

# **Jharkhand State Electricity Regulatory Commission**



Order on  
True-up for FY 2022-23,  
Annual Performance Review of FY 2023-24,  
and  
ARR & Retail Supply Tariff for FY 2024-25  
for  
Steel Authority of India Limited, Bokaro  
August 20<sup>th</sup>, 2024



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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: 05 of 2024**

**In the matter of:**

**Petition for**  
**True-up for FY 2022-23,**  
**Annual Performance Review of FY 2023-24,**  
**and**  
**ARR & Retail Supply Tariff for FY 2024-25**

**In the matter:**

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

**PRESENT**

Shri Mahendra Prasad

Member (Law)

Shri Atul Kumar

Member (Technical)

**Order dated August 20<sup>th</sup>, 2024**

Steel Authority of India Limited, Bokaro (hereinafter referred to as 'SAIL-BSL' or the 'Petitioner') filed a Petition dated March 13, 2024. In this Petition, the Petitioner had prayed for True-up for FY 2022-23, Annual Performance Review for FY 2023-24 and ARR & Retail Supply Tariff for FY 2024-25 for the distribution of electricity in its licensed area of the State of Jharkhand.



# Chapter 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 the Petition for trueing up of FY 2022-23 in accordance with Regulation 13.3 of the JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations 2020.
- b) Admit in Petition for Annual Performance Review of the year FY 2023-24 in accordance with Regulation 13.2 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.
- c) Allow SAIL BSL to file Annual Performance Review petition for FY 2023-24 based on unaudited account.
- d) Condone the delay in filing the present Petition on account of reasons beyond the control of the Petitioner.
- e) Approve the deviation from the norms for certain parameters prescribed in the JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations 2020, and provisions thereof, as sought in this True up Petition for FY 2022-23.
- f) 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 Annual Performance Review of FY 2023-24, ARR & Tariff of FY 2024-25 for the Licensee.
- g) Approve the True up Petition for FY 2022-23 in accordance with Regulation 13.3 of the JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations 2020.
- h) Approve the Annual Performance Review of FY 2023-24, ARR & Tariff of FY 2024-25 for the Licensee in accordance with the JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations 2020.
- i) To approve category wise tariff proposed for FY 2024-25.
- j) Treat Steel Plant of SAIL as consumer of SAIL-BSL from the next control period subject to approval from SAIL management.
- k) Condone any error/omission and to give opportunity to rectify the same.
- l) Permit SAIL- BSL to make further submissions, addition and alteration to this Petition as may be necessary from time to time.
- m) Pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.



## *Chapter 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 had 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 (TE Elect)/ 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 and 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 till 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 upto November 30, 2012. However, the Petitioner did not submit the petition within such extended timeline. The Commission further sent a 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 upto January 7, 2013 which was again extended upto 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 upto June 24, 2013. The Commission, on such request, extended the timeline for submission of MYT Petition upto 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 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 filed the 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 has issued the tariff order on June 22, 2023.
- 2.15 The Petitioner has filed the Petition before the Commission for truing up of FY 2021-22, Annual Performance Review for FY 2022-23, and ARR & Retail Supply Tariff for FY 2023-24 on November 02, 2023, for which the Commission has issued the tariff order on February 22, 2024.
- 2.16 The Petitioner has filed the current Petition before the Commission for truing up of FY 2022-23, Annual Performance Review for FY 2023-24, and ARR & Retail Supply Tariff for FY 2024-25 on March 13, 2024, 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.

### **Public Consultation Process**

- 2.17 The Commission had directed the Petitioner to make available copies of the Petition to the general public on request, and also issued a public notice inviting comments/ suggestions on the above said Petition.
- 2.18 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	01.04.2024
2.	Prabhat Khabar	Hindi	31.03.2024
3.	Hindustan	Hindi	31.03.2024
4.	The Times of India	English	31.03.2024
5.	The Pioneer	English	01.04.2024

- 2.19 Subsequently, the Commission also issued a notice on its website [www.jserc.org](http://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 HEARING NOTICE BY THE COMMISSION**

Sl. No.	Newspaper	Version	Date of Publication
1.	Hindustan Dainik	Hindi	04.07.2024
2.	Dainik Jagran	Hindi	04.07.2024
3.	The Times of India	English	25.06.2024 & 04.07.2024
4.	The Hindustan Times	English	25.06.2024 & 04.07.2024
5.	Dainik Bhaskar	Hindi	25.06.2024
6.	Prabhat Khabar	Hindi	25.06.2024

- 2.20 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 order to ensure transparency in the process of tariff determination, the Commission decided to conduct the public hearing on July 05, 2024, at the Main Auditorium, Human Resource Development Centre, Bokaro Steel Plant in Bokaro Steel City for inviting comments/suggestion/objection.
- 2.21 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 4** of this Order.



## Chapter 3: Brief Facts of the Petition

### a) Energy Sales

3.1 Energy sales as approved by the Commission in its MYT order dated June 22, 2023 vis-à-vis energy sales as submitted by the Petitioner is provided in table below:

**TABLE 3: CATEGORY-WISE ENERGY SALES (MUS)**

Category	True-up for FY 22-23		APR for FY 23-24		ARR for FY 24-25	
	MYT	Petition	MYT	Petition	MYT	Petition
DS-LT	101.84	101.88	105.27	105.96	108.83	110.20
DS-HT	6.13	6.52	6.20	6.72	6.27	6.92
CS	16.31	16.67	17.66	17.51	19.12	18.38
LTIS	0.45	0.45	0.45	0.45	0.45	0.45
HTS	11.30	9.78	11.86	9.78	12.45	9.78
HT/LT	63.33	61.16	65.23	65.23	67.19	67.19
<b>Township Total</b>	<b>199.36</b>	<b>196.47</b>	<b>206.68</b>	<b>205.65</b>	<b>214.31</b>	<b>212.92</b>
Steel Plant	1,248.34	1,422.23	1,373.17	1,373.17	1,510.49	1,510.49
<b>Grand Total</b>	<b>1,447.70</b>	<b>1,618.70</b>	<b>1,579.85</b>	<b>1,578.82</b>	<b>1,724.80</b>	<b>1,723.41</b>

### b) Energy Balance

3.2 The energy balance as approved by the Commission in its MYT order dated June 22, 2023 vis-à-vis energy balance as submitted by the Petitioner is provided in the table below:

**TABLE 4: ENERGY BALANCE (MUS)**

Category	True-up for FY 22-23		APR for FY 23-24		ARR for FY 24-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Energy Sales –Township	199.36	196.47	206.68	205.65	214.31	212.92
Distribution Losses	10.00%	36.82%	10.00%	10.00%	10.00%	10.00%
Energy required at township periphery	221.52	310.95	229.65	228.50	238.13	236.58
Steel Plant consumption	1,248.34	1,422.23	1,373.17	1,373.17	1,510.49	1,510.49
<b>Total Energy Required at SAIL-BSL Periphery</b>	<b>1,469.85</b>	<b>1,733.18</b>	<b>1,602.82</b>	<b>1,601.67</b>	<b>1,748.61</b>	<b>1,747.07</b>

### c) Aggregate Revenue Requirement (ARR)

3.3 The ARR as approved by the Commission in its MYT Order dated June 22, 2023 vis-à-vis as submitted by the Petitioner now has been tabulated below:

**TABLE 5: SUMMARY OF ARR COMPONENTS (RS. CR.)**

Category	True-up for FY 22-23		APR for FY 23-24		ARR for FY 24-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Power Purchase Cost (including Steel Plant)	664.81	750.11	753.95	845.13	855.43	958.73
Power Purchase Cost (excluding Steel Plant)	100.19	134.58	108.02	120.57	116.49	129.83
Operation and Maintenance Expenses	15.12	19.36	16.69	17.24	18.30	18.15
Employee Cost	8.81	9.51	9.35	8.41	9.92	8.41
R&M Expenses	3.67	4.19	4.55	3.82	5.42	4.74





Category	True-up for FY 22-23		APR for FY 23-24		ARR for FY 24-25	
	MYT	Petition	MYT	Petition	MYT	Petition
A&G Expenses	2.63	5.66	2.79	5.00	2.96	5.00
Depreciation	2.28	1.91	2.76	2.34	3.03	2.91
Interest on Loan	1.91	1.40	2.41	1.87	2.54	2.48
Return on Equity	2.35	1.96	2.85	2.41	3.12	3.00
Interest on Working Capital	7.20	0.37	7.59	0.89	7.98	1.53
Sharing of Gains (O&M Expenses)	-	(4.25)	-	-	-	-
<b>Total Annual Revenue Requirement (including Steel Plant)</b>	<b>693.66</b>	<b>770.85</b>	<b>786.24</b>	<b>869.88</b>	<b>890.40</b>	<b>986.80</b>
<b>Total Annual Revenue Requirement (excluding Steel Plant)</b>	<b>-</b>	<b>155.32</b>	<b>-</b>	<b>145.31</b>	<b>-</b>	<b>157.89</b>
<b>Average Cost of Supply (ACoS)</b>	<b>4.79</b>	<b>7.91</b>	<b>4.98</b>	<b>7.07</b>	<b>5.16</b>	<b>7.42</b>

**d) Revenue (Surplus)/Gap**

3.4 The Revenue (Surplus)/Gap as submitted by the Petitioner has been tabulated below:

**TABLE 6: REVENUE (SURPLUS)/GAP (RS. CR.)**

Category	True-up for FY 22-23		APR for FY 23-24		ARR for FY 24-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Annual Revenue Requirement	693.66	155.32	786.24	145.31	890.40	157.89
Revenue from Distribution of Electricity	740.83	85.68	806.91	101.75	879.40	106.85
<b>Revenue (Surplus)/Gap for the year</b>	<b>(47.17)</b>	<b>69.64</b>	<b>(20.67)</b>	<b>43.57</b>	<b>11.00</b>	<b>51.04</b>

**Retail Supply Tariff for FY 2024-25**

**e) Existing and Proposed Tariff for FY 2024-25**

3.5 Summary of Existing and Proposed Tariff for FY 2024-25 as submitted by the Petitioner have been summarized below:

**TABLE 7: SUMMARY OF EXISTING AND PROPOSED TARIFF**

Category	Fixed Charges		Energy Charges	
	Existing	Proposed	Existing	Proposed
Domestic-LT	Rs. 80.00/Con./Mon	Rs. 90.00/Con./Mon	Rs. 3.25/kWh	Rs. 4.23/kWh
Domestic-HT	Rs. 75.00/kVA/Mon	Rs. 90.00/kVA/Mon	Rs. 2.80/kVAh	Rs. 3.64/kVAh
Commercial	Rs. 125.00/kW/Mon	Rs. 150.00/kW/Mon	Rs. 5.70/kWh	Rs. 7.41/kWh
Irrigation & Agriculture Service	Rs. 40.00/HP/Mon	-	Rs. 4.50/kWh	-
LTIS (Demand & Installation Based)	Rs. 150.00/kVA/Mon	Rs. 175.00/kVA/Mon	Rs. 4.60/kVAh	Rs. 5.98/kVAh
HTS	Rs. 300.00/kVA/Mon	Rs. 345.00/kVA/Mon	Rs. 5.10/kVAh	Rs. 6.63/kVAh
Streetlight	Rs. 50.00/kW/Mon	-	Rs. 4.50/kWh	-
RTS, MES & Other Distribution Licensees	Rs. 300.00/kVA/Mon	-	Rs. 5.05/kVAh	-

Particulars	Existing Wheeling Charge	Proposed Wheeling Charge
FY 2024-25	Rs. 0.24/kWh	Rs. 0.82/kWh



## Chapter 4: Public Consultation Process

- 4.1 The Petition, filed by the Petitioner, evoked responses from several Stakeholders. The Public Hearing was held on July 05, 2024 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-I** to this Order.
- 4.2 The Comments/Suggestion of the Public along with the response thereon of the Petitioner and the views of the Commission are detailed hereunder:

### **Public Comments/Suggestions**

- 4.3 विद्युत नियामक आयोग ने पीछले कई जन सुनवाई के बाद अपने आदेश में अनेक निर्देश दिए थे मगर उनका पालन कभी नहीं किया गया । हर जन सुनवाई के बाद बोकारो स्टील प्लांट का टैरिफ निर्धारण वही पुराने निर्देश के साथ किया जाता रहा है फलस्वरूप बोकारो स्टील सिटी के विद्युत उपभोक्ता को भारी नुकसान उठाना पड़ता है । अतः यह भी देखा जाना चाहिए की लाइसेंसी आयोग के नियम, निर्देश और आर्डर की शर्तों का पालन करें ।

### **Petitioner's Response**

- 4.4 No Response from the Petitioner.

### **Public Comments/Suggestions**

- 4.5 बिजली के उपभोक्ता की पहचान विद्युत के उपयोग से होती है इस बात से नहीं की वह कहा रहता है । बोकारो स्टील प्लांट ने उपभोक्ता के पहचान के माप दंड को बदल दिया है और उपभोक्ता को कामर्शियल बिजली लेने के लिए बाध्य कर रहे हैं ।सेक्टर मार्केट एवम् सिटी सेंटर के उपभोक्ता नीचे दुकान और ऊपर मकान ( कार्शियल और ऊपर आवासीय ) श्रेणी के उपभोक्ता हैं मगर बोकारो स्टील प्लांट उपभोक्ता की मांग को पूरा नहीं कर रही है इसका सीधा संबंध टैरिफ से है ।आयोग ने आदेश दिया मीटर अलग करने को कहा लेकिन बीएसएल ने नहीं माना । लाइसेंसी उपभोक्ता की मांग पर अलग अलग मीटर लगाने के लिए बाध्य है राज्य के दूसरे लाइसेंसी एक ही मकान में उपभोक्ता की मांग पर अलग अलग बिजली की आपूर्ति कर रहे हैं । बोकारो का लाइसेंसी बोकारो स्टील प्लांट द्वारा उपभोक्ता की मांग के आधार पर विद्युत की सप्लाई कराना सुनिश्चित कराया जाना जरूरी है जो लाइसेंसी नहीं कर रहा है।



### **Petitioner's Response**

4.6 SAIL-BSL submits that plots in the City Centre and Sector markets have been allocated for commercial purposes. For the allocation of the plots, SAIL-BSL has invited a public advertisement application in the year 1987 for the transaction of business i.e. on purely commercial plots. SAIL-BSL has already made submission in this regard in Para no. 9.7. of the submitted Petition. The relevant extract from the Petition is as below:

*“9.7.1 SAIL-BSL submits that plots in the City Centre and Sector markets have been allocated for commercial purposes. For the allocation of the plots, SAIL-BSL has invited a public advertisement application in the year 1987 for the transaction of business i.e. on purely commercial plots. A sample lease agreement is annexed as Annexure P of this Petition.*

*9.7.2 Further, SAIL-BSL has taken a step forward in this regard and raised a query note sheet to Town Administration Department, SAIL-BSL dated 3rd February 2024, immediately after the public hearing held at Bokaro dated 02nd February 2024, to substantiate that the plots in SAIL-BSL Township have been allotted on commercial terms only.*

*9.7.3 In reply to this, the Town Administration department has clarified that the Plots had been allotted by SAIL-BSL on purely commercial basis and all the lessees are using the said premises as commercial uses. The relevant extract of the reply is as below:*

*Kindly refer attached Advertisement inviting application for allotment of plot in the year 1987 wherein applications were invited for the transaction of business i.e. on purely commercial plots. (Attachment-1).*

*Thereafter, lessee applied for a particular trade in the application form i.e. also commercial. (Attachment-2). There was no provision for residential use.*

*After accepting terms and conditions and depositing requisite charges mentioned in Proposal letter, Allotment order was issued mentioning the trade allotted for. It is clearly mentioned in the allotted trade in Allotment letter i.e. purely commercial which can be seen in Attached allotment letter (Attachment-3).*

*The allotted trade which is purely commercial has also reflected in the subsequent Agreement for Lease Agreement executed by and between the Lessee and SAIL/BSL, there is no provision in residential in lease agreement. A copy of Lease Agreement is also attached herewith as (Annexure-4). Hence, it is ample clear that Plots had been allotted by SAIL/BSL on purely commercial basis and all the lessees are using the said premises as commercial uses. (emphasis added).*

9.7.4 *In view if above, SAIL-BSL submits that it is making all efforts to ensure that consumers are put in appropriate categories with appropriate tariff is charged to them. Further, in*



*this case plots in City Centre and Sector markets have been allotted for the commercial purposes, as per the lease agreement executed between the lessee and SAIL-BSL*

- 9.7.5 *Further, there is no residential demarcation in the lease terms. Hence, such bifurcation of electricity tariff on the basis of residential and commercial use cannot be allowed in this case.*
- 9.7.6 *However, SAIL-BSL acknowledges the directive of Hon'ble Commission to put consumer in appropriate categories and accordingly, appropriate tariff is charged to them.*
- 9.7.7 *In this regard, as a next step in the benefit of the Consumers, SAIL-BSL is planning to hold a meeting with the concerned consumers only having contract lease agreement of Commercial cum Residential to discuss their grievance to the concerned officer appointed by SAIL-BSL through a public notice in the newspaper.*
- 9.7.8 *Further, the grievances and suggestions in the meeting would be forwarded to the concerned department of Town Administration for verification and necessary actions. Accordingly, based on the Town Administration recommendation, SAIL-BSL would ensure that consumers are put in appropriate categories with appropriate tariff is charged to them.*

#### **Public Comments/Suggestions**

- 4.7 बोकारो स्टील प्लांट ने बिजली का बिजनेस और स्टील प्लांट के बिजनेस को एक साथ कर रखा है फलस्वरूप उपभोक्ता के साथ न्याय नहीं हो रहा है ।

#### **Petitioner's Response**

- 4.8 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.

#### **Public Comments/Suggestions**

- 4.9 बोकारो स्टील प्लांट कंपनी ऐक्ट में निबंधित लिमिटेड केंद्र सरकार की कंपनी है जो स्टील उत्पादन करती है । अपने कर्मचारियों के लिए आवासीय सेक्टर, कर्मचारियों के लिए सेक्टर मार्केट /सिटी सेंटर का संचालन करवाती है, कर्मचारियों एवम् अन्य सेवादारों के लिए आवश्यक मूलभूत सुविधाएं प्रदान करती है उसी में बिजली आपूर्ति एवम् उसके आवश्यक संचार के साधन भी आते हैं । यह सब कुछ उनके कंपनी के खर्च पर होना है । टैरिफ निर्धारित करते समय इस बिंदु को भी सामान्य उपभोक्ता के हित में ध्यान में रखना अति आवश्यक है ।



**Petitioner's Response**

4.10 No Response from the Petitioner.

**Public Comments/Suggestions**

4.11 बोकारो स्टील प्लांट अपने कर्मचारियों, भूतपूर्व कर्मचारियों, लाइसेंस धारियों का टैरिफ 1000 हजार रुपया फिक्स कर दिया है। कई जगह आज भी मीटर नहीं लगाया गया है जो की विद्युत नियामक आयोग के नियम के विरुद्ध है। बोकारो स्टील ने कोई बदलाव नहीं किया।

**Petitioner's Response**

4.12 SAIL-BSL submits that Meters are installed in all the quarters and they are changed as per complaint received by the consumers.

**Public Comments/Suggestions**

4.13 श्री फेज विद्युत कनेक्शन के लिए नियामक आयोग की नियमों का पालन नहीं किया जाता है उपभोक्ता से मनमाना सिक्योरिटी चार्ज एवम् फिक्स चार्ज से टैरिफ निर्धारण की शर्तों का उल्लंघन होता है। मनमाना सिक्योरिटी की मांग की जा रही है फिक्स चार्ज के लिए आयोग की शर्तों का पालन नहीं किया जा रहा है साथ ही गुणवत्ता पूर्ण बिजली की आपूर्ति नहीं हो रही है।

**Petitioner's Response**

4.14 All the charges taken from the consumer is followed as per the JSERC (Electricity Supply Code) Regulations.

**Public Comments/Suggestions**

4.15 उपभोक्ता के साथ भेद भाव होता है बोकारो स्टील प्लांट अपने कर्मचारियों के विद्युत सेवा को बनाए रखने पर ध्यान केंद्रित करती है। तीनों पाली, रात्रि पाली में अनुरक्षण की सेवा नहीं रहने के कारण उपभोक्ता को गुणवत्ता युक्त सेवा नहीं मिलती है, जिसके लिए उपभोक्ता नियमित भुगतान करते हैं।

**Petitioner's Response**

4.16 SAIL-BSL submits that Manpower is available in all the shifts and strives to ensure and committed towards uninterrupted power supply in all areas of BSL Township.

**Public Comments/Suggestions**

4.17 पूरे शहर में साप्ताहिक बिजली की कटौती रोटेशन में की जा रही है। यह अन्य कटौती के अलावे किया जाता है। टैरिफ निर्धारण की शर्तों में इस तरह की कटौती का कोई स्थान नहीं है। चुकी उपभोक्ता द्वारा बिजली के खर्च को कम करने के लिए ऐसा किया जाता है इसलिए टैरिफ निर्धारण में उपभोक्ता



के इस बात का महत्व है ।

**Petitioner's Response**

4.18 SAIL-BSL submits that Schedule Power cut is done to execute electrical maintenance work.

**Public Comments/Suggestions**

4.19 फिक्स चार्ज की जबरन वसूली भी आयोग के नियमों का उल्लंघन है ।आयोग के निर्देश का पालन नहीं हो रहा है।

**Petitioner's Response**

4.20 No Response from the Petitioner.

**Public Comments/Suggestions**

4.21 प्रत्येक घर में स्मार्ट मीटर, शहर में अंडरग्राउंड केबुल पर कंपनी बोकारो स्टील प्लांट कितना खर्च कर रही है और कितना लाइसेंसी एवम् कितना भाग उपभोक्ता के ऊपर डाला जा रहा है यह सुनिश्चित करना जरूरी है तभी टैरिफ के निर्धारण में न्याय हो पाएगा ।

**Petitioner's Response**

4.22 All the data and information has already been mentioned in the Filled Tariff.

**Public Comments/Suggestions**

4.23 लाइसेंसी के कमांड क्षेत्र में अनुरक्षण पर होने वाले खर्च का कितना भाग बोकारो स्टील प्लांट द्वारा वहन किया जा रहा है जो उनके कर्मचारियों के लिए है और कितना भाग उपभोक्ता के ऊपर डाला जाता है यह भी टैरिफ निर्धारण करते समय सुनिश्चित करना आवश्यक है इसकी भी अंकेक्षण हो जाना चाहिए ताकि सामान्य उपभोक्ता को न्याय मिल सके ।

**Petitioner's Response**

4.24 Every aspect has duly taken care off.

**Public Comments/Suggestions**

4.25 बोकारो स्टील प्लांट द्वारा औद्योगिक शांति बनाए रखने के लिए बोकारो स्टील प्लांट के विस्थापित गांव में मुफ्त बिजली प्रदान किया जा रहा है । ग्रामवासियों द्वारा बिना मीटर के बिजली का उपयोग किया जा रहा है और भुगतान नगर के कुछ मुठ्ठी भर लोगो से कराया जा रहा है । टैरिफ निर्धारण के समय इस खर्च को भी सामान्य उपभोक्ता पर नहीं डाला जाना चाहिए ।

**Petitioner's Response**

4.26 SAIL-BSL submits that regular unhooking is done to prevent power pilferage.



**Public Comments/Suggestions**

4.27 बोकारो स्टील प्लांट लाइसेंसी द्वारा राज्य सरकार, केंद्र सरकार के कार्यालयों, आवासीय परिसर, बोकारो क्लब, बोकारो निवास, सामाजिक संस्थाओं को बिना मीटर के बिजली प्रदान कर रही है इसका सीधा असर सामान्य उपभोक्ता पर पड़ रहा है।

**Petitioner's Response**

4.28 SAIL-BSL submits that Electricity supplies have been metered at all these locations.

**Public Comments/Suggestions**

4.29 बीएसएल प्रबंधन झुग्गी - झोपड़ी - अनधिकृत कलोनी के अनधिकृत निवासियों, खटाल, अनधिकृत निर्मित दुकानों और गुमटी धारकों, कंपनी के क्वार्टरों के अनधिकृत कब्जेदारों द्वारा बिजली की बड़े पैमाने पर चोरी की बात लाइसेंसी ने स्वीकार किया है। लाइसेंसी की प्रस्तुति के अनुसार बड़े पैमाने पर अनधिकृत चोरी जो 50% है इसकी भरपाई लाइसेंसी खुद करे।

**Petitioner's Response**

4.30 SAIL-BSL is bearing all the losses over the years carried due to distribution loss. SAIL-BSL submits that the higher distribution loss majorly due to the electricity theft and SAIL-BSL is taking appropriate actions in this regard as SAIL-BSL submits that it has taken electricity theft seriously and promptly taking action on the unauthorized connections reported. In this regard, SAIL BSL has already formed groups consisting of senior officials along with CISF team and visiting the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections. Details of the roster are annexed as Annexure G of the submitted Petition.

**Public Comments/Suggestions**

4.31 इस विषम परिस्थिति में 132 केवी सबस्टेशन पर स्थित मीटर रीडिंग के अनुसार खपत की गई कुल बिजली का भुगतान का मापदंड अपनाया गया है जो टैरिफ निर्धारण के लिए स्वीकार नहीं किया जा सकता है। अतः कंपनी के इस आधार को अस्वीकार किया जाय।

**Petitioner's Response**

4.32 No response from the Petitioner.

**Public Comments/Suggestions**

4.33 बीएसएल की बिजली दर Rs.3.25 से बढ़ाकर Rs.4.23 करने का तथा फिक्स्ड चार्ज Rs.80 से बढ़ाकर 90 रुपये करने के संबंध में।



(ए) संस्था द्वारा इस सम्बन्ध में इसके पूर्व दो आयोग को पत्र लिख चुके हैं

(ए1) पत्रांक संख्या 241 तिथि 8/4/2024

(ए 2) पत्रांक संख्या 243 तिथि 8/6/2024

Email Dated 11.06.2024

**Petitioners Response**

4.34 SAIL-BSL has submitted replied to objector's mentioned letters in a1 and a2.

**Public Comments/Suggestions**

4.35 50 प्रतिशत से अधिक बिजली चोरी हो रही है पर बीएसएल कोई थोस करवाइ नहीं कर रहा है।

**Petitioners Response**

- 4.36 SAIL-BSL submits that the higher distribution loss majorly due to the electricity theft and SAIL-BSL is taking appropriate actions in this regard as SAIL-BSL submits that it has taken electricity theft seriously and promptly taking action on the unauthorized connections reported. In this regard, SAIL-BSL has already formed groups consisting of senior officials along with CISF team and visiting the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections Details of the roster are annexed as Annexure G of the submitted Petition. Further SAIL- BSL's actions are annexed as annexure II of this reply.
- 4.37 Further, to reduce the hooking. SAIL-BSL has held an internal meeting at TA Electrical department level with the concerned officials to find out their opinion on the matter. It was highlighted in the meeting that to reduce the non-technical distribution loss because of illegal connection/theft of power /pilferage. A detailed submission is provided in the Petition along with the copy of the MoM of the discussion is attached as Annexure I of the submitted Petition.
- 4.38 It was discussed in the meeting that the concerned officials would prepare a detailed plan for implementation of Underground of LT Network along with the tentative timelines and cost estimate for Stage I approval from the SAIL-BSL Management, as the same acknowledge by Central Electricity Authority for reduction of illegal connection by tapping the conductor for theft of power. Thus, contention of the Objector that SAIL-BSL is not taking any action on distribution loss and electricity theft is not based on the facts on ground level.
- 4.39 Further, SAIL-BSL humbly submits that it is striving hard to reduce distribution losses and has been timely introducing new initiatives to check





the same. However higher distribution loss can be reduced with gradual steps over a period.

**Public Comments/Suggestions**

4.40 बीजली खपत की सही मिटरिंग करने का बी० एस० एल० के द्वारा कोई ठोस प्रयास नहीं किया जा रहा है अपने कर्मचारियों एवं लाईसेन्सधारियों से बी० एस० एल० एक फिक्स रकम प्रतिमाह काट रहा है जोकि गैरकानूनी है और नियामक आयोग के निर्देशों का उल्लंघन है।

**Petitioners Response**

4.41 SAIL-BSL is continuously replacing burnt meters with new meters as per the company rule and installing new meters for the unmetered consumers. Further, upon receiving the complaints of the faulty meter, SAIL-BSL takes prompt action of testing of the meters. Accordingly, if meter is faulty, a new meter is installed within 2-3 days. Further, the details of testing of meter and no. of replaced meters are already provided in Annexure Q of the Submitted Petition. Thus, contention of the objector that SAIL-BSL is not taking any action on faulty meters is not based on the facts on ground level.

**Public Comments/Suggestions**

4.42 टाउनशीप में जो बी० एस० एल० के अपने संस्थान जैसे स्कूल्स , होस्टल, प्रशासनिक भवन, बी० जी० एच० एव हेल्थ सेन्टर, सी० आई० एस० एफ० कम्प्लेक्स इत्यादि की मिटरिंग की कोई व्यवस्था नहीं है इसको बी० एस० एल० बिना किसी आधार के ST/LT के तरह आंकड़ा प्रस्तुत कर रहा है जिसका प्रभाव हमलोगों पर टाउनशीप लोड में पड रहा है।

**Petitioners Response**

4.43 The Objector has claimed that institutes like schools, hostels, administrative office, Health centre, etc. have not metering arrangement and SAIL-BSL has considered their consumption under HT/LT and objector submitted that this is increasing load to them as load of township. SAIL-BSL submits that the SAP System of SAIL-BSL does not have bifurcation based on the category of institutes as sought by the Objector. Thus, SAIL-BSL is unable to provide the category wise data to the Objector. Further, SAIL-BSL has taken measures towards the issue of metering which is also mentioned in above reply.

4.44 Thus the contention of the objector that SAIL-BSL metering facility to the mentioned institutes is not based on the facts on ground level.



**Public Comments/Suggestions**

4.45 बीएसएल स्टील प्लांट को बिना एक उपभोक्ता समझते हुए बैलेंसशीट बना रहा है जोकि नियामक आयोग के निर्देशों का सरासर बिरोध है (Clause No.5.129 पृष्ठ संख्या 22. बी० एस० एल० द्वारा प्रस्तुत पिटिशन दिनांक 05/03/2024)

**Petitioners Response**

- 4.46 SAIL-BSL Distribution Licensee treats all of its consumers of different categories equally. A standalone Audit report for FY 2023-24 duly verified and audited by a Chartered Accountant has been submitted along with petition which include all the details of revenues, costs, assets, liabilities, reserves, and provisions pertaining to SAIL-BSL Electricity distribution business only.
- 4.47 It also clarifies that the SAIL-BSL distribution licensee is not raising any bill to Bokaro steel plant and Bokaro steel plant is not paying any Electricity charges to the SAIL-BSL Distribution Licensee. In this regard, SAIL-BSL has given appropriate justification in the Tariff Petition submits that the determination of the ARR is no surplus on account of sale of power.

**Public Comments/Suggestions**

4.48 बी० एस० एल० सेल नियामक के द्वारा दिये गये लाईसेन्स के कई बिन्दुओं पर पालन नहीं कर रहा है।

**Petitioners Response**

- 4.49 SAIL-BSL has submitted in detailed way for treatment of Steel Plant in Section 3.2 of the submitted petition and also requested to treat Steel Plant as the consumer of SAIL-BSL from the next control period subject to approval from SAIL board.
- 4.50 The parameters approved by the Hon'ble Commission under MYT Order dated 22nd June 2023 are considering steel plant as a consumer of SAIL-BSL and hence, overall ARR is on higher side. Whereas SAIL-BSL in the present petition is submitting the truing up, APR and Tariff Petition based on energy sales for township only and not of steel plant and accordingly, overall ARR components are computed and submitted herewith for the consideration of the Hon'ble Commission.

**Public Comments/Suggestions**

4.51 चोरी रोकने के लिए बी एस एल जो अण्डर ग्राउण्ड तथा ओवरहेड केबुल लगाने का कार्य कर रहा है उसकी प्रगति कहत धीमी है और बी० एस० एल० के पास इसका कोई एक्सन प्लान नहीं है।



**Petitioners Response**

- 4.52 SAIL-BSL has Planning of underground cabling of LT network along with laying of Aerial Bunch Cable to reduce the non-technical distribution loss because of illegal connection/theft of power /pilferage.
- 4.53 Status: Tentative timelines and cost estimate for Stage I approval from the SAIL-BSL Management. The copy of the MoM of the discussion is attached as an Annexure I of the submitted petition.
- 4.54 Further, SAIL-BSL is striving hard to reduce distribution losses and has been timely introducing new initiatives to check the same, but on an overall basis the situation is largely uncontrollable due to legacy issues.

**Public Comments/Suggestions**

- 4.55 बीजली चोरी हुकिंग द्वारा किया जा रहा है उसका एक छायाप्रति साथ में लग्न है।

**Petitioners Response**

- 4.56 SAIL-BSL has formed groups consisting of senior officials along with CISF team and visiting the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections. Details of the roster and photographs are annexed as Annexure G.
- 4.57 In this view, an internal meeting was held at TA Electrical department level with the concerned officials to know their opinion on the matter. It was highlighted in the meeting that to reduce the non-technical distribution loss because of illegal connection/theft of power /pilferage. SAIL-BSL may propose to install underground cables which is one of the prevailing practices followed in India as suggested in the Forum of Regulators Report on "Best practices and strategies for distribution loss reduction".
- 4.58 Hence, it was decided in the meeting that the concerned officials would prepare a detailed plan for implementation of Underground of LT Network along with the tentative timelines and cost estimates for Stage I approval from SAIL-BSL Management. The copy of the MoM of the discussion is attached as Annexure-I of the Petition.

**Public Comments/Suggestions**

- 4.59 फिक्स चार्ज को रू० 80/- से 90/- करने का कोई औचित्य नहीं है क्योंकि इसके बारे में बी एस एल कोई ठोस कारवाई नहीं कर रहा है तथा इस मद में कोई नया खर्च नहीं कर रहा है।



### **Petitioners Response**

4.60 SAIL-BSL has proposed a tariff hike of around 30% in energy charge and 15% in fixed charge for all the consumer categories in FY2023-24 to sustain the reliability and efficiency of our electricity supply. SAIL-BSL has also given a detailed justification in the submitted petition. The relevant extract for the Petition is as below:

*6.1.2. The above revenue gap has been estimated at the current tariffs prevailing in the SAIL BSL's area of supply. It is however submitted that the computed revenue at existing tariff is inadequate to meet the projected annual revenue requirement of the Petitioner for the said period. This is because, the existing tariff is based on FY 2017-18 ARR projections and practically there is no tariff increase during last 7 years. Hence, SAIL-BSL is proposing upward revision of Tariff for FY 2024-25.*

*6.1.3. SAIL-BSL proposes a Tariff Hike of 15% on Fixed Charge and 30% of Energy Charge. SAIL-BSL has also compared its proposed tariff with other DISCOMs of Jharkhand. It is observed that for the Domestic category the tariff is in comparable with other utilities.*

*6.1.4. Considering, SAIL-BSL is a PSU, almost 90% of the consumers are under Domestic category which includes the employees of SAIL-BSL. Hence, it is important to provide reasonable tariff to these consumers. And at the same time the present revenue gap at existing tariff should also be considered while determination of the Tariff.*

4.61 Accordingly, the fixed charge is proposed to increase from Rs. 80 per Connection to Rs. 90 per Connection for FY 2024-25.

### **Public Comments/Suggestions**

4.62 बी० एस० एल० प्रशासन को सस्ते दाम में बीजली दे रहा है लेकिन अवैध कनेक्शन हटाने के लिए प्रशासन से इस संबंध में कोई मदद नहीं ले रहा है न ही कोई बैठक कर रहा है।

### **Petitioners Response**

4.63 The officials of SAIL-BSL are in the process of disconnecting the illegal connections and discussing with DVC Distribution Licensee to provide connections to such consumers falling their area of supply.

4.64 SAIL-BSL has also formed groups consisting of senior officials along with CISF team and visiting the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections. Details of the roster and photographs are annexed as Annexure G of the petition.



4.65 SAIL-BSL has also formed groups consisting of senior officials along with CISF team and visiting the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections. Thus, contention of the Objector that SAIL-BSL has not taken any discussion and meetings regarding illegal connection in the township is not based on the facts on ground level.

**Public Comments/Suggestions**

4.66 बी० एस० एल० बीजली चोरी करनेवालों पर कोई एफ आई आर नहीं कर रहा है।

**Petitioners Response**

4.67 SAIL-BSL has not taken action of FIR against the consumers involving in electricity theft but as submitted in above reply SAIL -BSL has putting his all efforts against illegal collection and theft of electricity.

**Public Comments/Suggestions**

4.68 टाउनशीप का कन्जप्शन 36.82 प्रतिशत Distribution Loss से आंकलन किया गया है जोकि नियामक आयोग के आदेशों के विरुद्ध है।

**Petitioners Response**

4.69 SAIL-BSL submits that the higher distribution loss majorly due to the electricity theft and SAIL-BSL is taking appropriate actions in this regard as SAIL-BSL submits that it has taken electricity theft seriously and promptly taking action on the unauthorized connections reported. In this regard, SAIL-BSL has already formed groups consisting of senior officials along with CISF team and visiting the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections. Details of the roster are annexed as Annexure G of the submitted Petition. Further SAIL- BSL's actions are annexed as annexure II of this reply.

4.70 Further, to reduce the hooking SAIL-BS has held an internal meeting at TA Electrical department level with the concerned officials to find out their opinion on the matter. It was highlighted in the meeting that to reduce the non-technical distribution loss because of illegal connection/theft of power pilferage. A detailed submission is provided in the Petition along with the copy of the MoM of the discussion is attached as Annexure I of the submitted Petition.



- 4.71 It was discussed in the meeting that the concerned officials would prepare a detailed plan for implementation of Underground of LT Network along with the tentative timelines and cost estimate for Stage I approval from the SAIL-BSL Management, as the same acknowledge by Central Electricity Authority for reduction of illegal connection by tapping the conductor for theft of power.
- 4.72 Further, SAIL-BSL humbly submits that it is striving hard to reduce distribution losses and has been timely introducing new initiatives to check the same. However, higher distribution loss can be reduced with gradual steps over a period.

**Public Comments/Suggestions**

- 4.73 2022-23 True up बिना स्टील प्लान्ट को उपभोक्ता लिये हुए बीजली का दर निर्धारित करने से संस्था को स्वीकार नहीं है।

**Petitioners Response**

- 4.74 SAIL-BSL has submitted in detailed way for treatment of Steel Plant in Section 3.2 of the submitted petition and also requested to treat Steel Plant as the consumer of SAIL-BSL from the next control period subject to approval from SAIL board.
- 4.75 The parameters approved by the Hon'ble Commission under MYT Order dated 22nd June 2023 are considering steel plant as a consumer of SAIL-BSL and hence, overall ARR is on higher side. Whereas SAIL-BSL in the present petition is submitting the truing up. APR and Tariff Petition based on energy sales for township only and not of steel plant and accordingly, overall ARR components are computed and submitted herewith for the consideration of the Hon'ble Commission.

**Public Comments/Suggestions**

- 4.76 2022-23 के True up clause No. 5-129 पृष्ठ संख्या 22 (बी० एस० एल० द्वारा प्रस्तुत पिटिशन दिनांक 5/3/2024 में नियामक द्वारा निर्धारित आदेश के बिरूद्ध है। स्टील प्लान्ट को उपभोक्ता लेते हुए बी० एस० एल० को 2022-23 में 47.17 तथा 2023-24 में 20.67 करोड़ का मुनाफा हुआ है। (बी० एस० एल० द्वारा दिनांक 21/3/2024 को Times of India का टेबुल नं० 4 में प्रकाशित किया गया है।

**Petitioners Response**

- 4.77 SAIL-BSL Distribution Licensee treats all of its consumers of different categories equally. A standalone Audit report for FY 2023-24 duly verified and



audited by a Chartered Accountant has been submitted along with petition which include all the details of revenues, costs, assets, liabilities, reserves, and provisions pertaining to SAIL-BSL Electricity distribution business only.

- 4.78 It also clarifies that the SAIL-BSL distribution licensee is not raising any bill to Bokaro steel plant and Bokaro steel plant is not paying any Electricity charges to the SAIL-BSL Distribution Licensee.
- 4.79 In this regard, SAIL-BSL has given appropriate justification in the Tariff Petition submits that the determination of the ARR is no surplus on account of sale of power.

### **Public Comments/Suggestions**

- 4.80 बी० एस०एल० द्वारा प्रेषित पिटिशन दिनांक 05/03/2024 को जो नियामक आयोग को दिया गया है उसमें ऑडिट एनेक्चर ए में बिन्दु नं० -5 में लिखता है कि बी० एस० एल० आयोग के सभी निर्देशों का पूर्णतः पालन नहीं कर रहा है। इसलिए संस्था बी० एस० एल० द्वारा 2024-25 में बीजली के दर ₹0 3.25 से ₹0 4.23 तथा फिक्स चार्ज ₹0 80 से बढ़ाकर ₹0 90 करने से संस्था सहमत नहीं है तथा 2022-23 के True up के विवरण से भी संस्था असहमत है। अतः संस्था का नियामक आयोग से निवेदन है कि हम सभी वरीष्ठ नागरिकों एवं सेवानिवृत्त कर्मचारियों की बिजली दर और फिक्स चार्ज न बढ़ाया जाये तथा 2022-23 के बी० एस० एल० द्वारा True up को स्वीकार न किया जाये। बी० एस० एल० के कठिन परिस्थितियों में वर्ष 2001 में हम लोगों ने बी० एस० एल० के क्वार्टर खरीद कर करोड़ रूपये का मदद कर बी० एस० एल० को कठिन परिस्थिति से उबारा है। इसलिए बी० एस० एल० हम वरीष्ठ नागरिकों पर उचित ध्यान रखे। नियामक आयोग से हम सभी वरीष्ठ नागरिकों की निवेदन है कि आयोग उपर्युक्त विषय पर एक स्वतंत्र एजेन्सी से जांच कराकर उचित निर्णय ले।

### **Petitioners Response**

- 4.81 SAIL-BSL 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 SAIL-BSL, while in actuality there was no surplus on account of sale of power to the steel plant.
- 4.82 SAIL-BSL Distribution Licensee treats all of its consumers of different categories equally. A standalone Audit report for FY 2024-25 duly verified and audited by a Chartered Accountant has been submitted along with petition which include all the details of revenues, costs, assets, liabilities, reserves, and provisions pertaining to SAIL-BSL Electricity distribution business only.



***Views of the Commission***

4.83 The Commission has considered the submissions of the Stakeholder and the replies by the Petitioner and has deliberated it in the chapters of this order.





## **Chapter 5: True-up for FY 2022-23, APR for FY 2023-24, ARR & Tariff for FY 2024-25**

- 5.1 The Petitioner has submitted that the True-up Petition for FY 2022-23 has been prepared based on the audited accounts as annexed in Annexure A to this petition and the Annual Performance Review (APR) for FY 2023-24 and Aggregate Revenue Requirement (ARR) for FY 2024-25 has been prepared taking into consideration the provisions of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, 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, 2020 and amendments thereof, has carried out the True-up for FY 2022-23, APR for FY 2023-24 and ARR for FY 2024-25 taking into consideration: -
- a) Audited Accounts for FY 2022-23 and additional details submitted by the Petitioner;
  - b) JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and amendments thereof; and;
  - c) Methodology adopted by the Commission in the earlier orders.

### ***No. of Consumers, Connected Load and Energy Sales***

#### ***Petitioner Submission***

- 5.3 The Petitioner has submitted that it has been drawing power at 220 kV level from DVC. The 220/132 kV sub-station is maintained by Downward Network (DNW) team of SAIL-BSL which further distributes power to Plant and township through different feeders. The Petitioner has 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 has further submitted that they are not raising any bill to steel plant, and the steel plant is not paying any electricity charges as 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 Petitioner has submitted, the No. of Consumers, Energy Sales and Connected load, for Township and Steel Plant for FY 2022-23 based the 'SAP



Data of Energy Sales, No. of Consumers and connected load for FY 2022-23' attached as 'Annexure-A' to the Petition.

- 5.5 The Petitioner for FY 2023-24 has considered the actual available data (un audited) of the first six months based on the 'SAP Data of Energy Sales, No. of Consumers and connected load for FY 2023-24' and for the remaining six months i.e. October 2023 to March 2024 the Petitioner has considered projection based on the 2 year CAGR from FY 2021 to FY 2023 taking base as FY 2022-23.
- 5.6 The following methodology has been adopted by the Petitioner to project the sales during FY 2024-25:
- CAGR of energy sales of past 2 years from FY 2020-21 to FY 2022-23 are the most recent data and provides true picture of COVID-19 recovery.
  - Hence, 2-year CAGR based on consumer categories from FY 2020-21 to FY 2022-23 is considered for projection of sales for all the categories.
  - CAGR is applied on category-wise sales from FY 2024-25.
  - Where the CAGR is (+), the same is considered for the projection.
  - Where the CAGR is (-), no increase is considered for projections.
  - For Steel Plant and HT/LT utility, the energy sale is considered as same as approved in MYT Order for FY 2024-25.
  - 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 FY 2024-25.
  - The impact of externalities is captured through appropriate reduction/increase in the CAGR rate, as necessary.
- 5.7 The category-wise number of consumers, connected load and energy sale as submitted by the Petitioner are given in the tables below:

**TABLE 8: CATEGORY-WISE NO. OF CONSUMERS AS SUBMITTED BY THE PETITIONER**

Category	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
DS-LT	28,368.00	29,326.00	28,652.00	29,907.42	28,939.00	30,506.00
DS-HT	5.00	5.00	5.00	5.00	5.00	5.00
CS	1,939.00	1,914.00	1,959.00	1,781.64	1,979.00	1,800.00
LTIS	34.00	37.00	34.00	32.24	34.00	34.00
HTS	22.00	24.00	23.00	25.25	24.00	26.00
HT/LT	656.00	656.00	656.00	656.00	656.00	656.00
TownshipTotal	31,024.00	31,962.00	31,329.00	32,407.55	31,637.00	33,027.00
Steel Plant	1.00	1.00	1.00	1.00	1.00	1.00
<b>Grand Total</b>	<b>31,025.00</b>	<b>31,963.00</b>	<b>31,330.00</b>	<b>32,409</b>	<b>31,638.00</b>	<b>33,028.00</b>

**TABLE 9: CATEGORY-WISE CONNECTED LOAD AS SUBMITTED BY THE PETITIONER**

Category	Unit	FY 2022-23		FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition	MYT	Petition
DS-LT	kW	96,982.00	92,404.44	97,952.00	98,932.00	98,932.00	98,932.00
DS-HT	kVA	4,815.00	4,815.00	4,815.00	4,565.00	4,815.00	4,815.00
CS	kW	24,953.00	22,207.00	25,453.00	22,126.00	23,540.00	23,540.00
LTIS	hp	1,012.00	853.00	1,023.00	821.00	853.00	853.00
HTS-11 KV	kVA	7,353.00	7,793.00	7,721.00	9,978.00	7,793.00	7,793.00
HT/LT Utilities	kW	34,163	34,163.00	34,163	18,210.00	35,188.00	35,188.00
Steel Plant	MVA	45.00	45.00	45.00	45.00	45.00	45.00

**TABLE 10: CATEGORY-WISE ENERGY SALES AS SUBMITTED BY THE PETITIONER (MU)**

Category	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
DS-LT	101.84	101.88	105.27	105.96	108.83	110.20
DS-HT	6.13	6.52	6.20	6.72	6.27	6.92
CS	16.31	16.67	17.66	17.51	19.12	18.38
LTIS	0.45	0.45	0.45	0.45	0.45	0.45
HTS	11.30	9.78	11.86	9.78	12.45	9.78
HT/LT	63.33	61.16	65.23	65.23	67.19	67.19
Township Total	199.36	196.47	206.68	205.65	214.31	212.92
Steel Plant	1,248.34	1,422.23	1,373.17	1,373.17	1,510.49	1,510.49
<b>Grand Total</b>	<b>1,447.70</b>	<b>1,618.70</b>	<b>1,579.85</b>	<b>1,578.82</b>	<b>1,579.85</b>	<b>1,579.85</b>

### Commission Analysis

#### Treatment of the Steel Plan

5.8 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.”*



- 5.9 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.
- 5.10 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-Moto Order on ARR of FY 2020-21 dated January 08, 2021, which has been continued in the 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, Order on True-up for FY 2021-22, APR for FY 2022-23 & ARR and Retail Supply Tariff for FY FY 2023-24 vide order dated February 22, 2024.
- 5.11 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***

- 5.12 As per clause 6.45 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, 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 has been reproduced below:

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

- 5.13 In line with the above Regulations, the Commission approves the actual sales for the FY 2022-23 based the ‘SAP Data of Energy Sales, No. of Consumers and connected load for FY 2022-23’ attached as ‘Annexure-B’ to the Petition, and for FY 2023-24 based on ‘SAP Data of Energy Sales, No. of Consumers and connected load for FY 2023-24’ attached as ‘Annexure-E’ to the Petition. For FY 2024-25, the Commission approves the No. of Consumers, Energy Sales and Connected load as projected by the Petitioner. The variation shall be treated



as a pass through subject to validation and approval by the Commission as per clause 6.45 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

**TABLE 11: CATEGORY-WISE NO. OF CONSUMERS APPROVED BY THE COMMISSION**

Category	FY 2022-23			FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
DS-LT	28,368.00	29,326.00	29,326.00	28,652.00	29,907.42	29,907.42	28,939.00	30,506.00	30,506.00
DS-HT	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
CS	1,939.00	1,914.00	1,914.00	1,959.00	1,781.64	1,781.64	1,979.00	1,800.00	1,800.00
LTIS	34.00	37.00	37.00	34.00	32.24	32.24	34.00	34.00	34.00
HTS	22.00	24.00	24.00	23.00	25.25	25.25	24.00	26.00	26.00
HT/LT	656.00	656.00	656.00	656.00	656.00	656.00	656.00	656.00	656.00
TownshipTotal	31,024.00	31,962.00	31,962.00	31,329.00	32,407.55	32,407.55	31,637.00	33,027.00	33,027.00
Steel Plant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Grand Total</b>	<b>31,025.00</b>	<b>31,963.00</b>	<b>31,963.00</b>	<b>31,330.00</b>	<b>32,409.00</b>	<b>32,409.00</b>	<b>31,638.00</b>	<b>33,028.00</b>	<b>33,028.00</b>

**TABLE 12: CATEGORY-WISE CONNECTED LOAD APPROVED BY THE COMMISSION**

Category	UoM	FY 2022-23			FY 2023-24			FY 2024-25		
		MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
DS-LT	kW	96,982.00	92,404.44	92,404.44	97,952.00	98,932.00	98,932.00	98,932.00	98,932.00	98,932.00
DS-HT	kVA	4,815.00	4,815.00	4,815.00	4,815.00	4,565.00	4,565.00	4,815.00	4,815.00	4,815.00
CS	kW	24,953.00	22,207.00	22,207.00	25,453.00	22,126.00	22,126.00	25,963.00	23,540.00	23,540.00
LTIS	HP	1,012.00	853.00	853.00	1,023.00	821.00	821.00	1,034.00	853.00	853.00
HTS-11 KV	kVA	7,353.00	7,793.00	7,793.00	7,721.00	9,978.00	9,978.00	8,108.00	7,793.00	7,793.00
HT/LT Utilities	KW	34,162.91	34,163.00	34,163.00	35,358.61	18,210.00	18,210.00	36,596.16	35,188.00	35,188.00
Steel Plant	MVA	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00

**TABLE 13: CATEGORY-WISE ENERGY SALES APPROVED BY THE COMMISSION (MU)**

Category	FY 2022-23			FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
DS-LT	101.84	101.88	101.88	105.27	105.96	105.96	108.83	110.20	110.20
DS-HT	6.13	6.52	6.52	6.20	6.72	6.72	6.27	6.92	6.92
CS	16.31	16.67	16.67	17.66	17.51	17.51	19.12	18.38	18.38
LTIS	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
HTS	11.30	9.78	9.78	11.86	9.78	9.78	12.45	9.78	9.78
HT/LT	63.33	61.16	61.16	65.23	65.23	65.23	67.19	67.19	67.19
Township Total	199.36	196.47	196.47	206.68	205.65	205.65	214.31	212.92	212.92
Steel Plant	1,248.34	1,422.23	1,422.23	1,373.17	1,373.17	1,373.17	1,510.49	1,510.49	1,510.49
<b>Grand Total</b>	<b>1,447.70</b>	<b>1,618.70</b>	<b>1,618.70</b>	<b>1,579.85</b>	<b>1,578.82</b>	<b>1,578.82</b>	<b>1,724.80</b>	<b>1,723.41</b>	<b>1,723.41</b>

## Distribution Loss

### Petitioner's Submission

5.14 The Petitioner has submitted the actual distribution loss for FY 2022-23 as 36.82%, and the estimated distribution loss for FY 2023-24 as 10.00% as per unaudited energy bills and power purchase at township periphery paid upto March 2024. Further for the period of October 2023 to March 2024 the Petitioner has estimated the billed energy in the township and power purchase at township periphery to the tune of distribution loss of 10% for the period of



FY 2024-25.

- 5.15 The Petitioner has stated that the key reason behind the significantly high losses is theft of electricity through unauthorized means in the rural areas, SAIL-BSL has made several efforts to control such unauthorized usage of electricity and the issues encountered, steps undertaken have been summarized further.
- 5.16 It is observed that, there are some areas which do not come under the Licensed area of SAIL-BSL, they are consuming electricity by hooking from 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.
- 5.17 The officials of SAIL-BSL 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.
- 5.18 SAIL-BSL has also formed groups consisting of senior officials along with CISF team and visiting the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections.
- 5.19 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 as discussed below:

**Smart metering for reduction in losses**

- 5.20 SAIL-BSL is committed for reduction of the distribution losses in the township. At present, the consumers of SAIL-BSL are connected with the analog meters and SAIL-BSL has appointed meter readers for meter readings. Few of the challenges in the existing meters are listed below:
- a. Insufficient manpower for meter reading, causing average billing for some of the consumers.
  - b. Electricity theft by bypassing the energy meter.
  - c. Delay in billing leading to outstanding dues.
- 5.21 Hence, SAIL-BSL has proposed for smart meters which would help in overcoming the above mentioned challenges. It is submitted that SAIL-BSL is planning to install smart meters for all the consumers. SAIL-BSL humbly prays



before the Hon'ble Commission to allow SAIL-BSL to approach separately the Hon'ble Commission in next tariff petition for the CAPEX approval of Installation of Smart Meters, after the Stage I approval.

**Planning of underground cabling of LT network along with laying of Aerial Bunch Cable**

- 5.22 In this view, an internal meeting was held at TA Electrical department level with the concerned officials to know their opinion on the matter. It was highlighted in the meeting that to reduce the non-technical distribution loss because of illegal connection/theft of power /pilferage, SAIL-BSL may propose to install underground cables which is one of the prevailing practices followed in India as suggested in the Forum of Regulators Report on "*Best practices and strategies for distribution loss reduction*".
- 5.23 Further, Central Electricity Authority has also acknowledged the fact that in the underground cabling system, it is generally impossible to have illegal connection by tapping the conductor for theft of power.
- 5.24 Hence, it was decided in the meeting that the concerned officials would prepare a detailed plan for implementation of Underground of LT Network along with the tentative timelines and cost estimate for Stage I approval from the SAIL-BSL Management.
- 5.25 Accordingly, SAIL-BSL humbly prays before the Hon'ble Commission to allow SAIL BSL to approach separately the Hon'ble Commission in next tariff petition for the CAPEX approval of Installation of Smart Meters, after the Stage I approval.
- 5.26 Further, SAIL-BSL is striving hard to reduce distribution losses and has been timely introducing new initiatives to check the same, but on an overall basis the situation is largely uncontrollable due to legacy issues.
- 5.27 However, SAIL-BSL is committed to reduce the distribution loss level under the specified level determined by the Hon'ble Commission and believes that the actual loss level would come down only upon implementation of such initiatives.
- 5.28 SAIL-BSL has projected distribution loss for the entire period for FY 2024-25 in line with the estimated loss for the township as approved by the Hon'ble Commission in MYT Order for FY 2024-25.

**TABLE 14: DISTRIBUTION LOSS AS SUBMITTED BY THE PETITIONER**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Distribution Loss	10.00%	36.82%	10.00%	10.00%	10.00%	10.00%

**Commission's Analysis**

5.29 The Commission appreciates the steps taken by the Petitioner to reduce distribution losses in its area of operation. However, as per clause 6.44 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, 'Distribution Loss and Collection Efficiency' are treated as 'Controllable' items.

5.30 The Commission vide its MYT order dated June 22, 2023, after a prudent check and taking into account, the reasons presented before the Commission, approved the Distribution loss trajectory for the Petitioner for the respective years of the third control period i.e. FY 2021-22 to FY 2025-26. Hence, the Commission does not find any merit to revisit the Distribution loss during the MYT Period.

5.31 Based on the facts submitted by the Petitioner, and the reasons presented above, the distribution loss approved by the Commission is shown in the table below:

**TABLE 15: DISTRIBUTION LOSS AS APPROVED BY THE COMMISSION**

Particulars	FY 2022-23			FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
Distribution Loss	10.00%	36.82%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

**Energy Balance****Petitioner's Submission**

5.32 The Petitioner has submitted that the energy requirement has been arrived based on the energy sales and distribution losses for the respective years. The below table shows the Energy Balance as approved vide MYT Order dated June 22, 2023 and that submitted by the Petitioner.

**TABLE 16: ENERGY BALANCE AS SUBMITTED BY THE PETITIONER (MU)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Energy Sales – Township	199.36	196.47	206.67	205.65	214.31	212.92
Distribution Losses	10.00%	36.82%	10.00%	10.00%	10.00%	10.00%
Energy Required for Township	221.52	310.95	229.63	228.50	238.12	236.58





Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Steel Plant Consumption	1248.34	1422.23	1373.17	1373.17	1510.49	1510.49
<b>Total Energy Required</b>	<b>1469.85</b>	<b>1733.18</b>	<b>1602.80</b>	<b>1601.67</b>	<b>1748.61</b>	<b>1747.07</b>

### Commission's Analysis

5.33 The Commission has approved the Energy Requirement based on the Distribution loss as approved earlier in this Order. The Energy Requirement as approved by the Commission based on the approved energy sales and distribution loss is summarized below.

**TABLE 17: ENERGY BALANCE AS APPROVED BY THE COMMISSION (MU)**

Particulars	FY 2021-22			FY 2022-23			FY 2023-24		
	MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
Energy Sales – Township	199.36	196.47	196.47	206.68	205.65	205.65	214.31	212.92	212.92
Distribution Losses	10.00%	36.82%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Energy Required for Township	221.52	310.95	218.30	229.65	228.50	228.50	238.13	236.58	236.58
Energy Sales to Steel Plant	1,248.34	1,422.23	1,422.23	1,373.17	1,373.17	1,373.17	1,510.49	1,510.49	1,510.49
<b>Total Energy Required</b>	<b>1,469.85</b>	<b>1,733.18</b>	<b>1,640.53</b>	<b>1,602.82</b>	<b>1,601.67</b>	<b>1,601.67</b>	<b>1,748.61</b>	<b>1,747.07</b>	<b>1,747.07</b>

### Power Purchase Cost

#### Petitioner's Submission

5.34 The Petitioner has 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 2022-23 and FY 2023-24.

5.35 As per the Order dated 20.06.2018 of this Hon'ble Commission in Case No. 07 of 2016, the Petitioner is exempted from Renewable Purchase Obligation (RPO) for the energy procured from DVC. The relevant extracts are as follows,

*"...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."*

5.36 The Petitioner has submitted that the power purchase expenses for FY 2021-22 and FY 2022-23 are calculated based on the actual bills raised and payment made to DVC. For FY 2023-24, the Petitioner has projected the Power Procurement Cost by escalating the per unit power purchase of FY 2023-24 with 4% CAGR as approved by the Commission vide MYT Order dated June



22, 2023.

5.37 Accordingly, the power purchase cost as approved by the Commission in its MYT Order and as submitted by the Petitioner are shown in the table below:

**TABLE 18: POWER PROCUREMENT COST AS SUBMITTED BY THE PETITIONER**

Particulars	UoM	FY 2022-23		FY 2023-24		FY 2024-25	
		MYT	Petition	MYT	Petition	MYT	Petition
Total Power Purchase	MU	1469.85	1733.18	1602.80	1601.67	1748.61	1747.07
Power Purchase – Township	MU	221.52	310.95	229.63	228.50	238.12	236.58
Power Purchase – Plant	MU	1248.34	1422.23	1373.17	1373.17	1510.49	1510.49
Per Unit power purchase cost	Rs./kWh	4.52	4.33	4.52	5.28	4.70	5.49
Total Power Purchase Cost	Rs.Cr.	664.81	750.11	724.47	845.13	821.85	958.73
Power Purchase Cost – Township	Rs.Cr.	100.19	134.58	103.79	120.57	111.92	129.83
Power Purchase Cost – Plant	Rs.Cr.	564.62	615.53	620.68	724.56	709.93	828.90

**Commission’s Analysis**

5.38 After scrutinizing the submissions made by the Petitioner and 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 for FY 2022-23 and FY 2023-24 attached as ‘Annexure-C1 & C2’ & ‘Annexure-F1 & F2’ to the Petition. Further, the Commission has already approved a 4.00% CAGR by escalating the power purchase rate vide MYT Order dated June 22, 2023, and is convinced by the Petitioner’s rationale to project the power purchase rate for FY 2024-25 using the same escalation rate.

5.39 Accordingly, the power purchase cost as approved by the Commission based on the energy required as approved has been tabulated below:

**TABLE 19: POWER PROCUREMENT COST AS APPROVED BY THE COMMISSION**

Particulars	UoM	FY 2022-23			FY 2023-24			FY 2024-25		
		MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
Total Power Purchase	MU	1,469.85	1,733.18	1,640.53	1,602.82	1,601.67	1,601.67	1,748.61	1,747.07	1,747.07
Power Purchase – Township	MU	221.52	310.95	218.30	229.65	228.50	228.50	238.13	236.58	236.58
Power Purchase – Plant	MU	1,248.34	1,422.23	1,422.23	1,373.17	1,373.17	1,373.17	1,510.49	1,510.49	1,510.49
Per Unit power purchase cost	Rs./kWh	4.52	4.33	4.33	4.70	5.28	5.28	4.89	5.49	5.49
Total Power Purchase Cost	Rs. Cr.	664.81	750.11	710.01	753.95	845.13	845.13	855.43	958.73	958.73
Power Purchase Cost – Township	Rs. Cr.	100.19	134.58	94.48	108.02	120.57	120.57	116.49	129.83	129.83
Power Purchase Cost – Plant	Rs. Cr.	564.62	615.53	615.53	645.92	724.56	724.56	738.94	828.90	828.90



## **Gross Fixed Asset**

### **Petitioner Submission**

- 5.40 The Petitioner has submitted that observing growth in the energy consumption, capacity enhancement of township substation and augmentation of 11kV distribution system is planned. The augmentation of SAIL-BSL 11kV distribution system shall be done by redistributing the electrical loads of large sectors and shifting the part of the load from existing feeder to new feeder being created under the present scheme.
- 5.41 The Petitioner has submitted that the Hon'ble Commission had approved the CAPEX for the feeder augmentation in the Tariff Order dated 22<sup>nd</sup> June 2023. It is submitted that at the time of MYT Order the Hon'ble Commission has approved the CAPEX of Rs.7.80 Crore for FY 2022-23 after scrutinizing the supporting documents submitted by SAIL-BSL during the MYT Petition filling.
- 5.42 The Petitioner has submitted that in actual it has done an expense of Rs.10.58 Crore during FY 2022-23. A payment advice from the contractor along with the cost benefit analysis regarding the feeder augmentation is annexed as **Annexure L** of this petition. However, SAIL-BSL intends to capitalize and put to use the entire project in FY 2023-24 ensuring the timely completion as per the tentative project schedule.
- 5.43 The Petitioner has submitted that it has not done any capitalization for feeder augmentation scheme during FY2022-23.
- 5.44 SAIL-BSL has submitted that the Arterial lights (Main Road Lights) of SAIL-BSL had been installed more than 30 years back. These lights require frequent repair/maintenance for their upkeep. Further, the old electrical infrastructure such as electric poles and cables are prone to frequent breakdown. Hence, SAIL-BSL has planned to replace the older Arterial lights by octagonal poles with LED Fixtures in the township.
- 5.45 Accordingly, the Hon'ble Commission had approved the installation of Arterial lights (Main Road Lights) in the Tariff Order dated 22<sup>nd</sup> June 2023. It is submitted that the Hon'ble Commission had approved the CAPEX of Rs. 2.12 Crs. for FY 2022-23 after scrutinizing the supporting documents submitted by SAIL-BSL during the MYT Petition filling.



- 5.46 SAIL-BSL humbly submits that in actual it has done, an expense of Rs. 2.08 Crs. during FY 2022-23. A payment advice from the contractor along with the cost benefit analysis regarding the Arterial lights is annexed as **Annexure K** of this petition. However, SAIL-BSL intends to capitalize and put to use the entire project in FY 2023-24 ensuring the timely completion as per the tentative project schedule.
- 5.47 SAIL-BSL humbly submits that it has claimed the CAPEX of hydraulic access platform and procurement of wires and cables under R&M expense duly certified by the auditors as Annexed in **Annexure A**.
- 5.48 Further, SAIL-BSL in FY 2022-23 has decapitalized some of the assets which are of minor in nature which amounts to Rs. 0.49 Crore.
- 5.49 For FY 2023-24 the Petitioner has submitted that The Hon'ble Commission has approved the installation of Arterial lights (Main Road Lights) in the Tariff Order dated 22.06.2023. It is submitted that the Hon'ble Commission has approved the CAPEX of Rs. 2.12 Crore for FY 2023-24 after scrutinizing the supporting documents submitted by SAIL-BSL during the MYT petition filling.
- 5.50 SAIL-BSL humbly submits that in actual it has made a payment of Rs. 2.08 Crore during FY 2022-23 and Rs. 1.34 Crore during FY 2023-24 (till Sep 2023). A payment advice from the contractor along with the cost benefit analysis regarding the Arterial lights is annexed as **Annexure K** of this petition.
- 5.51 SAIL-BSL submits that, the Arterial lights scheme is not put to use in FY 2022-23. However, SAIL-BSL intends to capitalize the left-over project in FY 2023-24 ensuring the timely completion as per the tentative project schedule.
- 5.52 Thus, SAIL-BSL submits that the capitalization of whole scheme of Rs. 4.24 Crore in FY 2023-24 only.
- 5.53 The Petitioner has submitted that The Hon'ble Commission has also approved the CAPEX for the feeder augmentation in the Tariff Order dated 22.06.2023. It is submitted that at the time of MYT Order the Hon'ble Commission has approved the CAPEX of Rs. 7.80 Crore for FY 2023-24 after scrutinizing the supporting documents submitted by SAIL-BSL during the MYT petition filling.
- 5.54 SAIL-BSL humbly submits that in actual it has made a payment of Rs. 10.58



Crore during FY 2022-23 and Rs. 2.71 Crore during FY 2023-24 (till Sep 2023). A payment advice from the contractor along with the cost benefit analysis regarding the feeder augmentation is annexed as **Annexure L** of this petition.

- 5.55 The Petitioner has submitted that the Hon'ble Commission has also approved Rs. 0.57 Crore. for 30 No's of High Mast Towers with LED Fixture in BSL township in FY 2023-24. Further, SAIL-BSL has finalized the contract agreement with the vendor. The Contract agreement copy is annexed as **Annexure M** of this Petition.
- 5.56 SAIL-BSL humbly submits that in actual it has made a payment of Rs. 0.98 Crore during FY 2023-24 (till Sep 2023). A payment advice from the contractor along with the cost benefit analysis regarding the 30 high mast is annexed as **Annexure M** of this petition.
- 5.57 Further, SAIL-BSL intends to capitalize the left-over project in FY 2023-24 ensuring the timely completion as per the tentative project schedule.
- 5.58 Thus the Petitioner has submitted that the capitalization would be done for whole scheme of Rs.1.13 Crore in FY 2023-24 only.
- 5.59 The Petitioner has submitted scheme wise summary of payment made by SAIL-BSL till September 2023 as shown in the table below:

**TABLE 20 SCHEME WISE SUMMARY OF PAYMENT MADE BY SAIL-BSL TILL SEPTEMBER 2023(RS.CR)**

Particulars	FY 2022-23 (A)	FY 2023-24(till Sep 23) (B)	Total (A+B)
11KV Feeder Augmentation in BSL Township	10.58	2.71	13.29
Installation of Arterial Lights with LED Fixtures in BSL township	2.08	1.34	3.43
30 No's of High Mast Towers with LED Fixture in BSL township	-	0.98	0.98
<b>Total</b>	<b>12.66</b>	<b>5.03</b>	<b>17.69</b>

- 5.60 Accordingly, SAIL-BSL has projected a capitalization of Rs.20.97 Cr for FY 2023-24.
- 5.61 Further for FY 2024-25 the Petitioner has submitted that Hon'ble Commission in the MYT Order dated 22.06.2023, has approved a minor CAPEX for Procurement of cables, wiring and other materials. Accordingly, SAIL-BSL has



- considered the procurement of cables, wiring and other materials as approved by the Hon'ble Commission in the MYT Order.
- 5.62 The Petitioner has submitted that the Hon'ble Commission in the Tariff Order dated 22.06.2023, also acknowledged the CAPEX for Underground LT Network development, Installation of Smart meter, and Installation of Energy saving dimmable LED streetlights (Smart Street Light Solution) and allowed SAIL-BSL for approval of these schemes in the subsequent tariff petition.
- 5.63 Accordingly, SAIL-BSL submits the CAPEX and Capitalization for Smart Street light Solution for the digital transformation in SAIL-BSL for harnessing the potential of latest advances in the field of IoT/AI/ML.
- 5.64 In this regard, an Expression of Interest was floated to capture relevant projects across different areas. Further, multiple projects were selected on the basis of cost, quality and benefits. The work order and the implementation schedule of the scheme is annexed in **Annexure N** of this petition. Till now smart streetlight are installed at 200 nodes and under testing phase.
- 5.65 Accordingly, SAIL-BSL humbly submits before the Hon'ble Commission to approve the CAPEX and Capitalization of Rs. 0.50 Crore during FY 2024-25 as funded through SAIL-BSL internal funds.
- 5.66 Further the Petitioner has prayed before the Hon'ble Commission that the current earthing infrastructure in the substations is antiquated and significantly depleted, resulting in damages to transformers and consumer equipment. Further, the same issue was raised by some consumers during the public hearing dtd. 02.02.2024. Accordingly, to address these issues, SAIL BSL intends to adopt new technology in the form of chemical earthing, known for its extended lifespan and minimal maintenance requirements.
- 5.67 The primary objective of the proposed scheme is to implement an extensive electrical grounding system within the 11kV substations and to establish a comprehensive lightning protection system for public buildings. Additionally, this scheme anticipates a reduction in power fluctuations through the provision of proper earthing mechanisms. This proposed scheme arises from the existence of 250 substations in the township, installed during the construction phase of BSL Township. Each of these substations necessitates 08 earthings, crucial for ensuring the safety of transformers and associated



equipment at consumer premises.

- 5.68 In this regard, SAIL-BSL has proposed AMR Schemes vide Scheme no. AMR/STG-1/ TE-Electrical/6499/686. The estimated cost of the project is Rs. 4.48 Crore, which is to be completed within 12 months from the date of contract. SAIL-BSL submits that it would perform the mentioned project in FY 2024-25. However, the actual Y-O-Y capitalization of the project will be claimed during the true up petitions. The Copy of in Principal Stage-I approval is annexed as **Annexure O**.
- 5.69 Further, SAIL-BSL humbly, prays before the Hon'ble Commission to allow SAIL-BSL to approach separately to the Hon'ble Commission in next tariff petition for the CAPEX approval of Installation of Smart Meters and Underground of LT network after the Stage I approval as discussed in above paragraphs.
- 5.70 The Petitioner has requested the Hon'ble Commission to approve the GFA as per audited accounts for FY 2022-23 and as projected by the Petitioner for FY 2023-24 & FY 2024-25 as per the various schemes proposed for capitalization. The Petitioner has further submitted that any deviation for the same shall be claimed at the time of truing up of the respective years. The actual GFA for FY 2022-23 and projected for FY 2023-24 & FY 2024-25 as submitted by the Petitioner is shown in the table below:

**TABLE 21: GROSS FIXED ASSET (GFA) AS SUBMITTED BY THE PETITIONER (RS. CR.)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Opening GFA	48.24	45.52	59.73	45.03	71.21	66.60
Capitalization	11.49	0.00	11.49	20.97	1.00	5.49
De-capitalization	0.00	0.49	-	-	-	-
Closing GFA	59.73	45.03	71.21	66.00	72.21	71.99

### **Commission's Analysis**

- 5.71 The Commission appreciates and has noted the detailed justification and documentation submitted by the Petitioner with regard to Capitalization and Gross Fixed Assets in its Licensed Control Area.
- 5.72 For FY 2022-23, the Commission had approved the installation of Arterial lights (Main Road Lights) with a CAPEX of Rs. 2.12 Cr. vide Order dated June 22, 2023 after scrutinizing the supporting documents submitted by the



- Petitioner. The Petitioner has submitted that it has incurred an expense of Rs. 2.08 Cr. during FY 2022-23. A payment advice from the contractor along with the cost benefit analysis regarding the Arterial lights was annexed as 'Annexure K' to the Petition. Further, the Petitioner intends to capitalize the left-over project in FY 2023-24 ensuring the timely completion.
- 5.73 The Commission has also referred to CAPEX approved vide order dated 22<sup>nd</sup> June 2023 for the feeder augmentation wherein the Commission had approved an CAPEX of Rs.7.80 Cr for FY 2022-23 however the Petitioner in the instant petition has submitted that it has incurred an expense of Rs.10.58 Cr during FY 2022-23. A payment advice from the contractor along with cost benefit analysis regarding the feeder augmentation is annexed as Annexure L of this petition. The Petitioner has also submitted that it intends to capitalize the entire project in FY 2023-24.
- 5.74 The Commission has reviewed the submission of the Petitioner for installation of arterial lights wherein a capex of Rs.2.12 Cr was approved by the Commission vide order dated 22<sup>nd</sup> June 2023 and whereas the Petitioner has incurred an expense of Rs.2.08 Cr. The Petitioner has submitted that it intends to capitalize and put to use the entire project in FY 2023-24. The Commission has also taken into note of the payment advice from the contractor along with cost benefit analysis as annexed in Annexure K of this petition.
- 5.75 The Commission has also taken into note of the submission of the Petitioner for a capex of hydraulic access platform and procurement of wires and cables under R&M expense duly certified by the auditors as annexed in Annexure A. Further, the Petitioner has also carried decapitalization of some of the assets amounting to Rs.0.49 Cr.
- 5.76 For FY 2023-24 the Petitioner intends to capitalize the left over project of previous years ensuring timely completion as per tentative project schedule and has submitted capitalization of the whole scheme of Rs.4.24 Cr in FY 2023-24.
- 5.77 The Petitioner's prayers for capitalization of Underground LT Network development, Installation of Smart meter, and Installation of Energy saving dimmable LED streetlights (Smart Street Light Solution) are heard and





allowed. The Commission approves the CAPEX and Capitalization of Rs. 0.50 Cr. for FY 2024-25 as funded through its internal funds.

- 5.78 The Petitioners prayer for adopting new technology in the form of chemical earthing known for its extended lifespan and minimal maintenance requirements wherein the objective of the proposed scheme is to implement an extensive electrical grounding system within the 11kV substations and to establish a comprehensive lightning protection system for public buildings. Additionally, this scheme anticipates a reduction in power fluctuations through the provision of proper earthing mechanisms. This proposed scheme arises from the existence of 250 substations in the township, installed during the construction phase of BSL Township. Each of these substations necessitates 08 earthings, crucial for ensuring the safety of transformers and associated equipment at consumer premises.
- 5.79 In this regard the Petitioner has proposed AMR Schemes vide Scheme no. AMR/STG 1/ TE-Electrical/6499/686. The estimated cost of the project is Rs. 4.48 Crore, which is to be completed within 12 months from the date of contract. SAIL-BSL has submitted that it would perform the mentioned project in FY 2024-25. However, the actual Y O-Y capitalization of the project will be claimed during the true up petitions. The Copy of in Principal Stage-I approval is annexed as Annexure O. The Commission has taken a note of the same and has provisionally approved the said scheme after verifying the documents submitted. However, the Petitioner is directed to adhere to the timeline as specified for capitalization of the scheme along with detailed report being furnished to the Commission.
- 5.80 Additionally, with regard to Capitalization and Gross Fixed Assets in its Licensed Control Area the Petitioner is directed to present its Fixed Asset Register (FAR) for its Distribution Business along with the Segregation of Accounts of the Electricity Distribution Business and the Audit of Accounts along with the next tariff Petition. The Petitioner is directed to make class-wise segregation of assets in its FAR for computation of asset-wise depreciation along with detailed submission regarding addition, retirement and the age of its assets under current usage in the FAR. The Petitioner has been directed multiple times to adhere to such direction, however, time and again the Petitioner has been unable to comply with the same. In case the Petitioner is unable to comply with the directions of the Commission, it will attract penal



action under Section 142 of the Electricity Act, 2003 for every case of default.

5.81 The Commission has considered the opening balance of GFA for FY 2022-23 based on the closing GFA for FY 2021-22 as approved in the True up for the FY 2021-22. The GFA approved by the Commission is summarized in the table below:

**TABLE 22: GROSS FIXED ASSET (GFA) AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	FY 2022-23			FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
Opening GFA	48.24	45.52	45.52	59.73	45.03	45.03	71.21	66.00	66.00
Capitalization	11.49	0.00	0.00	11.49	20.97	20.97	1.00	5.99	5.99
De-capitalization	-	0.49	0.49	-	-	-	-	-	-
Closing GFA	59.73	45.03	45.03	71.21	66.00	66.00	72.21	71.99	71.99

## Operation and Maintenance Expenses

### Petitioner's Submission

5.82 The Petitioner has submitted that the O&M expenses for FY 2022-23 has 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).

5.83 **Employee Expenses:** The Petitioner has submitted that the 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 are proportionate 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.

5.84 **R&M expenditure:** The Petitioner has 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.

5.85 **A&G expenses:** The Petitioner has 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 has 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.

- 5.86 The Petitioner claims to have integrated its various processes relating to inventory management, procurement and contracts, project management, Human Resources 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 while enhancing the checks and balances that are necessary.
- 5.87 The Petitioner has 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. It may be further appreciated that in order to obtain commitment from the personnel, outstanding performance, loyalty, etc., which are a critical pre-requisite for any organization, especially a service utility, the organization must meet the rational needs of the personnel. Market equivalent salaries and growth are hygiene factors for retaining the employees and it is imperative to meet these as a first step towards building a committed, loyal and performing workforce.
- 5.88 The Petitioner has made its projections for the FY 2023-24 & FY 2024-25 based on Regulation 10.6 of the 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 FY 2022-23 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 5.20%.
- 5.89 The R&M expenditure incurred by the distribution license 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 needs 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, the K factor is computed as 7.17% as per Regulation 10.6 of Tariff Regulation 2020.

5.90 The summary of the O&M Expenses as approved by the Commission in its MYT Order vis-à-vis as prayed for by the Petitioner are as shown in the table below:

**TABLE 23: O&M EXPENSE AS SUBMITTED BY THE PETITIONER (RS. CR.)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Emp. Expenses	8.81	9.51	9.35	8.41	9.92	8.41
R&M Expenses	3.67	4.19	3.82	3.82	5.42	4.74
A&G Expenses	2.63	5.66	2.79	5.00	2.96	5.00
<b>O&amp;M Expenses</b>	<b>15.11</b>	<b>19.36</b>	<b>15.96</b>	<b>17.24</b>	<b>18.30</b>	<b>18.15</b>
<b>Sharing of (Gains)/Loss (O&amp;M Expenses)</b>	-	<b>4.25</b>	-	-	-	-

### Commission's Analysis

5.91 The Commission has outlined clause 10.5 and 10.6 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, for the approval of O&M expenses as reproduced below:

$$“O\&M_n = (R\&M_n + EMP_n + A\&G_n) + Terminal Liabilities$$

Where,

*R&M<sub>n</sub>* – Repair and Maintenance Costs of the Licensee for the *n*th year;

*EMP<sub>n</sub>* – Employee Costs of the Licensee for the *n*th year excluding terminal liabilities;

*A&G<sub>n</sub>* – Administrative and General Costs of the Licensee for the *n*th 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 *n*th year;



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

Where,

*EMP<sub>n-1</sub>* – Employee Costs of the Licensee for the (n-1)th year excluding terminal liabilities;

*A&G<sub>n-1</sub>* – Administrative and General Costs of the Licensee for the (n-1)th year excluding legal/litigation expenses;

*INDX<sub>n</sub>* – 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<sub>n</sub>* – 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<sub>n</sub>* 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;

$$c) INDX_n = 0.55 * CPI_n + 0.45 * WPI_n;$$

5.92 Based on the above excerpt, the Commission approves the Normative Employee Expenses for FY 2022-23 by taking the actual value of inflation factor (6.87%), and growth factor (0%). Further, the Commission approves normative employee expenses for FY 2023-24 & FY 2024-25 by taking inflation factor as 5.98% (average of last three years) 6.59% (average of last three years) respectively and growth factor as nil as shown in the table below:

**TABLE 24: NORMATIVE EMPLOYEE EXPENSE AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	UoM	FY 22-23	FY 23-24	FY 24-25
		Approved	Approved	Approved
Employee Cost of Previous Year	Rs. Cr.	8.37	8.95	9.48
Inflation Factor	%	6.87%	5.98%	6.59%
Growth Factor	%	-	-	-
<b>Normative Employee Expenses</b>	<b>Rs. Cr.</b>	<b>8.95</b>	<b>9.48</b>	<b>10.10</b>

5.93 The Commission approves the normative A&G Expenses for FY 2022-23, FY 2023-24, FY 2024-25 by

- considering inflation factor as 6.87% for FY 2022-23
- considering inflation factor as 5.98% & 6.59% for FY 2023-24, FY 2024-25 respectively.

**TABLE 25: NORMATIVE A&G EXPENSE AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	UoM	FY 22-23	FY 23-24	FY 24-25
		Approved	Approved	Approved
A&G (n-1)	Rs. Cr.	2.50	2.67	2.83



Inflation Factor	%	6.87%	5.98%	6.59%
<b>Normative A&amp;G Expenses</b>	<b>Rs. Cr.</b>	<b>2.67</b>	<b>2.83</b>	<b>3.02</b>

5.94 For the purpose of evaluating the normative R&M Expenses, the Commission has taken the following steps as shown below:

- **For FY 2022-23:-** To consider approved value of Gross Fixed Assets for FY 2022-23 and multiplying by 'k' factor 7.18% and inflation factor of 6.87%.
- **For FY 2023-24:-** To consider approved value of Gross Fixed Assets for FY 2023-24 and multiplying by 'k' factor 7.18% and inflation factor of 5.98%
- **For FY 2024-25:-** To consider approved value of Gross Fixed Assets for FY 2024-25 and multiplying by 'k' factor 7.18% and inflation factor of 6.59%

**TABLE 26: NORMATIVE R&M EXPENSE AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	UoM	FY 22-23	FY 23-24	FY 24-25
		Approved	Approved	Approved
GFA	Rs. Cr.	45.52	45.03	66.00
K-Factor	%	7.18%	7.18%	7.18%
Inflation Factor	%	6.87%	5.98%	6.59%
<b>Normative R&amp;M Expense</b>	<b>Rs. Cr.</b>	<b>3.49</b>	<b>3.43</b>	<b>5.05</b>

5.95 On the basis of above excerpt the normative operation and maintenance expense as shown below:

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

Particulars	UoM	FY 22-23	FY 23-24	FY 24-25
		Approved	Approved	Approved
Normative Employee Expenses	Rs. Cr.	8.95	9.48	10.10
Normative A & G Expenses	Rs. Cr.	2.67	2.83	3.02
Normative R & M Expenses	Rs. Cr.	3.49	3.43	5.05
<b>Total Normative O&amp;M Expenses</b>	<b>Rs. Cr.</b>	<b>15.11</b>	<b>15.74</b>	<b>18.17</b>

5.96 The Commission observes that the actual O&M expenditure in FY 2022-23 is higher than the expenditure approved vide Order dated June 22, 2023. Since O&M is a controllable factor, the Commission finds it appropriate to approve the normative O&M expenditure as computed above for the respective years which is in accordance with Clause 6.50 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. Likewise, being a controllable factor, the Commission allows Normative O&M expenditure for FY 2023-24 & FY 2024-25 as shown below:

**TABLE 28: O&M EXPENSE AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	UoM	FY 22-23	FY 23-24	FY 24-25
		Approved	Approved	Approved
Normative O&M Expenses	Rs. Cr.	15.11	15.74	18.17
Audited O&M Expenses	Rs. Cr.	19.36	-	-
Gain/(Loss)	Rs. Cr.	(4.25)	-	-
Sharing of Gain/(Loss) of O&M	Rs. Cr.	-	-	-
<b>O&amp;M Exp. allowable to SAIL-BSL</b>	<b>Rs. Cr</b>	<b>15.11</b>	<b>15.74</b>	<b>18.17</b>

## Depreciation

### Petitioner's Submission

- 5.97 The Petitioner has 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, 2020.
- 5.98 The Petitioner has considered the opening Gross Fixed Assets of FY 2022-23 as the closing balance of FY 2021-22. Based on the Opening GFA of FY 2022-23, the additions in GFA for FY 2022-23 has been added to arrive at the closing GFA figures for the FY 2022-23, and so forth for both FY 2023-24 & FY 2024-25. Further, the depreciation rate of 4.22 % has been considered as approved by the Commission vide Order dated June 22, 2023. Accordingly, the Petitioner has submitted the Depreciation as under.

**TABLE 29: DEPRECIATION AS SUBMITTED BY THE PETITIONER (RS. CR.)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Opening Gross Block	48.24	45.52	59.73	45.03	71.21	66.00
Additional Capitalization	11.49	0.00	11.49	20.97	1.00	5.99
Closing Gross Block	59.73	45.03	71.21	66.00	72.21	71.99
Average Gross Block	53.98	45.28	65.47	55.22	71.71	69.00
Rate of Depreciation	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%
<b>Depreciation</b>	<b>2.28</b>	<b>1.91</b>	<b>2.76</b>	<b>2.34</b>	<b>3.03</b>	<b>2.91</b>

### Commission's Analysis

- 5.99 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 as claimed by the Petitioner in its Petition which had been approved by the Commission vide Order dated June 22, 2023.
- 5.100 The Commission herein reiterates that with regard to Capitalization and Gross Fixed Assets in its Licensed Control Area the Petitioner is directed to present its Fixed Asset Register (FAR) for its Distribution Business along with the



Segregation of Accounts of the Electricity Distribution Business and the Audit of Accounts along with the next tariff Petition. The Petitioner is directed to make class-wise segregation of assets in its FAR for computation of asset-wise depreciation along with detailed submission regarding addition, retirement and the age of its assets under current usage in the FAR. Failure to comply with the directions of the Commission will attract penal action under Section 142 of the Electricity Act, 2003 for every case of default.

**TABLE 30: DEPRECIATION AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	FY 2022-23			FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
Opening Gross Block	48.24	45.52	45.52	59.73	45.03	45.03	71.21	66.00	66.00
Additional Capitalization	11.49	0.00	0.00	11.49	20.97	20.97	1.00	5.99	5.99
Decapitalization	-	0.49	0.49	-	-	-	-	-	-
Closing Gross Block	59.73	45.03	45.03	71.21	66.00	66.00	72.21	71.99	71.99
Average Gross Block	53.98	45.28	45.28	65.47	55.22	55.52	71.71	69.00	69.00
Rate of Depreciation	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%
<b>Depreciation</b>	<b>2.28</b>	<b>1.91</b>	<b>1.91</b>	<b>2.76</b>	<b>2.34</b>	<b>2.34</b>	<b>3.03</b>	<b>2.91</b>	<b>2.91</b>

### Interest on Loan

#### Petitioner's Submission

5.101 The Petitioner has 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 of 70% for computation. The Bank Rate equivalent to 1 year MCLR of SBI, applicable for FY 2022-23, FY 2023-24, and FY 2024-25 is 7.00%, 7.00% and 8.50% respectively, which has been considered to calculate a rate of interest of 9.00%, 9.00% and 10.50% for the respective years by adding 200 basis points to the Bank Rate as per Clauses 10.16 and 10.17 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. The Petitioner submitted interest on loan approved by the Commission vide Order dated June 22, 2023 vis-à-vis as claimed now and as shown below.

**TABLE 31: INTEREST ON LOAN AS SUBMITTED BY THE PETITIONER (RS. CR.)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Net Loan-Opening	18.35	16.50	24.11	14.59	29.39	26.93
Addition in Loan	8.04	0.00	8.04	14.68	0.70	4.19
Repayment during the Year	2.28	1.91	2.76	2.34	3.03	2.91
Net Loan- closing	24.11	14.59	29.39	26.93	27.06	28.21
Average Loan	21.23	15.54	26.75	20.76	28.23	27.57
Rate of Interest	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
<b>Interest on Loan</b>	<b>1.91</b>	<b>1.40</b>	<b>2.41</b>	<b>1.87</b>	<b>2.54</b>	<b>2.48</b>





### Commission's Analysis

5.102 The Commission has referred to clause 10.16,10.17 and 10.26 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations,2020 for computation of Interest on loan for the Petitioner. The relevant extract of the Regulation is stated as below:

**Debt-Equity Ratio** 10.16 Existing Schemes - In case of capital expenditure schemes capitalised prior to April 01, 2021, the debt-equity ratio as allowed by the Commission for determination of tariff for the period ending March 31, 2021 shall be considered.

10.17 New Schemes – For capital expenditure schemes capitalised after April 01, 2021:

- a) A normative debt-equity ratio of 70:30 shall be considered for the purpose of determination of Tariff;
- b) Incase the actual equity employed is in excess of 30%, the amount of equity for the purpose of tariff determination shall be limited to 30%, and the balance amount shall be considered as normative loan;
- c) Incase the actual equity employed is less than 30%, the actual debt-equity ratio shall be considered;
- d) The premium, if any raised by the Licensee while issuing share capital and investment of internal accruals created out of free reserve, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal accruals are actually utilized for meeting capital expenditure.

Note 1: Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt-equity ratio specified in these Regulations;

Note 2: Any expenditure on replacement of old assets or on renovation and modernization or life extension shall be considered on normative debt-equity ratio specified in these Regulations after writing off the entire book value of the original assets from the capital cost of the new asset;

Note 3: Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt-equity ratio specified in these Regulations.

.....

10.26 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the



Licensee:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, then the rate of interest shall be considered on normative basis and shall be equal to the Bank Rate as on April 01 of the respective year of the Control Period plus 200 basis points.”

5.103 The Commission has considered repayment for each year of the Control Period equal to the depreciation allowed for that particular financial year. The closing loan values for the FY 2021-22 has been considered as opening loan value for FY 2022-23, and so forth for FY 2023-24 & FY 2024-25. The rate of interest has been considered as the SBI 1 year MCLR as on 1st April of the financial year plus 200 basis points as per JSERC (Terms & Conditions for determination of Distribution Tariff) Regulations, 2020. Accordingly, the interest on loan has been computed as shown below.

**TABLE 32: INTEREST ON LOAN AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	FY 2022-23			FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
Net Loan-Opening	18.35	16.50	16.50	24.11	14.59	14.25	29.39	26.93	26.58
Addition/(Deletion) in Loan	8.04	0.00	(0.34)	8.04	14.68	14.68	0.70	4.19	4.19
Repayment during the Year	2.28	1.91	1.91	2.76	2.34	2.34	3.03	2.91	2.91
Net Loan- closing	24.11	14.59	14.25	29.39	26.93	26.58	27.06	28.21	27.86
Average Loan	21.23	15.54	15.37	26.75	20.76	20.42	28.23	27.57	27.22
Rate of Interest	9.00%	9.00%	9.00%	9.00%	9.00%	10.55%	9.00%	9.00%	10.55%
<b>Interest on Loan</b>	<b>1.91</b>	<b>1.40</b>	<b>1.38</b>	<b>2.41</b>	<b>1.87</b>	<b>2.15</b>	<b>2.54</b>	<b>2.48</b>	<b>2.87</b>

### Interest on Working Capital

#### Petitioner’s Submission

5.104 The Petitioner has submitted that it has calculated the Interest on Working Capital (IoWC) as per the Clauses 10.31 and 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020 and the rate of interest is considered as equivalent to 1 year MCLR of SBI as on 1st April of the financial year plus 350 basis points. The Interest on working capital claimed by the Petitioner vis-à-vis approved by the Commission vide Order June 22, 2023 is given below:

**TABLE 33: INTEREST ON WORKING CAPITAL AS SUBMITTED BY THE PETITIONER (RS. CR.)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Maintenance spares 1% of opening GFA	0.48	0.46	0.60	0.45	0.71	0.66
2 Months Revenue	123.47	14.28	134.49	16.96	146.57	22.84
Less: 1 month of power purchase cost	(55.40)	(11.21)	(62.83)	(10.05)	(71.29)	(10.82)
Total Working Capital	68.55	3.52	72.26	7.36	75.99	12.68
Rate of Working Capital	10.50%	10.50%	10.50%	12.05%	10.50%	12.05%
<b>Interest on Working Capital</b>	<b>7.20</b>	<b>0.37</b>	<b>7.59</b>	<b>0.89</b>	<b>7.98</b>	<b>1.53</b>



### Commission's Analysis

5.105 The Commission has considered the Interest on Working Capital (IoWC) as per provision specified in Clauses 10.31 and 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

5.106 The rate of IoWC has been considered to be equal to 1 year MCLR of SBI as on 1st April of the financial year plus 350 basis points as per Clause 10.32 of the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

5.107 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. Accordingly, the interest on working capital has been computed and stands approved as shown below.

**TABLE 34: INTEREST ON WORKING CAPITAL AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	FY 2022-23			FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
Maintenance spares 1% of opening GFA	0.48	0.46	0.46	0.60	0.45	0.45	0.71	0.66	0.66
2 Months Revenue	123.47	14.28	135.40	134.49	16.96	134.10	146.57	22.84	147.30
Less: 1 month of power purchase cost	(55.40)	(11.21)	(59.17)	(62.83)	(10.05)	(70.43)	(71.29)	(10.82)	(79.89)
Total Working Capital	68.55	3.52	76.69	72.25	7.36	64.13	75.99	12.68	68.06
Rate of Working Capital	10.50%	10.50%	10.50%	10.50%	12.05%	12.05%	10.50%	12.05%	12.05%
<b>Interest on Working Capital</b>	<b>7.20</b>	<b>0.37</b>	<b>8.05</b>	<b>7.59</b>	<b>0.89</b>	<b>7.73</b>	<b>7.98</b>	<b>1.53</b>	<b>8.20</b>

### Return on Equity

#### Petitioner's Submission

5.108 The Petitioner has submitted that the Return on Equity (RoE) has been computed in accordance with Clause 10.19 of JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020.

5.109 The Petitioner has considered the opening of equity for FY 2022-23 as the closing equity of FY 2021-22. Further, the average rate of return of 14.50 % has been applied to compute the return on equity. Similar methodology has been followed for FY 2023-24 and FY 2024-25. The RoE submitted by the Petitioner as against the Commission's approved value vide Order dated June 22, 2023 is summarized below.

**TABLE 35: RETURN ON EQUITY AS SUBMITTED BY THE PETITIONER (RS. CR.)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Opening Equity	14.47	13.49	17.91	13.49	21.36	19.78
Addition in Equity	3.45	0.00	3.45	6.29	0.30	1.80
Closing Equity	17.91	13.49	21.36	19.78	21.66	21.58
Average Equity	16.19	13.49	19.64	16.64	21.51	20.68
Rate of Return	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%
<b>Return on Equity</b>	<b>2.35</b>	<b>1.96</b>	<b>2.85</b>	<b>2.41</b>	<b>3.12</b>	<b>3.00</b>

### Commission's Analysis

5.110 The Commission vide June 22, 2023 had approved the Return on Equity employed for the Control period as per Clause 10.19 and 10.20 specified in the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020. Accordingly, the Commission has computed the normative return on equity as shown below:

**TABLE 36: RETURN ON EQUITY AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	FY 2022-23			FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
Opening Equity	14.47	13.49	13.65	17.91	13.49	13.50	21.36	19.78	19.79
Addition/Deletions in Equity	3.45	0.00	(0.15)	3.45	6.29	6.29	0.30	1.80	1.80
Closing Equity	17.91	13.49	13.50	21.36	19.78	19.79	21.66	21.58	21.59
Average Equity	16.19	13.49	13.58	19.64	16.64	16.65	21.51	20.68	20.69
Rate of Return	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%
<b>Return on Equity</b>	<b>2.35</b>	<b>1.96</b>	<b>1.97</b>	<b>2.85</b>	<b>2.41</b>	<b>2.41</b>	<b>3.12</b>	<b>3.00</b>	<b>3.00</b>

## Summary of ARR Components

### Petitioner's Submission

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

**TABLE 37: SUMMARY OF ARR AS SUBMITTED BY THE PETITIONER (RS. CR.)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
Power Purchase Cost (including Steel Plant)	664.81	750.11	724.47	845.13	821.85	958.73
Power Purchase Cost (excluding Steel Plant)	100.19	134.58	103.79	120.57	111.92	129.83
Employee Cost	8.81	9.51	9.35	8.41	9.92	8.41
R&M Expenses	3.67	4.19	4.76	3.82	5.42	4.74
A&G Expenses	2.63	5.66	2.79	5.00	2.96	5.00
Depreciation	2.28	1.91	2.76	2.34	3.03	2.91
Interest on Loan	1.91	1.40	2.41	1.87	2.54	2.48
Return on Equity	2.35	1.96	2.85	2.41	3.12	3.00
Interest on Working Capital	7.20	0.37	7.59	0.89	7.98	1.53
Sharing of Gains (O&M Expenses)	-	-4.25	-	-	-	-
<b>Total Annual Revenue Requirement (including Steel Plant)</b>	<b>693.66</b>	<b>770.85</b>	<b>756.04</b>	<b>869.98</b>	<b>856.81</b>	<b>986.80</b>
<b>Total Annual Revenue Requirement (excluding Steel Plant)</b>	<b>129.04</b>	<b>155.32</b>	<b>135.36</b>	<b>145.31</b>	<b>146.88</b>	<b>157.89</b>



### Commission's Analysis

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

**TABLE 38: SUMMARY OF ARR AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	FY 2022-23			FY 2023-24			FY 2024-25		
	MYT	Petition	Approved	MYT	Petition	Approved	MYT	Petition	Approved
Power Purchase Cost (including Steel Plant)	664.81	750.11	710.01	753.95	845.13	845.13	855.43	958.73	958.73
Power Purchase Cost (excluding Steel Plant)	100.19	134.58	94.48	108.02	120.57	120.57	116.49	129.83	129.83
Operation & Maintenance incl. sharing of Gain	15.12	19.36	15.11	16.69	17.24	15.74	18.30	18.15	18.17
Depreciation	2.28	1.91	1.91	2.76	2.34	2.34	3.03	2.91	2.91
Interest on Loan	1.91	1.40	1.38	2.41	1.87	2.15	2.54	2.48	2.87
Return on Equity	2.35	1.96	1.97	2.85	2.41	2.41	3.12	3.00	3.00
Interest on Working Capital	7.20	0.37	8.05	7.59	0.89	7.73	7.98	1.53	8.20
<b>Total ARR (including Steel Plant)</b>	<b>693.66</b>	<b>775.10</b>	<b>738.43</b>	<b>786.24</b>	<b>869.88</b>	<b>875.52</b>	<b>890.40</b>	<b>986.80</b>	<b>993.89</b>
<b>Total ARR (excluding Steel Plant)</b>	-	<b>159.57</b>	-	-	<b>145.31</b>			<b>157.89</b>	-
<b>Average Cost of Supply (ACoS)</b>	<b>4.79</b>	<b>8.12</b>	<b>4.56</b>	<b>4.98</b>	<b>7.07</b>	<b>5.55</b>	<b>5.16</b>	<b>7.42</b>	<b>5.77</b>

## Revenue from Sale of Power

### Petitioner Submission

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

**TABLE 39: REVENUE AT AS SUBMITTED BY THE PETITIONER (RS. CR.)**

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	MYT	Petition	MYT	Petition	MYT	Petition
DS-LT	35.82	-	36.96	-	38.15	38.74
DS-HT	2.15	-	2.17	-	2.19	2.37
CS	13.04	-	13.89	-	14.79	14.01
LTIS	0.39	-	0.39	-	0.39	0.36
HTS	8.41	-	8.83	-	9.27	7.80
HT/LT	41.22	-	42.49	-	43.79	43.58
Township Total	99.55	85.68	103.21	101.75	108.58	106.85
Steel Plant	639.79	-	702.19	-	770.82	-
<b>GRAND TOTAL</b>	<b>740.83</b>	<b>85.68</b>	<b>806.91</b>	<b>101.75</b>	<b>879.40</b>	<b>106.85</b>

### Commission's Analysis

5.114 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.

5.115 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.

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

**TABLE 40: REVENUE FROM SALE OF POWER AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Steel Plant Sale (MU)	1,422.23	1,373.17	1,510.49
Steel Plant Load (MVA) @ 132 kV	45.00	45.00	45.00
Fixed Charges (Rs/kVA/Month)	300.00	300.00	300.00
Energy Charges (Rs/kWh)	5.10	5.10	5.10
Revenue from Fixed Charges (Rs. Cr.)	16.20	16.20	16.20
Revenue from Energy Charges (Rs. Cr.)	725.33	700.32	770.35
Total Revenue (Rs. Cr.)	741.53	716.52	786.55
Power Factor Rebate- 2% on Demand & Energy Charges	14.83	14.33	15.73
<b>Net Revenue from Steel Plant (Rs. Cr.)</b>	<b>726.70</b>	<b>702.19</b>	<b>770.82</b>
<b>Revenue from Township (Rs. Cr.)</b>	<b>85.68</b>	<b>102.43</b>	<b>112.95</b>
<b>Total Revenue (Rs. Cr.)</b>	<b>812.38</b>	<b>804.62</b>	<b>883.77</b>

### **Revenue Gap/(Surplus)**

#### **Petitioner’s Submission**

5.117 The Petitioner has 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 Gap/(Surplus) as shown below.

**TABLE 41: REVENUE GAP/(SURPLUS) AS SUBMITTED BY THE PETITIONER (RS. CR.)**

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Annual Revenue Requirement	155.32	145.31	157.89
Revenue at Existing Tariff	85.68	101.75	106.85
<b>Revenue (Surplus)/Gap for the year</b>	<b>69.64</b>	<b>43.57</b>	<b>51.04</b>

#### **Commission’s Analysis**

5.118 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 Gap/(Surplus) approved by the Commission is shown below. The Commission is of the view that the Petitioner was required to submit the True-up Petition for FY 2022-23 latest by 30.11.2023. However, the Petitioner has filed these



Petitions on March 13,2024, hence, no carrying cost has been allowed for the period of default.

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

Particulars	FY 2022-23		FY 2023-24		FY 2024-25	
	Petition	Approved	Petition	Approved	Petition	Approved
Annual Revenue Requirement	155.32	738.43	145.31	875.52	157.89	993.89
Revenue at Existing Tariff	85.68	812.38	101.75	804.62	106.85	883.77
<b>Gap/(Surplus) for the year</b>	<b>69.64</b>	<b>(73.95)</b>	<b>43.57</b>	<b>70.90</b>	<b>51.04</b>	<b>110.11</b>

**TABLE 43: NET GAP/(SURPLUS) AS APPROVED BY THE COMMISSION (RS. CR.)**

Particulars	Approved
Net Gap/(Surplus) approved in True-up Order dated June 22, 2023	(234.38)
Net Gap/(Surplus) approved in True-up Order dated February 22, 2024	(29.84)
Gap/(Surplus) for FY 2022-23	(73.95)
Gap/(Surplus) for FY 2023-24	70.90
Gap/(Surplus) for FY 2024-25	110.11
<b>Total Gap/(Surplus)</b>	<b>(157.16)</b>

5.119 The Commission in this Order has approved a net Surplus of Rs.157.16 Cr.

Thus, the Commission finds no merit in revision of tariff for FY 2024-25.



## Chapter 6: Tariff for FY 2024-25

### Petitioner's Submission

- 6.1 The Petitioner has submitted that the revenue gap submitted by the Petitioner has been estimated at the current tariffs prevailing in the SAIL BSL's area of supply. Further the Petitioner has submitted that the computed revenue at existing tariff is inadequate to meet the projected annual revenue requirement of the Petitioner for the said period. This is because, the existing tariff is based on FY 2017-18 ARR projections and practically there is no tariff increase during last 7 years.
- 6.2 SAIL-BSL proposes a Tariff Hike of 15% on Fixed Charge and 30% of Energy Charge. SAIL-BSL has also compared its proposed tariff with other DISCOMs of Jharkhand. It is observed that for the Domestic category the tariff is in comparable with other utilities.
- 6.3 Considering, SAIL-BSL is a PSU, almost 90% of the consumers are under Domestic category which includes the employees of SAIL-BSL. Hence, it is important to provide reasonable tariff to these consumers. And at the same time the present revenue gap at existing tariff should also be considered while determination of the Tariff.
- 6.4 The Petitioner has proposed for the revision of Tariff for FY 2024-25. The submissions of the Petitioner are summarized below,

**TABLE 44: PROJECTED ARR FOR RETAIL SUPPLY AND WHEELING BUSINESS AS SUBMITTED BY THE PETITIONER for FY 2024-25 (RS. CR.)**

Particulars	Retail Supply		Wheeling	
	MYT	Estimated	MYT	Estimated
Power Purchase Cost (Township)	111.92	129.83	0.00	0.00
Power Purchase Cost (inc. Steel Plant)	821.85	958.73	0.00	0.00
Employee Expenses	3.97	3.36	5.95	5.05
R&M Expenses	0.54	0.47	4.88	4.26
A&G Expenses	1.48	2.50	1.48	2.50
Depreciation	0.30	0.29	2.72	2.62
Interest on Loan	0.25	0.25	2.29	2.23
Return on Equity	0.31	0.30	2.81	2.70
Interest on Working Capital	7.18	1.38	0.80	0.15
<b>Annual Revenue Requirement (Township)</b>	<b>835.89</b>	<b>967.28</b>	<b>20.92</b>	<b>19.51</b>

**TABLE 45: WHEELING CHARGES AS SUBMITTED BY THE PETITIONER (RS./KWH)**

Particulars	Existing Wheeling Charge	Proposed Wheeling Charge
FY 2024-25	0.24	0.82



**TABLE 46: RETAIL TARIFF AS SUBMITTED BY THE PETITIONER**

Category	Fixed Charges	
	Existing	Proposed
Domestic-LT	Rs. 80.00/Con./Mon	Rs. 90.00/Con./Mon
Domestic-HT	Rs. 75.00/kVA/Mon	Rs. 90.00/kVA/Mon
Commercial	Rs. 125.00/kW/Mon	Rs. 150.00/kW/Mon
Irrigation & Agriculture Service	Rs. 40.00/HP/Mon	-
LTIS (Demand & Installation Based)	Rs. 150.00/kVA/Mon	Rs. 175.00/kVA/Mon
HTS	Rs. 300.00/kVA/Mon	Rs. 345.00/kVA/Mon
Streetlight	Rs. 50.00/kW/Mon	-
RTS, MES & Other Distribution Licensees	Rs. 300.00/kVA/Mon	-
HT/LT	Rs.125.00/kVA/Mon	Rs.150/kVA/Mon
Category	Energy Charges	
	Existing	Proposed
Domestic-LT	Rs. 3.25/kWh	Rs. 4.23/kWh
Domestic-HT	Rs. 2.80/kVAh	Rs. 3.64/kVAh
Commercial	Rs. 5.70/kWh	Rs. 7.41/kWh
Irrigation & Agriculture Service	Rs. 4.50/kWh	-
LTIS (Demand & Installation Based)	Rs. 4.60/kVAh	Rs. 5.98/kVAh
HTS	Rs. 5.10/kVAh	Rs. 6.63/kVAh
Streetlight	Rs. 4.50/kWh	-
RTS, MES & Other Distribution Licensees	Rs. 5.05/kVAh	-
HT/LT	Rs.5.70/kVAh	Rs.7.41/kVAh

**Commission's analysis**

- 6.5 The Commission in this Order has approved a net Surplus from the recovery of tariff. Thus, the Commission finds no merit in revision of tariff for FY 2024-25.
- 6.6 Based on the above discussion, the summary of Tariff approved by the Commission for FY 2024-25 is as below:

**TABLE 47: RETAIL TARIFF FOR FY 2024-25 AS APPROVED BY THE COMMISSION**

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



Category	Fixed Charges	
	Existing	Approved
Streetlight	Rs.4.50/kWh	Rs.4.50/kWh
RTS, MES & Other Distribution Licensees	Rs.5.05/kVAh	Rs.5.05/kVAh

**TABLE 48: WHEELING CHARGES FOR FY 2024-25 AS APPROVED BY THE COMMISSION (RS./kWh)**

Particulars	Existing	Proposed	Approved
FY 2024-25	0.24	0.83	0.24



## Chapter 7: Tariff Schedule

**Applicable from first day of the month succeeding the date of Order**

### **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 recognized 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 8** 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 8** 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. 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 8** of this Tariff Order.

**Delayed Payment Surcharge:** In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 8** 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 8** 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 8** 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 8** 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 8** 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 8** 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 8** 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 8** 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
	Unit	Rate	(Rs./kVAh)
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 8** 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 8** 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 8** 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 8** 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 8** of this Tariff Order.

**Load Factor Rebate:** In accordance with 'Clause V: Load Factor Rebate' of Terms & Conditions of Supply as provided in **Chapter 8** of this Tariff Order.

**Voltage Rebate:** In accordance with 'Clause IV: Voltage Rebate' of Terms & Conditions of Supply as provided in **Chapter 8** of this Tariff Order.

**Delayed Payment Surcharge:** In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 8** 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 8** of this Tariff Order.

**TOD Tariff:** In accordance with 'Clause VII: ToD Tariff' as provided in Terms & Conditions of Supply as provided in **Chapter 8** 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 8** 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 8** 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 utilized in industrial units owned by it or its parent or affiliate company.

**Service Character:**

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

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

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



above.

**Tariff:**

Category	Fixed Charges		Energy Charges
	Unit	Rate	(Rs./kVAh)
HT Institutional 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 8** of this Tariff Order.

**Load Factor Rebate:** In accordance with 'Clause V: Load Factor Rebate' of Terms & Conditions of Supply as provided in **Chapter 8** of this Tariff Order.

**Voltage Rebate:** In accordance with 'Clause IV: Voltage Rebate' of Terms & Conditions of Supply as provided in **Chapter 8** of this Tariff Order

**Delayed Payment Surcharge:** In accordance with 'Clause III: Delay Payment' Surcharge of Terms & Conditions of Supply as provided in **Chapter 8** 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 8** of this Tariff Order.

**TOD Tariff:** In accordance with 'Clause VII: ToD Tariff' as provided in Terms & Conditions of Supply as provided in **Chapter 8** 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 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 by the Commission as the case may be.



### Schedule of Miscellaneous Charges

S1. No.	Purpose	Scale of Charges	Manner in which payment will be realized
<b>1.</b>	<b>Application Fee</b>		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
<b>2.</b>	<b>Revision of estimate when a consumer intimates changes in his requirement subsequent to the preparation of service connection estimate based on his original application</b>		
	LT Connection	Rs. 100	Payable with Energy Bill
	HT Connection	Rs. 500	
<b>3.</b>	<b>Testing of consumers Installation <sup>(1)</sup></b>		
	LT Supply	Rs. 100	Payable with Energy Bill
	HT Supply	Rs. 500	
<b>4.</b>	<b>Meter test when accuracy disputed by consumer <sup>(2)</sup></b>		
	Single phase/Three Phase	Rs. 100	Payable with Energy Bill
	Trivector/ special type meter, HT, EHT Metering Equipment	Rs. 500	
<b>5.</b>	<b>Removing/ Refixing of meter</b>		
	Single phase/Three Phase	Rs.200	Payable with Energy Bill
	Trivector/ special type meter, HT, EHT Metering Equipment	Rs.1000	
<b>6.</b>	<b>Replacement of meter card, if lost or damaged by consumer</b>	Rs.100	Payable with Energy Bill
<b>7.</b>	<b>Fuse call - Replacement</b>		
	Consumer Fuse	Rs.100	Payable with Energy Bill
<b>8.</b>	<b>Disconnection/Reconnection</b>		
	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	
<b>9.</b>	<b>Security Deposit</b>	As per the JSERC (Electricity Supply Code) Regulations, 2015 as amended from time to time	
<b>10.</b>	<b>Replacement of Brunt Meter</b>	Cost of Meter	Payable with Energy Bill
<b>11.</b>	<b>Transformer Rent <sup>(3)</sup></b>		
	<b>Upto 200 kVA</b>	Rs.5,500/Month	Payable with Energy Bill
	<b>Above 200 kVA</b>	Rs.7,500/Month	

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.**



## **Chapter 8: 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:



<b>Consumer Category</b>	<b>Voltage Rebate*</b>
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 dishonored 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:

<b>Consumer Category</b>	<b>Load Factor</b>
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).

**Single Part Tariff applicable for public EV charging stations**

The Commission approves the Single Part Tariff equal to the Average Cost of Supply (ACoS) as approved by this Commission which shall be applicable for public EV charging stations operating in the supply area of the Licensee till further orders.



## Chapter 9: Status of Earlier Directives

9.1 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:

Sl. No.	Directives	Status
1.	<p><b>Segregation of Accounts of the Electricity Distribution Business and Audit of Accounts:</b></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. 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. Further, the licensed Electricity Distribution Business i.e., SAIL- BSL is a part of this overall integrated Steel Production business. The standalone audited accounts for FY 2022-23 include all the details of revenues, costs, assets, liabilities, reserves, and provisions pertaining to SAIL-BSL electricity distribution business only. SAIL-BSL submits that the majority of expenses for distribution business has been booked on actual basis as incurred for the electricity distribution segment. SAIL-BSL acknowledge the directive of Hon'ble Commission and has prepared accounts for its Electricity Business duly certified by the statutory auditors while claiming trueing up of completed years. The copy of the Audited Accounts is enclosed as Annexure A of this Petition.</p>
2.	<p><b>Employee Details:</b></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>SAIL-BSL has employees including officers and staff who are directly engaged in the SAIL-BSL's electricity distribution business. Further, it includes expenses number of wages and salaries for officers and staff who are directly engaged in the SAIL-BSL's electricity distribution business. SAIL-BSL acknowledge the directive of Hon'ble Commission and has submitted the total employee expense pertaining to electricity distribution business duly certified by the Auditor in the Audited Accounts is enclosed as Annexure A of this Petition. Further, in Compliance to the directives of the Hon'ble Commission in the Tariff Order dated 22.02.2024, SAIL-BSL is in preparation of providing detailed breakup of all its employee (TA Electrical) and their expense for FY 2022-23 duly verified and audited by a Chartered Accountant. SAIL-BSL humbly prays before Hon'ble Commission to allow SAIL-BSL to submit certified employee details for FY 2022-23 BSL within 2 weeks of filling the Petition.</p>
3.	<p><b>Timeliness and Data Adequacy in Next Tariff Petition:</b></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</p>	<p>SAIL-BSL submits that due to delay in the finalization of audited account and the delay in issuance of MYT order the present petition is delayed. SAIL-BSL humbly prays Hon'ble Commission to condone the delay on account of submission of this petition. SAIL-BSL is committed to adhering to the stipulations outlined in 9.3 (Timelines and Data Adequacy) of Tariff Regulation, 2020. The focus moving forward is on maintaining rigorous compliance with deadlines.</p>



Sl. No.	Directives	Status
	<p>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><b>4.</b></p>	<p><b>Maintenance of Fixed Asset Register</b>                      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>SAIL-BSL acknowledge the directive of Hon'ble Commission and accordingly, prepared the Fixed Assets Register for the township which encompasses all the assets of SAIL-BSL pertains to electricity distribution business with certain allocation matrix. The copy of the Audited Accounts is enclosed as Annexure A of this Petition.</p>
<p><b>5.</b></p>	<p><b>Cost of supply</b>                      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 losses at various voltage levels to determine the category wise cost of supply, SAIL-BSL has taken an initiative to install smart meters and CT/PT sets at strategic points within substation network. The Smart meter initiative is under the advance stage of technical specification finalization. Further, upon technical specification finalization, the Stage I approval of the scheme shall happen. Accordingly, SAIL-BSL will be in a position to calculate the category wise cost of supply only after installation of such CTs /PTs and smart meters. SAIL-BSL acknowledge the directive of Hon'ble Commission for submission of detailed plan for the cost of study. However, SAIL BSL humbly submits that the cost of supply study can only be done upon implementation of Smart meter initiative. SAIL-BSL requests Hon'ble Commission to allow them to submit the detailed plan regarding category wise cost of supply in upcoming years upon finalization of Smart meter scheme.</p>
<p><b>6.</b></p>	<p><b>Energy Audit &amp; T&amp;D Loss Reduction Plan</b>                      The Commission directs the Petitioner to conduct Energy Audit &amp; prepare T&amp;D loss Reduction Plan.</p>	<p>SAIL-BSL acknowledges the directive of Hon'ble Commission and notes that a detailed feeder wise the energy audit is required to assess the high loss pockets and feeder wise/cluster wise loss reduction. However, before initiation of energy audit for the township, the installation of feeder level energy meters is necessary. Furthermore, in this regard SAIL-BSL is planning to install smart meters on each of the feeders Substation as envisaged in the measures undertaken for the loss reduction plan. The Smart meter initiative is under the advance stage of technical specification finalization. Further, upon technical specification finalization, the Stage I approval of the scheme shall happen. SAIL-BSL requests Hon'ble Commission to allow them to submit the detailed plan regarding energy audit in upcoming years upon finalization of Smart meter scheme.</p>
<p><b>7.</b></p>	<p><b>Voltage-wise Cost of Supply</b>                      The Commission directs the Petitioner to</p>	<p>In order to calculate losses at various voltage levels to determine the category wise cost of supply, SAIL-BSL has taken an initiative to install smart meters</p>



Sl. No.	Directives	Status
	<p>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>and CT/PT sets at strategic points within substation network. The Smart meter initiative is under the advance stage of technical specification finalization. Further, upon technical specification finalization, the Stage I approval of the scheme shall happen. Accordingly, SAIL-BSL will be in a position to calculate the category wise cost of supply only after installation of such CTs /PTs and smart meters. SAIL-BSL acknowledge the directive of Hon'ble Commission for submission of detailed plan for the cost of study. However, SAIL BSL humbly submits that the cost of supply study can only be done upon implementation of Smart meter initiative. SAIL-BSL requests Hon'ble Commission to allow them to submit the detailed plan regarding voltage wise cost of supply in upcoming years upon finalization of Smart meter scheme.</p>
<p><b>8.</b></p>	<p><b>Meter separation for Commercial-cum-Residential Consumer Premises</b></p> <p>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.</p>	<p>SAIL-BSL submits that plots in the City Centre and Sector markets have been allocated for commercial purposes. For the allocation of the plots, SAIL-BSL has invited a public advertisement application in the year 1987 for the transaction of business i.e. on purely commercial plots. A sample lease agreement is annexed as Annexure P of this Petition. Further, SAIL-BSL has taken a step forward in this regard and raised a query note sheet to Town Administration Department, SAIL-BSL dated 3rd February 2024, immediately after the public hearing held at Bokaro dated 02nd February 2024, to substantiate that the plots in SAIL-BSL Township have been allotted on commercial terms only. In reply to this, the Town Administration department has clarified that the Plots had been allotted by SAIL-BSL on purely commercial basis and all the lessees are using the said premises as commercial uses. The relevant extract of the reply is as below:                      Kindly refer attached Advertisement inviting application for allotment of plot in the year 1987 wherein applications were invited for the transaction of business i.e. on purely commercial plots. (Attachment-1). Thereafter, lessee applied for a particular trade in the application form i.e. also commercial. (Attachment-2). There was no provision for residential use. After accepting terms and conditions and depositing requisite charges mentioned in Proposal letter, Allotment order was issued mentioning the trade allotted for. It is clearly mentioned in the allotted trade in Allotment letter i.e. purely commercial which can be seen in Attached allotment letter (Attachment-3). The allotted trade which is purely commercial has also reflected in the subsequent Agreement for Lease Agreement executed by and between the Lessee and SAIL/BSL, there is no provision in residential in lease agreement. A copy of Lease Agreement is also attached herewith as (Annexure-4). Hence, it is ample clear that Plots had been allotted by SAIL/BSL on purely commercial basis and all the lessees are using the said premises as commercial uses. (emphasis added) In view of above, SAIL-BSL submits that it is making all efforts to ensure that</p>



Sl. No.	Directives	Status
		<p>consumers are put in appropriate categories with appropriate tariff is charged to them. Further, in this case plots in City Centre and Sector markets have been allotted for the commercial purposes, as per the lease agreement executed between the lessee and SAIL-BSL. Further, there is no residential demarcation in the lease terms. Hence, such bifurcation of electricity tariff on the basis of residential and commercial use cannot be allowed in this case. However, SAIL-BSL acknowledge the directive of Hon'ble Commission to put consumer in appropriate categories and accordingly, appropriate tariff is charged to them. In this regard, as a next step in the benefit of the Consumers, SAIL-BSL is planning to hold a meeting with the concerned consumers only having contract lease agreement of Commercial cum Residential to discuss their grievance to the concerned officer appointed by SAIL-BSL through a public notice in the newspaper. Further, the grievances and suggestions in the meeting would be forwarded to the concerned department of Town Administration for verification and necessary actions. Accordingly, based on the Town Administration recommendation, SAIL BSL would ensure that consumers are put in appropriate categories with appropriate tariff is charged to them. As the compliance of the directive of the Hon'ble Commission, SAIL-BSL would submit a detailed report within 3 months of the Order dated 22.02.2024. Further, SAIL-BSL request Hon'ble Commission to allow SAIL-BSL to charge these consumers on commercial tariff.</p>
<p><b>9.</b></p>	<p><b>Legal Action against Theft of Electricity</b></p> <p>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.</p>	<p>SAIL-BSL is addressing theft by taking certain initiatives as discussed in Para 3.4.7 to 3.4.11 of this Petition. Further, SAIL-BSL has also formed groups consisting of senior officials along with CISF team and visiting the local areas to check illegal connections and hooking. These officials are conducting time-bound raids in the township for illegal connections. Details of the roster are annexed as Annexure G of this Petition. SAIL-BSL acknowledges the directive of Hon'ble Commission and is SAIL-BSL is in process of discussing the modalities at the department level to perform legal action against the unauthorised use of electricity as per the appropriate Regulations of the JSERC. SAIL BSL humbly requests Hon'ble Commission to allow SAIL-BSL to submit the details in the subsequent petition.</p>
<p><b>10.</b></p>	<p><b>Computation of SAIDI, CAIFI and SAIFI</b></p> <p>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.</p>	<p>SAIL-BSL has prepared a Contingency Plan for restoration of power wherein stepwise approach has been framed to restore power supply at different instances of events. Besides other details, the plan consists of aspects such as damage report preparation, preventive actions to be taken, priority wise feeder restoration, deployment of officers and availability of vehicles etc.</p> <p>Further, SAIL-BSL has set objectives and targets in accordance with ISO 9001:2015 Quality management System annexed as Annexure Q of this Petition. The following type of complaints and schedule is prepared by SAIL BSL</p>



Sl. No.	Directives	Status																																										
		I. No light in BSL Township II. Breakdown III. Preventive Maintenance schedule IV. Repairs and Maintenance of Steel light schedule V. DT Failure Cases VI. Testing of meter VII. Replacement of meters  Further, SAIL-BSL is planning to install smart meters as discussed in Para 3.4.7 and will be in a position for computation of SAIDI, CAIDI and SAIFI only after installation of such smart meters. SAIL-BSL humbly requests Hon'ble Commission to allow SAIL BSL to submit the computation of SAIDI, CAIDI and SAIFI post installation of Smart meters in the subsequent Tariff Petition.																																										
<b>11.</b>	<p><b>Consumer Awareness Programs</b></p> <p>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.</p>	<p>In compliance to the directive given by the Hon'ble Commission, SAIL-BSL is in discussion with the internal team regarding the Customer Interaction Meeting (CIM) for the redressal of consumer complaints at General Manager level. A MoM of the discussion is annexed as an Annexure R of this Petition. Further, in this regards, SAIL BSL is in process of publishing the advertisement in the newspaper through public relation office. Once the approval is in place, SAIL BSL would submit the newspaper advertisement to Hon'ble Commission.</p>																																										
<b>12.</b>	<p><b>Reduction in Fixed Charges</b></p> <p>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 issual of this Order and implement the same from the subsequent billing cycle following the issual of this Order.</p>	<p>SAIL-BSL acknowledge the directive of Hon'ble Commission on implementation of the reduction in Fixed Charges as per 'Clause XI: Other Terms and Conditions' of the Tariff Order. However, SAIL-BSL humbly submits that the present metering and billing infrastructure is not capable of reading and billing in the time block manner. Thus, SAIL-BSL humbly prays before the Hon'ble Commission to allow SAIL-BSL to implement the billing of fixed charge based on billing hours for all categories post implementation of Smart meters which are capable of such billing.</p>																																										
<b>13.</b>	<p><b>Trajectory for reduction of Cross-subsidy</b></p> <p>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.</p>	<p>The Consumer Mix of SAIL-BSL is quite different from other utilities in the Jharkhand as 90% consumers come under highly subsidized residential category. However, SAIL-BSL acknowledge the directive of the Commission and proposes the cross-subsidy trajectory to (+/-) 20% of the Average Cost of Supply (ACoS) with the provisions of the Electricity (Amendment) Rules, 2022 as below:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>FY25</th> <th>FY26</th> <th>FY27</th> <th>FY28</th> <th>FY29</th> </tr> </thead> <tbody> <tr> <td>DS-LT</td> <td>61%</td> <td>66%</td> <td>71%</td> <td>75%</td> <td>80%</td> </tr> <tr> <td>DS-HT</td> <td>59%</td> <td>64%</td> <td>70%</td> <td>75%</td> <td>80%</td> </tr> <tr> <td>CS</td> <td>131%</td> <td>128%</td> <td>126%</td> <td>123%</td> <td>120%</td> </tr> <tr> <td>LTIS</td> <td>134%</td> <td>131%</td> <td>127%</td> <td>124%</td> <td>120%</td> </tr> <tr> <td>HTS</td> <td>134%</td> <td>130%</td> <td>127%</td> <td>123%</td> <td>120%</td> </tr> <tr> <td>HT/LT</td> <td>113%</td> <td>114%</td> <td>116%</td> <td>118%</td> <td>120%</td> </tr> </tbody> </table>	Category	FY25	FY26	FY27	FY28	FY29	DS-LT	61%	66%	71%	75%	80%	DS-HT	59%	64%	70%	75%	80%	CS	131%	128%	126%	123%	120%	LTIS	134%	131%	127%	124%	120%	HTS	134%	130%	127%	123%	120%	HT/LT	113%	114%	116%	118%	120%
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## Chapter 10: Directives

### *Timeliness and Data Adequacy in the Next Tariff Petition*

9.2 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.

### *Establishment of Customer Care helpline*

9.3 The Commission directs the licensee to establish customer care helpdesk (both online and offline) which shall act as support system designed to assist customers with their inquiries, issues, and requests. It shall act as the frontline of customer service, offering solutions to problems, providing information about queries, and ensuring customer satisfaction. The customer care should be equipped with knowledgeable agents and efficient tools such that helpdesk can handle a wide range of customer interactions, from technical issues to addressing billing concerns. The details of the helpline numbers should also be mentioned in electricity bills and should also have wide circulation in all offices of the licensee.

This order is signed and issued by the Jharkhand State Electricity Regulatory Commission on **August 20<sup>th</sup>, 2024**.

**Date: 20.08.2024**

**Place: Ranchi**

**Sd/-**  
**Atul Kumar**  
**MEMBER (Technical)**

**Sd/-**  
**Mahendra Prasad**  
**MEMBER (Law)**



# ANNEXURE - I

## List of participating members in the Public Hearing

Sl. No	Name	Address/Organization
1	Om Prakash Narayan	Sector-2B,Quarter No:03-027
2	Yash Pal	IC-555
3	S.P. Sinha	IC-229
4	R.Pandey	IC-230
5	R.Kumar	IC-170
6	Jeevan Kumar	Plot Holder Association
7	Manohar Kumar Suman	2A/2038
8	Kumar Yash Ojha	F-702,Malti,Murtitand,Sector-6
9	Harshit	Plot No.398,Co-operative Colony
10	G.Pandey	HA-14 City colony
11	B.K Singh	H-11
12	S.K. Yadav	4/G 1195,B.S City
13	T.Singh	12/C 3135
14	Rajendra Prasad	IIIA-127
15	V.C Tiwari	IIB/2-427
16	Manoj Kr.Singh	Sec-4 ,HE-17
17	R.D Singh	Qtr-4 HE 20
18	Bhaiya Pritam	GF/2,City Centre
19	Anil Kumar	GF-10,City Centre
20	Laljee Singh	Qtr No.2008/4F,Bokaro Steel City,Sector-4
21	Laxmi Narayan Prasad	IIIA.643,Bokaro Steel City
22	Lallan Roy	Sec-IC/576,Bokaro Steel City
23	H.Singh	IC/238,Bokaro Steel City
24	B.P. Singh	IC/327,Bokaro Steel City
25	R.S.Yadav	Sec-3B/494
26	Rakesh Kumar	Qtr-RA/3-238
27	Atul Kumar Singh	3A/796,B.M.S
28	Satyendra Kumar Singh	Q.No.3-124
29	Vishal Ray	Qno.1-209 2D
30	Rajkumar Tanti	Q.No-1267,8D