

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VII, BHUBANESHWAR

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:

Western Electricity Supply Company of Orissa Ltd (WESCO)

Corporate Office, Burla, Sambalpur-768017 & Orissa

Respondent

Affidavit verifying the Application :

I Sri Santosh Kumar Patel, Son of Pafulla Kumar Patel, aged about 56

years, residing at Burla, Sambalpur do hereby solemnly affirm and state as

Sl. No. 1
a) 1/2/2012

b) 1/2/2012

c) 1/2/2012

d) 1/2/2012

e) 1/2/2012

f) 1/2/2012

g) 1/2/2012

h) 1/2/2012

i) 1/2/2012

j) 1/2/2012

k) 1/2/2012

l) 1/2/2012

m) 1/2/2012

n) 1/2/2012

o) 1/2/2012

p) 1/2/2012

q) 1/2/2012

r) 1/2/2012

s) 1/2/2012

follows:
I am the GM(Commerce) of the Western Electricity Supply Company of Orissa Limited (WESCO), Burla, Sambalpur-768 017 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: Burla

The document being filed
by Sri. *[Signature]* Advocate
solemnly sworn before me
today at 5.40 AM, P.M.

Santosh Kumar Patel

DEPONENT

WESCO



[Signature]
NOTARY
SAMBALPUR

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----- Petitioner

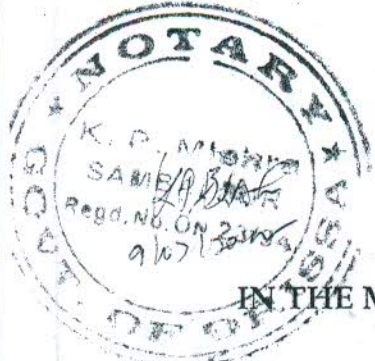
And

IN THE MATTER OF:

Western Electricity Supply Company of Orissa Ltd (WESCO)
Corporate Office, Burla, Sambalpur-768017 & Others
----- Respondents

Most Respectfully Showeth:

1. That, the Respondent Company is a Distribution Licensee inter alia to undertake the distribution activities in the Western part of Odisha.
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.



Santosh Kumar Patel

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.

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, there are 23 industries has opted for 'Take or Pay' tariff and the impact on account of same from April-12 to June-12 is Rs.1.01 crs, Rs.1.37 crs and Rs.1.61 crs. So, total financial loss till June-12 is Rs.3.99 crs. Out of the 23 industries there are 7 industries where L.F. is less than 70% but still then wesco is losing on account of 50 paise per unit. A detail sheet is enclosed herewith in **Annexure-I**



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9. That, it is found that the industries those who are availing the "Take or pay tariff" during the current financial year were also running in the same L.F. during last year (FY-11-12). A calculation sheet is enclosed herewith in **Annexure-II**.

10. That, in addition to above there are around 4 more industries running in more than 70% L.F. but have not opted the "Take or pay tariff" so, far. The financial impact will again increase when they will opt for "take or pay tariff". Consumer wise detail is enclosed herewith in **Annexure-III**.

11. Further, it is also submitted that even the industries presently running with Less than 70% L.F. and opting for "take or pay" tariff then wesco shall lose as the present rebate of 50 paise per unit is very high. A list of such industries is enclosed herewith in **Annexure-IV**.

12. That, considering the above the special rebate of Rs.0.50 per KWH if continued further, WESCO shall suffer further financial loss. The Special rebate allowed by Hon'ble commission also not taken care of in the approved RST of the Licensee under HT & EHT category.

13. That, in view of the above, it is observed that WESCO shall realize less revenue of around Rs.20.00 Cr during the FY 2012-13 due to allowance of special rebate under 'Take or Pay' tariff from the consumers already opted for as the consumers availing the above tariff are consuming around 70% or more LF on the basis of recorded maximum demand. Further, loss shall be increased to greater extent if more consumers shall be opted for take or pay tariff in future.



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14. That, it is proposed that the above benefit if at all be extended, the quantum of assured energy may be calculated considering 70% of CD or MD during peak or MD during off-peak period(>120%) whichever is higher.

15. That it is also proposed that this 'Take or Pay' tariff may not be extended to EHT consumer i.e. above 33kv level.

For & on behalf of WESCO

Santosh Kumar Patel
GM(Commerce)
WESCO



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WESCO LTD.															Statement of financial Impact on account of "Take or Pay Tariff"															Rs. Lacs				
SI No.	NAME	DIVISION	ACC NO	CATEGORY	CD	Jun-12					May-12					Apr-12																		
						LF	PEAK MD	OFFPEA K MD	EC AS PER TAKE OR PAY	EC AS PER NORMAL TARIFF	Diff Ec	LF	PEAK MD	OFFPEA K MD	EC AS PER TAKE OR PAY	EC AS PER NORMAL TARIFF	Diff Ec	LF	PEAK MD	OFFPEA K MD	EC AS PER TAKE OR PAY	EC AS PER NORMAL TARIFF	Diff Ec											
1	M/S. CHUN CHUN ISPAT (P) LTD	8130	0220	POI	2500	0.76	2423	2396	55.10	62.08	6.98	0.72	2470	2444	55	62	7	0.75	2469	2442	55.84	62.51	6.67											
2	M/S. VISHAL FERRO ALLOYS LTD	8130	0221	POI	4900	0.57	4770	5483	92.93	104.35	11.42	0.62	4774	5685	108.01	125.57	17.56	0.61	4916	5,629	104.38	116.90	12.52											
3	M/S ATTITUDE ALLOYS PVT.LTD.	4140	0002	LARGE	3000	0.84	3816	3330	94.52	106.01	11.49	0.79	3516	3414	85.43	95.71	10.28	0.89	3408	3,402	88.86	99.77	10.91											
4	M/S.TRL KROSAKI REFRACTOIES LTD	4130	0003	LARGE	6200	0.76	5437	5227	122.28	150.56	28.29	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A											
5	M/S.21ST CENTURY FERRO & ALLOY	8140	0101	LARGE	3600	0.59	3398	3289	61.10	70.55	9.45	0.66	3615	3575	73.90	34.68	10.78	0.70	3702	3,684	79.34	85.39	6.05											
6	M/S ASHOKA MULTIYARN MILLS LTD	8120	0002	LARGE	2200	0.75	2244	2160	50.55	57.02	6.47	0.80	2172	2070	53.44	60.26	6.82	0.84	2142	2,076	52.93	59.76	6.83											
7	M/S. DD IRON & STEEL (P) LTD	8130	0186	POI	2500	0.77	2358	2322	54.30	60.81	6.50	0.76	2376	2310	55.88	62.63	6.76	0.81	2365	2,323	56.93	63.81	6.88											
8	SHRI RADHA RAMAN ALLOYS LTD	8130	0188	POI	2530	0.75	2555	2449	57.62	64.78	7.16	0.80	2440	2432	59.93	67.28	7.35	0.83	2503	2,494	61.23	68.66	7.43											
9	M/S SURAJ PRODUCTS LTD.	8130	0052	LARGE	1000	0.68	1018	912	21.27	22.41	1.14	0.72	1014	940	22.67	25.55	2.87	0.70	967	912	20.84	20.50	-0.34											
10	BAJRANG STEEL &ALLOY(P) LTD	8130	0078	MSP	5500	0.65	5183	5096	105.60	94.04	-11.55	0.66	5352	5208	112.23	121.84	9.61	0.70	5220	5,166	112.55	116.54	3.99											
11	M/S MAA GIRIJA ISPAT(P)LTD.	8130	0111	LARGE	2600	0.69	2464	2389	51.92	55.87	3.96	0.74	2544	2606	59.01	67.15	8.14	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A											
12	M/S TOP TECH STEELS PVT.LTD.	8130	0110	LARGE	2800	0.83	2736	2736	66.98	75.11	8.13	0.80	2844	2796	70.21	78.69	8.48	0.80	2844	2,796	67.43	75.56	8.13											
13	M/S SRI JAGANNATH ALLOYS P LTD	8130	0112	POI	2000	0.72	2170	2177	47.68	53.52	5.84	0.70	2376	2388	52.48	59.06	6.58	0.79	2400	2,388	56.52	63.33	6.80											
14	SHRI RADHAKRISHNA ISPAT(P)LTD.	8130	0143	POI	5400	0.67	2502	2484	50.90	57.61	6.71	0.66	2742	2754	57.73	59.76	2.03	0.70	2664	2,652	57.07	55.60	-1.46											
15	M/S.SCAN STEELS LTD (UNIT-I)	8130	0090	MSP	5000	0.68	5176	5213	101.02	106.67	5.65	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A											
16	M/S SHUBH ISPAT LTD.	8130	0115	LARGE	2400	0.63	2916	2871	56.24	62.13	5.89	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.70	3020	2,898	64.51	69.51	5.00											
17	M/S SATGURU METALS & POWER (P)	8130	0191	POI	2700	0.70	2634	2628	55.87	61.12	5.25	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A											
18	M/S SHREE AUSTA BINAYAK STEELS	8130	0192	POI	3000	0.73	2728	2726	60.36	67.69	7.34	0.81	2750	2717	68.56	77.01	8.45	0.75	2772	2,754	62.94	70.46	7.52											
19	M/S. SCAN STEELS LTD(UNIT-II)	8130	0106	MSP	6000	0.69	5749	5850	118.43	96.54	-21.89	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A											
20	M/S.ASHOKA ISPAT UDYOG	8130	0156	LARGE	1830	0.68	1806	1788	37.90	39.80	1.89	0.68	1818	1806	38.79	42.49	3.71	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A										
21	M/S REFULGENT ISPAT PVT.LTD.	8130	0089	POI	3750	0.71	2907	2862	62.27	69.91	7.65	0.66	2844	2790	59.68	62.72	3.03	0.70	2970	2,880	63.47	69.76	6.29											
22	M/S MAA LAXMI STEELS(P)LTD.	8130	0093	POI	3405	0.68	4890	4438	102.43	108.71	6.28	0.66	4690	4600	98.20	107.73	9.53	0.70	4900	4,806	105.74	108.43	2.69											
23	SHREE SALASAR CASTINGS(P)LTD.	8130	0094	LARGE	3600	0.64	2664	2664	52.04	59.17	7.13	0.67	2784	2796	59.14	66.79	7.65	0.70	2856	2,808	61.39	64.96	3.57											
											160.63					136.58					101.28													

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