

**JOINT ELECTRICITY REGULATORY COMMISSION FOR  
THE STATE OF GOA AND UNION TERRITORIES  
GURGAON**

Coram\*

Sh. S.K.Chaturvedi, Member

**Petition No. 113/2013**

**Date of Order 29.10.2013**

**In the matter of**

Deferment of claim of Fuel and Power Purchase Cost Adjustment for the first quarter of the year 2013-14.

**And in the matter of**

Electricity Department – Puducherry

**Present**

1. Shri T. Chanemougan, Executive Engineer, ED- Puducherry.
2. Shri V. Sridharan, Executive Engineer, ED- Puducherry.

**Order**

The petitioner ED- Puducherry through K. Mathivanan, SE-1 filed the present petition for deferment of claim of Fuel and Power Purchase Cost Adjustment (FPPCA) for the first quarter of the year 2013-14 with averments that the Commission in tariff order dated 10.04.2013 for FY 2013-14 made provision for quarterly adjustment of Fuel and Power Purchase cost variations in consumers' bills. On computation of FPPC of first quarter for FY 2013-14 increase in power purchase cost varies from 9 paise to 44 paise per unit. Almost all the political parties and various social organizations have agitated for huge increase in power tariff from the date of announcement of tariff revision for FY 2013-14 and still demanding for reduction of existing tariff rates. The increase in tariff was also debated in the thirteenth session of the Legislative Assembly of UT of Puducherry held in the month of July 2013. Therefore, the Govt. of Puducherry directed the petitioner to approach the Commission for deferment of additional amount to be recovered from the consumers accrued on account of FPPCA during the first quarter and to consider the same at the time of provisional trueing up at the end of financial year to avoid further burden on the consumers. Hence the present petition.

On receipt of the petition the Commission registered the same and held pre- admission hearing today on 29.10.2013. The Commission heard the representative of the petitioner at length and has gone through the petition, accompanied documents and relevant provisions of Joint Electricity Regulatory Commission for State of Goa and UTs Regulations, carefully and thoroughly.

This petition is filed under Regulation 43 of JERC (Terms and conditions for determination of tariff) Regulations, 2009 (JERC Regulations). Before proceeding further the provisions of Regulation 43 of JERC (Terms and conditions for determination of tariff) Regulations, 2009 are reproduced as under:-

**43. Power to Remove Difficulties**

*If any difficulty arises in giving effect to any of these Regulations, the Commission, may, by general or specific order, direct the generating company/ licensee to do or undertake things which in the opinion of the Commission are necessary or expedient for removing the difficulties.*

From reading of the above Regulation it is evident that the Commission is empowered to remove any difficulty arising in implementation of JERC Regulations. In the instant case the increase in tariff due to FPPCA for the first quarter of year 2013-14 varies from 9 to 44 paisa per unit. First of all in opinion of the Commission the increase in tariff due to FPPCA for the first quarter of year 2013-14 varies from 9 to 44 paisa per unit is nominal and not on very higher side. Therefore, recovery of increase in power purchase cost from 9 paisa to 44 paisa per unit on account of FPPCA is neither difficult for the petitioner nor it will be unbearable for the consumers.

Secondly, if the increase of 9 to 44 paisa per unit in the tariff on account of FPPCA is deferred till the time of provisional truing up at the end of financial year the licensee shall not only suffer financial losses but the consumers will be additionally burdened with carrying cost also and there may be a steep hike in tariff at that time resulting into tariff shock. Further, the Commission feels that if the Govt. of Puducherry wants that the consumers of UT of Puducherry are relieved from such FPPCA, the Govt. Puducherry may do so by way of upfront subsidy as per the provisions of the Electricity Act, 2003.

Therefore, deferment of claim of Fuel and Power Purchase Cost Adjustment for the first quarter of the year 2013-14 till the time of provisional truing up at the end of financial year will affect financial health of the licensee and the same is neither in public interest nor in the interest of the licensee. Hence the prayer of the petitioner for deferment of claim of Fuel and Power Purchase Cost Adjustment for the first quarter of the year 2013-14 till the time of provisional truing up at the end of financial year is against the provisions of tariff policy, Electricity Act, 2003 and JERC Regulations. Hence there is no merit in the petition.

Resultantly in the light of above discussion and observations the petition fails and is hereby dismissed.

Sd/-

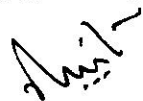
(S.K.Chaturvedi)

Member

**Chairperson (Vacant)**

- \* Post of the Chairperson is vacant. As per proviso of Regulation 9 (II) of JERC (Conduct of Business) Regulations, 2009 for review of its own orders "Coram is all Members". Whereas according to provisions of Section 93 of the Electricity Act, 2003 no act or proceedings of the appropriate Commission shall be questioned or invalidated merely on the ground of existence of any vacancy or defect in the Constitution of the appropriate Commission. So the Member only constitute a valid quorum.

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(Rajeev Amit)

Secretary