

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VIII, BHUBANESWAR**

File No.

Case No. : 48 of 2012

IN THE MATTER OF: Suo motu proceeding initiated by the Commission under Regulation 70(1) of OERC (Conduct of Business) Regulation,2004 for review and implementation of "Take or Pay" Tariff for HT and EHT Industries with Guaranteed load factor introduced in RST order in case no. 93-96 of 2011 for FY 2012-13

And

IN THE MATTER OF:

Director (Tariff), Odisha Electricity Regulatory Commission

----- **Petitioner**

And

IN THE MATTER OF:

Southern Electricity Supply Company of Orissa Ltd
(SOUTHCO) Corporate Office, Courtpeta, Berhampur-
760004 & Others

----- **Respondents**

Most Respectfully Showeth:

1. That, the Respondent Company is a Distribution Licensee inter alia to undertake the distribution activities in the Southern part of Orissa.
2. That, Director Tariff, OERC filed Suo motu Petition regarding removal of difficulties for implementation of 'Take or Pay' tariff introduced by the Commission for FY 2012-13 and Commissions order to review it vide letter no. DIR(T)-389/2011/VOL-I/3286 dtd. 08.05.2012.

3. That, Hon'ble Commission has introduced 'Take or Pay' Tariff vide Para-262 of the Tariff Order FY 2012-13. The industries should guarantee in writing to pay for consumption of 70% of the Load Factor or actual drawl whichever is higher. For the purpose of determination of Load Factor (a) maximum demand shall be based on the highest demand recorded in hours in respect of hours other than off peak hours.
4. That, the 'Take or Pay' tariff also introduced in the tariff orders FY 2011-12 where in the guaranteed Load Factor was based on 75% of Load factor or actual consumption whichever is higher. For the purpose of determination of Load Factor , the contract demand shall be taken into consideration.
5. That, the current tariff order has considered 70 % load factor which is 5% less than the previous tariff order and also considered maximum demand instead of contract demand.
6. That, in the current tariff order the special rebate allowed is Rs.0.50 per kwh instead of 5% of the electricity charges.
7. That, the maximum benefit has been extended to the consumer under 'Take or Pay' tariff in respect of (i)lower load factor (ii) consideration of maximum demand as per graded slab tariff as well as (iii) enhancement of special rebate which is about 10% of the electricity charges.
8. That, M/s JCL has opted 'Take or Pay' tariff and SOUTHCO has incurred financial losses of Rs.1.50 Cr during 1st three months of FY 2012-13.

Month	PF	CD in KVA	MD recorded in KVA	Actual Consumption(Units)	Guaranteed consumption on the basis of CD(Units)	Guaranteed consumption on the basis of MD(Units)	Special Rebate @ Rs.0.50 per KWH (Rs.)
Apr-12	0.9776	17778	16225	10160152	8759405	7994226	5080076
May-12	0.9776	17778	16318	9957288	9051386	8308050	4978644
Jun-12	0.9777	17778	16450	9896616	8760302	8105915	4948308
			TOTAL				15007028

9. That, if Hon'ble Commission would not have allowed the special rebate of Rs.0.50 per KWH, JCL also would have consumed the same energy as it is a power intensive industry. The Special rebate allowed by Hon'ble commission also not taken care of in the approved RST of the Licensee under EHT category.
10. That, in view of the above, it is observed that Southco would realize less revenue of Rs.6.00 Cr during the FY 2012-13 due to allowance of special rebate under 'Take or Pay' tariff as it is a existing consumer and was consuming minimum of 80% LF on the basis of recorded maximum demand.
11. That, in the licensed area no other consumers have expressed their willingness to avail 'Take or Pay' Tariff even though the guaranteed load factor reduced to 70% with allowance of special rebate of Rs.0.50 per KWH on the consumption. Hence, the intention of the Hon'ble Commission could not be materialized.

P R A Y E R

It is prayed that the Hon'ble Commission may revisit to the Para-262 of the Tariff Order and

- (i) To withdraw the special rebate of Rs.0.50 per KWH on the consumption on guaranteed load factor of 70% or actual consumption whichever is higher.
- (ii) Special Tariff mechanism may be established and allow the licensee to negotiate with the intending consumers on a case to case basis which shall be win-win situation to both licensee as well as the consumers limiting to tariff application from time to time.

For & on behalf of SOUTHCO

DGM (Commerce)
SOUTHCO

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Affidavit verifying the Application:

I, Sri M.V.Rao, Son of Late M. Apparao , aged about 58 years, residing at Ambapua, Berhampur do hereby solemnly affirm and state as follows:

I am the DGM (Commerce) of the Southern Electricity Supply Company of Orissa Limited (SOUTHCO), Courtpeta, Berhampur-760004 and the Licensee in the above matter; I am competent to make this affidavit.

The statements made in the above para of the application are true to the best of knowledge and belief.

Place: Berhampur

Date: 06.07.2012

DEPONENT
DGM(Commerce)
SOUTHCO