

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005.
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Case No. 89 of 2010

In the matter of
Petition filed by M/s. Kay Power and Paper Ltd., for Grant of Interim Unit Rate
for Bagasse Based Co-generation Project

Shri V.P. Raja, Chairman

Shri Vijay L. Sonavane, Member

M/s. Kay Power & Paper Ltd. --- Petitioner
(Formerly Kay Pulp & Paper Mills Ltd.)
Gat. No. 454/457 At & Post: Borgaon,
T/D : Satara (Maharashtra State)

Vs

Maharashtra State Electricity Distribution Company Ltd. --- Respondent
Prakashgad, Mumbai.

ORDER

May 25, 2011

M/s. Kay Power and Paper Ltd. (herein after referred to as “the Petitioner”) filed the Petition under affidavit before the Commission on November 24, 2010, inter alia seeking grant of interim unit rate for its bagasse based Co-generation project.

2. The prayers of the Petitioner were as follows:-

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- a) *The Commission may kindly grant us an interim rate of Rs. 4.79/- per unit (as per Generic Order) for exportable power to MSEDCL grid till finalization of the final rate determination.*
- b) *We may kindly be given the determined rate from the start of Co-generation project i.e. from 1st week of Nov 2010.*
- c) *The Commission may kindly advise MSEDCL to file an affidavit in this case at an early date.*

3. Pertaining to the Petitioner's submission and material placed on record, a hearing was held on January 20, 2011 in the office of the Commission. The Commission by Order dated February 24, 2011 in Case No. 89 of 2010, directed as follows;

“the Commission hereby directs that the interim tariff of Rs. 4.79/- per unit same as that of levelized tariff applicable to Qualifying bagasse based Co-generation projects during F.Y 2010-11 to F.Y 2012-13 as mentioned in the Commission's Order dated July 14, 2010 in Case No. 20 of 2010, shall also be applicable to the Petitioner's bagasse based Co-generation project from the start of sugar cane crushing session i.e. effective from November 1, 2010 to March 31, 2013 or till the finalization of the final rate, whichever is earlier. Meanwhile, the entire issue will be deliberated and examined with respect to variable cost of the project and subsequently the Commission will consider whether any other rate is to be determined for bagasse based Co-generation project of the Petitioner type.

4. In view of the above observations, a hearing was held on March 9, 2011 at 11.00 hrs in the office of the Commission. Shri. J.N. Mohanty , Financial Advisor representing the Vasantdada Sugar Institute, Pune, Shri. S. A. Patil, GM, MEDA, Pune and Shri. R. G. Sonvane, SE representing the MSEDCL (“the Respondent herein”) was present. During

the hearing, Shri. Niraj Chandra, MD of the Petitioner's company reiterated the issues related to bagasse consumption and subsequent cost incurred thereto.

5. The Respondent has filed its written submissions in which the Respondent has declined to purchase the power generated from the Petitioners bagasse based co-generation plant at any rate higher than the levelized tariff applicable to Qualifying bagasse based co-generation project during F.Y 2010-11 to F.Y 2012-13 as mentioned in the Commission's Order dated July 14, 2010.

6. Taking a wholistic picture of the matter in hand, the Commission is of the view that the levelized tariff applicable to Qualifying bagasse based Co-generation projects during F.Y 2010-11 to F.Y 2012-13 as mentioned in the Commission's Order dated July 14, 2010 in Case No. 20 of 2010 are to continue till March 31, 2013. Thereafter, if need be, and after scrutinizing the variable cost of bagasse based Co-generation projects; transportation costs; loading/unloading charges and labour cost, etc., the Commission may revisit the tariffs. At this stage, therefore, the Commission is not inclined to revisit the levelized tariff applicable to Qualifying bagasse based Co-generation projects during F.Y 2010-11 to F.Y 2012-13 as mentioned in the Commission's Order dated July 14, 2010 in Case No. 20 of 2010 which are to continue till March 31, 2013.

The Commission records that the Respondent has agreed to purchase the power generated from the Petitioners' bagasse based co-generation plant at the levelized tariff applicable to Qualifying bagasse based co-generation project during F.Y 2010-11 to F.Y 2012-13 as per the Order dated July 14, 2010. Therefore, the tariff of Rs. 4.79/- shall apply to the Petitioner till March 31, 2013.

With the above, Case No. 89 of 2010 stands disposed of.

Sd/-
(Vijay L. Sonavane)
Member

Sd/-
(V. P. Raja)
Chairman