

**JOINT ELECTRICITY REGULATORY COMMISSION FOR
THE STATE OF GOA AND UNION TERRITORIES
GURGAON**

Coram
Dr. V.K. Garg, Chairperson
Sh. S.K.Chaturvedi, Member
Petition No. 89/2012

In the matter of

Petition for fixation of completed / actual capital cost of project and Tariff of the project of the petitioner- a Power Generating Company under Regulations 3(2)(a), 3(4), 12 and 36 of the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Terms and Conditions for determination of Tariff) Regulations, 2009 read with sections 62(1) (a) and 63 of the Electricity Act, 2003.

And in the matter of

M/s Suryachakra Power Corporation Ltd.
Suryachakra House,
Plot No. 304-L-III, Road No.78,
Film Nagar, Jubilee Hills,
Hyderabad- 500096

Vs.

1. Electricity Department,
Rep. by its Superintending Engineer,
Port Blair, Andaman & Nicobar Islands.

2. Chief Secretary,
Andaman & Nicobar Administration Secretariat, Port Blair,
Port Blair, Andaman & Nicobar Islands.

Present for petitioner

1. Dr. S.M. Manepalli, MD, SPCL.
2. Shri K. Vijay Kumar, Executive Director, SPCL.
3. Shri K.J. Joseph, Liaison Officer, SPCL.
4. Shri T. Upendar, P.A. to MD, SPCL.
4. Shri Rohit Rao. N, Advocate, SPCL.

Present for respondents

1. Shri Anand Prakash, Chief Secretary, Andaman & Nicobar Islands.
2. Shri Theva Neethi Dhas, Secretary (Law), Andaman & Nicobar Islands
3. Shri B.L. Sharma, Secretary (Finance), Andaman & Nicobar Islands.

4. Shri Anand Behari, Superintending Engineer, ED- Andaman & Nicobar Islands.
5. Shri M. Jagannathan, AE, ED- Andaman & Nicobar Islands.
6. Shri R. Balasubramanian, Advocate, ED- Andaman & Nicobar Islands.

Order

Date 2.04.2013

1. The petitioner submitted that their banker State Bank of India refused to issue revolving Bank Guarantee of Rs. 5 Crs. as per the orders dated 12.03.2013 and 20.03.2013 of the Commission, therefore, the petitioner is unable to furnish the requisite revolving Bank Guarantee of Rs. 5 Crs.
2. The representatives of the respondents in reply to the submissions of the petitioner submitted that they are ready and willing to release amount of Rs. 10 Crs. as per the orders of the Commission dated 18.02.2013, 12.03.2013 and 20.03.2013. But the petitioner refused to furnish the requisite revolving Bank Guarantee of Rs. 5 Crs. as per the orders of the Commission dated 18.02.2013, 12.03.2013 and 20.03.2013. They further submitted that furnishing of revolving Bank Guarantee of Rs. 5 Crs. is condition precedent for release of advance amount. therefore, for want of compliance of their part of the order by the petitioner, the respondents are unable to perform their part of the orders dated 18.02.2013, 12.03.2013 and 20.03.2013.
3. The Commission heard the representatives of the parties at length and has gone through the pleadings of the parties, orders of the Commission dated 18.02.2013, 12.03.2013 and 20.03.2013 carefully and thoroughly and is of the opinion that petitioner has expressed its difficulty in producing the requisite Bank Guarantee and the respondents expressed their compulsion of requirement of the requisite Bank Guarantee as per the Govt. of India financial rules and orders of the Commission dated 12.03.2013 and 20.03.2013.
4. The Commission further observed that the petitioner in terms of letter No. 1FB/ADV/RM-1/20/782 dated 22.03.2013 of State Bank of India will relook as to whether it is economical for them to go for loan or Bank Guarantee. The petitioner will operationalize the same with due support and help from the respondents.
5. The representatives of the petitioner submitted that their two (2) units are in precarious condition. In support of their submission they submitted a letter dated 29.03.2013 from M/S Caterpillar which reads as under:-

Quote

"We as Caterpillar do not recommend continuing running the engine at the present condition due to the reasons which as experienced operators have also already elaborated.

Increased maintenance costs due to not carrying out the recommended scheduled maintenance.

By not carrying out the scheduled maintenance parts that are not part of the scheduled activities would also get affected like bearing wear resulting in damages to crankshaft, liner damages due to scuffing of piston ring wear and so on ...

By continuing to run the engine in present condition apart from increased maintenance costs it could lead to catastrophic failure of engine leading to personnel injury as well engine repair going beyond economical repairs”.

Unquote

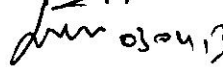
6. On query of the Commission for the steps to be taken to face such eventuality the representatives of the respondents submitted that they have backup support of 5MW only to face such situation.
7. Petition No. 94/2013 for approval of Power Purchase Agreement between Electricity Department- Andaman & Nicobar Administration and M/s Suryachakra Green Fuels Pvt. Ltd. under section 86 (1) (b) of Electricity Act, 2003 is scheduled for hearing on 17.04.2013. The parties vide order dated 12.03.2013 passed in the present petition are directed to submit statements/ information in Annexure “A&B” of the order dated 12.03.2013 by 18.4.2013
8. Both the petitions no. 94/2013 and 89/2012 are between same parties. The representatives of the parties prayed the Commission that they are to come to the Commission on 17.04.2013 for hearing in petition no. 94/2013, therefore, it will be convenient to the parties and the Commission to reschedule filing of statement/ information in annexure “A&B” of the order dated 12.03.2013 on or before 17.04.2013.
9. The Commission considered the prayer of the representatives of the parties and keeping in view convenience of the parties directed them to file statement/ information in annexure “A&B” of the order dated 12.03.2013 by 15.04.2013 duly supported by relevant documents with cross reference.
10. The Commission further directed the parties to file compliance report of the order dated 20.03.2013 on or before 17.04.2013.

Scheduled for hearing on 17.04.2013 at 11:00 AM.

Sd/-
(S.K.Chaturvedi)
Member

Sd/-
(Dr. V.K. Garg)
Chairperson

Certified Copy


(R.K. Malik)

Secretary

R. K. Malik
Secretary
Joint Electricity Regulatory Commission
For State of Goa and Union Territories
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