



West Bengal Electricity Regulatory Commission

FD-415A, Poura Bhawan, 3rd Floor, Sector-III

Bidhannagar, Kolkata – 700 106

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Ref No. WBERC/TP-57/13-14/0398

Dated, Kolkata, the 30th June, 2015

From

K. P. Bhar, I.A.S. (Retd.)

Secretary

To:

The Chairman

Damodar Valley Corporation

DVC Towers, VIP Road

Kolkata – 700 054

Sub: Determination of Distribution Tariff and ARR for the MYT period FY 2014-17.

Ref: Letter no. Coml/Tariff/WBERC/1055 dated 24.06.2015 of Executive Director (Coml), DVC

Sir,

I am directed to refer on the above subject matter and to inform you that the submission made in the letter referred above is not acceptable to the Commission. DVC should come up with a suitable proposal in order to comply with the universal service obligation as per provision of the Electricity Act, 2003.

I am also directed to inform you that the tariff schedule applicable to different classes of consumers as specified in Annexure C1 and C2 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended has been specified by the Commission in the Tariff Order dated 25.05.2015 for the years 2014-15 and 2015-16. The tariff schedule and associated terms and conditions for the years 2014-15 and 2015-16 as specified by the Commission in the Tariff Order dated 25.05.2015 has already been notified by DVC in the newspapers and in their website.

I am further directed to inform you to furnish the report regarding the readiness of DVC to supply all consumers under their area of supply as directed in the order of the Commission dated 13.08.2014 and also in the tariff order dated 25.05.2015 within a fortnight from the date of this letter.

Yours faithfully,

Sd/-

(K. P. Bhar)

Secretary

TP-57/13-14

JMS 9/20



DAMODAR VALLEY CORPORATION
COMMERCIAL DEPARTMENT
DVC TOWERS, VIP ROAD, KOLKATA – 700054
PHONE: 033-23557931, FAX: 033-23552129

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No.Coml / Tariff / WBERC / 1055

Date : 24.06.2015

42-0468
 25/6/15

To
 The Secretary
 West Bengal Electricity Regulatory Commission
 FD – 415A, Poura Bhawan, 3rd. Floor,
 Sector III, Bidhannagar
 Kolkata – 700106

Sub: Determination of Distribution Tariff and ARR for the MYT period FY 2014-17.

Ref: WBERC Letter No. WBERC/TP-57/13-14/0261, dtd. 12.06.2015 - ep-6

Sir,

Reference may kindly be made to the above.

DVC has received Suo moto order of West Bengal Electricity Regulatory Commission dated 13.8.2014 relating to (i) readiness to supply all consumers in the area of supply, and (ii) investment proposal as per provision of the tariff regulation, if any (ref. para 5 & 6 of the order dtd. 13.08.2014).

Subsequently DVC received a copy of the Tariff Order dated 25th May, 2015 in Case No. TP-57/13-14 wherein the Hon'ble Commission again directed to furnish the above (ref. para 8.13 & 8.14 of the tariff order dtd. 25.05.2015).

On receipt of the Tariff Order, DVC vide letter dated 08.06.2015 requested this Hon'ble Commission to extend time by 8-weeks from 9th of June, 2015 for submission of the report.

We regret the delay in submitting our report earlier. The response to the said Suo moto Order could not be given through oversight and misplacement. The direction contained in the Tariff Order dated 25th May, 2015 was attended to immediately and time was sought to collect the facts and figures.

The Commission vide its letter dated 12.06.2015 sought a reply justifying reasons to allow further 8-weeks time from 09.06.2015.

DVC submits respectfully that originally Section 18 of Damodar Valley Corporation Act, 1948, permits the Corporation to sell electrical energy to any consumer in Damodar Valley area where such energy is taken by the consumer at a pressure of 30000 Volts or more. The said provision also permits the Corporation to sell electrical energy to any consumer in Damodar Valley area at less than 30000 volts with the permission from the respective Provincial Government.

DVC was basically constituted for the purpose of selling and supplying electrical energy to any consumer at a pressure of 30000 volts or more and exception was carved out under the DVC Act which permitted the Corporation to sell electrical energy to any consumer in Damodar Valley area subject to permission of the Provincial Government.

The infrastructure which was built-up by DVC as a consequence of the Damodar Valley Corporation Act, 1948, was for the purpose of selling electrical energy to consumer in Damodar Valley and in the area of operation by DVC at a pressure of 30000 volts or more. However, DVC has been undertaking LT supply to its colony area of different field formations as also to meet electricity to some consumers at a pressure less than 30000 volts within the DVC command area.

After the Electricity Act, 2003 came into force, Section 43 thereof mandates every Distribution Licensee to supply electrical energy to all consumers. Section 14 of the said Act of 2003 (Fourth Proviso) clearly stipulates that DVC shall be admitted to be a Licensee under the said Act but shall not be required to obtain a License and a provision of the Damodar Valley Corporation Act, 1948 in so far as they are not in consistent with the provision of the said Act of 2003 shall continue to apply to that Corporation.

The position as to obligation of DVC to supply Electrical Energy below 30000 Volts has been clarified by Government of India, Ministry of Power, vide their letter dtd. 27th November, 2007, a copy whereof is enclosed for your reference.

With the existing infrastructure DVC presently is not in a position to supply electrical energy to all consumers in view of the facts and circumstances narrated hereinabove.

It is pertinent to mention that DVC has not been able to implement the Final Order of Central Electricity Regulatory Commission as regards revision of tariff for the years 2009 – 14 in so far as its distribution function in West Bengal and Jharkhand is concerned. The earlier period relating to 2006-09, revision of tariff could not be given effect to by reason of pendency of proceedings before the Hon'ble Supreme Court. By reason of the aforesaid situation DVC has suffered substantial financial loss.

At this juncture considering the aforesaid financial condition and until DVC is in a position to recover its outstanding dues based on the revised tariff for the year 2006-09 and 2009-14 as aforesaid, as a consequence, DVC is not in a position to make any Capital Investment to build additional infrastructures for supply of electricity to the consumers below 30000 Volts.

We hope and pray that delay in submitting the Report as contained herein be condoned.

Enclo: As stated

Yours faithfully,


Executive Director (Commercial)

No.25/27/2004-R&R
Government of India
Ministry of Power

सूचना की कोपी भेज
Chairman's Office
हॉ. ६ / Dv No. 209
दिनांक/Date. 12-12-07

Shram Shakti Bhavan, Rafi Marg,
New Delhi, the 27th Nov., 2007.

The Chairman
Damodar Valley Corporation
DVC Towers, VIP Road
Kolkatta-700 054.


Sub: Applicability of the provisions of the Electricity Act, 2003 on DVC-Clarification regarding supply obligation.

Sir,

I am directed to refer to D.O. No. CIIN/PS-130/64 dated 5.6.2007 addressed to Secretary (Power) on the above subject and to state that the matter has been examined in this Ministry in consultation with the Deptt. of Legal Affairs, M/o Law and following is clarified :

- a) The SEB/successor companies of the concerned State (Jharkhand or West Bengal, as the case may be) shall have duty and powers to supply electricity to any consumer even in the valley area in accordance with the provisions of the Electricity Act 2003. For doing so, it would not require any permission from the DVC even if the concerned consumer in question is to be supplied energy at a pressure of 30,000 volts or more. This is imperative as SEB/successor company has to discharge obligation u/s 43 of Electricity Act 2003.
- b) DVC will have powers to supply electricity to consumer at a pressure of 30,000 Volts or more in the valley area in accordance with the section 18 of the DVC Act 1948. It will also be duty bound to do so as a deemed licensee in accordance with the provisions of section 43 of the Electricity Act, 2003.
- c) DVC will also be able to sell electricity to consumer at a pressure of less than 30,000 Volts with the permission of the concerned State Government in terms of section 18 of the DVC Act 1948./ But it will not have any obligation to do so.

Yours faithfully,


Ajit Kumar
Director.
22371 4000

Copy to:

1. Secretary (Energy), Govt. of West Bengal
2. Secretary (Energy), Govt. of Jharkhand
3. Secretary, CERC, New Delhi.
4. Secretary, Jharkhand ERC.
5. Secretary, WB ERC
6. Joint Secretary, (Th.), MoP.