



Chhattisgarh State Electricity Regulatory Commission

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Petition No. 28 of 2007(M)

Monnet Ispat & Energy Ltd
Raipur.

.... Petitioner

V/s

Chhattisgarh State Electricity Board
Raipur

.... Respondent

Copy of order dated 30.11.2007

Heard the parties. The facts of the case are that the petitioner company has underground coalmines situated at Millupara in Raigarh District. The Chhattisgarh State Electricity Board ('CSEB' or the 'Board') has no supply line in the area. The petitioner has, therefore, been operating its mines since 2004 by using power generated in situ by its own diesel generators. However, on safety considerations coalmines require regular grid supply, while diesel generators may only serve the purpose of standby supply. Although CSEB has no supply line in the area, the Jindal Steel & Power Ltd (JSPL) has lines in the adjoining area for supply of power from their captive power plant to their colliery. JSPL had agreed to provide power to the extent of 4000 KVA to the petitioner's colliery from the 132/11 KV sub-station at Dongamua. Since JSPL also supplies power to the extent of 30 MW to the CSEB, under a power purchase agreement, the petitioner has sought a tripartite arrangement between him, the CSEB and the JSPL for supply of power to his colliery from JSPL's sub-station, aforementioned, using JSPL's line while the petitioner becomes a consumer of the CSEB. Under this arrangement the present supply of power by JSPL to CSEB will only be reduced to the extent of 4000 KVA which will be made available to the petitioner under a tripartite agreement. In other words, the petitioner remains a consumer of the Board and the Board supplies power to the petitioner using JSPL's transmission line. This arrangement was approved by CSEB in 2004, vide letter dated 10.3.2004 of Addl. CE (Comml.), CSEB, but not yet operationalised. This would be a provisional arrangement pending regular supply by CSEB to the colliery when CSEB erects its lines in the area. The case thus relates to power supply by CSEB. However, in view of the peculiar nature of the case and the involvement of use of the transmission lines of another private company, the petitioner has approached this Commission.

2. The respondent Board has submitted its reply to the petition and has no objection to the arrangement, as a special case, in order to avoid risk to human life

of the workers working in the underground coalmines. It has, however, specified the following conditions for the proposed tripartite agreement:

- (1) Petitioner shall obtain the required consent of JSPL to deliver the requisitioned quantum of power from 132/11 KV sub-station, Dongamua out of the power being supplied by JSPL to the Board under an existing power purchase agreement.
- (2) Petitioner shall complete the required formalities within next two months for availing permanent supply through the Board's network and shall avail the supply within two months after receiving the notice from the respondents for the same.
- (3) The Board shall not be responsible for any interruption in power supply for any duration under the supply arrangement through JSPL's power supply network, although the petitioner shall be consumer of the Board.
- (4) The Board shall install the consumer billing meter within 132/11 KV sub-station of JSPL at Dongamua to supply power to the petitioner. The Billing shall be done according to the electricity recorded in this meter or as per provisions of Supply Code, if electricity so recorded is observed to be defective.
- (5) The Board shall raise the electricity bills as per tariff applicable to other consumers of respondent of same category and in accordance to the terms and conditions of tariff.

We find nothing objectionable in the conditions laid down by the CSEB. It has been pointed out by the CSEB, it is for the petitioner to obtain consent of JSPL to the proposed arrangement.

3. It would appear that presently JSPL is not in a position to supply power to the extent of 4000 KVA to the petitioner. The petitioner has obtained a letter issued from Jindal Power Ltd (JPL) dated 15.11.2007 to the effect that the company is prepared to supply 4 MW power to MIEL, the petitioner, for a period of one year @ Rs.2.80 per unit from their Dongamua sub-station by using the transmission lines of JSPL. They have also informed that they have entered into an agreement with the CSEB for power of supply from their new power plant. Supply of 4 MW power to MIEL would be accounted for against the CSEB's purchase from JPL. CSEB has stated that the agreement between them and JPL has not been made effective so far and they have not started availing power from JPL. Under the circumstances, presently a tripartite agreement between MIEL, CSEB and JPL would not be of possible. In fact, the petition of MIEL before us is to receive supply of JSPL's power through the latter's transmission lines and not power from JPL. JPL being a separate company this has to be separate arrangement to which CSEB has to agree.

4. Under the circumstances and in view of CSEB's no objection, we have no objection to the tripartite agreement between CSEB, JSPL and the petitioner, as proposed in the petition, subject to the terms and conditions as has been specified by the CSEB, aforementioned. This will be purely a provisional arrangement. Permanent arrangement for supply by CSEB involves drawing of 33 KV line from the present 33/11 KV sub-station at Tamnar along the road, to MIEL's colliery, as per the map enclosed with CSEB's reply except that supply will be provided from

33/11KV sub-station and not by tapping the line as shown in the map. As has been stipulated by the CSEB the petitioner shall complete the required formalities for availing permanent supply through Board's network within a period of two months. The petitioner during arguments submitted that there are four more coalmines coming up in the area which may also avail power from the CSEB through the proposed transmission line and hence it would be unfair to ask the petitioner only to bear the cost of the line. The cost should appropriately be shared by the other collieries who are likely to avail power from the CSEB using the same transmission line. CSEB, on the other hand, has stated that they have not received any application from these consumers for connection in that area and would not be in a position to take any action without application of consumers. While legally the CSEB's position is correct, but what the petitioner has stated also has a lot of merit. The petitioner has, in fact, stated before the Commission that these collieries are waiting for MIEL to bear the cost and after the line is complete they all would seek connectivity to their collieries which would then entail very little cost to them. There is a provision in the Supply Code, 2005 that in case there is a dedicated line paid for by a consumer no other consumer has a right to use that line before the period of agreement i.e. two years, expires. Thus if the petitioner pays for a dedicated transmission line to his colliery this cannot be used by other collieries for two years for availing power from CSEB. While this position of the Supply Code may ensure exclusive use by the petitioner of the lines paid for them, this matter should be viewed in a broader perspective. As STU it is the duty of the Board to ensure that necessary transmission lines are in place for supply of power to prospective large consumers. If the transmission lines laid for MIEL can be used for supply of power to the other four companies en route, in the interest of optimum utilization of transmission facility the Board should ascertain from four collieries whether they would be interested in availing power from CSEB. CSEB should take the demand of all the collieries together and then plan adequate transmission capacity, the cost of which may be shared by all the prospective consumers, and not paid by MIEL alone. It would not be prudent investment to have separate lines for the other collieries while the petitioner's line is in a position to supply power to them on the ground that it is for exclusive use of petitioner for two years. The Board may, therefore, ascertain the position from the prospective consumers in the area and plan the transmission line in a manner so that optimum utilization of the transmission network of the Board is ensured. In case the other coalmines are not interested to use the Board's power or do not reply within a reasonable period of time then of course there is no option before the Board except to ask the petitioner to pay for the entire cost of the line.

Case may be filed after communication of orders.

Sd/-
Member

Sd/-
Chairman