

**No. JSERC/Hearing/4  
Dated, the April 21, 2004.**

**In the matter of complaints filed against Jharkhand State Electricity Board, Ranchi for non-implementation of Tariff Order 2003-'04.**

**In the matter of:**

S/Shri Complainants

A.N. Singh, Power Business Division, TISCO, Jamshedpur  
V.K. Pathak, TISCO, Noamundi  
N.K. Tiwari, TAYO Rolls Ltd., Jamshedpur  
P. Hariharan, TAYO Rolls, Jamshedpur  
Ajay Bhandari, Chotanagpur Small Scale Industries Association  
B.K. Tulsyan, M/s National Industrial Corporation, Hatia  
Rev. Sr. Bernadette, Loreto Convent, Doranda, Ranchi and others

**Vs**

**Jharkhand State Electricity Board, Ranchi**

**Respondent**

**ORDER  
(21.04.2004)**

The Commission had received number of complaints from different consumers such as Chamber of Commerce, individual industry and other consumers regarding non-implementation of the Tariff Order 2003-04 issued by the Commission on 27th December 2003 which was to be implemented with effect from 1st of January 2004. Taking cognizance of non-compliance of its order/directions and to give the Board a chance to clarify its position the Commission fixed hearing on 16.4.2004 in its Hearing Room. The following were present:

**On behalf of the Complainants:**

S/Shri

1. A.N. Singh, Power Business Division, TISCO, Jamshedpur
2. V.K. Pathak, TISCO, Noamundi
3. N.K. Tiwari, TAYO Rolls Ltd., Jamshedpur
4. P. Hariharan, TAYO Rolls, Jamshedpur
5. Ajay Bhandari, Chotanagpur Small Scale Industries Association
6. B.K. Tulsyan, M/s National Industrial Corporation, Hatia
7. Rev. Sr. Bernadette, Loreto Convent, Doranda, Ranchi

**On behalf of the Jharkhand State Electricity Board:**

S/Shri

P.C. Verma, Chief Engineer, JSEB, Ranchi  
U.K. Singh, Electrical Executive Engineer, JSEB, Ranchi

**On behalf of the Commission:**

S/Shri A. Guha, Secretary, JSERC, Ranchi  
Sudarshan Shrivastava, Advocate, JSERC, Ranchi  
G.Sinha (Consultant -Tech) B.N.P.Singh (Consultant-Tech)

**Background of the case:**

Jharkhand State Electricity Board (hereinafter referred to as 'the Board') had filed Petition before the Commission for the approval of its ARR and fixation of tariff for the year 2003-'04 and requested the same to be continued till March 2005.

The proposed tariff of the Board was notified through newspapers inviting comments and suggestions from the consumers. Public Hearings were held by the Commission on 07.12.'03 and 09.12.'03 at Ranchi and Deoghar respectively. Thereafter the Commission notified on the 27th of December 2003, the new tariff rates, effective from 1st of January 2004. The Board did not implement the new tariff from the said date and kept silent. On 12th of January '04 the Commission reminded the Board about implementation of the Tariff Order but no reply was received from the Board.

The Board was issued a show-cause notice on 28.2.2004 to explain as to why the action of the Board be not treated as non-compliance of order/direction of the Commission in view of the provisions of the Electricity Act, 2003 (hereinafter referred to as 'the Act') and the Rules made there under. The Board did not reply the said notice. After receiving complaints from the consumers in this regard the Commission fixed the date of hearing on 16.4.2004 after due notice to the parties. The consumers and the representatives of the Board, as stated above, attended the hearing.

**Hearing:**

The consumers basically had one complaint i.e. the non-implementation of the Tariff Order with effect from 1.1.2004. After narrowing down to this point, I specifically asked the representative of the Board, Shri P.C. Verma, Chief Engineer, to clarify the position of the Board. Shri Verma stated that due to some procedural delay in the Board the formal approval could not be obtained on the Tariff Order for its implementation from the appointed date. He also stated that efforts were made to take the formal approval of the Board in its meeting but that could not be done and in the meantime the parliamentary election was announced and the model code of conduct has come into operation. As such the Board were not in a position to implement the order/directions of the Tariff Order 2003-04. He also tendered apology for the delay in the implementation of the Tariff Order. Shri Verma has also given an undertaking that once the model code of conduct is lifted the Tariff Order will be implemented.

One of the consumers representing M/s TAYO, who also made a written submission to the Commission, submitted that the Board was not authorized to raise the bill and collect money as per the old rate once the Commission announced the new rate under the Tariff Order. The Commission also sought clarification from the Board as to how the money collected from the consumers as per the old rate will be adjusted once the new tariff is implemented with effect from 1.1.2004. Shri Verma was not in a position to give any reply to this effect and has also submitted that the modalities can be worked out after having a discussion in the Board. The representative of M/s TAYO drew the attention of the Commission towards the provisions contained in Section 62 sub-section 6 of the Act, which reads as follows:

Section 62 (6): *"If any licensee or a generating company recovers a price or charge exceeding the tariff determined under this section, the excess amount shall be recoverable by the person who has paid such price or charge along with interest equivalent to the Bank rate without prejudice to any other liability incurred by the licensee".*

The representative from Power Business Division, TISCO made a written submission and also stated that the Board had sought some clarification regarding the tariff, which was replied back by the Commission and the same was available in the Commission's web site. This showed that the Board was aware of the implementation of the

tariff order but did not take any action to implement it. The other members who were present had similar complaints of non-implementation of the tariff order.