



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
5th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004

O. P. No. 80 of 2015

Dated: 19.03.2015

Present

Sri. Ismail Ali Khan, Chairman
Sri. H. Srinivasulu, Member
Sri. L. Manohar Reddy, Member

Between

M/s. Singareni Collieries Company Limited
#11-4-660, Singareni Bhavan, Red Hills,
Hyderabad – 500004.

.... Petitioner

AND

Northern Power Distribution Company of Telangana State Limited
H.No. 2-5-31/2, Corporate Office,
Vidyut Bhavan, Nakkalgutta, Warangal – 506001

.... Respondent

This petition coming up for hearing on 02.03.2015 and 16.03.2015 in the presence of Sri. P Ravichaandra, General Manager (E & M) for the petitioners and Sri. B Venkateswara Rao, Director (Projects) and T Madhusudan, General Manager (Planning, RAC and IPC) for the respondent and having stood over for consideration to this day, the Commission delivered the following:

ORDER

The application is filed by the above named petitioner seeking renewal of the exemption from license granted by the erstwhile Andhra Pradesh Electricity Regulatory Commission on 15.09.2011 in O P No 55 of 2011 duly extending the exemption from license granted to it by the said Commission by order dated 31.01.2000 in O P No 5 of 1999.

2. The petitioner has filed the application on 20.12.2014 seeking further extension of the exemption from license for a further period of 10 years from 01.04.2015. It is stated that it has been catering to the needs of power requirements for the mining leased areas for removal of over burden and win the coal while also facilitating use of power by their employees in their colonies. Hence, being a Government Company M/s SCCL is seeking for exemption from the requirement to have a supply licence to engage for transmission, distribution and utilization of the own generated and purchased power from APTRANSCO.

3. The petitioner filed several documents required for consideration of exemption application by the Commission. The same has been identified in the petition. The office of the Commission while examining the application called for the certain information by letter dated 03.01.2015 which was filed by letter dated 20.01.2015. The information was also sought from the existing licensee the respondent herein. It also filed said information. On 02.03.2015, the Commission heard the parties. Due to lack of information both the parties sought time for submitting the arguments, but the representative of the petitioner sought early disposal of the matter. Therefore, the matter was posted for hearing to 16.03.2015.

4. The matter was listed on the above date after due notice and the parties were represented by the concerned representatives. Several submissions were made for and against the prayer either by the petitioner or by the other party.

5. The representative of the petitioner stated that the present application is made for renewing exemption from license. In support of such request, the representative relied upon the provisions of the Electricity Act, 2003, the conditions imposed in the earlier order as well as the agreement entered with licensee apart from the tariff order passed by the erstwhile APERC for FY 2013-14. He stated that the power supply is drawn at 132 KV for about 148 MW and utilized for mining activity and also supplying to several other users including colonies of the employees. It is his case that there are several consumers belonging to Government services as well as private individuals who have established either residential or commercial activity within the area of the petitioner. They are consuming about 6% of the total energy drawn by them from the licensee for supplying to several consumers spread over various categories which is well within the quantum specified by the Commission

towards lighting loads that is colony consumption. It is stated that there are about 4,000 consumers who are not directly or indirectly related to the companies service of mining or colony consumption.

6. In reply, the representative of the licensee, DISCOM stated that the licensee's apparatus is not available throughout the area served by the petitioner. In many cases there are isolated consumers within a large area, where the petitioner is carrying its mining operation or colony in which electricity is extended and consumed. It is also the case of the licensee that several consumers who are neither related to mining activity nor members of the workers family are also being served by the petitioner. They are prepared to lay lines for serving the commercial consumers, however the domestic or colony area where electricity is supplied cannot be segregated as lines have already been laid by the petitioner. The representative of the respondent stated that the power supply will be released only on showing the proof of ownership of the premises and the licensee is prepared to release to supply provided the petitioner indemnifies and undertakes to pay the necessary charges towards release of supply as well as regular consumption charges.

7. The Commission pointed out that as per the provisions of the Electricity Act, 2003, the petitioner does not fall within the categories of persons / organizations who can be exempted from the requirement of obtaining license. The petitioner representative stated that in view of the granting of the exemption earlier by the Commission itself exercising powers under AP Electricity Reform Act, 1998, it may be continued by exercising the same power. On the other hand the licensee was of the opinion that the petitioner does not satisfy the provisions of Electricity Act, 2003, thus the Commission should refuse the exemption. To a pointed query by the Commission that whether the licensee is prepared to take over the distribution and supply to the consumers in petitioner's area in the event of Commission refusing exemption, the representative expressed inability to takeover immediately but would surely do so if time of six months is given to them.

8. Considering the submissions and discussion stated above, the Commission is of the preliminary view that the present application of the petitioner is liable to be rejected as it would not satisfy the conditions mentioned in Electricity Act, 2003, however, as the parties have not advanced submissions straightaway, the

Commission has left this question open and would hear the parties in detail at later date. In the meanwhile the parties are directed to identify as to the services which are beyond mining operation and located within the colony consumption area, including the feasibility of laying lines by the licensee. They are also required to suggest before 24th of this month the modalities of billing consumers who are outside the mining activity and would fall within the colony consumption.

9. Pending disposal of the main case, the Commission is of the preliminary view that interest of justice would be served as well as public interest would not be jeopardized if present exemption is continued for the further period of six months. Accordingly, the exemption from license granted to the petitioner as stated above, is extended for a further period of six months from 01.04.2015 upto 30.09.2015 in public interest.

10. Subject to the observations made above, the petition is adjourned. The office is directed to obtain suitable date for hearing and communicate to the parties in due course.

This order is corrected and signed on this 19th day of Mar 2015

Sd/-
(L MANOHAR REDDY)
MEMBER

Sd/-
(H SRINIVASULU)
MEMBER

Sd/-
(ISMAIL ALI KHAN)
CHAIRMAN

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SECRETARY