

**ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO. 4, CHUNAKOLI, SHAILASHREE VIHAR,
BHUBANESWAR-751021**

**Present : Shri S. P. Nanda, Chairperson
 Shri A. K. Das, Member**

Case No. 20/2016

M/s. MSW Bhubaneswar Ltd.	Petitioner
Vrs.		
GRIDCO Ltd. & Others	Respondents

In the matter of: **An application under Sec. 94 (1) (f) of the Electricity Act, 2003 for review of order dated 29.01.2016 passed in Case No. 82/2014 and 22/2015.**

For Petitioner: Shri Satyakam Siva, Advocate, Shri Prashanta Majumdar, AGM, M/s. MSW Bhubaneswar Ltd.

For Respondents: Ms. Sasmita Patjoshi, Manager (RE), GRIDCO Ltd. Shri Chitta Ranjan Swain, DGM (El.), CESU, Shri S. K. Puri, GM (RT&C), OPTCL. Nobody is present on behalf of M/s. OREDA, DoE, GoO, M/s. IDCO, NESCO Utility, WESCO Utility & SOUTHCO Utility.

ORDER

Hearing Date: 05.08.2016

Date of Order: 20.08.2016

M/s. MSW Bhubaneswar Limited (formerly known as M/s. ESSEL Bhubaneswar MSW Ltd.) has filed the above noted case under Section 94 (1) (f) of the Electricity Act, 2003 read with Regulation 70 (1) of the OERC (Conduct of Business) Regulations, 2004 and 0.47 Rule-1 of the CPC, 1908 for review of the common order dated 29.01.2016 passed by the Commission in Case Nos. 82/2014 & 22 of 2015.

2. The above review petition is taken up on 05.08.2016 for hearing on admissibility as well as on merit.
3. Heard the parties at length. During hearing the counsel appearing on behalf of the Petitioner has sought to review two observations of the Commission. The commission in Para 11 of the original order had observed as follows:

“ 11. The MSW based waste to energy electricity tariff has been determined by CERC which is around Rs.7/- per unit as per Ministry of Urban Development Letter dated 11.12.2015. In addition to that the subsidy @Rs.1500 per MT towards sale of compost under Swachh Bharat Mission of Ministry of Urban Development, Government of India (MUD) will also have impact on the said tariff.”

Similarly, in conclusion the Commission in the said order had also observed that “*No plan, design, drawing and specification have been submitted. Since the plant is in concept stage and in absence of any detailed cost data supported by evidential documents the actual expenses cannot be ascertained at this stage. Considering the above and likely subsidy to be available to the Petitioner the tariff is fixed at Rs.6.70 per unit provisionally at present upto CoD of the project.*”

4. Ld. Advocate on behalf of the Petitioner pointed out that only output from the plant other than electricity are ash and sludge. The subsidy of Ministry of Urban Development, GoI at Rs.1500 per MT is applicable for the sale of compost under Swachh Bharat Mission. Since compost is not an output at any stage of power production this subsidy cannot be availed by the Petitioner. Therefore, provisional tariff determined by CERC at Rs.7.04 per unit should be allowed to the Petitioner.
5. We find that in the order sought to be reviewed we had directed that the tariff is provisionally fixed at Rs.6.70 per unit upto the CoD of the project. We had also mentioned that the final tariff would be fixed basing on actual cost arrived after prudence check of all information and following appropriate norms. This is because all the parameters for fixing final tariff had not been submitted by the Petitioner during the time of hearing. The most important parameters for tariff fixation such as station heat rate, gross calorific value of the feed stock and capital cost of the plant were not made available to the Commission for its prudence check. These information would be available once the plant is commissioned. As per the letter of Ministry of Urban Development dated 15.12.2015 the tariff of municipality solid waste based waste to energy plant fixed by CERC is Rs.7.04 per unit. This tariff is generic in nature which cannot be applied to a specific project. The Commission sought specific information during hearing about the project which has been completed and successfully run with this technology, so that the arguments advanced by the Petitioner can be verified and justified. In reply to the same the Petitioner informed that one plant at Surat and other at Jabalpur is nearly at completion stage and shall be commissioned soon. We feel that the actual cost of a successfully run project has more resemblance to the present case than a theoretical cost projected by the Petitioner. Moreover the tariff fixed by us is provisional which is valid upto CoD of the plant. Therefore, it is open for the Petitioner to seek revision of tariff if necessary based on actual cost when it is incurred and plant is commissioned.

6. In view of the above, we observe no error apparent in the face of the record and accordingly the petition for review is not accepted.
7. The case is disposed of as above.

Sd/-
(A. K. Das)
Member

Sd/-
(S. P. Nanda)
Chairperson