

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub :- In the matter of issue of directives under Section 81(i)(e) and 61(h) of the Electricity Act, 2003 for implementation of the provisions of the State Government Incentive Policy and MPERC's Tariff Order for procurement of power from Wind Power Project.

ORDER

(Date of hearing 11th August, 2009)

M/s Sanwaria Agro Oils Ltd.,
E-1/1 Arera Colony, Bhopal,

- Petitioner

V/s

M.P.Power Trading Co. Ltd.,
Shakti Bhawan, Vidyut Nagar,
Jabalpur.

- Respondent No. 1

M.P.Madhya Kshetra Vidyut Vitaran Co. Ltd.,
Nishta Parisar, Govindpura,
Bhopal.

- Respondent No. 2

Shri P.L.Nene, Consultant and Shri Ramanujam appeared on behalf of the Petitioner.

Shri D.K.Ojha, Associated Consultant appeared on behalf of Respondent No.1.

Shri A.R.Verma, ASE appeared on behalf of Respondent No.2.

2. The Petitioner has filed this petition for issue of directives under Section 86(i)(e) and 61(h) of the Electricity Act, 2003 for implementation of the provisions of the State Government Incentive Policy and MPERC's Tariff Order for procurement of power from Wind Power Project.

3. During the hearing the representative of the Petitioner made the following submissions :

- (i) The agreement finalized for procurement of power from Wind Power Project does not provide incentives declared by the Govt. of Madhya Pradesh vide its Incentive Policy dated 17.10.2006 and therefore, it shall be terminated and the Petitioner may be permitted to sign a fresh agreement in terms of Tariff Order dated 21.11.2007.
- (ii) As the Licensee has not provided the benefit of banking and reduction in contract demand, the Licensee has to be penalized in terms of Section 62(6) of the Electricity Act, 2003 for the casual approach.

4. During the hearing, the Commission has enquired from the Respondents as to why the reply was not filed timely. The representatives of the Respondents have apologized for the same. The Commission has directed that if the reply is not submitted timely in future, penalty as deemed fit shall be imposed.

5. The Respondent No. 2 mentioned that as the power requirement for the three Discoms is being arranged by MP Power Trading Co., the banking policy will have to be framed by them. The Commission observed that Tariff Order, requiring Discoms to frame the banking policy within 3 months of issue of order, was issued almost 2 years back. If they had any difficulty in complying with the directions, they should have approached the Commission at that time. The Commission has noted with regret their inability to respond to its directions.

6. During the hearing, the representative of Respondent No. 1 made the following submissions :

- (i) The Petitioner has signed the agreement on 03.08.2007 in terms of Tariff Order dated 11.06.2004 for procurement of power from Wind Power Project. As per Clause 6.1 and 6.2 of the Tariff Order dated 11.06.2004, banking was not considered necessary by the Commission and hence the facility of banking should not be provided to the Petitioner.
- (ii) Regarding reduction in contract demand, the Petitioner has not approached the Respondent.
- (iii) Regarding banking policy, they have sought 3 months time to submit the policy after getting approval from their Board of Directors.

7. On hearing both, the Petitioner and the Respondents, the Commission has directed the representatives of the Respondent No. 1 to submit policy on banking within 2 months i.e. latest by 15.10.2009.

8. With the above directions, the Petition No. 17/2009 stands disposed off.

Ordered accordingly,

(C.S.Sharma)
Member (Eco.)

(Dr. J.L. Bose)
Chairman