

10/14-14

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

PRESENT: Sri M K G Pillai, Chairman
Sri C Balakrishnan, Member

October 14, 2004

Petition No.DP14	Dy.No 00199 dt 22.5.04	Kerala State Electricity Board Vudiyuthi Bhavanam, Thiruvananthapuram Tata Tea Ltd., Munnar	Petitioner Respondent
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PROCEEDINGS

1. **Background:** The Kerala State Electricity Board *vide* letter No.KSEB/TRAC/SERC/P1/522/R1/04/254 dated 22.5.2004 has filed a petition, with M/s.Tata Tea Limited, Munnar as the respondent. The petition centers around the proposed agreement between KSEB and M/s.Tata Tea Limited particularly with reference to the tariff for supply of electricity by the KSEB to M/s.Tata Tea Limited. The KSEB has proposed an upward revision in the tariff based on the change in consumption pattern by M/s.Tata Tea Limited for their own use and supply to other consumers in the Munnar area. The petition was notified to M/s Tata Tea Limited and they, in their reply, *vide* letter No.WE.4/1406 dated 30.07.2004 have opposed the proposal for upward revision in tariff by the KSEB. The reply of M/s.Tata Tea Limited was referred to KSEB and the KSEB furnished a rejoinder to the reply of M/s.Tata Tea Limited *vide* letter No.KSEB/TRAC/SERC/P1/522/R1/04/523 dated 14.09.2004. In this rejoinder the KSEB has reiterated its contentions in the original petition.

2. **Hearing of the matter:** The parties to the petition were heard in the proceedings of the Commission held today. Representative of the KSEB argued in favour of upward revision in tariff as proposed in the agreement depending on the change in consumption pattern of M/s.Tata Tea Limited. He stated that the matter should be dealt with by the Commission under provisions of Section 50 of the Electricity Act, 2003 as prayed for in the petition. Representative of M/s.Tata Tea Limited stated that upward revision in tariff would put huge financial burden on the Company and therefore it was not acceptable to them.

The Commission pointed out that the matter is between a licensee and a supplier of electricity to the licensee and therefore it cannot be dealt with under provisions of Section 50 of the Electricity Act, 2003 as these provisions related to

the Electricity Supply Code pertaining to the retail supply of electricity by a distribution licensee to its consumers. The Commission felt that the matter could be dealt with as per the provisions of either Subsection (1) (a) of Section 62 of the Act or Subsection (1) (b) of Section 86 of the Act. If the Commission is required to determine tariff as per the provisions of Subsection (1) (a) of Section 62 of the Act, the petitioner is required to furnish all details relating to the cost of supply. On the other hand, if the matter is to be dealt with as per the provisions of Subsection (1) (b) of Section 86 of the Act, there should be mutual consent between the parties of the power supply agreement with particular reference to the tariff for supply of electricity.

The Commission, therefore, suggested that before considering the matter further by the Commission, both the parties viz the KSEB and M/s Tata Tea Limited, may endeavour to come to a consensus in the matter, based on mutual discussions. The Commission directed both the parties to hold negotiations in the matter, as quickly as possible, and intimate the results thereof to the Commission.

Sd/-

C BALAKRISHNAN
(MEMBER)

Sd/-

M.K.G.PILLAI
(CHAIRMAN)

Authenticated copy for issue



Secretary (in-charge)