ORISSA ELECTRICITY REGULATORY COMMISSION BIDYUT NIYAMAK BHAVAN, UNIT – VIII, BHUBANESWAR – 751012

Present: Shri D.C. Sahoo, Chairman

Shri H.S. Sahu, Member Shri B.C. Jena, Member

CASE NO.42/2002

M/s Ashoka Synthetics Ltd.,

Kirei, Sundargarh Applicant

Vrs

M/s Western Electricity Supply Company of Orissa Ltd., At/P.O. Burla,

Dist. Sambalpur Respondent

For Applicant : Shri D.P.Nanda, Advocate

For Respondent : Shri R.R.Supkar,

Executive Engineer (Electrical)

Date of Hearing :05.02.2003

Date of Order : 07.04.2003

ORDER

The Applicant Company M/s Ashoka Synthetics Ltd. is an industrial consumer situated at licensee M/s WESCO's area of supply. The applicant has been availing power through 33 KV line by an agreement with erstwhile OSEB executed on 10th November, 1993 for contract demand of 1080 KVA under the category of large industries.

- 2. The power supply to the petitioner's premises is served through Sarkara s/s which receives power at 33 KV either from Rajgangpur (68 KM from Rajgangpur) or from Brajarajnagar (about 45 KM from Brajrajnagar). In other words, the petitioners industry can be fed from either Rajgangpur 132/33 KV s/s through a 33 KV lines length of 68 KM or from Rajgangpur 132/33 KV s/s though a 33 KV line length of 45 KM. In either case, the petitioner's industry remains at the tail end of both the 33 KV feeders.
- 3. The petitioner has submitted that WESCO is obliged to provide uninterrupted power supply at rated voltage as per terms and conditions of the agreement and since it has not ensured such supply, it constitutes flagrant violation of agreement. He has further stated that due to frequent power outages, tripping and consistently low voltage, the power supply to his industry remained since inception mostly erratic, leading to great financial loss. To add to his woes, M/s WESCO has given a new connection of 4 MVA load to M/s. Shristi Ispat Udyog near Bargaon from the Rajgangpur feeder which virtually sealed the option of supplying power from Rajgangpur side, whenever necessary. Further, the entire load of Sundargarh Town including the applicant's industry has been loaded on Brajrajnagar feeder. His predicament has turned worse due to such overloading.
- 4. The applicant has stated that he has knocked at the door of the licensee several times for the effective reddressal of his grievances, but it has not taken any tangible and concrete steps in this regard. To buttress up his aforesaid allegation, the applicant has filed a statement of power failures & consistent low voltage conditions at his premises from July, 2001 to July, 2002, which indicated month-wise hours of supply failure including low voltage & tripping. He has alleged that neither the power is available for a period ranging between 5 and 10 hours in a day nor the quality of voltage is satisfactory, as a result of which the industry has suffered heavily.

- 5. The applicant further alleges that the supplier M/s WESCO has miserably failed to fulfil its contractual obligations for supply of steady and quality power and thereby it has breached the provisions of the agreement executed between the parties. Since the licensee has failed to maintain proper supply as per terms and conditions of the agreement, it should factor the loss of hours while calculating the monthly energy charges and the applicant is entitled to proportionate reduction in Demand Charges, as the Demand Charges as per their understanding, are claimed on the premises of 24-hours/day supply, he is entitled to reduction in Demand Charges in proportion to monthly loss of hours.
- 6. In reply, the respondent M/s WESCO has stated that it had been supplying power as per the requirements of the applicant and as per the prevalent transmission conditions. WESCO receives power at 33 KV from transmission licensee M/s GRIDCO from different 132/33 KV substation supply points. The voltage regulation at 33 KV is beyond the control of WESCO as 33 KV power supply emanating from 132/33 KV Grid substation is under the control of GRIDCO. The low voltage of applicant's industry is attributed mainly to its locational disadvantage, (at the tail end of supply from either 132/33 KV Grid substation Rajgangpur or Brajrajnagar) and bad weather/prevailing grid conditions. M/s. WESCO has admitted that it is aware of low voltage conditions since later part of 1999 and has been engaged to resolve it by (i) augmentation of conductor size and (ii) re-routing 33 kV line directly to the petitioner's premises instead of taking in through Sundargarh s/s. But its efforts have come to naught. It has further stated that the situation can improve only after the commissioning of one 132/33 KV substation at Sundargarh from which a dedicated feeder will be earmarked to applicant's industry.
- 7. Regarding supply of power to a new consumer (M/s. Shristi Ispat Udyog) from a already over loaded feeder, M/s WESCO stated that it had discharged its statutory obligation as a supply licensee.

- 8. M/s. WESCO has further stated that the proportionate reduction in Demand Charges as prayed by the petitioner is not admissible as the bills were prepared in accordance with the tariff notification and as per the provisions of OERC Distribution (Condition of Supply) Code, 1998.
- 9. After taking into account oral and documentary evidence on record by both the parties, we feel that WESCO as a supply licensee has failed to address effectively the problems encountered by a large industrial consumer, located within its area of supply. There is no gainsaying the fact that WESCO is bound by the license conditions to maintain security of supply which, among other things, comprise voltage regulation and the reliability of supply system even for consumers at the tail end of supply. WESCO has admitted that voltage condition was within the permissible limit during the initial period of supply. But with growth of load in around the area, voltage conditions deteriorated. Its statement to the effect that there was some modicum of improvement in the voltage conditions thanks to bypassing of Sundargarh substation appears to be incredulous. It has not been mentioned as to whether augmentation of the conductor has been effected in the whole stretch of supply. It is highly deplorable that the problem of a large industry with a contract demand 1080 KVA which contributes monthly revenue more than 10 lakhs towards energy charges to the supply licensee has remained unattended for such a good length of time. Hence, we direct M/s WESCO to come up with a proposal for firm commitment, towards necessary system improvement within 30 days of receipt of this order to ensure good quality and reliable power supply to the applicant's industry. The Complaint Handling Procedure adopted by WESCO in pursuance of 21(II) of Orissa Distribution and Retail Supply License as approved by OERC stipulates that this problem should have been resolved within a period of six months since it involves augmentation of the system. Further, we do not appreciate WESCO's contention that they have no role to play in the regulation of 33 kV voltage since it emanates from GRIDCO's substation. Incidentally, we have got the voltage verified at

Brajarajnagar take off point which found to be very normal. As such, shifting the blame to GRIDCO for low voltage condition does not hold any water.

10. We do not find any substance with regard to applicant's claim for proportionate

reduction in Demand Charges. The Regulation 85(2) of the OERC Distribution

(Condition of Supply) Code, 1998 clearly states as under:

"85(2) Such monthly demand charges shall be payable during the

continuance of the agreement under Regulation 15 even if no

electricity is consumed for any reason whatsoever or supply has

been disconnected due to default of the consumer."

On examination of the applicant's case with the above-cited regulation, we are of

the opinion that the contention made by the applicant for the reduction of

Demand Charges on ground of low voltage or outage does not hold good.

11. With regard to applicant's prayer for setting up a captive power plant, the

applicant is at liberty to file an application before the Commission following the

prescribed procedure. At that time, the Commission will scrutinize the same and

after consultation with concerned licensee will pass appropriate order.

With the above observations we dispose of this matter.

Sd/-(H.S. Sahu) Member Sd/-(B.C. Jena) Member Sd/-(D.C. Sahoo) Chairman

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