

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub: Application for review of power tariff under Clause 12 of the tariff order SMP 57/2007.

Petition No. 19/2012

ORDER

(Date of hearing 10th April, 2012)

(Date of order 11th April, 2012)

M/s Rajaram Maize Products,
(Wind Power Division),
Kailash Nagar, Rajanandgaon.

- Petitioner

Shri S.Rajeswar Rao, Advocate appeared on behalf of Petitioner.

2. Petitioner has filed this petition under under Clause - 12 of the Tariff Order dated 21.11.2007.

3. In brief, the submission of the petitioner is as follows. The Commission vide order dated 13.01.2009 passed in Petition No. 78/2008 granted permission to the petitioner to sell power to MP Tradeco. under Section 86(1) (c) of Electricity Act, 2003. Consequently, the petitioner executed PPA with the M.P Tradeco. in accordance with the terms of tariff order dated 21.11.2007. Subsequently, the Commission issued a revised tariff order on 14.05.2010 inline with the CERC guidelines issued on 16.9.2009. In the revised tariff order dated 14.05.2010 the Commission did not make any provision for the generating units covered under the earlier tariff order of 2007. The tariff fixed by the Commission vide order dated 21.11.2007 is low and grossly uneconomical and hence the same may be enhanced on the following grounds:

- 1) The capacity utilization adopted while considering tariff order of 2007 was 22.5% whereas in the locality of Village Surajpura, Tehsil Jaora, the capacity utilization comes to only 14%. Capacity utilization depends solely on natural airflow and the petitioner has no direct or indirect role in influencing the same. The Commission has also endorsed these facts in the subsequent tariff order and adopted capacity utilization at 20% instead of 22.5% adopted in

(cont. to next page)

Sub : Application for review of power tariff under Clause 12 of the tariff order SMP 57/2007.

the year 2007. Fixation of tariff considering higher capacity utilization is prejudicial to the interests of the applicant. Therefore, the tariff needs upward revision.

- 2) Petitioner has invested an amount of Rs.5 crores up to 30.09.2008 and it has received return of about 18% without obtaining any debt and if the debt equity ratio of 70:30, as indicated in the tariff order is considered, there would be negative return and the subsequent tariff order and the Hon'ble Appellate Tribunal make it mandatory to consider interest rate of 12% on 70% of the cost of the project and 12.75% on working capital and this ground alone is sufficient to necessitate a review.
- 3) Petitioner has submitted that its unit is in the first phase of control period, which is going to expire on 31.03.2012, and the guidelines of CERC were issued during this control period and hence the revised tariff rate should be equally be made applicable to the petitioner.

4. In view of the aforementioned facts and grounds, the petitioner has prayed to the Commission to enhance the tariff to Rs. 5 per unit or alternatively the tariff declared in the tariff order of May 2010 may be made applicable to the petitioner from the date of inception of the unit and render justice.

5. The case was listed for motion hearing on 20.03.2012.

6. During the hearing on 20.03.2012, none appeared on behalf of petitioner. The Commission decided to give a final opportunity to the petitioner to present his case. The case was listed for hearing on 10.04.2012.

7. During the hearing on 10.04.2012, the representative of the petitioner reiterated the contents of the petition and requested its admission and also sought adjournment with the request to allow modification in the petition.

(cont. to next page)

Sub : Application for review of power tariff under Clause 12 of the tariff order SMP 57/2007.

8. During the hearing, the Commission enquired about the maintainability of the review petition after a lapse of 4½ years from 21.11.2007 (i.e. the date of issue of tariff order) against the provisions of review of tariff order within 60 days of issue of tariff order. The representative of petitioner could not submit a satisfactory reply. The Commission, therefore, holds that the review petition is misplaced and is not maintainable.

9. In view of the above, the Petition No. 19/2012 stands dismissed.

Ordered accordingly,

sd/-
(C.S.Sharma)
Member

sd/-
(Rakesh Sahni)
Chairman