

**Before the Appellate Tribunal for Electricity  
(Appellate Jurisdiction)**

**Appeal No. 113 of 2007**

**Dated: 25<sup>th</sup> March, 2009**

**Present : Hon'ble Mr. Justice M. Karpaga Vinayagam, Chairperson  
Hon'ble Mr. A.A. Khan, Technical Member**

**Chemical International Ltd. & Ors. ... Appellant (s)  
Versus**

**Haryana Electricity Regulatory Commission ... Respondent (s)**

Counsel for the Appellant/ (s) : Mr. Anand K. Ganesan &  
Ms. Swapna Seshadri

Counsel for the Respondent (s) : Mr. Chandan Singh, XEN. UHBVNL.  
Mr.H.S. Sandhu for HERC  
Mr. Rajesh Monga, Law Officer, HERC.

**ORDER**

While settling the dispute between the State Transmission Utility the distribution licensee and the power producer, the Commission passed the main order dated 15.5.2007 giving findings on the issues raised. Both the parties have filed the review petitions before the Commission and they were dismissed. Against these two orders two appeals have been filed by both the Distribution Company as well as its power producer. Both the parties have raised two basic points in these two appeals.

(i) The Commission has given the findings to the effect that the cost of grid connectivity from the generating unit to the point of metering to be borne by the licensee up to a distance of 10 Km and beyond 10

Kms to be shared equally by the licensee and project developer. (ii) With regard to the fixation of tariff Commission fixed the rate at Rs. 4/- kwh with an annual escalation of 2% for the Bio-Mass Power generation.

Both the findings are being challenged by the appellants in both appeals mainly on the ground that no reasons have been given for rendering these two findings. Both the counsel would submit that there is no reason given to hold that the expenditure up to the distance of 10 Kms. be borne by the licensee and beyond 10 Kms cost to be shared equally by the licensee and power producer. The learned counsel for the appellant in Appeal No. 113/07 submits that, it claimed a tariff of Rs. 4.66 per unit with an annual escalation of 11% per cent for the electricity to be generated by biomass based power producers but the same has not been taken into consideration and on the other hand, the Commission fixed Rs. 4/- per unit without giving any reason in the impugned order.

Similarly, the learned counsel for the appellant in Appeal No. 24/08 also submits that it was claimed that the tariff must be fixed at Rs. 3.32 per kwh as proposed in the suggestion papers, but Commission fixed as Rs 4/- without any reason.

Heard the learned counsel for the appellants as well as the counsel for Commission.

On going through the main order and the review order, passed by the Commission we find that there are no reasons for the said finding given in the impugned order. Therefore, it would be appropriate to remand the matter back to the Commission to hear the parties again on these issues and decide the same on the reasons to be recorded in the order. It is made clear that we are not expressing any opinion on these issues.

Accordingly the impugned order dated 15.5.2007 is set aside and the same is remanded to the Commission for deciding these two issues after giving the opportunity to both the parties as indicated above.

Both the appeals are allowed. No costs.

**(A.A. Khan)**  
Technical Member

**(Justice M. Karpaga Vinayagam)**  
Chairperson