

# **ORISSA ELECTRICITY REGULATORY COMMISSION**

**BIDYUT NIYAMAK BHAWAN  
UNIT-VIII, BHUBANESWAR - 751 012**

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**Case No.52/2008**

**SOUTHCO**

**.....**

**Petitioner**

**In the matter of : Review of order dt.20.03.2008 passed by the Commission on review petition filed on the order dated 22.03.2007 in the Case No.55 of 2006.**

## **ORDER**

**Dated 04.11.2008**

Mr. A.K. Vohra, CEO, SOUTHCO & Mr. Debasis Das, DGM (Corporate Regulatory Affairs) are present.

2. Heard the petitioner on question of admission.
3. The petitioner stated that the input power cost was reduced by an amount of Rs.12.33 crore due to revision of Bulk Supply Price for 2007-08 as per Commission's order dated 20.03.2008. The estimated reduction of Rs.12.33 crore for 2007-08 was calculated based on the input for the period from April, 2007 to January, 2008 and estimated figure for February, 2008 and March, 2008. The above amount now comes to Rs.12.44 crore considering the actual drawl upto March, 2008 against Rs.12.33 crore approved earlier. He also stated that GRIDCO had raised the bill for March, 2008 at revised tariff and the quantum of reduction of BSP bill for the month of March, 2008 was Rs.1.15 crore. The excess BSP collected by GRIDCO works out to Rs.11.29 crore at unrevised higher BSP upto February, 2008. The total excess BSP for 2007-08 including the reduction on March, 2008 comes to Rs.12.44 crore. The modalities for the adjustment of the reduced amount as enunciated in the order will be entirely adjusted towards liabilities of SOUTHCO to GRIDCO towards repayment of outstanding loan including interest along with securitized BST dues as on 31.03.2005.
4. Further, he stated that by the time revised tariff order was notified on 20.03.2008, FY 2007-08 was almost over and the actual data excepting for the month of March, 2008 in respect of all estimates made in the original tariff order had become available and in fact for all the licensees. The reason of revision of BST is on account of surplus generated by GRIDCO through trading and UI charges upto January, 2008 based on certificate of

GRIDCO that there will not be any power trading and UI for last two months of the year. Thereafter GRIDCO did undertake trading and also UI sale, the benefit on account of trading and UI charges of February and March, 2008 has not been considered for the BST revision by the Commission.

5. It is submitted that taking the repayment of loan as an expenditure in guise of special appropriation is not in line with the settled principles of accounting and also there is no such provision in the OERC Regulations. He also further submitted that Section 61(d) of the Electricity Act, 2003 provide that the tariff was to be determined to recover the cost of electricity in a reasonable manner. Further, the Act and the Regulations framed thereunder do not permit the licensee to recover the liability through the tariff. The principal repayment not being the cost shall not qualify to be passed through in the tariff.
6. Further he submitted that the UI and trading income for the period from April, 2007 to February, 2008 was available and the same was not taken into record in the tariff order by the Commission. On consideration of the same, there is a surplus of cash of Rs.1057.56 crore for the year 2007-08 even without considering the excess cash taken by GRIDCO over the BST bill as well as the UI and export income for the month of March, 2008 which would justifiably lead to further reduction of BSP. In view of the above, the Commission may allow the review petition.
7. After perusal of the review petitions and pleadings made as explained in the preceding paragraphs, we feel that the licensee wants to continue as a non-performer and grab whatever benefit that could be passed on to them for reducing further BSP. This is an unhealthy attitude which should be curbed. They should better concentrate on an improvement of their own performance.
8. The issues raised by the petitioner are not considered to be within the ambit of review as there is no apparent error on the face of the record nor has the petitioner adduced any new and important matter or evidence. So also there are no sufficient reasons to re- look into the matter. Hence, we are not inclined to admit this review petition.
9. Accordingly, the matter is disposed of.

Sd/-  
**(K.C. Badu)**  
**Member**

Sd/-  
**(S.K. Jena)**  
**Member**

Sd/-  
**(B.K. Das)**  
**Chairperson**