

No.N/15/10

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION
BANGALORE**

Dated this 26th August 2010

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| 1. Sri M.R. Sreenivasa Murthy | Chairman |
| 2. Sri Vishvanath Hiremath | Member |
| 3. Sri K. Srinivasa Rao | Member |

Case No. OP 08/2010

Between

M/s. Harekrishna Metallic Pvt. Ltd.
Survey No. 20, Kasan Kandi Road
Hirebagnal Village and Post – 583 228
Koppal District
(Represented by Srinivas & Badri Associates)

.... **Petitioner**

And

Gulbarga Electricity Supply Company Limited
Station Road
GULBARGA – 585 102
(Represented by its Advocate Sri Sriranga)

.... **Respondent**

1. In this petition, the petitioner has sought a direction to the respondent to pay a sum of Rs.9,27,81,703/- towards the electricity that has been supplied beyond 45 lakh units when the PPA was in force and the entire electricity supplied after the completion of the period of PPA.
2. The respondents have appeared and also filed a statement of objections on 25.5.2010.
3. There is no dispute between the parties on the quantum of electricity supplied. The only dispute is relating to the rate at which the petitioner has to be paid. Counsels for both the parties have addressed arguments on the merits of the claim.

4. It is contended by the petitioner that it has supplied electricity over and above 45,00,000 units contracted and respondents have received the same and utilized. Further it is contended that even after the expiry of PPA period it has supplied electricity and respondents received it even though they were aware that PPA has expired. Therefore the respondents are liable to pay for the electricity supplied at the PPA rates for electricity supplied beyond the term of PPA.

5. Per contra it is contended by the respondents that it is not liable to pay any charges as supply is without its consent and approval.

6. From the above arguments it is observed that the petitioner has supplied electricity and the respondents have received the same over and above the quantity and beyond the period of the agreement. However the fact remains that the power is supplied by the petitioner and respondent has used it even though there was no contract. In our opinion the stand of the respondent that it is not liable to pay any charges for the additional energy is not justified as generation and supply of power will not be free of cost. It has to be paid for at a rate which of course may not be equivalent to the rate provided in the PPA. Therefore parties were directed to discuss and arrive at a mutual settlement on the rate keeping in view the average cost of power purchase made by GESCOM during the relevant period.

7. Accordingly on 19.8.2010 it was submitted by the respondent counsel that the average cost of procurement of power by GESCOM is Rs.3.70 per unit. The petitioner's counsel on receiving instructions fairly agreed to accept this rate instead of the claim made at Rs.4.30 in the petition.

8. On consideration of the facts of this case, we are of the opinion that Rs.3.70 per unit will be a fair and proper rate payable to the petitioner for the electricity supplied beyond the terms of the PPA. Therefore we direct the respondent to pay for the electricity supplied beyond the terms of the PPA at the rate of Rs.3.70 per unit within a period of four (4) weeks from today.

9. Accordingly this petition stands disposed of.

Sd/-
(M.R. SREENIVASA MURTHY)
CHAIRMAN

Sd/-
(VISHVANATH HIREMATH)
MEMBER

Sd/-
(K. SRINIVASA RAO)
MEMBER