
Public Hearing on the true-up petition for the year 2016-2017, filed by DNHPDCL, Proposed Increased of 36 paise per unit.

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To: SIMA Silvassa <simasilvassa@gmail.com>, silvassa.sia@gmail.com, Dadra & Nagar Haveli Industries Association
silvassa <dnhmfrs.2009@gmail.com>**Public Hearing on the true-up petition for the year 2016-2017, filed by DNHPDCL, Proposed Increased of 36 paise per unit.**Dt: 23rd October 2017

Dear Members of Constituent Associations,

Federation wishes to bring it to your notice that DNHPDCL has filed a true-up petition for the year 2016-2017 before Hon'ble JERC, showing a loss of RS100.51 cr and proposes surcharge of 36 paisa per unit on all EHT / HT consumers. Public Hearing of the petition is scheduled on 30th October 2017. Probably at 11:00 am at Hotel Yatri Niwas

Federation has studied the petition and found that losses were because of open-access phenomenon.

The losses have incurred because of two reasons:

First, NOCs for open access were granted without waiting for finalization of additional surcharge on open access due to mandatory payment of minimum charges payable under various PPAs. NOC for open access should not have been granted unless additional surcharge on the open access was finalized.

Second, while determining the additional surcharge open access vide order 15th September 2016, Hon'ble JERC did not prescribe any surcharge for the period from 1st April 2016-30th September 2016. Also Hon'ble JERC wrongly computed the formula and reduced proposal of DNHPDCL for additional surcharge from Rs. 1.48 per open access unit to Rs. 0.47 per unit. The order of Hon'ble JERC was challenged by this Federation, DNHPDCL itself and open access consumers before Hon'ble Aptel, New Delhi, as appeal No. 288 of 2016, 84 of 2017 and 85 of

2017. DNHPDCL conveniently did not disclose the fact of appeal in the true-up petition. It should have considered additional surcharge of at the rate of Rs.1.41 as it was proposed by it for the whole period i.e. April 2016 to March 2017. Had the proposed rate accepted for whole year, there would have been Rs 233 cr more would have been received to the kitty of the DNH PDCL. True –up, in that case would have been for surplus of Rs 132 cr, instead for loss of 100.51 cr.

Moreover, Hon'ble JERC while trueing-up for the year 2015-2016 had approved a net surplus of Rs. 383 Cr. with its carrying cost, the DNHPDCL has a good amount of surplus. There was no need for DNH PDCL to propose additional surcharge for EHT and HT consumers who have not enjoyed the benefit of open access.

Though, Federation consists of both, open access and non open access consumers, but in the present situation, it is of crystal clear that benefits enjoyed by the open access consumers should not become burdened on non open access consumers. Therefore, Federation will demand:

- a) True-up Petition should be revised to recalculate gaps, considering the DNHPDCL appeal petition in appeal no. 84 of 2017 pending before Hon'ble Aptel, New Delhi
- b) DNHPDCL should show the approved surplus of previous years with carrying cost.
- c) DNHPDCL should not press for additional surcharge of 0.36 paisa per unit.

There is a need to express views of federation vehemently before Hon'ble JERC on 30th October 2017 at 11:00 am at "Yatri Niwas". Members should make sure to participate in the public hearing to save their survival.

Regards,

Atul R Shah