Tariff Distribution for the SAIL/Bokaro Steel Plant

Executive summary

As per the retainership agreement with the Jharkhand State Electricity Regulatory Commission (JSERC), The Energy and Resources Institute (TERI) was appointed consultant to determine the tariff distribution for SAIL/Bokaro Steel Plant for FY 2007-08. The petitioner, SAIL/Bokaro Steel Plant, submitted the tariff petition to the JSERC for approval of its Annual Revenue Requirement (ARR) and determination of tariff for FY 2007-08. TERI undertook a detailed examination of the filing, and identified major data and information gaps. TERI officials also interacted with the petitioner at the JSERC office in Ranchi to apprise them of the lacunae. But despite repeated requests the petitioner did not address the gaps highlighted in the tariff filing satisfactorily. During discussions, the petitioner admitted that the information submitted regarding costs and assets, did not pertain to that of distribution business alone, but to the Bokaro Steel Plant.   Thus, in the absence of relevant data to undertake a detailed analysis, the JSERC sought to maintain the same tariff as applicable to the Jharkhand State Electricity Board (JSEB) and hence, issued a suo motto tariff order for the Bokaro Steel Plant on November 2, 2007.

As per the norms, a public hearing was held in order to invite comments, objections and views on the tariff petition filed by the petitioner for FY 2007-08. The JSERC instructed the petitioner to issue a public notice in this regard in all major dailies. But the petitioner failed to do so following which the JSERC issued the public notice on behalf of the petitioner. A public hearing was held on September 29, 2007, at Bokaro Steel City, with JSERC members, representatives of the petitioner, TERI officials, and consumers in attendance.

TERI, on its part, has completed the review of tariff petition, taken note of the objections raised during public hearing, and done the Annual Revenue Requirement analysis, as submitted by petitioner.