29	95070.00	87607.49	95070.00
DS-HT	kVA	10534.79	4815.00	12290.59	4815.00
CS	kW	13557.54	24077.50	13669.52	23983.00
LTIS	HP	1017.00	991.00	1017.00	991.00
HTS-11 KV	kVA	5309.14	6668.00	6194.00	6668.00
HT/LT Utilities	KW	26891.00	30812.99	26891.00	31891.44
Steel Plant	MVA	45.00	45.00	45.00	45.00

TABLE 14: CATEGORY-WISE ENERGY SALES AS SUBMITTED BY THE PETITIONER (MU)

Category	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
DS-LT	147.00	88.52	170.38	95.30
DS-HT	6.50	5.85	6.58	6.00
CS	18.64	21.65	19.84	13.92
LTIS	0.50	0.62	0.50	0.45
HTS	30.45	11.14	41.06	10.25
HT/LT	50.17	57.96	50.17	59.70
Township Total	253.27	185.74	288.53	185.61
Steel Plant	469.27	913.42	472.93	1031.68
Grand Total	722.54	1099.17	761.46	1217.29

Commission Analysis

Treatment of the Steel Plant

5.5 The Commission in its previous Order has considered the consumption of the Steel Plant as sale to HTS Consumer. The relevant abstract 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 Subsequently, the Petitioner had adopted a similar methodology of considering the 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. The Commission in its Tariff Order dated September 03, 2014, in line with its earlier Order adopted a similar methodology embraced by the Petitioner. Likewise, 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.
- 5.7 The Commission continued the methodology of considering steel plant as HTS consumer in the truing up of FY 2016-17 to FY 2018-19 and Suo-Motu Order on ARR of FY 2020-21 dated January 08, 2021.
- 5.8 In accordance with the above, the Commission finds no merit in the claims made by the Petitioner, and as per the precedent, the Steel Plant has been considered as HT consumer of Electricity Distribution Business of the Petitioner.

Energy Sales, No. of consumers, Connected Load

- 5.9 As per clause 5.30 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015, energy sale is considered to be an uncontrollable parameter and shall be treated as a pass through to consumers. The relevant abstract 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.”

5.10 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 tables summarize the consumer category-wise sales, No. of consumers, connected load for FY 2019-20 & FY 2020-21 as approved by the Commission

TABLE 15: CATEGORY-WISE NO. OF CONSUMERS APPROVED BY THE COMMISSION

Category	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
DS-LT	34088	28471	28471	34330	27808	27808
DS-HT	9	5	5	10	5	5
CS	1816	1850	1850	1831	1900	1900
LTIS	35	33	33	35	34	34
HTS	12	20	20	14	20	2
HT/LT	656	656	656	656	656	656
Township Total	36616	31035	31035	36876	30423	30423
Steel Plant	1	1	1	1	1	1
Grand Total	36617	31036	31036	36877	30424	30424

TABLE 16: CATEGORY-WISE CONNECTED LOAD APPROVED BY THE COMMISSION

Category	Unit	FY 2019-20			FY 2020-21		
		MYT	Petition	Approved	MYT	Petition	Approved
DS-LT	kW	86987.29	95070.00	95,070.00	87607.49	95070.00	95,070.00
DS-HT	kVA	10534.79	4815.00	4,815.00	12290.59	4815.00	4,815.00
CS	kW	13557.54	24077.50	24,077.50	13669.52	23983.00	23,983.00
LTIS	HP	1017.00	991.00	991.00	1017.00	991.00	991.00
HTS-11 KV	kVA	5309.14	6668.00	6,668.00	6194.00	6668.00	6,668.00
HT/LT Utilities	KW	26891.00	30812.99	30,812.99	26891.00	31891.44	31,891.44
Steel Plant	MVA	45.00	45.00	45.00	45.00	45.00	45.00

TABLE 17: CATEGORY-WISE ENERGY SALES APPROVED BY THE COMMISSION (MU)

Category	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
DS-LT	147.00	88.52	88.52	170.38	95.30	95.30
DS-HT	6.50	5.85	5.85	6.58	6.00	6.00
CS	18.64	21.65	21.65	19.84	13.92	13.92
LTIS	0.50	0.62	0.62	0.50	0.45	0.45
HTS	30.45	11.14	11.14	41.06	10.25	10.25
HT/LT	50.17	57.96	57.96	50.17	59.70	59.70
Township Total	253.27	185.74	185.74	288.53	185.61	185.61
Steel Plant	469.27	913.42	913.42	472.93	1031.68	1031.68
Grand Total	722.54	1099.17	1099.17	761.46	1217.29	1217.29



Distribution Loss

Petitioner's Submission

- 5.11 The Petitioner has submitted that the distribution loss for FY 2019-20 and FY 2020-21 are 41.26% and 38.87% respectively. The Petitioner submitted that the key reason behind the significantly high losses is theft of electricity through unauthorized means in the rural areas.
- 5.12 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) Some areas which do not come under the licensed area of the Petitioner, are consuming electricity by hooking from its distribution system. These consumers are expected to use the supply of DVC distribution licensee, however, due to the contiguous area of supply with DVC, these consumers are illegally consuming the supply from the Petitioner's distribution network.
 - b) The officials of the Petitioner are in the process of disconnecting these illegal connections and discussing with DVC Distribution Licensee to provide connections to such consumers falling in their area of supply.
 - c) The Petitioner has also formed groups consisting of senior officials who visit the local areas to check for illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections.
- 5.13 The Petitioner submits that it is striving hard to reduce distribution losses and has been introducing new initiatives to check the same from time to time, but on an overall basis, the situation is largely uncontrollable due to legacy issues. However, the Petitioner claims that it is committed to reduce the distribution loss level under the specified level determined by the Commission. The Petitioner claims to have taken concrete measures for distribution loss reduction such as: -
- a) Planning of underground cabling of LT network along with laying of Aerial Bunch Cable.
 - b) Smart metering in the Control period of FY 2021-22 to FY 2025-26.
- 5.14 The Petitioner submits that the above measures would help to reduce the distribution losses in the control period of FY 2021-22 to FY 2025-26. In view of the aforesaid reasons, the Petitioner submits and prays to approve the



actual distribution losses for FY 2019-20 and FY 2020-21 as per the audited accounts. The Distribution loss levels for FY 2019-20 and FY 2020-21 as submitted by the Petitioner has been summarized below:

TABLE 18: DISTRIBUTION LOSS AS SUBMITTED BY THE PETITIONER

Particulars	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
Distribution Loss	16.00%	41.26%	10.00%	38.87%

Commission's Analysis

- 5.15 The Commission appreciates the steps taken by the Petitioner to reduce distribution losses in its area of operation. However, as per clause 5.30 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015, 'Distribution Loss and Collection Efficiency' are treated as 'Controllable' items, and as per clause 10.1, the Regulations do not provide for any truing up of controllable items during the Control Period.
- 5.16 The Commission in its MYT order dated June 07, 2018, after a prudent check and taking into account, the reasons presented before the Commission, it approved the Distribution loss trajectory for the Petitioner. Hence, the Commission does not find any merit to revisit the Distribution loss during the MYT Period.
- 5.17 Based on the facts and actual loss submitted by the Petitioner, the distribution loss approved by the Commission for FY 2019-20 and FY 2020-21 for the Township is shown below.

TABLE 19: DISTRIBUTION LOSS FOR THE TOWNSHIP AS APPROVED BY THE COMMISSION

Particulars	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
Distribution Loss	16.00%	41.26%	16.00%	10.00%	38.87%	10.00%

Energy Balance

Petitioner's Submission

- 5.18 The Petitioner submitted that the energy requirement has been arrived based on the actual power, energy sales and distribution losses for FY 2019-20 and FY 2020-21. The below table shows the Energy Balance as approved in MYT Order dated June 07, 2018 and that submitted by the Petitioner.

TABLE 20: ENERGY BALANCE AS SUBMITTED BY THE PETITIONER (MU)

Particulars	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
Energy Sales –Township	253.26	185.74	288.53	185.61
Distribution Losses	16.00%	41.26%	10.00%	38.87%
Energy required at township periphery	301.50	316.19	320.59	303.65
Steel Plant consumption	469.27	913.42	472.93	1,031.68
Total Energy Required at SAIL- BSL Periphery	770.77	1,229.61	793.52	1,335.34

Commission’s Analysis

5.19 The Commission has approved the Energy Requirement based on the Distribution loss as approved in this Order. The Energy Requirement as approved by the Commission for FY 2019-20 and FY 2020-21 based on the approved energy sales and distribution loss is summarized below.

TABLE 21: ENERGY BALANCE AS APPROVED BY THE COMMISSION (MU)

Particulars	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
Energy Sales Township	253.26	185.74	185.74	288.53	185.61	185.61
Distribution Losses	16.00%	41.26%	16.00%	10.00%	38.87%	10.00%
Energy Required for Township	301.50	316.19	221.12	320.59	303.65	206.23
Energy Sales to Steel Plant	469.27	913.42	913.42	472.93	1,031.68	1,031.68
Total Energy Required	770.77	1,229.61	1,134.55	793.52	1,335.34	1,237.91

Power Purchase Cost

Petitioner’s Submission

5.20 The Petitioner submitted that it has procured power from Damodar Valley Corporation, which is a power generating company under the aegis of the Government of India and supplies power to them in accordance with the tariff fixed by the Hon’ble Commission for FY 2019-20 and FY 2020-21.

5.21 The Petitioner submitted that the power purchase expenses are 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 2019-20 and FY 2020-21 are shown in the table below:



TABLE 22: POWER PROCUREMENT COST AS SUBMITTED BY THE PETITIONER

Particulars	UoM	FY 2019-20		FY 2020-21	
		MYT	Petition	MYT	Petition
Total Power Purchase	MU	770.77	1,229.61	793.52	1,335.34
Power Purchase – Township	MU	301.50	316.19	320.59	303.65
Power Purchase – Plant	MU	469.27	913.42	472.93	1,031.68
Per Unit power purchase cost	Rs./kWh	5.07	3.99	5.17	3.93
Total Power Purchase Cost	Rs. Cr.	390.78	490.85	410.11	525.03
Power Purchase Cost – Township	Rs. Cr.	152.86	126.22	165.74	119.39
Power Purchase Cost – Plant consumption	Rs. Cr.	237.92	364.63	244.50	405.64

Commission's Analysis

5.22 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, since the power purchase cost for Steel Plant Supply is also being considered by the Commission for the computation of final power purchase cost.

5.23 Accordingly, the power purchase cost as approved by the Commission for FY 2019-20 and FY 2020-21 based on the energy required as approved has been tabulated below:

TABLE 23: POWER PROCUREMENT COST AS APPROVED BY THE COMMISSION

Particulars	UoM	FY 2019-20			FY 2020-21		
		MYT	Petition	Approved	MYT	Petition	Approved
Total Power Purchase	MU	770.77	1,229.61	1,134.55	793.52	1,335.34	1,237.91
Power Purchase – Township	MU	301.50	316.19	221.12	320.59	303.65	206.23
Power Purchase – Plant	MU	469.27	913.42	913.42	472.93	1,031.68	1,031.68
Per Unit power purchase cost	Rs./kWh	5.07	3.99	3.65	5.17	3.93	3.72
Total Power Purchase Cost	Rs. Cr.	390.78	490.85	414.23	410.11	525.03	460.48

Gross Fixed Asset

Petitioner Submission

5.24 The Petitioner had proposed additional capitalisation of Rs. 4.80 Crores for Feeder Augmentation and Installation of LED lights in the Township during FY 2019-20. However, it has not completed the activities proposed during these years due to COVID-19 Pandemic. Accordingly, it has not claimed any additional capitalization in FY 2019-20 and FY 2020-21 in the present petition.

TABLE 24: GROSS FIXED ASSET (GFA) AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
Opening GFA	43.01	44.46	47.81	44.46
Capitalization	4.80	-	-	-
De-capitalization	-	-	-	-
Closing GFA	47.81	44.46	47.81	44.46

Commission's Analysis

5.25 The Commission has considered the opening balance of GFA for FY 2019-20 based on the closing GFA for FY 2018-19 as approved in the True up for the FY 2018-19. The GFA approved by the Commission is summarized in the below table.

TABLE 25: GROSS FIXED ASSET (GFA) AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
Opening GFA	43.01	44.46	44.45	47.81	44.46	44.45
Capitalization	4.80	-	-	-	-	-
De-capitalization	-	-	-	-	-	-
Closing GFA	47.81	44.46	44.45	47.81	44.46	44.45

Operation and Maintenance Expenses

Petitioner's Submission

5.26 The Petitioner submitted that the O&M expenses for FY 2019-20 and FY 2020-21 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 is based on the ratio of energy transferred to the TA-Electrical to the total energy received (distribution capacity ratio).

5.27 **Employee Expenses:** The Petitioner submitted that amount of 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.

5.28 **R&M expenditure:** The Petitioner submitted that, 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.

5.29 **A&G expenses:** The Petitioner submitted that A&G expenses include expenditure incurred directly in managing the distribution business in the 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 of this account for TA-Electrical. Similarly, expenses with regard to DNW and ETL have been considered based on distribution capacity ratio.

5.30 The summary of the O&M Expenses for FY 2019-20 and FY 2020-21 approved by the Commission in its MYT Order vis-à-vis actually incurred is as shown in the table below:

TABLE 26: O&M EXPENSE AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
Emp. Expenses	13.44	9.92	14.02	7.83
R&M Expenses	4.17	3.19	4.36	2.03
A&G Expenses	2.68	3.84	2.80	2.34
O&M Expenses	20.29	16.95	21.18	12.20

Commission's Analysis

5.31 The Commission in its MYT Order dated June 07, 2018 approved the employee cost and 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 truing up.

5.32 The Commission observes that the actual O&M expenditure is much lower than the expenditure approved in the MYT Order dated June 07, 2018. Since O&M is a controllable factor, the Commission finds it appropriate to qualify for 'Incentive and Penalty Framework', and orders for sharing of aggregate gains

between the Licensee and the customers in the ratio of 60:40 respectively, as per Clause 5.35 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015.

TABLE 27: O&M EXPENSE AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
Emp. Expenses	13.44	9.92	13.44	14.02	7.83	14.02
R&M Expenses	4.17	3.19	4.17	4.36	2.03	4.36
A&G Expenses	2.68	3.84	2.68	2.80	2.34	2.80
Total O&M Expenses	20.29	16.95	20.29	21.18	12.20	21.18
Sharing of Gains (O&M Expenses)			(1.34)			(3.59)

Depreciation

Petitioner's Submission

5.33 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 JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015.

TABLE 28: DEPRECIATION AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
Opening Gross Block	43.01	44.46	47.81	44.46
Additional Capitalization	4.80	-	-	-
Closing Gross Block	47.81	44.46	47.81	44.46
Average Gross Block	45.41	44.46	47.81	44.46
Rate of Depreciation	5.06%	5.06%	5.21%	5.21%
Depreciation	2.30	2.25	2.49	2.32

Commission's Analysis

5.34 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 29: DEPRECIATION AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
Opening Gross Block	43.01	44.46	44.45	47.81	44.46	44.45
Additional Capitalization	4.80	-	-	-	-	-
Closing Gross Block	47.81	44.46	44.45	47.81	44.46	44.45
Average Gross Block	45.41	44.46	44.45	47.81	44.46	44.45
Rate of Depreciation	5.06%	5.06%	5.06%	5.21%	5.21%	5.21%
Depreciation	2.30	2.25	2.25	2.49	2.32	2.32



Interest on Loan

Petitioner's Submission

5.35 The Petitioner submitted that, it has not availed any loan from external agencies and financing to distribution operation of the licensee is done through its own equity funding. Accordingly, it has considered the normative debt for computation. The Petitioner has prepared the debt schedule by considering the figure of closing debt as per the schedule of FY 2018-19. The base rate of SBI, applicable for FY 2019-20 and FY 2020-21 as 9.05% and 8.15% respectively. Further, interest on loan capital, a rate of interest of 11.05% and 10.15%, is computed considering SBI base rate plus 200 basis points as per the provisions of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015. The Petitioner submitted interest on loan approved by the Commission in its MYT Order vis-à-vis as claimed now as shown below.

TABLE 30: INTEREST ON LOAN AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
Net Loan-Opening	19.44	22.22	20.50	19.97
Addition in Loan	3.36	-	-	-
Repayment during the Year	2.30	2.25	2.49	2.32
Net Loan- closing	20.50	19.97	18.01	17.65
Average Loan	19.97	21.09	19.25	18.81
Rate of Interest	10.70%	11.05%	10.70%	10.15%
Interest on Loan	2.14	2.33	2.06	1.91

Commission's Analysis

5.36 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 2018-19 has been considered as opening loan value for FY 2019-20.

5.37 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 (Terms & Conditions for determination of Distribution Tariff) Regulations, 2015. The normative loan component has been worked out and is as summarized in the following table:

TABLE 31: INTEREST ON LOAN AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
Net Loan-Opening	19.44	22.22	22.22	20.50	19.97	19.97
Addition in Loan	3.36	-	-	-	-	-
Repayment during the Year	2.30	2.25	2.25	2.49	2.32	2.32
Net Loan- closing	20.50	19.97	19.97	18.01	17.65	17.65
Average Loan	19.97	21.09	21.09	19.25	18.81	18.81
Rate of Interest	10.70%	11.05%	11.05%	10.70%	10.15%	10.15%
Interest on Loan	2.14	2.33	2.33	2.06	1.91	1.91

Interest on Working Capital

Petitioner's Submission

5.38 The Petitioner submitted that it has calculated the Interest on Working Capital (IoWC) as per the Clause 6.30 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 and the rate of interest is considered as Base Rate of State Bank of India on April 01 plus 350 basis points of the relevant financial year. The Interest on working capital claimed by the Petitioner vis-à-vis approved by the Commission in its MYT Order is given below:

TABLE 32: INTEREST ON WORKING CAPITAL AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
O&M expenses for 1 month	1.69	1.41	1.76	1.02
Maintenance spares 1% of opening GFA	0.43	0.44	0.48	0.44
2 Months Equivalent of Revenue	70.40	15.84	73.86	12.50
Less: 1 month of power purchase cost	(32.56)	(10.52)	(34.18)	(9.95)
Total Working Capital	39.96	7.18	41.92	4.01
Rate of Interest	12.20%	12.55%	12.20%	11.65%
Interest on Working Capital	4.88	0.90	5.11	0.47

Commission's Analysis

5.39 The Commission has considered the Interest on Working Capital (IoWC) as per norms specified in Clause 6.30 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015.

5.40 The rate of IoWC has been considered to be equal to the Base rate of SBI as applicable on April 01, of the relevant financial year plus 350 basis points as per Clause 6.31 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015.



TABLE 33: INTEREST ON WORKING CAPITAL AS APPROVED BY THE COMMISSION
(RS. CR.)

Particulars	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
O&M expenses for 1 month	1.69	1.41	1.69	1.76	1.02	1.77
Maintenance spares 1% of opening GFA	0.43	0.44	0.44	0.48	0.44	0.44
2 Months Equivalent of Revenue	70.40	15.84	94.57	73.86	12.50	101.09
Less: 1 month of power purchase cost	(32.56)	(10.52)	(34.52)	(34.18)	(9.95)	(38.37)
Total Working Capital	39.96	7.18	62.19	41.92	4.01	64.92
Rate of Interest	12.20%	12.55%	12.55%	12.20%	11.65%	11.65%
Interest on Working Capital	4.88	0.90	7.80	5.11	0.47	7.56

Return on Equity

Petitioner's Submission

- 5.41 The Petitioner submitted that the Return on Equity (RoE) has been computed in accordance with Clause 6.17 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015.
- 5.42 The Petitioner submitted the opening value of equity for FY 2019-20 as the closing equity of FY 2018-19.
- 5.43 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 34: RETURN ON EQUITY AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 2019-20		FY 2020-21	
	MYT	Petition	MYT	Petition
Opening Equity	12.90	13.33	14.34	13.33
Addition in Equity	1.44	-	-	-
Closing Equity	14.34	13.33	14.34	13.33
Average Equity	13.62	13.33	14.34	13.33
Rate of Return	15.50%	15.50%	15.50%	15.50%
Return on Equity	2.11	2.07	2.22	2.07

Commission's Analysis

- 5.44 The Commission in its MYT order dated June 07, 2018 had approved the Return on Equity employed for the Control period as per Clause 6.17 to Clause 6.19 specified in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015. Accordingly, the Commission has computed the normative return on equity as follows:

TABLE 35: RETURN ON EQUITY AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
Opening Equity	12.90	13.33	13.33	14.34	13.33	13.33
Addition in Equity	1.44	-	-	-	-	-
Closing Equity	14.34	13.33	13.33	14.34	13.33	13.33
Average Equity	13.62	13.33	13.33	14.34	13.33	13.33
Rate of Return	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Equity	2.11	2.07	2.07	2.22	2.07	2.07

Summary of ARR Components

Petitioner's Submission

5.45 The summary of ARR components as submitted by the Petitioner is summarized in the table below.

TABLE 36: SUMMARY OF ARR COMPONENTS AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	2019-20		2020-21	
	MYT	Petition	MYT	Petition
Power Purchase Cost for Township	152.86	126.22	165.75	119.39
Power Purchase Cost (inc. Steel Plant)	390.78	490.85	410.11	525.03
Employee Cost	13.44	9.92	14.02	7.83
R&M Expenses	4.17	3.19	4.36	2.03
A&G Expenses	2.68	3.84	2.80	2.34
Depreciation	2.30	2.25	2.49	2.32
Interest on Loan	2.14	2.33	2.06	1.91
Return on Equity	2.11	2.07	2.22	2.07
Interest on Working Capital	4.88	0.90	5.11	0.47
Annual Revenue Requirement for Township	184.58	150.72	198.81	138.35
Annual Revenue Requirement (inc. Steel Plant)	422.50	515.35	443.17	543.98

Commission's Analysis

5.46 The summary of ARR components as approved by the Commission is summarized in the table below:

TABLE 37: SUMMARY OF ARR COMPONENTS AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 2019-20			FY 2020-21		
	MYT	Petition	Approved	MYT	Petition	Approved
Power Purchase Cost (inc. Steel Plant)	390.78	490.85	414.23	410.11	525.03	460.48
Employee Cost	13.44	9.92	13.44	14.02	7.83	14.02
R&M Expenses	4.17	3.19	4.17	4.36	2.03	4.36
A&G Expenses	2.68	3.84	2.68	2.80	2.34	2.80
Depreciation	2.30	2.25	2.25	2.49	2.32	2.32
Interest on Loan	2.14	2.33	2.33	2.06	1.91	1.91
Return on Equity	2.11	2.07	2.07	2.22	2.07	2.07
Interest on Working Capital	4.88	0.90	7.80	5.11	0.47	7.56
Sharing of Gains (O&M Expenses)	-	-	(1.34)	-	-	(3.59)
Annual Revenue Requirement (inc. Steel Plant)	422.50	515.35	447.64	443.17	543.98	491.92

Revenue from Sale of Power

Petitioner Submission

5.47 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 38: REVENUE AT AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 2019-20	FY 2020-21
Township Total Revenue	95.02	75.00

Commission's Analysis

5.48 The Commission has considered the sales to the Petitioner's 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.

5.49 The Commission in its order dated September 30, 2020 while determining the Tariff for FY 2020-21 for DVC in Clause IV: Voltage Rebate of Chapter A 13 stated as follows, *"It is further clarified that the voltage rebate will not be applicable to all consumers who are connected to the voltages specified above. The Commission in order to have uniform approach across all distribution utilities has now linked voltage rebate to be allowable to only those consumers who opt for higher voltages and meets the conditions specified in JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time"*. As such, the Commission while determining the revenue from Steel Plant on normative basis has not considered the Voltage Rebate for the Steel Plant.

5.50 The total revenue from sale of power as approved by the Commission is summarized in the below table:

TABLE 39: REVENUE FROM SALE OF POWER AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 2019-20	FY 2020-21
Steel Plant Sale (MU)	913.42	1,031.68
Steel Plant Load (MVA) @ 132 kV	45.00	45.00
Fixed Charges (Rs/kVA/Month)	300.00	300.00
Energy Charges (Rs/kVA/Month)	5.10	5.10
Revenue from Fixed Charges (Rs. Cr.)	16.20	16.20
Revenue from Energy Charges (Rs. Cr.)	465.85	526.16
Total Revenue (Rs. Cr.)	482.05	542.36
Power Factor Rebate- 2% on Demand & Energy Charges	9.64	10.85
Net Revenue from Steel Plant (Rs. Cr.)	472.41	531.51



Particulars	FY 2019-20	FY 2020-21
Revenue from Township as per audited account (Rs. Cr.)	95.02	75.00
Total Revenue (Rs. Cr.)	567.43	606.51

Revenue (Surplus)/Gap

Petitioner's Submission

5.51 The Petitioner submitted that it has only considered the ARR and revenue from sale of power to consumers of township, at the existing tariff for the calculation of the Revenue (Surplus)/ Gap as shown below.

TABLE 40: REVENUE (SURPLUS)/GAP AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 2019-20	FY 2020-21
Annual Revenue Requirement	150.72	138.35
Revenue at Existing Tariff	95.02	75.00
Revenue (Surplus)/Gap for the year	55.70	63.35

Commission's Analysis

5.52 The Commission has considered the ARR and revenue from sale of power being inclusive of distribution to township and the Petitioner's steel plant. The (Surplus)/ Gap approved by the Commission is shown below. The Commission is of the view that the Petitioner has not filed the Petition for the truing up of FY 2019-20 and FY 2020-21 on time, therefore no carrying cost on the surplus amount shall be allowed for the period of delay.

TABLE 41: REVENUE (SURPLUS)/GAP AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 2019-20		FY 2020-21	
	Petition	Approved	Petition	Approved
Annual Revenue Requirement	150.72	447.64	138.35	491.92
Revenue at Existing Tariff	95.02	567.43	75.00	606.51
Revenue (Surplus)/Gap for the year	55.70	(119.79)	63.35	(114.59)

TABLE 42: NET (SURPLUS)/GAP AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	Approved
Net Gap/(Surplus) for FY 2019-20	(119.79)
Net Gap/(Surplus) for FY 2020-21	(114.59)
Total Gap/(Surplus)	(234.38)

5.53 The Petitioner was required to submit the True-up Petition for FY 2019-20 latest by 30.11.2020 and the True-up Petition for FY 2020-21 latest by 30.11.2021. However, the Petitioner has filed these Petitions on March 30, 2022. Therefore, the Commission has not allowed carrying cost for the period of default.



A 6 Business Plan & MYT for Control Period FY 2021-22 to FY 2025-26

- 6.1 The Petitioner filed its Multi Year Tariff and Business Plan for Control Period FY 2021-22 to FY 2025-26 in line with the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.
- 6.2 Accordingly, the Commission has approved the Multi Year Tariff and Business Plan for Control Period FY 2021-22 to FY 2025-26, in line with the relevant Regulations containing approval for the load/ sales growth, loss trajectory, power procurement plan, expected capital investment.
- 6.3 The component-wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

Capital Investment Plan

Petitioner's Submission

- 6.4 The Petitioner submitted that, in the past MYT period from FY 2016-17 to FY 2020-21, it has carried out capital investment plans for Augmentation of 132/11 kV substation, feeder augmentation, installation of LED lamps and high mast lighting tower etc. The Commission had approved the capital investment plan in previous MYT Order dated 7 June 2018 in Case (T) No: 07 of 2017.
- 6.5 In the current control period, the Petitioner is carrying out an 11 kV feeder augmentation programme, installation of Arterial Lights in BSL township and high mast lighting tower. Further, the Petitioner procured hydraulic access platform vehicle for use in TE-Electrical department of the Petitioner. Along with the scheme/ programme-wise capital expenditure, there is capital expenditure required for procurement of material such as cables, wires, circuit breakers, transformer oil, connectors and other equipment required for maintaining the electrical network. Accordingly, capital expenditure incurred by the Petitioner in FY 2021-22 till October 2021 as mentioned in the capital investment plan. The detailed capital expenditure required for the mentioned activities is as per the table below:

TABLE 43: CAPITAL INVESTMENT PLAN AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
40 No's of High Mast Towers with LED Fixture in BSL township	1.17	-	-	-	-
01 No. of Hydraulic Access Platform vehicle for TE- Electrical Department	0.18	-	-	-	-
11KV Feeder Augmentation in BSL Township	-	7.97	7.97	-	-
Installation of Arterial Lights in BSL township	-	6.03	6.03	-	-
30 No's of High Mast Towers with LED Fixture in BSL township	-	0.57	0.57	-	-
Procurement of Cables, Wiring and other material	2.54	1.00	1.00	1.00	1.00
Total Capital Investment (Rs. Crore)	3.89	15.57	15.57	1.00	1.00

Commission's Analysis

- 6.6 The Commission after scrutinizing the Business Plan and the Petition submitted by the Petitioner, directed the Petitioner to submit the Detailed Project Report, Cost Benefits Analysis and Rate Reasonability, and Cost of Financing (interest on Debt) after considering the existing market conditions and terms of the loan agreements of the Capital Investment Plan, carried out by the Petitioner.
- 6.7 The Petitioner in compliance to the directions submitted the Contract agreements for 40 No's of High Mast Towers with LED Fixture, 11KV Feeder Augmentation, Installation of Arterial Lights, Purchase Order for Hydraulic Access Platform vehicle for TE- Electrical Department, and First Stage Approval for 30 No's of High Mast Towers with LED Fixture.
- 6.8 The Petitioner has also submitted the work order and e-approval note for Underground LT Network development, e-approval note for Installation of Smart meter, and work order for Installation of Energy saving dimmable LED streetlights. However, the Petitioner has prayed for approvals of these schemes in the next tariff petition.
- 6.9 After scrutinizing the submissions of the Petitioner, the Commission approves the capital investment plan for the Control Period as shown in the table below.

TABLE 44: CAPITAL INVESTMENT PLAN AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
40 No's of High Mast Towers with LED Fixture in BSL township	1.07	-	-	-	-
01 No. of Hydraulic Access Platform vehicle for TE- Electrical Department	0.18	-	-	-	-
11KV Feeder Augmentation in BSL Township	-	7.80	7.80	-	-
Installation of Arterial Lights in BSL township	-	2.12	2.12	-	-
30 No's of High Mast Towers with LED Fixture in BSL township	-	0.57	0.57	-	-
Procurement of Cables, Wiring and other material	2.54	1.00	1.00	1.00	1.00
Total Capital Investment (Rs. Crore)	3.79	11.49	11.49	1.00	1.00

Energy Sales/Consumption

Petitioner Submission

6.10 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 Petitioner submitted that the determination of the ARR by the Hon'ble Commission including the revenue from steel plant at HTS tariff had notionally created surplus with the Petitioner, while in actual there was no surplus on account of sale of power to the steel plant. The Petitioner further submitted that it is not raising any bill to steel plant and the steel plant is not paying any electricity charges at tariff under HTS category to the Petitioner. The Petitioner is purchasing the power from steel plant at the PPA rate submitted by the Petitioner in this Petition.

6.11 With regards to Energy Sales for Township and Steel Plant from FY 2015-16 to FY 2020-21 the Petitioner submits as below:

- a) Majority of SAIL-BSL residential consumers are employees of SAIL, staying in the Quarters allotted. It is observed that, in the past two years, number of retirees is more than number of new recruited employees in the company. New recruitment was adversely impacted due to COVID-19, but the retirement of employees is occurring in the usual manner.
- b) Billed consumption of Domestic LT (DS-LT) services has reduced by 11% (2-year CAGR) from FY 2018-19 to FY 2020-21, due to non-usage of vacant lease



quarter, licensed quarter, on role employee quarter and retention/ non-retention quarters.

- c) No. of consumers have been reduced by 9% (2-year CAGR) from FY2018-19 to FY 2020-21 which has supported the above fact of reduction in energy consumption under the DS-LT category.
- d) The billed consumption has reduced the Domestic HT, Commercial Services and LT Industrial categories from FY 2017-18 to FY 2020-21. However, in the HT Industrial category billed consumption has been increased by 8.92 %.
- e) There is a reduction of 0.53% in the total billed consumption for township from FY 2017-18 to FY 2020-21 in the past three-year CAGR.
- f) Total billed consumption for steel plant is increased by 4.8 % in the last 3 years. So, the total billed consumption for SAIL-BSL (Township and Steel Plant) is increased with a 3-year CAGR of 3.9 %.
- g) Due to the COVID-19 pandemic, the demand for domestic and commercial services reduced drastically. In FY 2019-20, energy sales reduced drastically, but it again increased in FY 2020-21. Thus, it can be said that sales will increase in the upcoming MYT period.
- h) The long-term projections for energy requirement depends on the growth of the economy, growth of population, as well as societal and lifestyle changes. Without any doubt, the various differing methodologies adopted for projections will grant different results. Nevertheless, it is useful to have a set of consistent projections with clearly stated assumptions to outline a framework for forecasting demand.

6.12 The methodology adopted by the Petitioner to project the sales during the next MYT period is outlined below:

- a) CAGR of energy sales of past 3 years from FY 2017-18 to FY 2020-21 is reduced due to COVID-19 Pandemic.
- b) Hence, 3-year CAGR based on consumer categories from FY 2015-16 to FY 2018-19 is considered for projection of sales for all the categories.
- c) CAGR is applied on category-wise sales from FY 2021-22 to FY 2025-26.
- d) Where the CAGR is (+), the same is considered for the purpose of projection;
- e) Where the CAGR is (-), no increase is considered for projections;
- f) With the enhanced efforts of the Petitioner towards theft reduction and improvement in the quality of supply, the sales are not projected to reduce during the forthcoming MYT period;

g) The impact of externalities is captured through appropriate reduction/increase in the CAGR rate, as necessary.

6.13 The category-wise number of consumers, connected load and energy sales as submitted by the Petitioner are given in the tables below:

TABLE 45: PROJECTED CATEGORY-WISE NO. OF CONSUMERS AS SUBMITTED BY THE PETITIONER

Consumer Category	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DS-LT	28,087	28,368	28,652	28,939	29,229
DS-HT	5	5	5	5	5
CS	1,919	1,939	1,959	1,979	1,999
LTIS	34	34	34	34	34
HTS	21	22	23	24	25
HT/LT	656	656	656	656	656
Township Total	30,722	31,024	31,329	31,637	31,948
Steel Plant	1	1	1	1	1
Total Consumers incl. Steel Plant	30,723	31,025	31,330	31,638	31,949

TABLE 46: PROJECTED CATEGORY-WISE CONNECTED LOAD AS SUBMITTED BY THE PETITIONER

Consumer Category	Units	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DS-LT	kW	96,021	96,982	97,952	98,932	99,922
DS-HT	kVA	4,815	4,815	4,815	4,815	4,815
CS	kW	24,463	24,953	25,453	25,963	26,483
LTIS	HP	1,001	1,012	1,023	1,034	1,045
HTS	kVA	7,002	7,353	7,721	8,108	8,514
HT/LT	kW	33,008	34,163	35,359	36,596	37,877
Steel Plant	MVA	45	45	45	45	45

TABLE 47: CATEGORY-WISE ENERGY SALES AS SUBMITTED BY THE PETITIONER (MUS)

Consumer Category	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DS-LT	98.51	101.84	105.27	108.83	112.50
DS-HT	6.07	6.13	6.20	6.27	6.34
CS	15.07	16.31	17.66	19.12	20.70
LTIS	0.45	0.45	0.45	0.45	0.45
HTS	10.76	11.30	11.86	12.45	13.08
HT/LT	61.49	63.33	65.23	67.19	69.21
Township Total	192.34	199.36	206.68	214.31	222.28
Steel Plant	1,134.85	1,248.34	1,373.17	1,510.49	1,661.54
Total Sales incl. Steel Plant	1,327.20	1,447.70	1,579.85	1,724.80	1,883.81



Commission's Analysis

Treatment of the Steel Plant

6.14 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.”

6.15 Subsequently, 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. The Commission in its Tariff Order dated September 03, 2014, in line with its earlier Order adopted a similar methodology adopted by the Petitioner.

6.16 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.

6.17 The Commission continued the methodology of considering steel plant as HTS consumer in the truing up of FY 2016-17 to FY 2018-19 and Suo-Motu Order on ARR of FY 2020-21 dated January 08, 2021. Further, the Commission has continued the precedent in the truing up of FY 2019-20 & FY 2020-21 as mentioned in earlier chapters of this Order.

6.18 In accordance with the above, the Commission finds no merit in the claims made by the Petitioner and the Steel Plant has been considered as HT consumer of Electricity Distribution Business of SAIL-BSL.



6.19 In line with the above methodology, the Commission approves the sales for the Control Period for the respective years. The following tables summarize the consumer category-wise sales, No. of consumers, connected load for the Control Period as approved by the Commission.

TABLE 48: PROJECTED CATEGORY-WISE NO. OF CONSUMERS AS APPROVED BY THE COMMISSION

Consumer Category	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DS-LT	28,087	28,368	28,652	28,939	29,229
DS-HT	5	5	5	5	5
CS	1,919	1,939	1,959	1,979	1,999
LTIS	34	34	34	34	34
HTS	21	22	23	24	25
HT/LT	656	656	656	656	656
Township Total	30,722	31,024	31,329	31,637	31,948
Steel Plant	1	1	1	1	1
Total Consumers incl. Steel Plant	30,723	31,025	31,330	31,638	31,949

TABLE 49: PROJECTED CATEGORY-WISE CONNECTED LOAD AS APPROVED BY THE COMMISSION

Consumer Category	Units	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DS-LT	kW	96,021	96,982	97,952	98,932	99,922
DS-HT	kVA	4,815	4,815	4,815	4,815	4,815
CS	kW	24,463	24,953	25,453	25,963	26,483
LTIS	HP	1,001	1,012	1,023	1,034	1,045
HTS	kVA	7,002	7,353	7,721	8,108	8,514
HT/LT	kW	33,008	34,163	35,359	36,596	37,877
Steel Plant	MVA	45	45	45	45	45

TABLE 50: CATEGORY-WISE ENERGY SALES AS APPROVED BY THE COMMISSION (MUS)

Consumer Category	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DS-LT	98.51	101.84	105.27	108.83	112.50
DS-HT	6.07	6.13	6.20	6.27	6.34
CS	15.07	16.31	17.66	19.12	20.70
LTIS	0.45	0.45	0.45	0.45	0.45
HTS	10.76	11.30	11.86	12.45	13.08
HT/LT	61.49	63.33	65.23	67.19	69.21
Township Total	192.34	199.36	206.68	214.31	222.28
Steel Plant	1,134.85	1,248.34	1,373.17	1,510.49	1,661.54
Total Sales incl. Steel Plant	1,327.20	1,447.70	1,579.85	1,724.80	1,883.81



Distribution Loss

Petitioner's Submission

- 6.20 The Petitioner submits that the actual distribution losses were calculated considering audited values for energy billed to township and power purchased at township periphery for FY 2019-20 and FY 2020-21.
- 6.21 The distribution losses for FY 2021-22 are estimated as 37.08% as per unaudited billed energy for the township based on energy bills paid upto October 2021 and power purchase at township periphery till October 2021, and projection for remaining 5 months of FY 2022.
- 6.22 The key reason behind the significantly high losses is theft of electricity through unauthorized means in the rural areas. The Petitioner has made several efforts to control such unauthorized usage of electricity and the issues encountered, steps undertaken have been summarized below:
- a) It is observed that, there are some areas which do not come under the Licensed area of SAIL-BSL that are consuming electricity by hooking in SAIL-BSL's distribution system. These consumers are expected to use the supply of DVC distribution licensee, however, due to the contiguous area of supply with DVC, these consumers are illegally consuming the supply from SAIL-BSL distribution network.
 - b) SAIL-BSL has also formed groups consisting of senior officials who visit the local areas to check for illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections.
- 6.23 SAIL-BSL is striving hard to reduce distribution losses and has been regularly introducing new initiatives to check the same, but on an overall basis the situation is largely uncontrollable due to legacy issues.
- 6.24 However, SAIL-BSL is committed to reduce the distribution loss level under the specified level as determined by the Hon'ble Commission. SAIL-BSL is taking concrete measures for distribution loss reduction such as;
- a) Planning of underground cabling of LT network along with laying of Aerial Bunch Cable,
 - b) Smart metering in the Control period of FY 2021-22 to FY 2025-26.



6.25 The above measures would help to reduce the distribution losses in the control period of FY 2021-22 to FY 2025-26.

6.26 In view of the aforesaid reasons, it is prayed that reduction in distribution losses to the level of 10% during this control period as envisaged by the Hon'ble Commission in the MYT Order dated 07.06.2018 would be very stringent, and difficult to adhere to. SAIL-BSL humbly submits the projected distribution losses for the Control Period from FY 2021-22 to FY 2025-26 as under:

TABLE 51: DISTRIBUTION LOSS AS SUBMITTED BY THE PETITIONER (%)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Distribution loss (%)	38.66%	36.72%	34.89%	33.14%	31.49%

Commission's Analysis

6.27 The Commission in the previous Control Periods, for FY 13-14 to FY 15-16 vide Order dated September 03, 2014, and for FY 16-17 to FY 20-21 vide Order dated June 07, 2018, had set the targets for distribution loss at the end of both Control Periods as 10.00%. The Commission is of the view that distribution losses should gradually decrease over time. However, since adequate opportunity was given to the Petitioner and yet it has not been able to reduce the distribution losses to the targets set by the Commission in both of the previous Control Periods, the Commission has taken a decision to continue with the distribution loss target set at 10.00% throughout this Control Period.

6.28 Clause 6.44 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, identifies 'Distribution Loss and Collection Efficiency' as 'Controllable' items. The Petitioner in this regard is directed to reduce its distribution loss and strictly adhere to the target levels as set by the Commission for the Control Period. The Collection efficiency targets have already been specified in Clause 6.39 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 as 99.50% for the Petitioner.

6.29 The distribution loss trajectory approved for the Township by the Commission for the Control period FY 21-22 to FY 25-26 is as tabulated below:

TABLE 52: DISTRIBUTION LOSS & COLLECTION EFFICIENCY AS APPROVED BY THE COMMISSION (%)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Distribution loss (%)	10.00%	10.00%	10.00%	10.00%	10.00%
Collection efficiency (%)	99.50%	99.50%	99.50%	99.50%	99.50%

Energy Balance

Petitioner's submission

6.30 The Petitioner submitted that it has considered the distribution loss only for the Township consumption and not on the steel plant consumption. The energy requirement for Steel Plant has been considered as the projected energy consumption of the Steel Plant. Further, the projected energy sales of the township are grossed up with distribution losses for the entire Control Period.

6.31 The following table provides the detailed power purchase quantum and power purchase cost forecasted by the Petitioner for the Control period FY 2021-22 to FY 2025-26:

TABLE 53: ENERGY BALANCE AS SUBMITTED BY THE PETITIONER

Particulars	Units	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Energy Sales – Township	MUs	192.34	199.36	206.68	214.31	222.28
Distribution Losses	%	38.66%	36.72%	34.89%	33.14%	31.49%
Energy required at township periphery	MUs	313.55	315.07	317.43	320.56	324.43
Energy required for Steel Plant	MUs	1,134.85	1,248.34	1,373.17	1,510.49	1,661.54
Total Energy Required	MUs	1,448.41	1,563.41	1,690.60	1,831.05	1,985.96

Commission's Analysis

6.32 The Commission has approved the Energy Balance based on the Sales and the Distribution loss levels as approved in the earlier paragraphs of this chapter. Accordingly, the Energy Balance as approved by the Commission has been tabulated below:

TABLE 54: ENERGY BALANCE AS APPROVED BY THE COMMISSION

Particulars	Units	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Energy Sales – Township	MUs	192.34	199.36	206.68	214.31	222.28
Distribution Losses	%	10.00%	10.00%	10.00%	10.00%	10.00%
Energy required at township periphery	MUs	213.72	221.52	229.65	238.13	246.97
Energy required for Steel Plant	MUs	1,134.85	1,248.34	1,373.17	1,510.49	1,661.54

Particulars	Units	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Total Energy Required	MUs	1,348.57	1,469.85	1,602.82	1,748.61	1,908.51

Power Procurement Plan

Petitioner's submission

6.33 For projecting the power purchase quantum, the Petitioner submitted that it has been purchasing power from DVC, a central PSU, which is a power generating company under aegis of Government of India under a contractually binding PPA which supplies power to it in accordance with the tariff fixed by the State Commission.

6.34 The Petitioner further submitted that it has been able to cater to its energy requirement from the power available from DVC even under intermittent supply conditions. Further, the Petitioner is exempted from Renewable Purchase Obligation (RPO) for the energy procured from DVC vide Case No. 07 of 2016 of JSERC dated 20.06.2018. The relevant extract of the Order is as below:

“The petitioner (SAIL, Bokaro Steel Plant), Bokaro Steel City is exempted from complying with the Renewable Purchase Obligation for the part of the power consumption which the petitioner is purchasing from DVC to the extent that it has to be complied by the DVC.”

6.35 Furthermore, the Petitioner is procuring power from DVC with the tariff rate approved for DVC's 220 kV industrial consumer category by Commission. However, the Petitioner submitted to have initiated the proposal for renewal of the PPA which is under the approval stage. The Petitioner shall submit the PPA before the Commission when it is approved.

6.36 The per unit power purchase cost is computed based on the actual energy bills of DVC to the Petitioner for FY 2021-22. Further, the Petitioner observed that tariff rate of DVC, applicable for SAIL-BSL, is increased with the CAGR of 5% from FY 2019-20 to FY 2021-22 based on electricity bills paid by SAIL-BSL to DVC. Further, DVC proposed energy charges of all the generators which are increasing with the CAGR of 4.047% from FY 2021-22 to FY 2025-26. Accordingly, the Petitioner SAIL-BSL has projected the power purchase rate from FY 2021-22 to FY 2025-26 with the same CAGR.



TABLE 55: POWER PROCUREMENT PLAN AS SUBMITTED BY THE PETITIONER

Particulars	UoM	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Total Power Purchase	MU	1,448.41	1,563.41	1,690.60	1,831.05	1,985.96
Power Purchase - Township	MU	313.55	315.07	317.43	320.56	324.43
Power Purchase - Plant	MU	1,134.85	1,248.34	1,373.17	1,510.49	1,661.54
Per unit power purchase cost	Rs./kWh	4.43	4.61	4.80	4.99	5.20
Total Power Purchase Cost	Rs. Cr.	642.26	721.32	811.56	914.56	1,032.08
Power Purchase Cost - Township	Rs. Cr.	139.04	145.37	152.38	160.11	168.60
Power Purchase Cost - Plant consumption	Rs. Cr.	503.23	575.95	659.18	754.45	863.48

Commission's Analysis

6.37 The Commission has scrutinized the available data. Based on the actual bills for FY 2021-22 as issued by DVC, and with a CAGR of 4.00%, the Commission finds it appropriate to project source-wise power purchase cost for the Control Period. Any variation in power purchase cost from the approved cost may be claimed by the Petitioner based on actuals during truing-up for each financial year.

6.38 The power purchase rate (in Rs./kWh) and power purchase cost (in Rs. Cr.) for the power purchase from DVC for Control Period as approved by the Commission is summarized in the table below:

TABLE 56: POWER PROCUREMENT PLAN AS APPROVED BY THE COMMISSION

Particulars	UoM	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Total Power Purchase	MUs	1,348.57	1,469.85	1,602.82	1,748.61	1,908.51
Power Purchase – Township	MUs	213.72	221.52	229.65	238.13	246.97
Power Purchase – Plant	MUs	1,134.85	1,248.34	1,373.17	1,510.49	1,661.54
Per unit power purchase cost	Rs./kWh	4.43	4.52	4.70	4.89	5.09
Total Power Purchase Cost	Rs. Cr.	597.99	664.81	753.95	855.43	971.00
Power Purchase Cost - Township	Rs. Cr.	94.77	100.19	108.02	116.49	125.65
Power Purchase Cost - Plant consumption	Rs. Cr.	503.23	564.62	645.92	738.94	845.34



A7 ARR for the Control Period FY 2021-22 to FY 2025-26

Gross Fixed Asset (GFA)

Petitioner's submission

7.1 The Petitioner has submitted opening GFA for FY 2021-22 as per the closing GFA for the FY 2020-21. Further, the additions in GFA have been considered as per the Capital Investment Plan as submitted by the Petitioner and discussed earlier in this Order is tabulated below:

TABLE 57: GROSS FIXED ASSET (GFA) AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Opening GFA	44.46	48.35	63.91	79.48	80.48
Capitalization	3.89	15.57	15.57	1.00	1.00
Closing GFA	48.35	63.91	79.48	80.48	81.48

Commission's analysis

7.2 The Commission has considered the opening balance of GFA for FY 2021-22 based on the closing GFA for FY 2020-21 as approved in the Order for True-up of the FY 2020-21.

7.3 Considering the capitalization approved for the Control Period in this Order, the Commission has determined the closing figures of GFA as summarized in the following table:

TABLE 58: GROSS FIXED ASSET (GFA) AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Opening GFA	44.45	48.24	59.73	71.21	72.21
Capitalization	3.79	11.49	11.49	1.00	1.00
Closing GFA	48.24	59.73	71.21	72.21	73.21

Operation & Maintenance Expenses

Petitioner's submission

7.4 The Petitioner submitted that it has integrated its various processes viz. payroll, leave management, performance management and finance & accounts through implementation of Enterprise Resource Planning (ERP) Software which has brought about a positive paradigm shift in the manner in which business is conducted. All transactions related to the above processes are conducted online thus bringing about a quantum improvement in efficiency and eliminating time consuming manual or repetitive transactions.



- 7.5 The Petitioner submitted that the Employee costs are dependent upon many factors, such as the growth in economy in general and the sector in particular, requirement and availability of personnel with the requisite skill sets, etc. and has made projections keeping in view the aforesaid factors.
- 7.6 The Petitioner submitted that the employee expenses are projected based on Regulation 10.6 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The escalation factor has been estimated in line with Regulation 10.6 whereby the Wholesale Price Index (WPI) and Consumer Price Index (CPI) for a period of 2 years have been computed and a weighted average rate has been arrived at by giving 45% weightage to WPI and 55% weightage to CPI. Inflation factor has been computed as per applicable rates of WPI and CPI and is arrived at 3.47%.
- 7.7 The Petitioner submitted that R&M expenditure incurred by the distribution licensee is a function of the network condition of the licensee. The network condition would depend on the condition of the assets and subsequent augmentation/ strengthening/ capex undertaken by the Licensee. Benchmarking with other utilities in other State jurisdictions for the R&M expenditure therefore may not provide an appropriate indication. The K factor need to be customized for each distribution licensee considering the above and may vary across years based on the capital expenditure in the previous years together with expenditure incurred during the year. Accordingly, R&M expenses are projected based on Regulation 10.6(a) of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.
- 7.8 In line with the Regulation 10.6, the A&G expenses have been projected, with figures of FY 2020-21 being the base for arriving at A&G expenses for FY 2021-22 and for the MYT control period. Accordingly, the Petitioner has projected the O&M cost for the Control Period, as under:

TABLE 59: O&M EXPENSE AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Employee Expenses	8.22	8.63	9.06	9.52	9.99
R&M Expenses	2.03	2.21	2.92	3.63	3.67
A & G Expenses	2.86	2.57	2.57	2.57	2.57
Total O&M Expenses	13.11	13.41	14.55	15.72	16.24

Commission's analysis

7.9 As per Regulation 10.5 and 10.6 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, the O&M expenses for the Control Period shall be approved based on the formula shown below:

$$\text{“O\&M}_n = (R\&M_n + EMP_n + A\&G_n) + \textit{Terminal Liabilities}$$

Where,

R&M_n – Repair and Maintenance Costs of the Licensee for the nth year;

EMP_n – Employee Costs of the Licensee for the nth year excluding terminal liabilities;

A&G_n – Administrative and General Costs of the Licensee for the nth year.

The above components shall be computed in the manner specified below:

$$a) R\&M_n = K * GFA * (INDX_n / INDX_{n-1})$$

Where,

‘K’ is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) and shall be calculated based on the % of R&M to GFA of the preceding year of the Base Year in the MYT Order after normalising any abnormal expenses;

‘GFA’ is the opening value of the gross fixed asset of the nth year;

$$b) EMP_n + A\&G_n = [(EMP_{n-1}) * (1 + G_n) + (A\&G_{n-1})] * (INDX_n / INDX_{n-1})$$

Where,

EMP_{n-1} – Employee Costs of the Licensee for the (n-1)th year excluding terminal liabilities;

A&G_{n-1} – Administrative and General Costs of the Licensee for the (n-1)th year excluding legal/litigation expenses;

INDX_n – Inflation factor to be used for indexing the employee cost and A&G cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) for immediately preceding year before the base year;

G_n – is a growth factor for the nth year and it can be greater than or lesser than zero based on the actual performance. Value of G_n shall be determined by the Commission in the MYT Order for meeting the additional manpower requirement based on the Distribution Licensee’s Filing, benchmarking and any other factor that the Commission feels appropriate;

$$c) \text{INDX}_n = 0.55 * \text{CPI}_n + 0.45 * \text{WPI}_n;$$

7.10 The Commission has determined the inflation factor by taking weighted average of the WPI and CPI for FY 2018-19 and FY 2019-20 in the ratio 45:55. Thus, inflation factor for indexing the Employee cost and A&G cost is determined to be 6.09%.

7.11 The Commission has determined the *K Factor* for the Control Period as 7.18% using the actual R&M Expenses and Opening GFA for 2019-20.

7.12 Accordingly, the O&M cost as approved by the Commission for MYT Control Period is summarized in the following table:

TABLE 60: O&M EXPENSE AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Employee Expenses	8.31	8.81	9.35	9.92	10.52
R&M Expenses	3.38	3.67	4.55	5.42	5.50
A & G Expenses	2.48	2.63	2.79	2.96	3.14
Total O&M Expenses	14.17	15.12	16.69	18.30	19.16

Depreciation

Petitioner’s submission

7.13 The Petitioner submits that it has considered the Gross Fixed Assets of FY 2021-22 as the closing balance of FY 2020-21. Based on the Opening GFA of FY 2021-22, the additions in GFA for the MYT control period have been added to arrive at the closing GFA figures for the MYT control period. Further, the depreciation rate of 4.22% has been considered as per the rates provided in Appendix 1 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The computation of depreciation is based on the Straight-Line Method as prescribed in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

7.14 Accordingly, the Petitioner has projected the Depreciation for the Control Period, as under:

TABLE 61: DEPRECIATION AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Opening GFA	44.46	48.35	63.91	79.48	80.48
Capitalization	3.89	15.57	15.57	1.00	1.00
Closing GFA	48.35	63.91	79.48	80.48	81.48
Rate of Depreciation	4.22%	4.22%	4.22%	4.22%	4.22%
Depreciation	1.96	2.37	3.03	3.38	3.42

Commission's analysis

7.15 The Commission after scrutinizing the submissions made by the Petitioner approves the depreciation for the Control Period according to Regulations 10.34 to 10.40 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 as tabulated below:

TABLE 62: DEPRECIATION AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Opening GFA	44.45	48.24	59.73	71.21	72.21
Capitalization	3.79	11.49	11.49	1.00	1.00
Closing GFA	48.24	59.73	71.21	72.21	73.21
Rate of Depreciation	4.22%	4.22%	4.22%	4.22%	4.22%
Depreciation	1.96	2.28	2.76	3.03	3.07

Interest on Loan

Petitioner's submission

7.16 The Petitioner submitted that it has prepared the debt schedule by considering the figure of closing debt as per the schedule of FY 2020-21. The base rate of SBI after 10.03.2021 was 7.40%. Further, for the purpose of estimating interest on loan capital, a rate of interest of 9.40% which is 7.40% plus 200 basis points has been considered.

7.17 Accordingly, SAIL-BSL has projected the Interest on Loan for the Control Period, as under:

TABLE 63: INTEREST ON LOAN AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Net Loan-Opening	17.65	18.41	26.94	34.81	32.14
Additions during the year	2.72	10.90	10.90	0.70	0.70
Repayment during the year	1.96	2.37	3.03	3.38	3.42
Net Loan-Closing	18.41	26.94	34.81	32.14	29.42
Average Loan	18.03	22.68	30.88	33.48	30.78
Rate of Interest	9.45%	9.45%	9.45%	9.45%	9.45%
Interest on Loan	1.70	2.14	2.92	3.16	2.91



Commission's analysis

- 7.18 The Commission has calculated loans considering the debt-equity ratio in line with Regulation 10.16 and 10.17 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The loan arrived at in this manner is considered as gross normative loan for calculation of interest on loan.
- 7.19 The repayment for the year of the tariff period has been deemed to be equal to the depreciation allowed for that year. The opening values for FY 2021-22 has been considered as per the closing values for the FY 2020-21 as approved in the True-up.
- 7.20 It is observed that the Rate of Interest claimed by the Petitioner is stated to be equal to 9.40% in their explanation. However, while computing the Interest on Loan, the same has been claimed as 9.45%.
- 7.21 However, the Commission has computed the rate of interest on normative basis as per Clause 10.26 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and has considered it to be equal to SBI one-year Marginal Cost of Lending Rate (MCLR) as on 1st April, 2021 plus 200 basis points throughout the control period for projection basis. However, the actual interest rate shall be considered while truing-up the respective years of the Control Period.
- 7.22 The interest on normative loan as computed by the Commission for the Control period is summarized in the following table:

TABLE 64: INTEREST ON LOAN AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Net Loan-Opening	17.65	18.35	24.11	29.39	27.07
Additions during the year	2.65	8.04	8.04	0.70	0.70
Repayment during the year	1.96	2.28	2.76	3.03	3.07
Net Loan-Closing	18.35	24.11	29.39	27.07	24.70
Average Loan	18.00	21.23	26.75	28.23	25.88
Rate of Interest	9.00%	9.00%	9.00%	9.00%	9.00%
Interest on Loan	1.62	1.91	2.41	2.54	2.33

Interest on Working Capital

Petitioner's submission

7.23 The Petitioner submitted that it has estimated the working capital requirement for the control period based on Regulations 10.31 and 10.32 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The base rate of SBI after 15.09.2021 was 7.40 %. Further, for the purpose of estimating interest on working capital, a rate of interest of 10.95% which is 7.45% plus 350 basis points has been considered.

7.24 Accordingly, the Petitioner has projected the Interest on Working capital for the Control Period, as under:

TABLE 65: INTEREST ON WORKING CAPITAL AS SUBMITTED BY THE PETITIONER
(RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Maintenance spares 1% of GFA	0.44	0.48	0.64	0.79	0.80
2 Months Revenue	16.25	16.84	17.45	18.10	18.77
Less: Security deposits	-	-	-	-	-
Less: 1 month of power purchase cost	(11.59)	(12.11)	(12.70)	(13.34)	(14.05)
Total Working capital	5.11	5.21	5.40	5.55	5.52
Rate of Interest	10.95%	10.95%	10.95%	10.95%	10.95%
Interest on Working Capital	0.56	0.57	0.59	0.61	0.60

Commission's analysis

7.25 The Commission has considered the interest on working capital as per the norms specified in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

7.26 As per JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, the working capital requirements are to be determined as per the following norms: -

“10.30 Working capital for the Wheeling Business for the Control Period shall comprise:

- Maintenance spares at 1% of Opening GFA of Wheeling Business; plus*
- Two months equivalent of the expected revenue from wheeling charges at the prevailing tariffs; minus*
- Amount, if any, held as security deposits.*

10.31 Working capital for the Retail Supply of Electricity for the Control

Period shall comprise:

- a) *Maintenance spares at 1% of Opening GFA for Retail Supply Business; plus*
- b) *Two months equivalent of the expected revenue from sale of electricity at the prevailing tariffs; minus*
- c) *Amount held as security deposits under Clause (a) and Clause (b) of sub-section (1) of Section 47 of the Act from consumers and Distribution System Users net of any security held for Wheeling Business; minus*
- d) *One-month equivalent of cost of power purchased including the Inter-State and Intra-State Transmission Charges and Load Despatch Charges, based on the annual power procurement plan.”*

7.27 Regulation 6.5 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 states “*The Licensee shall segregate the accounts of the Licensed Business into Wheeling Business and Retail Supply Business*” and Regulation 6.8 states “*In case clear and reasoned methodology for allocation is not submitted by the Distribution Licensee, the Commission may consider the segregation as approved for the previous Control Period as specified below or may decide on the manner in which such allocation can be done:*”

Particulars	Share of Supply Business	Share of Wires Business
<i>O&M Cost</i>	40%	60%
<i>Employee cost</i>	50%	50%
<i>A&G Expense</i>	10%	90%
<i>R&M Cost</i>	100%	0%
<i>Power purchase (Including PGCIL & RLDC Charges)</i>	100%	0%
<i>Interest on security deposit</i>	10%	90%
<i>Interest Cost</i>	90%	10%
<i>Interest on working capital</i>	10%	90%
<i>Taxes on Income</i>	10%	90%
<i>Depreciation</i>	10%	90%
<i>Return on Equity</i>	90%	10%
<i>Less: Non-Tariff/ Other Income</i>	40%	60%

7.28 Rate of interest on working capital has been considered equal to SBI one-year Marginal Cost of Lending Rate (MCLR) as on the 30th September of the financial year plus 350 basis points as per Regulation 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on 1st April of the financial year for which truing up exercise has been undertaken.

7.29 As discussed earlier, the Commission has considered the Steel Plant as HTS Consumer of the Petitioner. Following the same methodology, the Commission has considered Revenue and Power Purchase costs to be inclusive of Revenue from Steel Plant and costs incurred towards power purchase for the Steel Plant.

7.30 Accordingly, the interest on working capital as computed by the Commission for the MYT Control period is summarized in the following table:

TABLE 66: INTEREST ON WORKING CAPITAL AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Maintenance spares 1% of GFA	0.44	0.48	0.60	0.71	0.72
2 Months Revenue	113.43	123.47	134.49	146.57	159.82
Less: Security deposits	-	-	-	-	-
Less: 1 month of power purchase cost	(49.83)	(55.40)	(62.83)	(71.29)	(80.92)
Total Working capital	64.04	68.55	72.25	75.99	79.63
Rate of Interest	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on working capital	6.72	7.20	7.59	7.98	8.36

Return on Equity

Petitioner's submission

7.31 The Petitioner submitted that it has considered the opening of equity for FY 2021-22 as the closing equity of FY 2020-21. Further, the average rate of return of 14.50% has been applied to arrive at the return on equity. Accordingly, SAIL-BSL has projected RoE for the Control Period, as under:

TABLE 67: RETURN ON EQUITY AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Opening Equity	13.33	14.50	19.17	23.84	24.14
Additions during year	1.17	4.67	4.67	0.30	0.30
Closing equity	14.50	19.17	23.84	24.14	24.44
Average Equity	13.91	16.83	21.50	23.99	24.29
Rate of Return	14.50%	14.50%	14.50%	14.50%	14.50%
Return on Equity	2.02	2.44	3.12	3.48	3.52

Commission's analysis

7.32 The Commission has approved the Return on Equity on the approved equity employed for the control period as per the Regulations specified in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The Rate of return on equity is considered to be 14.50%. Accordingly, the Commission computed normative return on equity as follows:

TABLE 68: RETURN ON EQUITY AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Opening Equity	13.33	14.47	17.91	21.36	21.66
Additions during year	1.14	3.45	3.45	0.30	0.30
Closing equity	14.47	17.91	21.36	21.66	21.96
Average Equity	13.90	16.19	19.64	21.51	21.81
Rate of Return	14.50%	14.50%	14.50%	14.50%	14.50%
Return on Equity	2.02	2.35	2.85	3.12	3.16

Summary of ARR for the Control Period

Petitioner's submission

7.33 The following table contains a summary of ARR for the Control period FY 2021-22 to FY 2025-26 as submitted by the Petitioner:

TABLE 69: SUMMARY OF ARR FOR THE CONTROL PERIOD AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Power Purchase Cost	139.04	145.37	152.38	160.11	168.60
R&M Expenses	2.03	2.21	2.92	3.63	3.67
Employee Expenses	8.22	8.63	9.06	9.52	9.99
A&G Expenses	2.86	2.57	2.57	2.57	2.57
Depreciation	1.96	2.37	3.03	3.38	3.42
Interest on Loan	1.70	2.14	2.92	3.16	2.91
Return on Equity	2.02	2.44	3.12	3.48	3.52
Interest on Working Capital	0.56	0.57	0.59	0.61	0.60
Annual Revenue Requirement	158.39	166.30	176.58	186.45	195.29

Commission's analysis

7.34 The following table contains a summary of ARR for the Control period FY 2021-22 to FY 2025-26 as approved by the Commission:

TABLE 70: SUMMARY OF ARR FOR THE CONTROL PERIOD AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Power Purchase Cost inc. Steel Plant	597.99	664.81	753.95	855.43	971.00
R&M Expenses	3.38	3.67	4.55	5.42	5.50
Employee Expenses	8.31	8.81	9.35	9.92	10.52
A & G Expenses	2.48	2.63	2.79	2.96	3.14
Depreciation	1.96	2.28	2.76	3.03	3.07
Interest on Loan	1.62	1.91	2.41	2.54	2.33
Return on Equity	2.02	2.35	2.85	3.12	3.16
Interest on Working Capital	6.72	7.20	7.59	7.98	8.36
Annual Revenue Requirement inc. Steel Plant	624.48	693.66	786.24	890.40	1,007.08



Revenue from Sale of Power at Existing Tariff

Petitioner's Submission

7.35 Category-wise calculation of revenue from existing tariff as submitted by the Petitioner for FY 2021-22 and FY 2022-23 are summarized in the following tables:

TABLE 71: REVENUE FOR FY 2021-22 AT EXISTING TARIFF AS SUBMITTED BY THE PETITIONER

Consumer Category	Total billed amount at existing tariff (Rs. Cr.)	Average BillingRate (Rs/kWh)	Existing cross subsidy
DS-LT	34.71	3.52	43%
DS-HT	2.13	3.51	43%
CS	12.26	8.14	99%
LTIS	0.39	8.62	105%
HTS	8.01	7.44	90%
HT/LT	40.00	6.51	79%
Township Total	97.50	5.07	

TABLE 72: REVENUE FOR FY 2022-23 AT EXISTING TARIFF AS SUBMITTED BY THE PETITIONER

Consumer Category	Total billed amount at existing tariff (Rs. Cr.)	Average Billing Rate (Rs/kWh)	Existing cross subsidy
DS-LT	35.82	3.52	42%
DS-HT	2.15	3.51	42%
CS	13.04	7.99	96%
LTIS	0.39	8.67	104%
HTS	8.41	7.44	89%
HT/LT	41.22	6.51	78%
Township Total	101.03	5.07	

Commission's analysis

7.36 The Commission has computed the category-wise revenue from sale of power for the entire Control period based on the approved sales, number of consumers and connected load for the relevant year as per this Order and the category-wise existing tariffs as per the Suo-motu Order on ARR of FY 2020-21 dated January 08, 2021.

7.37 The Commission has not approved a category called HT/LT, as such the tariff of CS category has been used for the calculation of Revenue from this category of Consumers.

7.38 The Commission has considered the sales to the Petitioner Steel plant in the ARR and therefore the revenue from Steel Plant on a normative basis has also been considered in the revenue from the sale of power by the Petitioner in line with the methodology adopted by the Commission in its earlier Orders.

7.39 The Commission in its order dated September 30, 2020 while determining the Tariff for FY 2020-21 for DVC in Clause IV: Voltage Rebate of Chapter A 13 stated as follows, “It is further clarified that the voltage rebate will not be applicable to all consumers who are connected to the voltages specified above. The Commission in order to have uniform approach across all distribution utilities has now linked voltage rebate to be allowable to only those consumers who opt for higher voltages and meets the conditions specified in JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time”. As such, the Commission while determining the revenue from Steel Plant on normative basis has not considered the Voltage Rebate for the Steel Plant.

7.40 The total revenue from the sale of power as approved by the Commission is summarized in the below table:

TABLE 73: REVENUE FROM SALE OF POWER TO STEEL PLANT AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Steel Plant Sale (MU)	1,134.85	1,248.34	1,373.17	1,510.49	1,661.54
Steel Plant Load (MVA) @ 132kV	45.00	45.00	45.00	45.00	45.00
Fixed Charges (Rs/kVA/Month)	300.00	300.00	300.00	300.00	300.00
Energy Charges(Rs/kVA/Month)	5.10	5.10	5.10	5.10	5.10
Revenue from Fixed Charges (Rs Cr)	16.20	16.20	16.20	16.20	16.20
Revenue from Energy Charges (Rs.Cr.)	578.77	636.65	700.32	770.35	847.38
Total Revenue (Rs.Cr.)	594.97	652.85	716.52	786.55	863.58
Power Factor Rebate - 2% on Demand & Energy Charges	11.90	13.06	14.33	15.73	17.27
Net Revenue from Steel Plant (Rs.Cr.)	583.07	639.79	702.19	770.82	846.31

TABLE 74: REVENUE AT EXISTING TARIFF AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DS-LT	34.71	35.82	36.96	38.15	39.37
DS-HT	2.13	2.15	2.17	2.19	2.21
CS	12.26	13.04	13.89	14.79	15.77
LTIS	0.39	0.39	0.39	0.39	0.39
HTS	8.01	8.41	8.83	9.27	9.73
HT/LT	40.00	41.22	42.49	43.79	45.13
Township Total	97.50	101.03	104.73	108.58	112.61
Steel Plant	583.07	639.79	702.19	770.82	846.31
GRAND TOTAL	680.57	740.83	806.91	879.40	958.92

Revenue (Surplus)/Gap for the Control Period

Petitioner's Submission

7.41 The Petitioner estimated the revenue gap for the Control Period based on the estimated ARR and revenue at existing tariff as per the table below:

TABLE 75: REVENUE (SURPLUS)/GAP AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Annual Revenue Requirement	158.39	166.30	176.58	186.45	195.29
Revenue at Existing Tariff	97.50	101.03	104.73	108.58	112.61
(Surplus)/Gap for year	60.89	65.26	71.86	77.87	82.68

Commission's analysis

7.42 The Commission approved the revenue gap for the Control Period based on the approved ARR and revenue at existing tariff as per the table below:

TABLE 76: REVENUE (SURPLUS)/GAP AS APPROVED BY THE COMMISSION (RS. CR.)

Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Annual Revenue Requirement	624.48	693.66	786.24	890.40	1,007.08
Revenue at Existing Tariff	680.57	740.83	806.91	879.40	958.92
(Surplus)/Gap for year	(56.09)	(47.17)	(20.67)	11.00	48.16

7.43 The Commission in this Order has approved a net Surplus from the recovery of tariff up to FY 2023-24. Thus, the Commission finds no merit in revision of tariff for FY 2021-22 and FY 2022-23.



A 8 Tariff for FY 2021-22 & FY 2022-23

Petitioner's Submission

8.1 The Petitioner has proposed for the revision of Tariff for FY 2021-22 & FY 2022-23. The submissions of the Petitioner are summarized below,

TABLE 77: PROJECTED ARR FOR RETAIL SUPPLY AND WHEELING BUSINESS AS SUBMITTED BY THE PETITIONER (RS. CR.)

Particulars	Retail Supply		Wheeling	
	FY 21-22	FY 22-23	FY 21-22	FY 22-23
Power Purchase Cost	139.04	145.37	0.00	0.00
Employee Expenses	0.20	0.22	1.83	1.99
R&M Expenses	3.29	3.45	4.93	5.18
A&G Expenses	1.43	1.29	1.43	1.29
Depreciation	0.20	0.24	1.76	2.13
Interest on Loan	0.17	0.21	1.53	1.93
Interest on Working Capital	1.82	2.20	0.20	0.24
Return on Equity	0.06	0.06	0.50	0.51
Annual Revenue Requirement	146.20	153.03	12.19	13.27

TABLE 78: WHEELING CHARGES AS SUBMITTED BY THE PETITIONER (RS./KWH)

Particulars	Existing Wheeling Charge	Proposed Wheeling Charge
FY 2021-22	0.24	0.39
FY 2022-23	0.24	0.42

TABLE 79: RETAIL TARIFF FOR FY 2021-22 AS SUBMITTED BY THE PETITIONER

Category	Fixed Charges		Energy Charges	
	Existing	Proposed	Existing	Proposed
Domestic-LT	Rs. 80.00/Con./Mon	Rs. 90.00/Conn./Mon	Rs. 3.25/kWh	Rs. 4.23/kWh
Domestic-HT	Rs. 75.00/kVA/Mon	Rs. 100.00/kVA/Mon	Rs. 2.80/kVAh	Rs. 3.64/kVAh
Commercial	Rs. 125.00/kW/Mon	Rs. 140.00/kW/Mon	Rs. 5.70/kWh	Rs. 7.41/kWh
Industrial-LT	Rs. 150.00/kVA/Mon	Rs. 175.00/kVA/Mon	Rs. 4.60/kVAh	Rs. 5.98/kVAh
Industrial-HT	Rs. 300.00/kVA/Mon	Rs. 345.00/kVA/Mon	Rs. 5.10/kVAh	Rs. 6.63/kVAh
HT/LT	Rs. 125.00/kW/Mon	Rs. 150.00/kW/Mon	Rs. 5.70/kWh	Rs. 7.41/kWh
Category	Wheeling Charges		Average Billing Rate	
	Existing	Proposed	Existing	Proposed
Domestic-LT	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 3.52/kWh	Rs. 4.53/kWh
Domestic-HT	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 3.51/kVAh	Rs. 4.59/kVAh
Commercial	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 8.14/kWh	Rs. 10.14/kWh
Industrial-LT	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 8.62/kVAh	Rs. 10.67/kVAh
Industrial-HT	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 7.44/kVAh	Rs. 9.32/kVAh
HT/LT	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 6.51/kWh	Rs. 8.38/kWh

TABLE 80: RETAIL TARIFF FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Category	Fixed Charges		Energy Charges	
	Existing	Proposed	Existing	Proposed
Domestic-LT	Rs. 80.00/Con./Mon	Rs. 100.00/Conn./Mon	Rs. 3.25/kWh	Rs. 4.65/kWh
Domestic-HT	Rs. 75.00/kVA/Mon	Rs. 110.00/kVA/Mon	Rs. 2.80/kVAh	Rs. 4.00/kVAh
Commercial	Rs. 125.00/kW/Mon	Rs. 160.00/kW/Mon	Rs. 5.70/kWh	Rs. 8.15/kWh
Industrial-LT	Rs. 150.00/kVA/Mon	Rs. 190.00/kVA/Mon	Rs. 4.60/kVAh	Rs. 6.58/kVAh
Industrial-HT	Rs. 300.00/kVA/Mon	Rs. 380.00/kVA/Mon	Rs. 5.10/kVAh	Rs. 7.29/kVAh
HT/LT	Rs. 125.00/kW/Mon	Rs. 160.00/kW/Mon	Rs. 5.70/kWh	Rs. 8.15/kWh
Category	Wheeling Charges		Average Billing Rate	
	Existing	Proposed	Existing	Proposed
Domestic-LT	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 3.52/kWh	Rs. 4.98/kWh
Domestic-HT	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 3.51/kVAh	Rs. 5.04/kVAh
Commercial	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 7.99/kWh	Rs. 11.09/kWh
Industrial-LT	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 8.67/kVAh	Rs. 11.73/kVAh
Industrial-HT	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 7.44/kVAh	Rs. 10.26/kVAh
HT/LT	Rs. 0.24/kWh	Rs. 0.39/kWh	Rs. 6.51/kWh	Rs. 9.19/kWh

Commission's analysis

8.2 The Commission in this Order has approved a net Surplus from the recovery of tariff up to FY 2023-24. Thus, the Commission finds no merit in revision of tariff for FY 2021-22 and FY 2022-23.

8.3 Based on the above discussion, the summary of Tariff approved by the Commission for FY 2021-22 and FY 2022-23 is as below:

TABLE 81: RETAIL TARIFF FOR FY 2021-22 & FY 2022-23 AS APPROVED BY THE COMMISSION

Category	Fixed Charges		Energy Charges	
	Existing	Approved	Existing	Approved
Domestic-LT	Rs. 80.00/Con./Mon	Rs. 80.00/Con./Mon	Rs. 3.25/kWh	Rs. 3.25/kWh
Domestic-HT	Rs. 75.00/kVA/Mon	Rs. 75.00/kVA/Mon	Rs. 2.80/kVAh	Rs. 2.80/kVAh
Commercial	Rs. 125.00/kW/Mon	Rs. 125.00/kW/Mon	Rs. 5.70/kWh	Rs. 5.70/kWh
Irrigation & Agriculture Service	Rs. 40.00/HP/Mon	Rs. 40.00/HP/Mon	Rs. 4.50/kWh	Rs. 4.50/kWh
LTIS (Demand Based)	Rs. 150.00/kVA/Mon	Rs. 150.00/kVA/Mon	Rs. 4.60/kVAh	Rs. 4.60/kVAh
LTIS (Installation Based)	Rs. 150.00/kVA/Mon	Rs. 150.00/kVA/Mon	Rs. 4.60/kVAh	Rs. 4.60/kVAh
HTS	Rs. 300.00/kVA/Mon	Rs. 300.00/kVA/Mon	Rs. 5.10/kVAh	Rs. 5.10/kVAh
Streetlight	Rs. 50.00/kW/Mon	Rs. 50.00/kW/Mon	Rs. 4.50/kWh	Rs. 4.50/kWh
RTS, MES & Other Distribution Licensees	Rs. 300.00/kVA/Mon	Rs. 300.00/kVA/Mon	Rs. 5.05/kVAh	Rs. 5.05/kVAh

TABLE 82: WHEELING CHARGES AS APPROVED BY THE COMMISSION (RS./KWH)

Particulars	Existing Wheeling Charge	Approved Wheeling Charge
FY 2021-22	0.24	0.24
FY 2022-23	0.24	0.24



A 9 Tariff Schedule

Applicable from 01.07.2023

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 include motor pumps for lifting water for domestic purposes and other household electrical appliances that are 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	80.00	3.25

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

Prompt Payment Rebate and Rebate for Online Payment: In accordance with ‘*Clause VIII: Prompt Payment Rebate and Rebate for Online Payment*’ of Terms & Conditions of Supply as provided in **Chapter 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:

For HT: AC, 50 Cycles, at 11kV or 33kV.

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
DS-HT	Rs./kVA/month	75.00	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 **Chapter 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 **Chapter A 10** of this Tariff Order.

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

Commercial Service (CS)

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 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.

Category of Services:

Commercial Service: This Schedule shall apply for 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)
CS	Rs./kW/month	125.00	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 **Chapter 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 **Chapter 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 **Chapter A 10** of this Tariff Order.

Prompt Payment Rebate and Rebate for Online Payment: In accordance with 'Clause VIII: Prompt Payment Rebate and Rebate for Online Payment' of Terms & Conditions of Supply as provided in **Chapter 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, and Dal mills.

Service Character:

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

Tariff:

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kWh)
IAS	Rs./HP/month	40.00	4.50

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

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

Low Tension Industrial Service (LTIS)

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 at 230 Volts or Three Phase at 400 Volts.

Tariff:

Category	Fixed Charges		Energy Charges (Rs./kVAh)
	Unit	Rate	
LTIS	Rs./kVA/month	150.00	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 **Chapter 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 **Chapter 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 **Chapter A 10** of this Tariff Order.

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



High Tension Service (HTS)

Applicability:

High Tension Service (HTS): This schedule shall apply to all 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): AC, 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	300.00	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 **Chapter 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 **Chapter A 10** of this Tariff Order.

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

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

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



Streetlight Service (SS)

Applicability:

Streetlight 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 that the number of lamps served from a point of supply is not less than 5.

Service Character:

Streetlight 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 Service	Rs./kW/month	50.00	4.50

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

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



High Tension Institutional Service (HTIS)

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

Applicability:

Railway Traction Services (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 defense 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 (Rs./kVAh)
	Unit	Rate	
HT Institutional Service	Rs./kVA/month	300.00	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 **Chapter 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 **Chapter A 10** of this Tariff Order.



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

Prompt Payment Rebate and Rebate for Online Payment: In accordance with ‘*Clause VIII: Prompt Payment Rebate and Rebate for Online Payment*’ of Terms & Conditions of Supply as provided in **Chapter A 10** of this Tariff Order.

TOD Tariff: In accordance with ‘*Clause VII: ToD Tariff*’ as provided in Terms & Conditions of Supply as provided in **Chapter 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:

- 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.
- Temporary connections may be given with normal meters with security deposit as per JSERC (Electricity Supply Code) Regulations, 2015.
- 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 shall remain effective till the issue of subsequent Tariff Order/Individual Order as the case may be.

Schedule of Miscellaneous Charges

Sl. 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 Trivector/ special type meter, HT, EHT Metering Equipment	Rs. 100	Payable with Energy Bill
		Rs. 500	
5.	Removing/ Refixing of meter		
	Single phase/Three Phase Trivector/ special type meter, HT, EHT Metering Equipment	Rs. 200	Payable with Energy Bill
		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. 5,500/Month	Payable with Energy Bill
	Above 200 kVA	Rs. 7,500/Month	

⁽¹⁾ First 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.

⁽²⁾ If 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.

⁽³⁾ Applicable for 6 month duration from the date of taking the transformer on rent, thereafter monthly escalation of 10% would be applicable.

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



A 10 Terms & Conditions 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 shall be applicable as specified in Clauses 10.75 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time. 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 entire billing duration.



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%

* Note:

- 1) It is clarified that, if a consumer who is eligible to get supply at 11kV as per classification as mentioned in Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and then the consumer opts for connection at 33kV then consumer shall be eligible for voltage rebate of 3%. Similarly, if a consumer who is eligible to get supply at 33kV as per Clause 4.3 of JSERC (Electricity Supply Code) Regulations, 2015 and opts for connection at 132kV then consumer shall be eligible for voltage rebate of 5%. Further, no voltage rebate shall be applicable above voltage level of 132 kV. It is further clarified that the existing consumers at 11kV and 33kV opts for higher voltage, rebate shall be applicable for such consumers.
- 2) 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

The Load factor rebate shall be allowed to all the consumers whose load factor exceeds 65%. For any 'X' % increase in the load factor over and above 65%, the rebate shall be allowed at the rate of 'X' % on the total energy charges corresponding to total energy consumption of the consumer subject to a maximum ceiling rebate of 15%.

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: Prompt Payment Rebate and Rebate for Online Payment

The due date for making payment of energy bills or other charges shall be as specified in Clauses 10.1.5 of the JSERC (Electricity Supply Code) Regulations, 2015, as amended from time to time.

Prompt Payment Rebate shall be allowed for payment of bills by the Consumers in accordance with Clauses 10.76 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time.

Further, 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 subject to a maximum ceiling rebate of Rs. 250 against the 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-BSL would 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 are uploaded on its website seven days in advance with a copy to the Commission and an intimation to the respective consumers it shall be excluded while computing scheduled supply hours.

Provided that any reduction in recovery of Fixed/Demand Charges on account of lower than the 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 Petitioner shall submit a report on implementation of the above, within 30 days of issuance of this Order and implement the same from the subsequent billing cycle.



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 the 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 charge 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)

The Licensee is exempt from Fuel & Power Purchase Cost Adjustment (FPPCA) as it is procuring power in consumer mode from Damodar Valley Corporation (DVC).



A 11 Status of Earlier Directives

11.1 The Commission has time and again issued various directives in order to improve the functioning of the Petitioner. The compliance submitted by the Petitioner to the Commission earlier directions is tabulated below:

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 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.</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. In compliance to the directives of the Hon'ble Commission, SAIL-BSL has prepared accounts for its Electricity Business, which is being duly verified and audited by a Chartered Accountant.</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 as stated in the Auditor's Reports for FY 2019-20 & FY 2020-21</p> <ol style="list-style-type: none"> 1. Annual accounts pertaining to electricity distribution business have been extracted from the main audited books of accounts of SAIL/Bokaro steel plant for the financial year 2019-20 & 2020-21. Further no separate books of accounts are being maintained for its electricity distribution business and financial statement i.e balance sheet and profit & loss account of electricity distribution business has been prepared on the basis of such accounting policies and assumptions as annexed to these financial statements. 2. Since no separate company has been formed for electricity distribution business and the entire operation of electricity distribution business is being taken care by SAIL/Bokaro steel plant, observations on Companies audit report order, 2003 has not been commented upon and we have limited our observation to the extent of true & fair view of balance sheet and profit & loss account prepared on the basis as mentioned above. 3. The directives given by the Jharkhand state electricity regulatory commission has not been complied in totality. However, in our



Directives	Status	Views of the Commission
		<p>opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India.</p> <p>Since the Auditor's Report for both FY 2019-20 & FY 2020-21 itself states the deficiencies in the compliance of the directives of the Commission, the Petitioner is being re-directed to comply with the same.</p>
<p>Employee Details:</p> <p>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.</p> <p>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.</p>	<p>No submission has been made by the Petitioner in such regard.</p>	<p>The Petitioner has been unable to comply with the direction of the Commission, and is being re-directed to comply with the same.</p>
<p>Timeliness and Data Adequacy in Next Tariff Petition:</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 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 FY 2025-26 within three months from the date of publishing of this order</p>	<p>The Petitioner has appointed a professional group to prepare the MYT and Tariff Petitions in a professional manner. The present MYT Petition is prepared by the consultants with the data provided by SAIL-BSL.</p> <p>However, due to COVID pandemic the process of finalizing accounts for FY 2019-20 and FY 2020-21 takes much time than usually it takes. In view of the same, SAIL-BSL is filling the MYT Petition with delay of 4 month. SAIL-BSL humbly prays for condone the delay on account of submission of this MYT Petition. From now, onwards the SAIL-BSL is committed to file the petition as per the timelines specified in the Tariff Regulation, 2020.</p>	<p>The Petitioner was required to submit the True-up Petition for FY 2019-20 latest by November 30, 2020, and for FY 2020-21 latest by November 30, 2021. However, the Petitioner filed the current Petition on March 30, 2022.</p> <p>The Petitioner has been unable to comply with the direction of the Commission, and is being re-directed to comply with the same.</p>



Directives	Status	Views of the Commission
<p>Maintenance of Fixed Asset Register</p> <p>The Petitioner in its last Tariff Petition had submitted that the assets of the distribution network of SAIL BSL have been evaluated by CET (a wing of SAIL) and some correction with respect to the depreciated value etc is under study. The same shall be available shortly before filing of the next tariff petition. However, the Petitioner has failed to provide it with the current Tariff Petition.</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 the exercise within 3 months of the date of issuance of Order.</p>	<p>Presently, Fixed Assets Register has been prepared for the Steel Plant as a whole and it encompasses all the assets of SAIL-BSL. However, in compliance to the directives of the Hon'ble Commission, SAIL-BSL has prepared the Fixed Assets Register for Distribution Business with certain assumptions</p>	<p>The Commission has taken a note on the compliance of the Petitioner. However, it is observed that the directions have not been complied in totality.</p> <p>The Petitioner is directed to segregate the Fixed Assets Register along with the Segregation of Accounts of the Electricity Distribution Business and Audit of Accounts</p>
<p>Distribution Loss</p> <p>The Commission directed the Petitioner to constitute a task force for supervising distribution losses mitigation efforts in its licensed area.</p> <p>The Commission also directed the Petitioner to prepare a detailed, year wise plan for reduction of distribution losses and submit it with the next Tariff Petition. The Commission directed the Petitioner to make all efforts for Prevention and Reduction of Theft of Electricity and draft an Action Plan for tackling the theft of electricity.</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>	<p>SAIL- BSL has appointed different teams from TA-Electrical for monitoring theft of energy in licensed area. SAIL-BSL has been making all efforts towards reduction in the incidents of theft and losses. It is submitted 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 Commission has taken a note on the compliance of the Petitioner. The Commission has already set the targets for distribution loss in earlier chapters of this Order and directs the Petitioner to strictly comply with the same.</p>



Directives	Status	Views of the Commission
<p>Billing and Metering Related issues</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. 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. 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. The Petitioner is directed to 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>SAIL-BSL is committed to provide quality supply to its consumers. BSL on role employee can self-declare the unit consumed on monthly basis on the SAP platform, such that billing amount is automatically deducted from their salary. Further, SAIL-BSL is planning to introduce Smart Meters in the following Control Period. In addition to this, SAIL-BSL has been issuing public notice in the local newspaper for immediate replacement of analog meters with MD meters. The consumers can replace the meters on their own, by intimating the SAIL-BSL.</p> <p>For strengthening the metering and billing process, SAIL-BSL is continuously replacing burnt meters with new meters as per the company rule and installing new meters for the unmetered consumers. In compliance to the directives of the Hon'ble Commission, the details of no. of replaced meters and new meters has been provided along with the Petition.</p>	<p>The Commission has taken a note on the compliance of the Petitioner. However, the Petitioner is directed to identify and replace all analog meters with MD meters/ Smart meters, whichever is applicable, voluntarily.</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>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>During Covid Period, Petitioner was not in position to initiate the actions for installation of CT/ PTs and meters at all levels in the distribution network including 11 kV individual feeders. The Petitioner shall prepare separate capex plan for the same and approach the Hon'ble Commission during the next tariff petition.</p> <p>Petitioner will be in a position to calculate the category wise cost of supply only after installation of such CTs /PTs and meters for the same.</p>	<p>The Petitioner has submitted similar replies earlier as observed from the Tariff Orders dated June 07, 2018 & January 08, 2021. The Commission redirects the Petitioner to comply with the directions issued.</p>
<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</p>	<p>The Petitioner submits that, it is mandated to comply with the Standards of Performance as per the JSERC (Standards of Performance) Regulations, 2015. It has prepared a 'Contingency Plan for restoration of power' wherein</p>	<p>The Commission has taken a note on the compliance of the Petitioner.</p>



Directives	Status	Views of the Commission
<p>Indices in MSEXcel format along with compliance to SOPs in true spirit, in course of achieving 24x7 quality & reliable power. 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>	<p>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 MYT period. Petitioner is working on maintaining data as per JSERC (Standards of Performance) Regulations, 2015 and following type of complaints and schedule is prepared by SAIL BSL:</p> <ol style="list-style-type: none"> 1. No light in BSL Township 2. Breakdown 3. Preventive Maintenance schedule 4. Repairs and Maintenance of Street light schedule 5. DT Failure Cases 6. Testing of meters 7. Replacement of meters 	
<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.</p>	<p>No submission has been made by the Petitioner in such regard.</p>	<p>The Petitioner has been unable to comply with the direction of the Commission, and is being re-directed to comply with the same.</p>
<p>Impact assessment study for switching from kWh billing to kVAh billing</p> <p>The Petitioner had not complied with the earlier 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>The Petitioner submits 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. However, it agrees that with kVAh billing, consumers will be forced to maintain the power factor and it will also benefit to Distribution Licensee as it will be able to bill all the input energy including active and reactive energy. This will also improve the power stability</p>	<p>The Commission has taken a note on the compliance of the Petitioner. The Petitioner is directed to submit the study along with the next tariff petition.</p>
<p>Removal of 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</p>	<p>SAIL-BSL has been issuing public notice in the local newspaper for immediate replacement of analog meters with MD meters. The consumers can replace the meters on their own, by intimating the SAIL-BSL.</p>	<p>Metering is an issue concerned with the Supply of Electricity by the licensee itself.</p> <p>The Commission re-directs the Petitioner to identify & replace all existing meters of LTIS consumers with MDI meters/</p>

Directives	Status	Views of the Commission
all the existing Installation based consumers to Demand based consumers within one year from the date of issuance of the Order.		Smart meters, whichever is applicable, voluntarily.
<p>Investment in Cyber Security solutions</p> <p>The Commission observed that bill payment via digital payment mode is still not implemented by the Petitioner. The Commission directs the Petitioner to start implementing the digital payment method and prepare a roadmap for improvement in cyber security system.</p>	<p>Presently, SAIL-BSL sends SAP generated bill to its consumers on their registered email and the hard copy has been sent to their registered address. In compliance to the directives of the Hon'ble Commission, SAIL-BSL has tied up with SBI collect for collection of payments of monthly energy bills. Consumers can directly pay the energy bills through mobile/computer after visiting SBI collect website.</p>	<p>The Commission has taken a note on the compliance of the Petitioner.</p>
<p>Strengthening of Distribution Network</p> <p>The Petitioner was directed to submit the detailed plan with expected benefits with the next MYT petition.</p>	<p>In compliance to the directives of the Hon'ble Commission, SAIL-BSL has provided detailed plan for strengthening of distribution network in the business plan section of the present petition. Gradual steps are being taken up for strengthening of Distribution Network such as:</p> <ol style="list-style-type: none"> 1. Feeder Augmentation is under progress, and it will be completed by FY 2023-24. 2. SAIL BSL is planning for undergrounding of LT network for Aerial bunch cable. 	<p>The Commission has taken a note on the compliance of the Petitioner.</p>
<p>Wheeling Tariff</p> <p>The Commission directed the Petitioner to propose capacity-based Wheeling tariff and specify the voltage-wise distribution losses as per clause 7.9 of the JSERC MYT Regulations, 2015 with next tariff petition.</p>	<p>The licensed area of SAIL-BSL is only for Bokaro Steel Plant Township. Further, no other distribution licensee is providing power to the township. Therefore, SAIL-BSL has not segregated the assets used for wheeling and retail supply. However, in compliance to the directives of the Hon'ble Commission, SAIL-BSL has used the allocation based on Regulation 6.8 of Tariff regulations, 2020 and intends to use the same in future for computing the Retail and Wheeling Tariff. Accordingly, calculations of wheeling tariff are submitted along with the Petition.</p>	<p>The Commission has taken a note on the compliance of the Petitioner.</p>
<p>Segregation into Retail & wheeling supply of business</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>	<p>The licensed area of SAIL-BSL is only for township. Further, no other distribution licensee is providing power to the township. Therefore, SAIL-BSL has not segregated the assets used for wheeling and retail supply. However, in compliance to the directives of the Hon'ble Commission, SAIL-BSL has used the allocation based on Regulation 6.8 of Tariff regulations, 2020 and intends to use the same in future</p>	<p>The Commission has taken a note on the compliance of the Petitioner.</p>



Directives	Status	Views of the Commission
	for computing the Retail and Wheeling Tariff. Accordingly, allocation of ARR for retail and wheeling supply is given along with the Petition.	
<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. Presently there are total 16 HT feeders in township area. Out of it, 13 feeders are meters and others are yet to be metered. Meters on HT level are partially available but it is not yet completely metered. Further, LT network metering is not yet done. The Procurement and installation of metering system to be installed at all the nodes is under proposal phase. Hence report on voltage wise losses on distribution network can be done after successful roll out of metering system. SAIL BSL humbly requests Hon'ble Commission to allow SAIL BSL to submit the detailed plan regarding determination of voltage wise cost of supply in upcoming years.</p>	<p>The Commission re-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 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>	<p>SAIL-BSL has formed groups consisting of senior officials and visits the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections. A recent office memorandum issuing directions for the same has been submitted along with the Petition. Further, SAIL-BSL is planning to install smart meters in a phased manner, such that the actual consumption of electricity can be monitored more precisely, and further actions can be taken onto it. Detailed note sheet for internal discussion among the officials of TA electrical department, SAIL-BSL has been submitted along with the Petition.</p>	<p>The Commission re-directs the Petitioner to continue taking measures so as to decrease the theft of electricity in theft prone area.</p>



A 12 Directives

Meter separation for Commercial-cum-Residential Consumer Premises

11.2 The Commission directs the licensee to identify and segregate all Commercial-cum-Residential Consumer Premises, and issue separate bills for each type of usage. The licensee is directed to submit a report on such compliance of directive within three (3) months of issuance of this Order.

Legal Action against Theft of Electricity

11.3 The licensee is directed to identify and take legal action against all cases of Electricity Theft including theft due to encroachment of unregistered commercial establishments. In all cases if identified theft, the consumer shall be offered a load appropriate metered connection. The licensee shall submit bi-annual reports to the Commission in such regard.

Computation of SAIDI, CAIFI and SAIFI

11.4 The Commission directs the Petitioner to submit the quarterly report on calculation of SAIDI, CAIFI and SAIFI with the details of feeders utilised for calculation of the same to the Commission and regularly update the same in its website.

Consumer Awareness Programs

11.5 The Commission directs the Petitioner to conduct a minimum of two (2) Consumer Awareness Programs per year to enhance awareness of the consumers about Consumer Grievance Redressal Mechanism, Electricity Tariffs, Standards of Performance and Other Regulations as applicable. These programs shall also be used to redress the grievances of consumers, as the case may be.

Reduction in Fixed Charges

11.6 The Commission directs the Petitioner to submit a report on implementation of the reduction in Fixed Charges as per 'Clause XI: Other Terms and Conditions' based on billing hours for all categories within 30 days of issuance of this Order and implement the same from the subsequent billing cycle following the issuance of this Order.



Testing of Smart Meters from third party meter testing labs

11.7 The Commission directs the Petitioner to test the prepaid meters from empanelment party meter testing labs approved by the Commission before installation of prepaid meters at the consumer premises.

Choice of Pre-paid Smart Metering to Consumers

11.8 The Petitioner is directed to offer a choice for pre-paid smart metering to its consumers while installing the smart meters in its licensed area of supply.

Identification & Elimination of Unmetered Consumers

11.9 The Petitioner is directed to identify & meter all unmetered consumers who are paying fixed tariff, irrespective of the consumption. The petitioner shall submit a report of compliance within three (3) months of issuance of this Order.

Trajectory for reduction of Cross-subsidy

11.10 The Petitioner is directed to submit a proposal with regard to the category/sub-category wise trajectory for cross-subsidy reduction and take steps to reduce such subsidy to (+/-) 20% of the Average Cost of Supply (ACoS) in compliance with the provisions of the Electricity (Amendment) Rules, 2022.

Timeliness and Data Adequacy in the Next Tariff Petition

11.11 The Commission directs the licensee to file the next tariff petition, after removing deficiencies highlighted in this Tariff Order. The Petitioner should ensure that the data submitted to the Commission is accurate and justified with adequate certification. The Commission also directs the licensee to ensure submission of the next tariff petition within the time frame as stipulated in Section A 24 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

This order is signed and issued by the Jharkhand State Electricity Regulatory Commission on **June 22, 2023**.

Date: 22.06.2023

Place: Ranchi

Sd/-	Sd/-	Sd/-
Atul Kumar	Mahendra Prasad	Justice Amitav Kumar Gupta
MEMBER (Technical)	MEMBER (Legal)	CHAIRPERSON



ANNEXURE - I

List of participating members in the Public Hearing

Sl. No	Name	Address/Organization
1.	Mr. R.K. Sharma	GE - 11, City Centre
2.	Mr. J.K. Tiwari	4/D - 2433
3.	Mr. A.R. Dubey	4/D - 3144
4.	Mr. H. Singh	4/D - 2293
5.	Mr. Ashok Kumar	TA Electrical
6.	Mr. Vijay Chowdhary	TA Electrical
7.	Mr. Jeevari Kumar	Plot Holders' Welfare Association
8.	Mr. Rajendra Kumar	H.F 10, City Centre, Sector 4
9.	Mr. Ram Agar Singh	D.K.K Singh Colony, B - 14, Chira Chas
10.	Mr. Laljee Singh	4D/2008 B.S. City
11.	Mr. Rajendra Kumar Vishvakarma	President, Bokaro Vayavsayik Plot Holders' Welfare Association
12.	Mr. Anil Kumar	Bokaro Steel City
13.	Mr. Jagdish Chowdhary	Bokaro Chamber of Commerce
14.	Mr. B.K. Singh	City Centre, Sector 4, B.S. City
15.	Mr. S.R. Prasad	H.D 08, City Centre, Sector 4
16.	Mr. Suresh Prasad Singh	H.E 18, City Centre, Sector 4
17.	Mr. K.P. Singh	H.E 10, City Centre, Sector 4
18.	Mr. A.K. Singh	G.A 08, City Centre, Sector 4
19.	Mr. Mahboob Aalam	Sec - I, Electrical Maintenance
20.	Mr. Ajay Rajwar	Sec - I, Electrical Maintenance
21.	Mr. Ranjeet Mahato	Sec - I, Electrical Maintenance
22.	Mr. Gulam Rai	Sec - I, Electrical Maintenance
23.	Mr. P.K. Singh	Sec - I, Electrical Maintenance
24.	Mr. S.R. Prasad	C 1 - 22 B
25.	Mr. S.S. Gupta	House No. 1055, Sector 5/C, B.S. City
26.	Mr. Laxmi Narayan Kesari	Bokaro Steel City
27.	Mr. Om Prakash Narayan	Q No. 3027, Sector 2
28.	Mr. Gopal Sharan Singh	Sector 2/A, Q No. 859
29.	Mr. Amit Kumar Sinha	Sector 2/A, Q No. 3 - 091
30.	Mr. Budheshwar Kumar	Sector 2/A, Q No. 3 - 086
31.	Mr. Vivek Raj Singh	Sector 2/D, Q No. 1 - 204
32.	Mr. Kundan Singh	Sector 2/C, Q No. 1 - 209
33.	Mr. Manish Kumar	Sector 1/B, Q No. 1 - 376
34.	Mr. Vijay Kumar	Sector 3/D, Q No. 21
35.	Mr. Amit Kr. Singh	Sector 9/C, St - 28, Q No. 1332
36.	Mr. Vikal Kumar	Sector 12/F/2195
37.	Mr. Solen Kumar	Sec - 4, Electrical Maintenance
38.	Mr. M.K. Mandal	Sec - I, Electrical Maintenance
39.	Mr. Suraj Balniki	Sec - 4, Electrical Maintenance
40.	Mr. Bhaiya Pritam	Plot No. G.F/2, City Centre, Sector 4
41.	Mr. Tarun Sharma	H.F 09, City Centre, Sector 4
42.	Mr. HCP Barnwal	Qr No. 2114, Sector 4
43.	Mr. Karan Kumar	Sector 12B, Qr No. 3154
44.	Mr. Manish Kumar	S.B.I Colony, Sector 5/B
45.	Mr. Mantosh Kumar	Sector 5/A, St - 38, Qr No. 1462
46.	Mr. S.D. Burman	SAIL-BSL, Law Dept.
47.	Mr. S.N. Mahato	HRD
48.	Mr. S.K. Singh	C - 27, City Centre, B.S. City
49.	Mr. Laxmi Narayan Kesari	Lease Society, Bokaro