## COURT-I

# IN THE APPELLATE TRIBUNAL FOR ELECTRICITY (Appellate Jurisdiction)

# **APPEAL NO. 229 OF 2016**

Dated: 7<sup>th</sup> December, 2018

Present: Hon'ble Mrs. Justice Manjula Chellur, Chairperson

Hon'ble Mr. S.D. Dubey, Technical Member

## In the matter of:

M/s Shalivahana Green Energy Ltd. 7<sup>th</sup> Floor, Minerva Complex, 94, S.D. Road, Secunderabad - 500003

...Appellant(s)

Vs.

- Madhya Pradesh Electricity Regulatory Commission 5<sup>th</sup> Floor, Metro Plaza, E-5, Bittan Market, Bhopal – 462023
- 2. M.P. Power Management Corporation Limited Shakti Bhawan, Rampur, Jabalpur 482008
- 3. New and Renewable Energy Department, Government of Madhya Pradesh, Main Road No.2, Urja Bhawan, Near 5 No. Bus stop, Shivaji Nagar, Bhopal - 462016

...Respondent(s)

Counsel for the Appellant(s) : Ms. Swapna Seshadri

Mr. Anand K. Ganesan Mr. Ashwin Ramanathan

Ms. Neha Garg

2

Counsel for the Respondent(s) : Mr. S. Venkatesh

Ms. Nishtha Kumar

Mr. Kumar Somesh Shrivasthva

Mr. Sandeep Rajpurohit Mr. Vikas Maini for R-1

Mr. Nitin Gaur

Ms. Anuradha Mishra for R-2

## **JUDGMENT**

#### (PER HON'BLE MRS. JUSTICE MANJULA CHELLUR, CHAIRPERSON)

- 1. The present appeal is directed against the Order dated 08.02.2016 passed by the Madhya Pradesh Electricity Regulatory Commission (here-in-after referred to as the "State Commission"). In brief, the facts that led to filing of the present appeal are as under:
- 2. The Appellant has established a Biomass based Generating Station of 1x15 MW capacity, which came to be commissioned on 12.06.2015. According to the Appellant, though the generating station was ready to be commissioned in the year 2011-2012, it could not be commissioned for various reasons beyond the control of the Appellant. As a result, the Appellant had to suffer huge loss including fixed charges and interest cost apart from loss of

generation of energy. When the Appellant commissioned the plant in the year 2015, he sought for the tariff corresponding to the date of commissioning of the generating station, however, the same came to be rejected by the State Commission.

3. It is the case of the Appellant that the State Commission has proceeded completely on erroneous basis in granting fixed charges to the Appellant as of the order of 2007 on the ground that the delay in commissioning the project was attributable to the Appellant, and therefore it refused to grant fixed charges as per the tariff order applicable for the year 2015-2016. According to the Appellant, various issues including crash of Renewable Energy market were the causes, which compelled the Appellant to approach lenders for restructuring of the loan in order to make the project survive, however the State Commission did not accept the explanation for the delay. Only after prolonged exercise, additional funding and restructuring could be commenced and the project got commissioned in the year 2015. Unfortunately, the State Commission failed to appreciate that the tariff is to be provided based on the date of commercial operation particularly when the

tariff is a generic tariff applicable based on the generic cost and expenses. According to the Appellant, the State Commission totally failed to appreciate the terms of Renewable Energy Regulations and also several tariff orders of the State Commission. It also failed to take into account that the costs and expenses were incurred in the construction and commissioning of the generating station in the year 2015 which is much higher than the capital cost determined in the year 2007. The Appellant contending as stated above, has approached this Tribunal.

4. During the course of arguments, after reiterating the contentions raised in the appeal memo, Ms. Swapna Seshadri, learned counsel for the Appellant submitted that even if the tariff applicable as on the date of commissioning of the generating station was not allowed, in the alternate at least the fixed charges as per the Order dated 02.03.2012 should have been allowed. Since the case of the Appellant is mainly on the basis that the tariff will depend upon the date of commissioning or COD of the generating station, the only consideration would be the date of commercial operation of the project. Therefore, any other factor cannot come in

the way of application of tariff. Since 15 MW Biomass based Power Plant came to be commissioned only on 12.06.2015, the applicable tariff for biomass generators in the State of MP is in terms of the Order dated 03.05.2015, which came to be modified on 30.11.2016, and not as per the earlier order dated 07.08.2007 so far as fixed cost is concerned. The Appellant was not able to commission the project by 31.03.2012, therefore the fixed charges cannot be in terms of tariff Order dated 07.08.2007. At the time of arguments, the Appellant tried to convince this Tribunal that though the Appellant tried to commission the plant by 31.03.2012 it could not commission the plant for the reasons as under:

- 1. LOI dated 24.01.2012 was for power purchase at the pooled cost of power purchase for REC sale;
- 2. The REC market crash and the Appellant was not able to proceed with the REC Option;
- 3. The tariff determined by the State Commission in the Order dated 07.08.2007 was not viable.
- **5**. Further, the Appellant contends that the State Commission itself relaxed the minimum contract demand for the Biomass

Generation Plant of the Appellant for getting connected to 132 kV voltage in terms of the Order dated 18.07.2012, therefore, the State Commission implicitly approved that the COD of the project was beyond 31.03.2012 and at least till 18.07.2012. Between 18.07.2012 to 09.06.2015 there were several reasons as to why they could not commission the project. It relies upon the following judgments to contend that though the State Commission in Viyyat Power Limited Vs. KSERC & Ors. (in Appeal No. 206 of 2013) and Batot Hydro Power Limited vs. HPERC (Appeal No. 318 of 2013) held that tariff would depend on the date of COD but did not apply the same ratio or principle to the case of the Appellant. With these arguments, reiterating the points raised in the appeal, the Appellant sought for setting aside the impugned order.

**6**. In response to the contentions raised in the appeal, the 1<sup>st</sup> Respondent-State Commission's stand is that though the Appellant's plant was ready for commissioning and synchronizing with the grid in the month of November 2011 itself, for the reasons best known to the Appellant they kept on postponing the Commissioning of the project. Several times they took permission

from concerned authorities for commissioning of the project, but did not commission the same till 2015. Therefore, the 1st Respondent contends that in all probability the Appellant intentionally and purposely did not commission the project with the expectation of having higher tariff benefit.

The 2<sup>nd</sup> Respondent contends that in terms of the State **7**. Policy for promotion Government of generation from non-conventional sources, these projects were envisaged and were expected to commission within 30 months from the date of obtaining permission for setting up the project. On several occasions, the Appellant came with the proposal of commissioning the project on the ground that the commissioning activities were completed and was ready to supply power at pooled cost but did not supply the power, rather did not commission the project. September 2013 itself though it came forward to enter into PPA with the Respondent, but did not supply the required documents to process the execution of the PPA. Only in the month of June 2015, after supply of power under short term LOI to the Respondent, the Appellant entered into agreement and the State Commission has

allowed fixed charges for 20 years of operation of plant considering the operation of plant in tariff block decided by Order dated 07.08.2007.

In support of its arguments, Respondent No.1 apart from 8. contending on factual situation to support the reasoning of the State Commission, relied upon the following Judgment in M/s Punjab Biomass Power Ltd. vs. Punjab State Electricity **Regulatory Commission** (in Appeal No. 101 of 2012) to contend that fixed tariff of the Biomass based Power Plant shall be determined based on the tariff applicable at the time commissioning as agreed under Implementation Agreement and not as per the tariff applicable during the actual date of commissioning of the project. They also relied upon the Judgment of this Tribunal in the case of Essar Power Limited vs. Uttar Pradesh Electricity **Regulatory Commission** (in Appeal No. 82 of 2011) to contend that electricity law being a special law enacted to attain the stated objective of law i.e., protection of consumer's interest and rationalisation of tariff, the paramount consideration has to be the interest of the consumers, therefore, the Regulatory Commissions

have been constituted and given a well defined role to discharge the functions in furtherance of the said objectives in framing the legislation. They also placed reliance on the Judgment of the Hon'ble Supreme Court in All India Power Engineers Federation and others vs. Sasan Power Limited and Ors. (2017 (1) SCC 487), wherein the role of the Commission was again reiterated by opining that the appropriate Commission specifies terms and conditions for determination of tariff and the same is to be guided *inter alia* by safeguarding the interest of the consumer and recovery of the cost of electricity in a reasonable manner. Both the Respondents i.e., 1st and 2nd Respondents strenuously argued that the project had to be commissioned within 30 months after the administrative approval accorded to the Appellant within the control period fixed by tariff Order dated 07.08.2007. However, though project was ready for commissioning within such time frame, for the reasons best known to the Appellant, the Appellant postponed on some pretext or the other the commissioning of the project.

**9**. The point that arises for our consideration is whether the appeal deserves to be allowed by accepting the contention of the

Appellant that the tariff must be determined with reference to the commencement of commercial operation date of the project ?

**10.** On perusal of the admitted facts, as reflected in the pleadings, they are as under:

The Appellant's plant was ready for commissioning and synchronization with the grid in the month of November 2011 itself and the permission from the Electrical Inspectorate was also obtained as early as on 30.08.2011. In other words, it was ready to be commissioned during the control period of the Order dated 07.08.2007. The Order dated 07.08.2007 was applicable for the projects commissioning on or before 02.03.2012. On 14.06.2010 M.P. Urja Vikas Nigam accorded administrative approval to the Appellant for setting up a Biomass based Generating Station at village Bhanadei, Tehsil, Chhindwara District. The Chief Electrical Inspector accorded permission on 27.08.2011 for connecting the generator and associated auxiliaries with the grid. On 30.08.2011, the Chief Engineer and Chief Electrical Inspector GoMP granted permission to the Appellant for connecting the lines from the project

site to 220/132 kV stations at Saraswada. By letter dated 02.11.2011, the ED (Planning & Design), Jabalpur permitted the Appellant to synchronize and operate Biomass based Power Plant in parallel with the MP Grid. In January 2012 the Appellant itself informed the 2<sup>nd</sup> Respondent that the Appellant has completed the commissioning activities and plant is ready to supply power to 2<sup>nd</sup> Respondent at pooled cost for the period between 01.02.2012 to 31.03.2012. Accordingly, Letter of Intent ("LOI") also came to be issued by 2<sup>nd</sup> Respondent on 24.01.2012. However, there was no supply of power in terms of LOI. On 01.09.2012, for the third time, the Appellant informed the 2<sup>nd</sup> Respondent that their project is ready for synchronization and asked for issuance of LOI. LOI was issued on 27.09.2012 for synchronization for a period of two months. On 08.10.2012, the 2<sup>nd</sup> Respondent vide their letter requested the Appellant to enter into long term Power Purchase Agreement ("PPA"), however, there was no response from the Appellant. After a long silence, on 13.09.2013, the Appellant requested the 2<sup>nd</sup> Respondent for entering into PPA and in response to the same 2<sup>nd</sup> Respondent requested the Appellant to submit the required documents for processing the work. However, the

Appellant did not come forward with any documents for proceeding further in the matter.

The State Commission while determining the preferential tariff **11**. co-generation and renewable energy generators in the State of for M.P. had passed orders. In terms of the State Government's Policy of 17.10.2006, for promotion of generation from Non-Conventional Sources envisaged that the projects were to be commissioned within 30 months from the date of obtaining permission for setting up of Accordingly, the Appellant also secured such the project. permission for connecting generator and associated auxiliaries with the grid of MP. The permissions and issuance of LOI clearly imply that the power plant of the Appellant was ready for commissioning in the month of November 2011 and at that time the tariff Order dated 07.08.2007 of the State Commission was applicable. Again in Appellant informed January 2012, the M.P. Tradeco that commissioning activities were completed and was ready to supply power at pooled cost between 01.02.2012 to 31.03.2012. But there was no supply of power. Thereafter, the Appellant came forward to commission the project and in spite of intimation that power to be

supplied, the Appellant did not supply any power, and that happened in the month of September 2012. Meanwhile, the tariff order passed by the State Commission became subject matter of challenge before this Tribunal in Appeal No. 93 of 2012. The same was remanded to the State Commission for re-consideration on certain parameters. In September 2013, the Appellant requested the Respondent for entering into PPA. However, no required documents came to be submitted for processing the PPA. Though the Appellant intimated in March 2015 that its project was ready for commercial operation but did not commission till June 2015. From June 2015 to January 2016, under short term letter of intent, power was supplied to the Respondent. The State Commission allowed the fixed charge for 20 years of operation of plant in tariff block decided by tariff Order dated 07.08.2007 and variable charges allowed in line with State Commission's Order dated By Order dated 13.08.2015, the State Commission 13.08.2015. continue the tariff for all decided same the commissioned during financial year 2014-15 and 2015-16 as determined for the projects commissioned during financial year of 2013-14.

- 12. When the State Commission specifically asked the Appellant as to why there was gap of 4 years in commissioning the plant from the date of application to the Electrical Inspectorate for obtaining charging permission, the Appellant did not answer with any cogent reasoning or document. These things are reflected in the impugned order. Though the Appellant tried to point out that major equipment at boiler side was found damaged and therefore delay has occurred, to substantiate this, no material whatsoever came to be produced. PPA come into existence only after mutual consent and it cannot be imposed by one party on the other party.
- **13**. In terms of 2006 policy, there was no legal obligation on the 2<sup>nd</sup> Respondent to purchase electricity generated from Appellant's plant. In terms of the said policy, the Appellant has an option to offer power to third party.
- **14**. Tariff Order dated 07.08.2007 for procurement of power from Biomass based generation clearly indicates under what circumstances and for what period the tariff order would be

applicable. It is at Clause 3 of the tariff order. Clauses 3.1 and 3.2 are relevant so also Clause 4 is very relevant. The relevant Clauses 3.1, 3.2 & 4.1 read as under:

- "3.1 The tariff Order issued by the Commission will be applicable to all biomass based power generation projects in the State of Madhya Pradesh commissioned on or after the date of issue of this order and intended for sale of electricity to the distribution licensees within Madhya Pradesh.
- 3.2 It is made mandatory for the Licensees to submit to the Commission quarterly progress reports on the capacity addition, purchase of energy and other relevant details in respect of biomass based generation projects commissioned in their licensed area, and also post them on their websites on a regular basis.
- 4.1 The control period shall be of five years. The first control period will start from the date of issue of this order and will close at the end of FY 11-12 i.e. 31.3.2012. The tariff determination process may be reviewed nine months before the end of the control period. The tariff decided in a particular control period shall apply to all projects which come up within that control period and the tariff determined for a project shall remain in effect for the whole project life of 20 years from the date of grid connectivity."
- 15. The main contention of the Respondents to resist the claim of the Appellant seems to be delay in commercial operation of the project by four years. However, the State Commission noted that the Appellant informed the 1st Respondent that the plant was ready for commissioning and synchronising with the grid way back on

10.01.2012 and 01.09.2012 but the same was commissioned only on 12.06.2015. In order to afford an opportunity to explain the delay by the Appellant, the State Commission did hear the Appellant on 02.02.2016 and on 04.02.2016.

**16.** The State Commission has noted that except reiterating the contents of written submissions, which are narrated above, the Appellant could not substantiate with any cogent material as to why there was abnormal delay of four years in commissioning the project despite its readiness to commission in the FY 2011-12. The State Commission also pointed out that there was no material whatsoever indicating that the auxiliaries of the major equipment of boiler side were found damaged after readiness of the project in the Why and how these equipments were got replaced year 2011. during the period of four years was not explained before the State Commission as well as before this Tribunal. The Appellant even admitted that actual expenditure was made by the Appellant during the control period of tariff Order dated 07.08.2007 and no major additional expenditure was made thereafter. With the above material before the State Commission, the State Commission was

justified in opining that the State Commission has to strike balance between the two aspects to meet the ends of justice i.e., the Appellant should get its legitimate expenditure incurred in commissioning the project and on the other hand the Appellant should not be allowed to take undue advantage of its own delay on the ground of technicality of the provisions of tariff Order dated 02.03.2012.

17. It's not in dispute that in terms of amended tariff Order dated 02.03.2012, the tariff shall be applicable from the date of commissioning of the project. By invoking powers under Clause 46 (1) of MPERC (Conduct of Business) Regulations, 2004, the State Commission was of the opinion that such inherent powers of the State Commission should be invoked to decide the applicability of tariff in the present case. The State Commission opined that the plant was ready for commissioning within the control period of tariff Order dated 07.08.2007 but actually commended in the FY 2015-16. The State Commission proceeded to allow fixed charges based on tariff Order dated 07.08.2007 since actual expenditure was done by the Appellant during the control period of tariff Order dated

07.08.2007. Since the State Commission by Order dated 13.08.2015 decided to continue same tariff for the projects commissioned during the years 2014-15 and 2015-16 as determined for the projects commissioned during the FY 2013-14, variable charges were allowed based on the Order dated 03.05.2013 as determined for FY 2013-14. The State Commission proceeded to allow the following fixed and variable tariffs as detailed under:

Fixed tariff (Tariff @Rs./unit)

Year	1	2	3	4	5	6	7	8	9	10
Tariff	1.91	1.87	1.83	1.79	1.75	1.72	1.68	1.65	1.62	1.58
Year	11	12	13	14	15	16	17	18	19	20
Tariff	1.19	1.22	1.26	1.29	1.33	1.37	1.41	1.46	1.50	1.55

#### Variable tariff

Year	1	2	3	4	5	6	7	8	9	10
Tariff	3.11	3.27	3.43	3.60	3.78	3.97	4.17	4.38	4.60	4.83
Year	11	12	13	14	15	16	17	18	19	20
Tariff	5.07	5.32	5.59	5.87	6.16	6.47	6.79	7.13	7.49	7.86

#### Total tariff

Year	1	2	3	4	5	6	7	8	9	10
Tariff	5.02	5.14	5.26	5.39	5.53	5.69	5.85	6.03	6.22	6.41
Year	11	12	13	14	15	16	17	18	19	20
Tariff	6.26	6.54	6.85	7.16	7.49	7.84	8.20	8.59	8.99	9.41

- **18**. The State Commission also pointed out that the 1<sup>st</sup> Respondent without examining the current status of the project kept on issuing letters of intent to the Appellant from time to time, which allowed the Appellant to delay the project leisurely.
- On perusal of the records and the explanation given now, they **19**. do not indicate or convince us that there were major repairs to the damages for the boiler side. The correspondence between the Appellant and the authorities clearly indicates that way back in November 2011 the Appellant came forward to commission the project but did not do so. It was not once, but on several occasions, the Appellant in spite of expressing readiness to commence the project did not do so, this failure on the part of the Appellant is not explained with any cogent and acceptable reasons before this Except emphasising that fixed tariff has to be with Tribunal. reference to the COD, no other material is put forth in support of the case of the Appellant. Coming to the Judgments relied upon by the Appellant, so far as Viyyat Power's case is concerned, it was a case where there was a prayer for re-determination of tariff

applicable to the generating station of the Appellant therein. Since the Appellant was asking for retrospective application of Regulations that came to be notified on 01.01.2013, the question that arose for consideration of the Kerala Commission was whether a power generator or power developer would be entitled to the benefit of new regulation or the subsequent order, which has come into effect from a subsequent date by taking recourse to the ground that the project in question was commissioned ahead of the scheduled commissioning date wherein the Tribunal observed at Para 18 as under:

*"18.* If any power generator or power developer of small hydro power project completes the project before the commissioning date as agreed in the implementation agreement with the State Government and the tariff therefore is determined for long term supply by the State Commission as per the settled formula, the same power generator or power developer shall not be entitled to the benefit of any subsequent regulation or order issued by that State Commission in order to get higher tariff just on the ground that the power developer has commissioned the project before the scheduled commissioning date because the new regulation or subsequent regulation, as in the present case was issued by the learned Kerala Commission vide no. 442/CT/2012/KSERC on 01.01.2013, has been made applicable only to the small hydro project of less than 5 MW capacity which are commissioned or synchronized on or after 01.01.2013 and the said new tariff shall be available in force for the financial year mentioned in the new Regulation. No power generator or power developer shall be entitled to the benefit of new regulation or subsequent order which is to be enforced from the subsequent date

on the ground that the said project has been commissioned ahead the scheduled commissioning date. It is not the case of the appellant that the cost of the project was high or the return on investment was inadequate or the project was commercially unviable due to change in circumstances. On the other hand, the appellant sought a higher tariff based on a subsequent regulation which was effective for a subsequent date only on the ground that the project was commissioned before the scheduled date and if the project was commissioned as per the schedule agreed in the implementation agreement, they would be entitled to tariff as per the subsequent regulations. This is not a valid reason for redetermination of tariff. In other words, the appellant wants retrospective application of the regulation notified on 01.01.2013 which is not permissible."

20. The facts involved in the above case and the present case are entirely different. Project of the Appellant was not commissioned ahead of the schedule. On the other hand, though the project was ready to be commissioned within the scheduled time, the Appellant did not choose to commence it within the time frame. On the other hand, in the case of **Viyyat Power** this Tribunal opined that subsequent tariff order cannot be made applicable for projects which were ready for commissioning in a previous control period. In the present case, one has to keep in mind the conduct of the Appellant in commissioning of the project within the control period. In the case of **Batot Hydro Power** the question that arose before

the concerned Commission was whether the State Commission can pass an order deviating from the Regulations which provide that power has to be supplied to the distribution licensee at a particular tariff. This Tribunal in the said case opined that the State Commission cannot deviate from the Regulations, and therefore held that the Appellant was entitled to the tariff determined as per 2007 Regulations, which is determined in accordance with Section 61 of the Electricity Act, 2003. The relevant extract of the Judgment of this Tribunal is as under:

## "23. Summary of our finding:

- (i) Clause 4 introduced by the State Commission in its earlier order dated 15.7.2006 was in consonance with the provisions of the 2003 Act and its deletion in the impugned order is illegal.
- (ii) The State Commission cannot enforce the conditions of the PPA dated 01.11.2002 which had been held void, nonest and inoperative by the State Commission by order dated 06.09.2003.
- (iii) The Appellant is entitled to tariff determined as per the 2007 Regulations.

21. It is not in dispute that the tariff is always determined based on the capital cost, fixed cost and variable cost subject to prudent check by appropriate commission. This is very clear from Regulation 12 of the CERC Renewable Energy Regulations of 2012. This methodology has been adopted and applied by the State Commission in the impugned order. The Respondents placed reliance on **Punjab Biomass** case, wherein this Tribunal observed that the capital cost (fixed tariff) of the Biomass based Power Plant has to be determined based on plant to plant with reference to tariff applicable at the time of commissioning of the project as agreed under Implementation Agreement and not as per the tariff applicable during the actual date of commissioning of the plant. The summary of findings are as under:

## "19. Summary of Findings

(i) The State Commission has correctly applied the principles of tariff computation for the appellant's Biomass based Power Plant, which was, as per the Implementation Agreement cum PPA dated 10.08.2006, to be commissioned within 30 months thereof, namely, by 9<sup>th</sup> February, 2009 but synchronized to grid in June, 2010 and power export commenced in October, 2010, during the base year as 2008-09 and applying tariff

applicable for sale of energy for FY 2008-09. The State Commission has not committed any illegality in calculating the tariff for the appellant's plant.

- (ii) The State Commission has correctly and rightly taken the commissioning period of the appellant's Biomass based Power Project as 2008-09 and has rightly ignored the appellant's contention that commissioning of the appellant's project was in October, 2010 i.e. in FY 2010-11.
- (iii) The State Commission has correctly and rightly determined the base year 2008-09 for the capital cost for tariff determination of the appellant's Biomass based Power Project.
- (iv) That on the payment of penalty charged and recovered from the appellant Biomass based Power Project, the same cannot be a ground to automatically extend the period of commissioning of the project till the date of actual commissioning of the project. The appellant's contention in its support is not legally tenable."
- 22. In the present case, the administrative approval accorded to the Appellant envisaged that the project shall be commissioned within thirty months i.e., within the control period fixed by the tariff Order dated 07.08.2007. It is evident that the said control period came to an end by March 2012. However, the Appellant commissioned it only in the year 2015.

- **23**. In **Essar Power's** case, Para 38 is relevant, which reads as under:
  - "38. The Electricity Act, 2003 is a special legislation enacted to consolidate all laws applicable to the electricity industry in India with a view to attain the stated objectives of the law being "to consolidate all the laws relating to generation, transmission, distribution, trading and use of electricity and for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff" for which purpose the Regulatory Commissions have been constituted and given a well defined role to discharge the functions in furtherance of the said objectives."
- **24**. In the Judgment of the Supreme Court in **All India Power Engineers Federation**, it is clear that paramount consideration should be to safeguard the interest of the consumer and the recovery of the cost of power in a reasonable manner that means it should not be detrimental to the interest of the consumers.
- 25. By referring to Section 46 (1) of MPERC conduct of business Regulations 2004, the State Commission opined that for no good, acceptable, cogent and proper explanation, the commissioning of the project was postponed to 2015 though it was ready for commissioning within the earlier control period. Therefore, the State Commission was justified in opining that fixed charges (fixed

tariff) should be based on the tariff order dated 07.08.2007 (control period). So far as variable charges, the State Commission was also justified in opining that it should be based on Order dated 03.05.2013 as determined in FY 2013-14.

- **26**. Viewed from any angle, we do not find any good ground or reasoning warranting interference with the order of the State Commission. Hence, we decline to interfere.
- **27**. Accordingly, for the reasons mentioned above, the appeal is dismissed.
- **28**. Parties to bear their own cost.
- **29**. Pronounced in the open Court on this 7<sup>th</sup> day of December, 2018.

S.D. Dubey [Technical Member]

Justice Manjula Chellur [Chairperson]

REPORTABLE/NON-REPORTABALE