BEFORE THE HON'BLE GUJARAT ELECTRICITY REGULATORY COMMISSION AT AHMEDABAD

9th May, 2002

CORAM : Justice S.D. Dave, Chairman
Shri B.M. Oza, Member
Shri R.K. Sharma, Member

PETITION NO. 73/2002

ORDER

This is the petition submitted by the Surat Electricity Co., in pursuance of our orders contained in para 18.5 in Case No. 21/2000 determining the tariff for the consumers of SEC. We have heard learned Counsel Shri Pujara along with Shri S.K. Duggal, Shri R.K. Tillan and Shri Murali Ranganathan representing the senior Management of SEC.

1) In our order dated 1.12.2000 in Case No. 21/2000 we passed the following orders in para 18.5 (B) :-

> "The Commission directs the SEC that henceforth all capital investment proposals should be submitted to the Commission with detailed cost benefits and analysis calculation and the Commission's approval would be obtained before incurring any capital expenditure"

2) It is in pursuance of these directions that the petitioner has now submitted the various proposals for capital investment in the course of the year 2002-03. Shri Duggal stated that the proposals are yet to be approved by the Board of Directors of the Company and they are also to be examined by the Audit Committee.

3) Shri Pujara as well as Shri Duggal and Shri Tillan presented various proposals which are detailed in Annexure 13 of the petition. The proposals submitted by them can be summarized as follows :

Sr No.	Particulars	Investment (Rs in lacs)
1	J - Receiving Station	1,301.25
2	F2 – Receiving Station	804.50
3	Power Transformer at G – Receiving Station	165.00
4	Transformer & S/w Gear Department	75.00
	Total	**2,345.75**

4) In the course of submission Shri Duggal as well as Shri Tillan mentioned how important and critical it was to undertake these investments for day to day operation and to improve efficiency of the system of supply in the licensed area served by the petitioner. They also dealt with certain cost elements and also comparison of their circumstances with other utilities like BEST and BSES. The petitioner prayed that the Commission should give approval in principle to these investment proposals.

5) After considering the facts mentioned in the petition and the explanation given by the petitioner in the course of submission, we approve in principle the SEC undertaking these investments in the course of the year 2002-03. However, the formal approval of the Commission alongwith comments and directions, if any, will be given to the company on receipt of necessary documents including the agenda items prepared for the Board of Directors, technical reports and such other details as may be required after the investment proposals are approved by the Board of Directors and scrutinized by the Audit Committee.

With these orders, the petition stands disposed off.

Sd/- Sd/- Sd/-

(JUSTICE S.D. DAVE) (B.M. OZA) (R.K. SHARMA)
CHAIRMAN MEMBER MEMBER

Place : Ahmedabad
Date : 9th May, 2002