WEST BENGAL ELECTRICITY REGULATORY COMMISSION
WEST BENGAL
Petition No. B-5/2
Date of hearing: 11\textsuperscript{th} July, 2019
Time of hearing: 14.30 hours
Coram:
Shri Sutirtha Bhattacharya, Chairperson
Shri Durgadas Goswami, Member

In the matter of
Applications by Graphite India Limited (GIL) and Damodar Valley Power Consumers’ Association (DVPCA), seeking intervention of the Commission in the matter of high restrictions on power drawal by Damodar Valley Corporation (DVC) and imposition of penal charges for over drawal during frequent restrictions.

And
In the matter of

Graphite India Limited
31 Chowringhee Road
Kolkata 700 016

............ Petitioner

And

Damodar Valley Power Consumers’ Association
Ideal Centre, 4\textsuperscript{th} Floor
9 AJC Bose Road
Kolkata 700 017

............ Petitioner

Damodar Valley Corporation
DVC Towers
VIP Road
Kolkata 700 054

............ Respondent
Representatives attended:

**Graphite India Limited (GIL) [Petitioner]**
1. Sri S. W. Parnerkar, Senior Vice President (Finance)
2. Sri A. K. Dutta, Senior Vice President (Marketing)

**Damodar Valley Power Consumers’ Association (DVPCA) [Petitioner]**
Absent

**Damodar Valley Corporation (DVC) [Respondent]**
1. Sri Prasun Mukherjee, Advocate, Calcutta High Court
2. Sri Subodh Kumar Datta, Executive Director (Commercial)
3. Sri Manik Chandra Rakshit, Chief Engineer – I (Commercial)
4. Sri Pratik Biswas, Executive Engineer (Commercial)
5. Sri Amit Kumar Sil, Deputy Chief Engineer (Commercial)

**CASE IN BRIEF**

Graphite India Limited and Damodar Valley Power Consumers’ Association have filed two separate complaints dated 10th December, 2018 and 11th December, 2018 respectively alleging unreasonable imposition of load restriction and penal charges by Damodar Valley Corporation (DVC) for drawal of power over the restricted drawal by the consumers during the restriction period.

Upon receipt of the complaints, the complaint of GIL was forwarded to DVC vide letter No. WBERC/B-5/2/3226 dated 19th December, 2018 wherein it is alleged that DVC imposed restriction for a period of 219.50 hours, 310 hours and 375 hours during the months of August, September and October 2018 respectively (i.e., about 30% to 52% of a day throughout the month). DVC is alleged to have claimed penal charges of Rs. 210.00 lakh, Rs. 441.00 lakh and Rs. 375.00 lakh for non-compliance of the restriction imposed by DVC on GIL. DVC was directed to justify reasons for imposition of restriction on GIL for such long period during the months of August, September and October, 2018 and furnish the report on load generation balance during the time blocks when restriction of load was imposed to the consumers in the format enclosed therewith for the months of August, September and October, 2018.
within 31\textsuperscript{st} December, 2018 positively. The complaint of DVPCA was also forwarded to DVC vide letter dated 10\textsuperscript{th} December, 2018. No reply has so far been received from DVC in this regard.

The Commission issued another letter to Damodar Valley Corporation vide no. WBERC/B-5/2/3215 dated 19\textsuperscript{th} December, 2018 informing that some of the generating stations of DVC are not operating under Free Governor Mode of Operation (FGMO)/Restricted Governor Mode of Operation (RGMO) which is essentially required for safety of grid as well as generator. Considering the present trend of grid frequency, IEGC, 2010 has suggested for RGMO for all the generating stations above 200 MW for thermal and above 10 MW for hydro generating stations with effect from 01.08.2010. DVC was requested to submit the following information by 31\textsuperscript{st} December, 2018:

1. Specific time line for installation of RGMO in MTPS unit no. 3,
2. Time frame for installation of RGMO in MTPS unit no. 1 and 2 or you have got any exemption from CERC in this regard,
3. Time frame for installation of RGMO in MHS unit 1, 2 and 3.

While DVC has not given any reply to the complaints of RIL sent through Commission’s letter no. WBERC/B-5/2/3226 dated 19\textsuperscript{th} December, 2018, they have sent their reply to Commission’s letter no. WBERC/B-5/2/3215 dated 19\textsuperscript{th} December, 2018, which is reproduced below:

1. Time line for installation of RGMO in MTPS unit #3:

   SG and TG Package have already been upgraded at MTPS Unit #3 with max DNA DDCMIS System and BOP Package is likely to be upgraded in upcoming capital overhauling tentatively by December, 2019. RGMO mode will be exercised at Unit #3 following the BOP C & I package upgradation.

2. Time frame for installation of RGMO in MTPS unit #1 and 2:

   RGMO mode of operation could not be done as the C & I system of Unit 1, 2 & 3 are originally supplied with solid state hardware based system for SG & TG.
package which is lacking in scalability and flexibility and BOP Package is supplied with primitive DCS system.

3. Time frame for installation of RGMO in MHS unit 1, 2 and 3:

Presently there is no provision for RGMO in MHS Unit #1, 2 and 3 as the governing system of Unit #1 & 3 is of hydro-mechanical type and control system of all three units has become obsolete. We are in process of changing the governing system along with control system. Considering completion time for project execution, time period of at least 16 months will be required to implement the RGMO at MHS.

However, after elapse of one and half month, DVC sent reply vide letter dated 6th February, 2019 to the Commission’s letter no. WBERC/B-5/2/3226 dated 19th December, 2018 informing that DVC was compelled to impose load restriction to its retail consumers in Jharkhand and West Bengal for low generation of DVC due to acute coal crisis in the month of August, 2018, September, 2018 and October, 2018 to maintain grid discipline. However, to give relief to the extent possible to the consumers, DVC purchased power from IEX and PXIL platforms even with high price. Un-requisitioned surplus power from CSGS, as available, was also purchased based on real time availability basis to meet up the power demand in valley area. DVC also sent report on day wise load generation balance for the month of August, September and October, 2018, but the same was not as per the format according to which the information was sought for by the Commission. Therefore, DVC was asked vide letter dated 14th March, 2019 to send the information as per the format sent through Commission’s letter dated 19.12.2018.

In reply to Commission’s letter dated 14th March, 2019, DVC has submitted details of block wise generation, consumer demand met, deviation and export in MW for the months of August, September and October, 2018.

On perusal of the reports sent by DVC vide their letter 12th July, 2019, the Commission finds that the report containing details of block wise generation of power is only a very small part of the report, as was asked from them. In absence of other details, nothing can be made out. Therefore, a joint hearing of the utility i.e., DVC and the complainants i.e., GIL and DVPCA was felt necessary and accordingly the notice convening the
hearing on 11th July, 2019 at 14.30 hours at the office of the Commission was issued to DVC, GIL and DVPCA. The hearing was held on 11th July, 2019, as scheduled.

**SUBMISSION DURING HEARING**

Sri T. K. Mitra, the representative of GIL, submitted that –

1) DVC is not allowing any rebate to GIL for improving power factor by installation of power factor controller / capacitor as per regulation 3.8.5 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (in short the ‘Tariff Regulations’).

2) GIL has lost a rebate of Rs. 80.00 lakh on average for improving power factor above 99%.

3) As per the provisions under regulation 4.4 of the Tariff Regulations, DVC punished GIL at a rate three times the energy charge for over drawal of energy during the periods of August, September and October, 2018 which were under restriction.

4) DVC was informed several times about the inability of GIL to reduce the temperature of the loaded furnaces by reducing the current because GIL not only suffers production loss but also suffers loss in quality.

5) GIL is compelled to strictly adhere to the production schedule and maintain the quality of the product due to stiff international market competition.

6) Restriction of current leads to cooling down of furnaces. Once the furnaces are cooled down due to restricted electricity supply, to bring back the furnaces to its earlier temperature the same amount of power will be required to be consumed which constitutes double consumption of electricity by GIL.

7) If DVC fails to meet the drawal at any point of time, they should import power from the grid and charge its average cost of import during the month. In fact, GIL suffers for frequent restrictions by DVC for its failure to meet the contractual obligation, but unfortunately, DVC is being rewarded for its failure. Three times energy charge for any drawal over the restricted load means an average of Rs.
13.00 per kWh whereas the average cost of import by DVC is only Rs. 5.00 per kWh. If this is allowed, DVC may earn much more by restricting supply to a consumer instead of meeting the demand from its own source.

8) For the month of August, 2018, GIL had to pay penal charge of Rs. 210.00 lakh to DVC for overdrawal during the month when restrictions were imposed for 219.50 hours. Similarly for the months of September and October, 2018 GIL had to pay penal charge of Rs. 441.00 lakh and Rs. 375.00 lakh respectively for imposition of restriction for 310.00 hours and 394.50 hours during the respective month.

9) For the DVC consumers in Jharkhand State there is no new penal charge for overdrawal during restrictions.

10) Moreover, while on one hand DVC is imposing restriction to its consumers in the State of West Bengal due to shortage in supply of power in the grid, on the other hand they are exporting power, which is very much contradictory.

11) In view of above, GIL prayed that –

   a) DVC should be barred from applying regulation 4.4 of the Tariff Regulations since DVC did not take steps as per regulation 3.8.5 of the Tariff Regulations which specifies rebate for improvement of power factor. DVC may be directed to refund the amount realized under regulation 4.4 of the Tariff Regulations.

   b) DVC should not get more than its average cost of import from the grid plus 10% towards engineering charges.

The representative of DVC stated that they have not received the copy of the petition filed by GIL and DVPCA before the Commission as a result they are unable to make any comment. However, he pointed out that, the amount of power they export is tied with PPA and for supplying power to his existing consumers, they had to draw extra power from the grid by paying UI charges and that is why such restrictions were imposed.

Since any representative of DVPCA was absent, they could not be heard during the hearing.
ORDER

Upon hearing the parties present, the Commission directs that:

a) GIL shall serve a copy of their letter dated 10th December, 2018 containing the complaints upon DVC;

b) DVC shall submit their written statement in the form of affidavit to the Commission within six weeks thereafter;

c) Meanwhile, both DVC and GIL may explore the scope for arriving at mutually agreeable solution to this problem.

d) Next date of hearing is fixed on 19th September, 2019 at 15.00 hours.

Sd/-
(DURGADAS GOSWAMI)
MEMBER

Sd/-
(SUTIRTHA BHATTACHARYA)
CHAIRPERSON

DATE: 22.07.2019

(T. K. MUKHERJEE)
SECRETARY

Certified true Copy