

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO NO. 220-221, SECTOR 34-A, CHANDIGARH**

**Petition No. 59 of 2014
Date of hearing: 04.11.2014
Date of Order: 05.11.2014**

In the matter of: Petition for seeking approval regarding import of coal for PSPCL Thermal Power Stations.

AND

In the matter of: Punjab State Power Corporation Limited, The Mall, Patiala.

Present: Smt.Romila Dubey, Chairperson
Shri Virinder Singh, Member
Shri Gurinder Jit Singh, Member

For petitioner: Shri Sanjeev Gupta, Dy.C.E./TR-II
Shri Lalpreet Singh, Addl.SE
Shri R.S.Saini Addl. S.E./TR-IV

ORDER

Punjab State Power Corporation Limited (PSPCL) filed this petition for seeking approval regarding import of coal for its Thermal Power Stations. PSPCL submitted that Central Electricity Authority has approved generation target as 8626 MUs for a period from October, 2014 to March, 2015 in respect of Thermal Power Stations of PSPCL. Coal requirement for this period works out to be 56 Lac tonnes i.e. about 8.20 coal rakes per day. For building up of coal stock of 30 days, about 1.23 MT coal i.e. 314 rakes (1.80 rakes per day) shall be required in addition to 8.20 rakes/day. A meeting was taken on 30.08.2014 by Secretary, Ministry of Power, Government of India, at New Delhi, wherein critical coal stock of PSPCL Thermal Power Stations was discussed. During the meeting attended by Secretary/Power, Government of Punjab, the representatives of Ministry of Power and Ministry of Coal took a

serious note of continuous short supplies by Panem Coal Mines Limited and Monnet Daniels Coal Washeries Limited to PSPCL Thermal Power Stations and impressed upon the team from Punjab to take up with these suppliers for stepping up coal supplies to PSPCL thermal stations. It was also emphasized during meeting that power Utilities should also take up necessary initiatives for import of coal, so as to augment coal supplies to their thermal stations. PSPCL has worked out requirement of imported coal as 1.2 Million Tonnes for a period of one year, details of which have been annexed with the petition. The additional financial liability of importing 1.2 MT coal for one year works out to be about ₹505 Crore, detail of which has also been annexed with the petition. PSPCL has prayed that it may be allowed to import 1.2 Million Tonnes of coal involving additional financial liability of about ₹505 Crore.

The petition was taken up for admission on 07.10.2014. The Commission observed that the petition does not mention any provision of law or regulations under which the same is maintainable. PSPCL submitted that it shall file additional submissions to show that the petition is maintainable. PSPCL filed additional submissions dated 22.10.2014. PSPCL submitted that the issue involves additional cost due to the import of coal, which shall have impact on the generation cost and tariff determination, therefore, the petition is filed under Section 86 (1) (a) and 79 (1) (a) read with Section 62 (1) (a) of the Electricity Act, 2003 and Regulation 20 of the Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2005 as amended vide Notification dated 17th September, 2012.

The Commission has carefully considered the Sections of the Act and Regulations under which PSPCL has filed this petition. Sections 86 (1) (a), 79 (1) (a) and 62 (1) (a) of the Act and Regulation of the Tariff Regulations are reproduced below:-

“86. Functions of State Commission

- (1) The State Commission shall discharge the following functions, namely:-
 - (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under Section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;”

“79. Functions of Central Commission

- (1) The Central Commission shall discharge the following functions, namely:-
 - (a) to regulate the tariff of generating companies owned or controlled by the Central Government;”

“62. Determination of tariff

- (1) The Appropriate Commission shall determine the tariff in accordance with the provisions of this Act for –
 - (a) supply of electricity by a generating company to a distribution licensee:

Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable price of electricity;”

“Regulation 20 - Cost of Generation

While determining the cost of generation of each thermal/ gas / hydro electric generating stations located within the State, the Commission shall be guided, as far as feasible, by the principles and methodologies of CERC, as amended from time to time.”

Section 79 (1) (a) deals with the functions of Central Commission and this petition has been filed before the State Commission. As such Section 79 of the Act has been wrongly invoked by PSPCL in the petition.

The Commission observes that Regulation 14 of the Tariff Regulations, 2005, states :

“14 Aggregate Revenue Requirement

(1) The Aggregate Revenue Requirement of the generating company or the licensee shall comprise of the following:

(a) Fuel Cost for own generation, if applicable

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The Application / Petition for ARR for a particular FY, is required to be filed in the manner specified under Regulation 13 of Tariff Regulations and information as required on the set of Formats 1 to 35 is to be given with the Application/Petition for ARR.

Section 86 (1) (a) states that one of the functions of State Commission is to determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be. Determination of tariff has to be done in accordance with Part VII (Sections 61 to 66) of the Electricity Act, 2003. Section 64 clearly states that an application for determination of tariff shall be made in such manner and shall be accompanied by such fee as may be determined by Regulations. The petition filed by PSPCL is not in the manner provided in the stated and applicable law and regulations.

In view of the above discussion, the petition is not maintainable and therefore, not admitted.

Sd/-
(Gurinder Jit Singh)
Member

Sd/-
(Virinder Singh)
Member

Sd/-
(Romila Dubey)
Chairperson

Chandigarh
Dated: 05.11.2014