



Chhattisgarh State Electricity Regulatory Commission

Civil Lines, G.E. Road, Raipur – 492001

Tel: 0771-5073555, Fax-5073553

Suo Motu Petition No. 01/2006

Chhattisgarh State Electricity Board, Raipur -

Respondent

ORDER **(Passed on 28.01.2006)**

CSEB represented by Shri V.K.Jain, CE (Commercial) and Shri S.N.Chouhan, Adl.CE. Heard them. We have also perused their written submission of 12th January and 27th January, 2006.

2. In the written submission of 12th January certain legal issues have been raised. It has been argued that since the licensee has obtained power through open access the terms and conditions of purchase need not have regulatory approval as per section 49. It has also been stated that as per clause 8.2.1 of the National Tariff Policy issued recently by the Central Government, all power purchase costs need to be considered legitimate unless it is established that the merit order principle has been violated or power has been purchased at unreasonable rates. We need hardly discuss the first contention which is frivolous. The provision in the NTP quoted above relates to determination of tariff and the assessment of ARR and hence is not applicable in this case. In any case, the Board does not want to press these points.

3. As regards in the submission of 27th January, it has been stated that the present power market is passing through an acute shortage condition. Being a seller's market the traders are asking for immediate response to an offer, most of the time by the next day. Under the circumstances, it has not been possible for the CSEB to seek approval of the Regulatory Commission in time. Secondly, it has been submitted that there is a need for purchase of power to the extent of approx. 225 MW while the open access permitted for the month of February and March is only for 70 to 140 MW. Any delay on the part of the CSEB leads to loosing a particular deal which the State may not be able to afford.

4. As regards the price, it has merely been stated that there is no choice before the CSEB to buying at cost higher than the highest cost of purchase stipulated by the Commission in the tariff order as otherwise load shedding to an extent of more than 10 to 15% would become inevitable. The prices of traded power have gone up substantially much beyond what could be reasonably anticipated when the ARR/tariff application was submitted.

5. The Commission has gone through the demand and supply position in the coming months and also some offers by the traders in which they have allowed a very short response time. In view of the above position, the notice under Sec. 142 of the Act is withdrawn. The concerned purchase is approved. This may be communicated to the Board.

Sd/-
(Sarat Chandra)
Member

Sd/-
(S.K. Misra)
Chairman

True Copy

(N.K.Rupwani)
Secretary