BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION

BHUBANESWAR

Case No. 48/2012

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:

North Eastern Electricity Supply Company of Orissa Ltd (NESCO),
Corp. Office-Januganj, Balasore-756019 & Others

---------Respondents

The humble Respondent above named most respectfully sheweth:

1. That, North Eastern Electricity Supply Company of Orissa Limited (NESCO), a Distribution and Retail Supply licensee, in Odisha has been carrying out the business of distribution and retail supply of electricity in the five districts of Orissa namely Balasore, Bhadrak, Jajpur, Keonjhar and Mayurbhanj by virtue of License granted to it vide No.3/99 by the Hon’ble OERC.

2. That, NESCO has filed the ARR application for FY 2012-13 before Hon’ble OERC on dtd. 30.11.11, which was registered as case no. 94 of 2011.

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 Hon’ble Commission vide their Lr. No. DIR(T)-389/2011/VOL-I/3286, dtd. 08.05.2012 has directed DISCOMs to implement the scheme of the Commission first and desired to review the scheme after three months considering the feedback of all stakeholders.

8. That, again vide Lr. No. DIR(T)-389/2011/VOL-I/3518, dtd. 20.06.2012 the Hon’ble Commission desired the information on status of ‘Take or Pay’ by 30.06.2012 for consideration.

9. That, in reference to above & para 10 of the petition of the petitioner it is submitted that vide Lr. No. RA-122/9724, dtd. 26.06.2012 NESCO has already submitted the information on status of ‘Take or Pay’ as desired by the Hon’ble Commission. The information submitted is enclosed to this submission as ‘ANNEXURE-I’.

10. That, in view of the above, **NESCO would realize less revenue of minimum Rs.55.63 Cr** during the FY 2012-13 due to allowance of special rebate under ‘Take or Pay’ tariff as these consumers were already consuming a minimum of 80% LF (except IDCOL Ferro Chrome) in the FY 2011-12. Detail is enclosed as ‘Annexure-II’.

11. That, to maintain present revenue intact the consumers having load factor of 70% and above have to increase their load factor by another 10% in minimum. Detail enclosed as ‘Annexure-III’.

12. That, as per para 263 of RST order for FY 12-13 the industries both in HT and EHT category having CD 110KVA above are already incentivized through graded slabs. The graded slabs are implemented to maintain higher load factor which benefited,
specially power intensive consumers whose normal consumption are more than 70% load factor.

13. That, if Hon’ble Commission would not have allowed the special rebate under ‘Take or Pay’ then also these consumers would have maintained same load factor & consumption due to their nature of operation.

14. That, the Special rebate allowed by Hon’ble commission is also not taken care of in the approved RST of the Licensee under EHT category.

**Prayer**

It is therefore, most respectfully prayed that the above submission of the respondent (NESCO) may kindly be considered by the Hon’ble Commission and the special rebate under ‘Take or Pay’ may be waived from RST order FY 2012-13.

By the Applicant

Place: Balasore

Date:

Through

General Manager (RA)
BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESWAR

Case No. 48/2012

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:

North Eastern Electricity Supply Company of Orissa Ltd (NESCO), Corp. Office-Januganj, Balasore-756019 & Others

---------- Respondents

Affidavit verifying the Submission:

I, Sibaduta Bhanj, Son of late R.K. Bhanj, aged about 56 years, residing at Balasore, do hereby solemnly affirm and state as follows:-

I am the General Manager (RA) of the North Eastern Electricity Supply Company of Orissa Limited (NESCO), Corp. Office-Januganj, Balasore-756019.

The statements made above along with the annexure annexed here with are true to the best of my knowledge and are based on information and records and I believe them to be true.

Place: Balasore

DEPONENT

Date:
To,

The Director (Tariff),
Orissa Electricity Regulatory Commission,
Bidyut Niyamak Bhawan, Unit-VIII,
Bhubaneswar-12


Sir,

In reference to the above, the information as desired by Hon'ble Commission on 'Take or Pay' tariff is as following:

<table>
<thead>
<tr>
<th>Sl No.</th>
<th>Name of The Consumer</th>
<th>Category</th>
<th>Date of Application received from consumer</th>
<th>Date of Permission (Allowed / Not Allowed to Avail Take or Pay)</th>
<th>Reason for Not allowing Take or Pay</th>
<th>Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M/s Rohit FerroTech</td>
<td>EHT</td>
<td>28.03.12</td>
<td>25.05.12</td>
<td>-</td>
<td>Executed on 20.06.12</td>
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<td>2</td>
<td>TISCO, Brahmanipal</td>
<td>EHT</td>
<td>04.04.12</td>
<td>25.05.12</td>
<td>-</td>
<td>Not Executed</td>
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<td>EHT</td>
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<td>25.05.12</td>
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<td>Not Executed</td>
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<td>4</td>
<td>M/s IDCOL FerroChrome</td>
<td>HT</td>
<td>02.05.12</td>
<td>25.05.12</td>
<td>-</td>
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<td>5</td>
<td>M/s Tata Steel, Joda</td>
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<td>31.03.12</td>
<td>25.05.12</td>
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<td>6</td>
<td>Pankaj Industries</td>
<td>HT</td>
<td>01.06.12</td>
<td>Not Allowed</td>
<td>As consumer has simultaneously applied for Load reduction</td>
<td>-</td>
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Yours faithfully,

[Signature]

General Manager (RA & AO)

Cc to: M.D. Cell, NESCO for Kind information of M.D. This is as per the information provided by Commerce Branch, Corporate Office.
<table>
<thead>
<tr>
<th>SL. NO.</th>
<th>NAME</th>
<th>CAT</th>
<th>SUP. VOLT KV</th>
<th>CD KVA</th>
<th>Apr-12 Kwh</th>
<th>Asst.(Rs.)</th>
<th>May-12 Kwh</th>
<th>Asst.(Rs.)</th>
<th>Jun-12 Kwh</th>
<th>Asst.(Rs.)</th>
<th>TOTAL Kwh</th>
<th>Asst.(Rs.)</th>
<th>Rate Per Kwh (Rs.)</th>
<th>Net Rate Per Unit after take or pay (Rs.)</th>
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<tbody>
<tr>
<td>1</td>
<td>Balasore Alloys</td>
<td>POI</td>
<td>132</td>
<td>44000</td>
<td>29252688</td>
<td>137555021</td>
<td>29994736</td>
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<td>28427168</td>
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<td>55519921</td>
<td>11714000</td>
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<td>4</td>
<td>Rohit FerroTech</td>
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<td>10700</td>
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OERC Approved Rate Per Kwh FY 12-13 (EHT & HT))

Actual Rate Per Kwh (Average of April-12 and June-12)
Excess Approved Per Unit

Estimated Consumption of above Consumers as per ARR (MU) for Fy-2012-13

Expected Take or Pay Impact (Rs. In Crs.) in FY 12-13

5.47
4.32
1.15
1113
55.63
## Loss of Revenue on account of implementation of "Take or Pay" Tariff

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Name of Consumer</th>
<th>CD (KVA)</th>
<th>Avg L/f of last year (FY 11-12)</th>
<th>Avg L/f of Cur year (FY 12-13)</th>
<th>Avg MDI of Cur Year (KVA)</th>
<th>Total KWH April to June’12</th>
<th>Total Asst. April to June’12</th>
<th>Avg Monthly Kwh</th>
<th>Avg Monthly Asst</th>
<th>Rate per KWH</th>
<th>Net Rate per KWh after Take or Pay</th>
<th>Average L/F to maintain the present revenue intact</th>
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<td>M/s Balasore Alloys</td>
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<td>92</td>
<td>93</td>
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<td>TISCO Brahmapal</td>
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