

Before the Karnataka Electricity Regulatory Commission, Bangalore

Dated this the day of 23rd September 2004

Present

- | | | |
|----------------------------------|----------|-----------------|
| 1. Sri. Philipose Matthai | - | Chairman |
| 2. Sri. H.S. Subramanya | - | Member |
| 3. Sri. S.D.Ukkali | - | Member |

Case Nos: OP - 12/2004

Between

M/s Madras Cements Ltd.,
"Ramamandiram"
Rajapalyam - 626 117.
Tamil Nadu

Petitioner

(by M/s Holla & Holla, Patil Adv.)

and

Karnataka Power Transmissiion Corporation Ltd.,
Kaveri Bhavan,
Bangalore - 560 009.

Respondents

(by M/s Sundaraswamy & Anand Adv.)

The Petitioner claims that it is in the process of establishing a 1.2 MW Wind Energy Project in Chitradurga District and intends to wheel energy generated from this project to its factory located, at a distance of about 3 K.M., at Method Works, Hosadurga Taluk in Chitradurga District. The Petitioner has entered into an agreement with the Government of Karnataka on 21.5.2004 for setting up of this project and according to this agreement the Petitioner has to obtain and execute a Wheeling Agreement with the Respondent. The Petitioner has claimed that the Respondent is not executing the said wheeling and banking agreement despite several representations and that the delay is causing hardship to the company.

2. When the case came up for the hearing, at the suggestion of the Commission, the learned Counsels for both the sides agreed to settle the matter between them and file a joint memo, if they succeed in their attempt to resolve the dispute. On 12.8.2004, when the case was last called, the learned Counsels informed the Commission that they have reached an understanding for settling the dispute and they would file a joint memorandum. Accordingly they have filed a joint memo on 3.9.2004.

3. Both the Petitioner and the Respondent have agreed for the following interim arrangement, according to the joint memo. -

1. KPTCL is agreeable for allowing the wheeling and banking facility in accordance with the rates prescribed in Tariff order 2003 as an interim arrangement till the KERC finalises the regulations relating to open access and determines fresh terms and conditions of wheeling charges payable to the Transmission and Distribution companies in the context of the Electricity Act, 2003, and subject to the following conditions.

2. The petitioner agrees to wheel the power only to its Cement plant.

3. The petitioner agrees to file an undertaking with KPTCL to pay the difference of charges, if any, which becomes payable after the Commission determines the wheeling and banking charges at a future date and KPTCL shall be at liberty in case, the petitioner fails to fulfil any of the above conditions, to disconnect the Generating plant with the grid as well as the supply to Madras Cements by BESCOM.

4. The Petitioner agrees to furnish a bank guarantee, which shall be 50% of the product of the energy to be wheeled in a month, 1.5 and the consumer Tariff applicable.

The Petitioner and the Respondent have requested the Commission to pass orders in terms of this memo.

4. We have considered the joint memo and **dispose** of this case in terms of the said memorandum. Ordered accordingly.

Sd/
(Philipose Matthai)

Sd/
(H.S.Subramanya)

Sd/
(S.D.Ukkali)