

PUBLIC NOTICE
SAIL-BSL

Objections/Comments invited from various stakeholders on the Petition submitted by SAIL-BSL for True-up for FY 2016-17, FY 2017-18 and FY 2018-19, & determination of Aggregate Revenue Requirement (ARR) and Tariff for FY 2019-20

Steel Authority of India Limited-Bokaro Steel Limited (SAIL-BSL) is a Distribution Licensee under the provisions of the Electricity Act, 2003 having license to supply electricity in the State of Jharkhand. In order to provide electricity to its officers and employees, SAIL-BSL obtained sanction under Section 28 of Electricity Act 1910 from the erstwhile Government of Bihar in 1964. Since then it has been distributing electricity to the people living in Bokaro.

In accordance with the provisions the JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2015 and other relevant Acts/Regulations/Policies, SAIL-BSL has filled the above mentioned Petition. Some of the highlights of tariff proposal are given below:

True-up for FY 2016-17, FY 2017-18 and FY 2018-19:

Table 1: ARR and Revenue Gap approved in MYT Petition and Claimed by SAIL-BSL (Rs. Crore)

Particulars	2016-17		2017-18		2018-19	
	Approved	Claimed	Approved	Claimed	Approved	Claimed
Power Purchase Cost	381.90	145.78	376.34	143.62	380.99	125.44
Employee Cost	11.82	8.90	12.34	8.21	12.88	7.90
R&M Expenses	3.67	2.76	3.83	3.62	4.00	5.20
A&G Expenses	2.36	2.37	2.46	2.48	2.57	2.60
Depreciation	1.01	1.01	1.77	1.24	1.95	1.47
Interest on Loan	1.50	1.09	2.08	2.25	2.00	3.34
Return on Equity	1.31	0.91	1.77	1.48	1.89	2.04
Interest on Working Capital	4.85	0.01	4.81	0.27	4.73	0.67
Annual Revenue Requirement	408.44	162.84	405.40	163.17	411.01	148.66
Revenue at Existing Tariff		65.17		74.80		85.01
Revenue (Surplus)/Gap		97.67		88.37		63.65

ARR for FY 2019-20:

Table 2: Estimated Aggregate Revenue Requirement for FY 2019-20

Particulars	FY 2019-20
	(Rs. Crore)
Power Purchase Cost	157.73
Employee Cost	13.44
R&M Expenses	7.32
A&G Expenses	2.67
Depreciation	1.72
Interest on Loan	3.53
Return on Equity	2.20
Interest on Working Capital	0.69
Annual Revenue Requirement	189.31

Particulars	FY 2019-20 (Rs. Crore)
Revenue at Existing Tariff	111.21
Revenue (Surplus)/Gap at Existing Tariff	78.10

SAIL-BSL has proposed a hike to the tune of 25% in the Tariff (including Fixed Charge and Energy Charges) to meet the projected ARR and to bridge the revenue gap to some extent. SAIL-BSL has also proposed to introduce a new category consumer namely '**HT- Industrial**' who will be availing power at 33 kV & above Voltage Level and will have minimum CD of 10 MVA. SAIL-BSL submitted that since this new category of consumer will be a bulk consumer availing power at EHV, the losses for such consumer will be minimal and therefore tariff for such consumers has been proposed at 20% less than the existing tariff for HTS category of consumers. However, Fixed Charges has been kept unchanged.

Treatment of Revenue Gap: The total revenue gap projected up to FY 2019-20 and including the revenue gap of the previous period is provided in the table below.

Table 3: Cumulative Revenue Gap till the year FY 2019-20 (Rs. Crore)

Particulars	FY 2019-20
Revenue Gap up to FY 2015-16	283.67
Revenue Gap from FY 2016-17 to FY 2018-19	249.69
Revenue Gap for FY 2019-20	78.10
Total Revenue Gap	611.46

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

Table 4: Projected Revenue (Surplus)/Gap at the Proposed Tariff (Rs. Crore)

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

Table 5: Cumulative Revenue Gap till the year FY 2019-20 at proposed tariff (Rs Crore)

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

SAIL-BSL has proposed to the Commission for creation of regulatory assets of the uncovered revenue gap and approve the above Regulatory Assets worth Rs. 583.76 Crore (erroneously proposed as Rs. 611.60 Crore by SAIL-BSL in its Petition) and also provide an appropriate recovery mechanism to recover the Regulatory Assets as per the provisions of Tariff Regulations and Guidelines of National Tariff Policy, 2016.

In addition, SAIL-BSL has also proposed the following considerable changes in the Tariff Schedule, which may affect the Consumer Categorisation:

1. Bifurcation of LT Domestic Consumers into categories of upto 4 kW and categories above 5 kW and upto 85 kW;
2. Inclusion of LT Domestic Consumers with contracted load above 85 kW in HT Domestic;
3. Limiting LT Domestic Consumers to connected load of upto 85 kW; and
4. Introduction of HT Industrial and HT Commercial Categories.

SAIL-BSL has retained the Terms and Conditions of Supply, Rebate/Surcharge Structure and Miscellaneous Charges.

Tariff Proposal:

Proposed Tariff submitted by SAIL-BSL for approval for FY 2019-20:

Table 6: Proposed Tariff for FY 2019-20

Categories	Fixed Charges			Energy Charges (Rs./kWh)	
	Unit	Existing Rate	Proposed Rate	Existing Rate	Proposed Rate
DS-LT	Rs./Connection/Month	80	100	3.25	4.06
DS-HT	Rs./kVA/Month	90	112.50	2.75	3.44
LTIS	Rs./kVA/Month	110	137.50	4.50	5.63
CS-Urban	Rs./kW/Month	140	175	5.70	7.13
HT Commercial	Rs./kVA/Month	230	287.50	5.40	6.75
HT Industrial	Rs./kVA/Month	New	230	New	4.32

Comments/Suggestions from Stakeholders

1. The Commission has directed SAIL-BSL to invite comments/suggestions from the public on the above Petition through this Notice.
2. The Petition is available on the website of the Commission along with Commission queries and reply of SAIL-BSL if any at (www.jserc.org/sail.aspx) as well as SAIL-BSL website at (bslta.in).
3. The copy of the entire Petition can be obtained on written request from the offices of SAIL-BSL on payment of Rs. 100/- (Rupees one hundred) only payable by Demand Draft/ Pay in favour of **SAIL, Bokaro Steel Plant** payable at **Bokaro Steel City**.
- 4.

Complete Address for obtaining Petition:

**The General Manager (TE-Electrical)
Steel Authority of India Limited (SAIL)
TA Department (Room no -103), Bokaro Steel Plant
Bokaro Steel City
Mobile no. 8986871610
Fax 06542-242305
E-mail : sanjay.erp.bsl@gmail.com**

5. Suggestions/comments may be sent to the office of SAIL-BSL at the address mentioned above by **04/12/2020**. A copy of the suggestions/comments may also be sent to Secretary, Jharkhand State Electricity Regulatory Commission at the address given below:

The Secretary

Jharkhand State Electricity Regulatory Commission

New Police Line Road, Opposite to C.M. House

Kanke Road, Ranchi - 834008

6. The objections can be submitted in English or in Hindi. The sender should clearly specify his/her full name, postal address, e-mail id and telephone number. It should also be indicated, if the objection is being filed on behalf of any Organization, Consumer or Consumer group. It is to be noted that if the sender wants to be heard in person, the opportunity would be given by the Commission at the time of Public Hearing, for which date and place shall be announced by the Commission separately.
7. SAIL-BSL shall reply to each of the suggestions/comments received within seven days of the receipt of the same but not later than **14/12/2020** for all the objections and suggestions/comments received till **04/12/2020**. Stakeholders can submit their rejoinders on replies provided by SAIL-BSL during the Public Hearing, if required.

Sanjay Kumar
12/11/2020
Name & Signature of the
Authorised Representative
संजय कुमार
Sanjay Kumar
महाप्रबन्धक (नगर रोड़ा-विद्युत)
General Manager (TA - Electrical)
सेल, बोकारो इस्पात संयंत्र
SAIL, Bokaro Steel Plant