

# Jharkhand State Electricity Regulatory Commission Ranchi.

**Case No. 03 of 2006-07**

## **CORAM**

1. Shri S.K.F. Kujur, Chairman
2. Shri P.C. Verma, Member (Tech)
3. Smt. Shakuntala Sinha Member (Legal)

IN THE MATTER OF :

1. Jharkhand Induction furnace Association having its office at 12, Diagonal Raod, Bistupur, Jamshedpur through its Chairman Sri Nageshwar Prasad Sultania, resident of Diagonal Road, Bistupur, Jamshedpur.
2. Kasma Steel Private Ltd., Industrial Area, Adityapur , Gamharia through its Director, Sanwarmal Sharma,, resident of Industrial Area, Adityapur, Jamshedpur.
3. Om Dayal Ignots and Steel Company (P) Ltd., Chandil, through its Director Chandan Mittal, resident of Chandil, Jamshedpur.
4. Himadri Steel Pvt. Ltd., Satkatia, Chakulia, through its authorized representative Sri Nageshwar Prasad Sultania , resident of Diagonal Road, Bistupur, Jamshedpur.
5. Divine Allows and Power Company Ltd., Chandil, through its authorized representative, Rajesh Pandey, resident of TajMahal, Club Road, Ranchi.
6. Kalyaneshwari Ispat Pvt, Ltd., Balidih, Bokaro, through its Director Mano Kumar Agrawal, resident of Balidih, Bokaro.
7. Uday Vijay Steel Private Ltd., Balidih, Bokaro, through its Director Sudhir Kumar Rai, resident of Balidih, Bokaro.
8. Hanuman Allows Pvt. Ltd., Balidih Bokaro, through its authorized representative Sushil Kumar Agrawal, resident of Balidih, Bokaro.
9. Balaji Industrial Products Ltd., Basti Road P.O Bada Jamda, Dist West Singhbhum, through its authorized representative Narendra Kumar, Basti Road, P.O. Bada Jamda, Dist. West Singhbhum.

10. Jagdamba Ingotech Steel Pvt, Ltd., 6<sup>th</sup> Phase Industrial Area, Gamaharia, through its authorized representative Nageshwar Prasad Sultania, resident of Diagonal Road Bistupur, Jamshedpur.
11. Kumardhubi Steel Pvt. Limited, Kumardhubi, Dhanbad through its Director Sushil Kumar, resident of Kumardhubi, Dhanbad.
12. Arihant Ingots Pvt. Ltd, Demotand, Hazaribagh, through its Director Anil Kumar Jha , resident of Demotand, Hazaribagh.
13. T & T Metal Pvt. Ltd., Tupudana Industrial Area, Hatia through its Director Prakash Tekriwal, resident of Shukla Colony, Hinoo, Ranchi.
14. Johar Steel Enterprises Pvt. Ltd., Chakulia through its authorized representative Sri Nageshwar Prasad Sultania, resident of Diagonal Road, Bistupur, Jamshedpur.
15. Jay Prabhu Jee Iron and Steel Pvt. Ltd., Kandra Industrial Area, Govindpur, Dhanbad through its authorized signatory R.K. Choudhary, resident of Katrasgarh, District Dhanbad.
16. Jaisree Bhaironath Jee Industries, Rauta, Marar, Ramgrah, Marar Ramgarh.
17. Tirupati Ingots Pvt. Ltd., Jhumri Tilaiya, Kodarma, through its authorized representative Ankit Kumar Choudhary, resident of Jhumri Tilaiya, Kodarma.

.....petitioners

Versus

Jharkhand State Electricity Board, a Deemed Licensee under Electricity Act, 2003 having its Office at Engineering Bhavan, HEC Township, Dhurwa, Ranchi through its Chairman & Officers.

.....Respondent

AND

IN THE MATTER OF :

For clarification on the matter of conduct and manner of and application of tariff schedule and other regulations by the Jharkhand State Electricity Board upon HTSS.

AND

IN THE MATTER OF :

Complain regarding wrong/erroneous form of agreement and bad interpretation of Electricity Supply Code, Regulations and other allied orders/Tariff notified by the Commission by the Jharkhand State Electricity Board.

AND

IN THE MATTER OF :

Imposition of penalty/punishment upon J.S.E.B. for non-compliance of directions given by the Jharkhand State Electricity Regulatory Commission.

For the petitioners: (1) Shri Ajit Kumar, Advocate.  
(2) Shri Dhananjay Kumar Pathak, Advocate.  
(3) Shri Navin, Advocate.  
(4) Shri Mukesh Kr. Sinha, Advocate..  
(5) Shri Vijay Kr. Gupta, Advocate.  
(6) Shri Rahul Kumar, Advocate.

For the Respondent: Shri Rajesh Shankar, Advocate &  
Shri A.K.Mishra, Nodal Officer.

For the Commission: Shri Sudarshan Shrivastava, Advocate.

**ORDER**  
**(18.12.2006)**

1. Petitioner no.1 is an Association of Induction Furnace Consumer (HTSS) category and petitioner 2 to 17 are consumers of HTSS category having a common cause of action against J.S.E.B.
2. Relevant facts of the case are as follow: That the petitioner nos. 2 to 17 and many other members of petitioner no.1 decided to establish their Steel Industry with induction Furnace of more than 300 KVA capacities in the State of Jharkhand after 1.1.2004 and prayed for electrical connection from the Jharkhand State Electricity Board (hereinafter mention JSEB) for actual required contract demand/load for running and operating their furnaces. Earlier the Bihar State Electricity Board or Jharkhand State Electricity Board used to bound induction furnace consumer to compulsorily have their contract demand based on volume and capacity of their furnace for which the formula of calculation used to be 600 KVA per M.T. but such condition of procedure are not relevant in the present day context because of the advance technology nowadays, even the furnace to much higher tonnage capacity are meant to consume less amount of electricity. J.S.E.B. has however chosen to follow to the same provision of Bihar Electricity Board particularly as provided in its tariff schedule dated 24.09.99.

3. According to the petitioners, the tariff and the concerned relevant regulation notified by this Commission (Jharkhand State Electricity Regulatory Commission) do not provide for any such condition as per which one may be compelled to take contract demand on the basis of tonnage capacity of the furnace. In spite of absence of any such condition or provision in the tariff and concerned regulation notified by this Commission, the J.S.E.B. has put that condition in the agreement in question. Their definite case is that when a fresh tariff and Electricity Supply Code Regulation have been notified by this Commission and are applicable on JSEB, the JSEB has got no liberty to charge any amount or put any condition beyond the actual applicable provision.
4. One example has been cited by the petitioners which is the case or petitioner no.3 M/S Om Dayal Ignots Steel Company Private Ltd. which had applied for electric connection as per its actual requirement for 3000 K.V.A. contract demand at supply voltage of 33 KV and that was sanctioned by order dated 19.1.2005 by the General Manager-cum-Chief Engineer of JSEB with a condition that capacity of the induction furnace would be physically measured by a team of Board official as per guide lines of the Board and up till then the load sanction would be treated as provisional. After sanctioning the load of 3000 KVA, the opposite parties arbitrarily measured the furnace capacity and finding it to be of 7 M.T., before energizing the electrical connection to petitioner no.3 gave their approval for 4200 KVA load at the rate of 600 KVA per M.T. This compelled the petitioner to take a load of 1200 KVA more than what is actually required. As a result petitioner no.3 has been seriously prejudiced and has not been able to ever exceed the permitted load based on its original demand but he is being billed on the basis of much excess and forced contract demand of 4200 KVA. He was made to execute a bad agreement on 13.08.2005 for 4200 KVA contract demand by the JSEB. Copy of that agreement is annexure 4 of the petition.
5. It is their case that form of the agreement itself shows that it is old one which actually appears to be meant for HT consumers under 1993 Tariff of the BSEB when Electricity Act 1910, Electricity Supply Act 1948 and

Electricity Rules 1956 were applicable. The Board authorities have used the said form of agreement to attract the petitioners as many provision of the concerned agreement such as clause 4, 13 etc. are positive upon which the petitioners were attracted to take connection from the JSEB but the opposite parties are intentionally not implementing the same and are also committing Breach of contract . Aforesaid clause 4C and clause 13 relating to grant of proportionate remission are not in contradiction to the Tariff Order 2003-04 and Regulations notified by this Commission. Hence, the opposite parties are bound by their promises to give those benefit but are not implementing the said clause. Photo copy of the agreement executed by the JSEB is annexure '6' of the petition. According to them the agreement Forms executed by the JSEB are not in accordance with the Tariff Order and Regulation notified by this Commission. The agreements are also not in accordance with the provisions of the Electricity Act 2003. Hence, this case has been filed for suitable declaration/clarification as to whether the form of the agreement is good or bad and for a direction that the opposite parties should implement the actual provision of the Tariff Order 2003-2004 and Electricity Supply Code Regulation notified by this Commission.

6. Opposite parties have appeared and filed written statement. Their case is that they are duty bound and are completely acting in accordance with the Tariff Order 2003-04 and the Regulation notified by this Commission. Accordingly to the opposite parties, the petitioner are primarily aggrieved by raising of the bills by the JSEB. Hence at the first instance they should move before Vidyute Upbhogta Shikayat Nivaran Forum of the JSEB against the disputed bills. The application filed by the petitioners is self-contradictory because on the one hand, they are relying on clause 4C and clause 13 of the agreement in question which according to them are in their favour and on the other hand, they are contending that the said agreement is not in accordance with the applicable Tariff and Regulation. Further case is that the H.T. agreement in question itself contains clause 11 wherein it has been specifically mentioned that “ agreement shall be read and construed a subject in all respect to the provision of India Electricity Act, 1910 Rules framed therein and the electricity ( Supply Act, 1948 together with Rules

and Regulations, if any, tariff and terms and conditions for supply of electricity framed and issued there under and for the time being in force as far as the same may respectively be applicable and all such provisions shall prevail in case of any conflict or inconsistency between them and the terms and conditions of this agreement”.

7. We have gone through the entire agreement from (Annexure -6) and we have come to the conclusion to which the learned Counsel for the opposite parties also agreed to some extent that the above quoted clause 11 of the agreement will not be helpful to them in the present circumstances when a new Act, i.e Electricity Act, 2003 has come and the Regulations and Tariff Orders have been notified by this Commission as per the provisions of the Act. Admittedly, the agreement from in question is old one of the time of B.S.E.B. i.e Bihar State Electricity Regulatory Board. Hence, it cannot be in accordance with the Tariff Order, 2003-04 and the Supply Code Regulation notified by this Commission. Example has been cited by the learned Counsel for the petitioners drawing our attention towards clause 5 sub-clause (B) of the agreement Form ( Annexure-6) and has been read by the learned Counsel for the opposite parties also and he agreed that this clause is not in accordance with clause 11- disconnection of service of the Supply Code Regulation notified by this Commission, and there are other clauses in the agreement from which are not in accordance with the Supply Code Regulation notified by this Commission. Therefore, it is clear that the agreement is not in accordance with the Electricity Act, 2003 and the Regulations passed by this Commission. Therefore, the agreement is required to be prepared in accordance with the provision of Electricity Act, 2003 and the Regulations notified by this Commission.
8. So far the dispute regarding bills is concerned, the petitioners should take shelter of Vidyut Upbhogta Nivaran Forum, JSEB as some of them have already done as per the submission from the of the opposite parties.
9. With these observations, we dispose of the case.

Sd/-  
( S. Sinha)  
Member ( A & L)

Sd/-  
(P. C. Verma )  
Member (Tech)

Sd/-  
( S.K.F. Kujur)  
Chairman