

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

Petition No.277/2010

Petitioner: Bhaskhar Shrachi Alloys Ltd, (BSAL)

Respondents: Damodar Valley Corporation and another

Petition No.293/2010

Petitioner: Steel Authority of India Ltd-Bokaro Steel Ltd (SAIL-BSL)

Respondents: Damodar Valley Corporation (DVC) and another

Subject: Petition under Section 62(6) read with Section 94 of the Electricity Act, 2003 and Regulation 22(iii) of the CERC Tariff Regulations, 2004.

Date of Hearing: 30.11.2010

Coram: Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri Deena Dayalan, Member

Parties present:

1. Shri Amit Kapur, Advocate, BSAL
2. Shri M.Prahladha, BSAL
3. Shri Rajin Ranjan, Advocate, SAIL-BSL
4. Shri Rajiv S. Dwivedi, Advocate, SAIL-BSL
5. Shri P.S.Dwivedi, SAIL-BSL
5. Shri B.N.P.Singh, SAIL-BSL
6. Shri Ajay Kumar, SAIL-BSL
7. Shri M.G.Ramachandran, Advocate, DVC
8. Shri C.Karmarkar, DVC
9. Shri A.Biswas, DVC
10. Shri P.K.Chakraborty, DVC

These petitions have been filed by BSAL and SAIL-BSL (hereinafter referred to as ' the petitioners') for appropriate directions upon DVC for computation of correct level of capacity charges and Fuel Price Adjustment (FPA) in terms of the Commission's order dated 6.8.2009 in Petition No. 66/2005.

2. The learned counsel for the petitioner in Petition No.277/2010 submitted as under:

- (a) The computation of capacity charges by the respondent should be related to availability and in terms of Regulation 30 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, the billing and payment of capacity charges shall be on a monthly basis;
- (b) The bills raised by the respondent has not taken into consideration the tariff determination by the Commission by order dated 6.8.2009 in Petition No. 66/2005 as it has inflated tariff by 56.36 paisa towards FPA and 30 paisa towards capacity charges;
- (c) Gross Calorific Value (GCV) of coal/fuel has been withheld by DVC in the disconnection notice in order to inflate the tariff.
- (d) The respondent has recovered excess amount beyond the tariff determined by the Commission and hence the petitioner would be entitled to recover from the respondent, the excess amount charged along with interest in terms of Section 62(6) of the Electricity Act, 2003;
- (e) that the respondent has been charging capacity charges at the rate of 106.96 paisa/kWh and Fuel Price Adjustment (FPA) at the rate of 104.08 paisa/kWh from its consumers, which was in contravention to Commission's order dated 6.8.2009 passed in Petition No. 66/2005.
- (f) Detailed submissions along with the computations have been made in the petition. Interlocutory application (I.A. 32/2010) has also been filed for an interim order of stay of the disconnection notice.

3. The learned counsel for the respondent, DVC objected to the submissions made by the petitioner as above and mainly clarified as under:

- (a) The respondent was billing the petitioner in terms of Regulation 5 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 which provides that the tariff as was prevalent on 31.3.2009 as approved by the Commission would continue to be the applicable tariff for billing the consumers for the period from 1.4.2009 till determination of tariff from 1.4.2009 onwards.
- (b) The actual generation for the period from 1.4.2009 onwards was not relevant as the existing tariff as on 31.3.2009 was applicable;
- (c) The recovery towards pension and gratuity liability has been made in terms of the orders of the Commission dated 6.8.2009.

(d) In the calculation of Fuel Price Adjustment (FPA), the Coal prices as per actual invoices raised by the supplier, Coal India Ltd has been considered;

(e) The computation of capacity charges, the price and GCV of Coal and Oil (for FPA) have been submitted at pages 15 and 17 of the reply filed on 25.11.2010;

4. The learned counsel for the petitioner in Petition No. 293/2010 adopted the submissions made by the learned counsel for petitioner in Petition No. 277/2010.

5. The learned counsel for the respondent prayed that it may be permitted to file its reply in Petition No.293/2010. The learned counsels for the petitioners also prayed that it may be granted time to file its rejoinder to the reply filed by the respondent.

6. After hearing both parties, the Commission directed the respondent to submit on affidavit, the additional information on the following:

- (i) Copies of the monthly bills (tariff) claimed from different consumers;
- (ii) Basis of allocation of tariff along with details of computations of such allocation, to the petitioner and also to other consumers;
- (iii) The details of the Capacity Charges and Energy Charges billed along with the back- up calculations of all components of fixed charge and the Energy Charges on month to month basis relating it with the tariff order dated 6.8.2009 of the Commission;
- (iv) Any other relevant information/documents necessary to verify/examine the correctness of the billing to the petitioner and other consumers.

7. The Commission directed the respondent to submit the above information and the reply (in Petition No. 293/2010) latest by 20.12.2010, with advance copy to the petitioners. Rejoinder is to be filed by the petitioners, within 30.12.2010.

8. The above petitions are to listed for further hearing on 11.1.2011.

Sd/-
(Dr. N.C.Mahapatra)
Chief Advisor (Law)