



Chhattisgarh State Electricity Regulatory Commission
Civil Lines, G.E. Road, Raipur – 492001
Tel: 0771-4073555, Fax-4073553

Suo Motu Petition No. 20/2007(M)

Chhattisgarh State Electricity Board, Raipur - Respondent

Order passed in order sheet dated 16.08.2007

Shri Shivraj Singh, Technical Consultant to the CSEB and Shri Arun Bhatnagar, SE present for respondent.

Heard them. CSEB made additional submission at the time of hearing. Shri Shivraj Singh stated that the rate of power purchase for the months of April, May and June' 07 should be averaged on similar lines as given in the tariff order for all the power purchased from traders which comes to Rs.4.57. He further stated that the average rate of power purchase from all the traders for the whole year has to be worked out and kept within the limit of rate as fixed by this Commission. He also submitted that the rate of power is highly fluctuating from month to month, from season to season and time of the day in terms of off-peak and peak hours. The rate of power in the market is the highest during the summer season i.e. March, April, May and June and is the lowest during the rainy season. The price of power starts rising from the month of November and is the high during winter and summer season. The power purchase ceiling rate needs to be fixed season-wise. In that case, the Board will have the flexibility of purchasing power at different rates prevailing in the market and shall remain within the limits fixed by the Commission. In support of this, the CSEB submitted a copy of the order passed by the Delhi Electricity Regulatory Commission in which the Delhi Commission has directed that each case of power procurement need not be approved by the Commission if the average power purchase price computed annually is within the limit fixed.

As regards violation of the guidelines issued by the Commission on 22nd March 06 in regard to power purchase and procurement process, CSEB stated that generally enquiry is issued to all the registered power trading companies. But many times it so happens, especially during acute shortage conditions in the market, that

response is not received and after expiry of time limit, isolated offers are received which have to be considered for purchase of power to meet the emergency requirement. In some of the power procurement cases under such conditions, the individual prices from the traders for a short-term period may be higher than the ceiling fixed. These are short-lived situations and ultimately the price band is evened out due to fall of prices in slack season when the power demand in the market is low. But while making purchases under such circumstances, the CSEB keeps in view the prevailing prices in the market. Since, the State is infested with the Naxal activities, urgent procurement of power becomes all the more necessary.

In view of the explanation given by the CSEB, the Commission decides to drop further proceeding against the Board with instruction that the overall annual purchase price of power be kept within the ceiling fixed by the Regulatory Commission and transparent purchase procedure be adopted by the Board before placing order for purchase of power.

Sd/-
Member

Sd/-
Chairman