



DAMODAR VALLEY CORPORATION
COMMERCIAL DEPARTMENT
DVC TOWERS : V I P ROAD ,KOLKATA- 700 054.

Tel. No: 033-2355-7041/6041

FAX: 033-2355-2129

Ref No.: Coml/Tariff /Objection- Kumardhubi Steels/356 *Date:* 22.08.2020

To
The Secretary
Jharkhand State Electricity Regulatory Commission
New Police Line Road, Opposite to C.M.House
Kanke Road, Ranchi-834008
Phone No. - 0651-2285906 & Fax No. - 0651-2285907

Sub: Objection to DVC Tariff Petition

Sir,

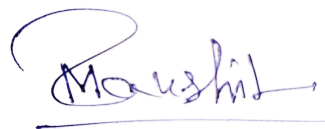
This is in reference to the Objections / Suggestions submitted by M/s Kumardhubi Steels Pvt. Ltd. vide their letter date 18th August 2020. DVC thankfully acknowledges receipt of your suggestions.

At the outset DVC would like to point out that proposed hike in tariff is not in the range of 25% or 40% as alleged by the objector. Compared to the Average Cost of Supply (ACoS) last approved by the Hon'ble Commission for FY 2019-20 in the tariff order dtd. 28.05.2019, DVC has proposed much lesser hike for FY 2020-21. Reply on the other issues as mentioned by the objector are furnished as under;

- A. Adjustment of revenue surplus of past period: As directed by Hon'ble Commission DVC has already submitted its road map towards settlement of past dues along with all relevant details. All such submissions are still in public domain. DVC will abide by the directive of this Hon'ble Commission as may further be given to DVC in this regard.
- B. Difficulty during the lockdown period due to COVID-19: DVC acknowledges the difficulties faced by different industries during the lockdown period. Economic activities in the whole country slowed down in general due to the pandemic situation. Demand of electricity also nosedived to a minimum level. As a result DVC has also been facing a tough time. Despite of such a tough time faced by DVC, it continued with 24 x 7 power supply to all the consumers despite of delay in making payment of the electricity bills. Such arrangement continued until 1st August 2020. In doing so DVC had to bear the cost of additional working capital.

- C. Reduction of Tariff: The proposal made by the objector before this Hon'ble Commission for reduction of tariff by 15% is without any justification and without any back-up computational details. Accordingly it is humbly submitted before this Hon'ble Commission that the suggestion of the objector for reduction of tariff has no merit for its acceptance.
- D. DVC also humbly submits before this Hon'ble Commission that during the lockdown period due to sudden and drastic reduction of demand of the consumers, fixed cost recovery became abysmally low. Cash flow also suffered badly. DVC therefore resorted to short term cash credit to make good the bare minimum cash requirement to maintain day-to-day requirements and activities which are must do in nature for 24 x 7 power supply. Hon'ble Commission is therefore requested to appreciate the ground reality and allow DVC to recover the additional cost of supply in a justified manner.

Yours faithfully



(M.C. Rakshit)
Chief Engineer (Commercial)

Copy to:

1. The Director, Kumardhubi Steels Pvt. Ltd., Plot No. 329/30, Rajpura, Near Krishna Kanta, P.O. Kumardhubi, Dist. Dhanbad (Jharkhand), Pin. 828203. E-mail: kspl2004@gmail.com