

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

Coram
Dr. V.K.Garg, Chairperson
Shri S.K.Chaturvedi, Member
Petition No.89/2012

In the matter of

Petition for approval of complete/actual capital cost of the project and Tariff of the petitioner – a Power Generating Company under Regulations 3(2)(a), 3(4), 12 and 36 of the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Terms and Conditions for determination of Tariff) Regulations, 2009 read with section 62(1)(a) and 63 of the Electricity Act, 2003.

And in the matter of

M/s. Suryachakra Power Corporation Ltd.
Suryachakra Hosue,
Plot No.304-L-III, Road No.78
Film Nagar, Jubilee Hills
Hyderabad-500096

V/s.

1. Electricity Department
Rep: by its Superintending Engineer
Port Blair, Andaman & Nicobar Islands

2. The Chief Secretary
Andaman & Nicobar Administration Secretariat, Port Blair,
Port Blair, Andaman & Nicobar Islands

Present

Petitioner:

1. Shri S.M.Manepalli, MD, Suryachakra Power Corporation Ltd
2. Shri B.N.Theore, GM(OP) Suryachakra Power Corporation Ltd
3. Shri K.Vijay Kumar, Executive Director, Suryachakra Power Corporation Ltd
4. Shri K.J.Josepl, Liaison Officer, Suryachakra Power Corporation Ltd
5. Shri B.Obulapathi, Sr. Manager, Suryachakra Power Corporation Ltd
6. Shri Sakesh Kumar, Advocate, Suryachakra Power Corporation Ltd

7. Shri Rohit Rao, N, Advocate, Suryachakra Power Corporation Ltd.

Respondent:

1. Shri Suresh Kumar, Secretary (Power), ED – Andaman & Nicobar Islands
2. Shri Anand Behari, SE, ED – Andaman & Nicobar Islands
3. Shri R. Balasubramaniam, Advocate, ED – Andaman & Nicobar Islands

Order

17.12.2012

1. The Counsel for the petitioner described about total claim, counter claims, withdrawal of earlier claims and counter claims by mutual consent and the numerous meetings taken place between the two sides without any conclusion of the problem. The Petitioner also brought to the notice of the Commission about the precarious position of all the four generating units for want of statutory maintenance which culminated in breakdown of generators and severe decline in supply of power resulting in power cuts imposed on the island, causing inconvenience and hardship to the consumers, which is caused due to non-settlement of the long pending issues and non-payments of arrears.

2. The petitioner was asked about overhauling of different units and what is their state of preparedness for the same. The petitioner replied that overhaul is likely to cost about Rs. 12 crores for all the four units and would be completed in 60 days time from the date of release of payment. The quotations were already submitted to the department. The Commission inquired whether the quotes are valid? The petitioner replied that quotes as of now are expired as the quotations are two years old and vendors have been extending validity from time to time and now vendors will agree, only after the money is deposited in advance with the State Bank of India. The Respondent was asked to confirm whether the quotes have been submitted to them, to which they replied in affirmative. The respondent was asked as to how are they going to manage power supply to the island during the period of overhaul of the units of IPP. The A&N Administration stated that they have alternative arrangement for supplementing the existing power supply arrangements.

3. The Petition is for determination of tariff of generator under Section 62(1) whereby the generator is generating and selling the entire power generated to the distribution licensee. It was asked from the respondent whether the generator is generating and selling entire power generated by it to the distribution licensee? This was confirmed by the respondent, who further stated that total requirement of main island is about 33 MW and M/s. Suryachakra is providing major part of the requirements, the rest is by own arrangements of the A&N Administration.

4. A&N Administration has already filed its ARR for 2013-14, which is to be decided before 31st March, 2013. Therefore, the tariff of M/s. Suryachakra, the IPP supplying power to the distribution licensee M/s A&N Power Department, which constitutes a major part of the total ARR needs to be determined before the public hearings on such ARR of Power Department of A&N Administration taken up by the Commission. The Petitioner is directed to take further requisite action for determination of tariff under Section 62 and publish a

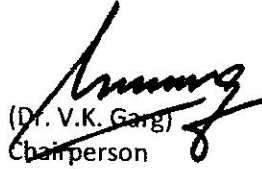
summary of the petition and load the full petition on its website in public domain for the comments of stakeholders – within 21 days from the date of such uploading/publication.

5. The Commission asked both the parties to give their own Due and Drawn statement of arrears showing the balance outstanding, and the reasons for non-settlement of the outstanding item-wise keeping in view the original PPA, authorised/forced variations, if any, financial impact of the various technical issues resolved by the CEA including capital cost operational parameter and treatment of city Bank loan and unsecured loans taken subsequent to the COD, etc.
6. The Commission asked about the Court case filed by a subsidiary of the State Bank of India as stated in the petition. Petitioner stated that the financial constraints caused to them due to non-payment of their tariff dues by the licensee i.e. the Power Department of A&N Administration, resulted in their inability to service the debts taken from the Banks for the project and its operation from the Banks. This resulted - in a Court case Petition No. 154/2011 admitted by the Hon'ble AP High Court filed by SBI Global Factors Ltd.
7. The petitioner also submitted interim applications dated 29/11/2012 and 14.12.2012 requesting the Commission for direction on arrears of tariff difference between Rs. 11.79 per unit claimed by the petitioner and Rs. 11.42 paid by the respondent and other arrears amounting to Rs.40.90 crores as principal and interest of Rs. 54.88 Crores thereon i.e. a total of Rs. 95.78 crores to give him financial relief to facilitate overhaul of the units and running of the power station properly.
8. The respondent and the petitioner prayed for four weeks time to submit the due-drawn statement as para 5 above. The Commission considered the request, acceded the same and directed the petitioner to submit the computation on or before 10.1.2013.
9. The petitioner is directed to proceed, take further necessary action as per requirements of Section 62(1) and publish the brief summary of the petition as per para 4 above. Licensee and Secretariat of the Commission to take appropriate action accordingly.
10. The Commission observed that the matter is pending for settlement for almost 10 years since the operation of the plant and the ARR of the Respondent for the FY 2013-14 is to be finalised before 31.03.2013, hence the parties will not be allowed any time extension, which may result in adversely affecting the power supply to the consumers.

The matter is scheduled for hearing on 15.1.2013 at 11.00 a.m.


S.K. Chaturvedi
Member


Anish Garg
(Director (Finance))


(Dr. V.K. Garg)
Chairperson

