

- (iii) Any sudden power failure will lead to heavy damage to sophisticated plant components due to choke-feed.
 - (iv) In the event of abrupt power break down 2 to 7 days are required to bring back the plant functional.
 - (v) With fully computerized control panel of DG connections, slightest fault is shown and corrective measures are taken step by step. This makes DG set and plant operation safe.
 - (vi) The firm is bound by contractual obligation to finish the work within the targetted date or else it is liable to pay liquidated damages to the extent of Rs.5.00 lakh per day of delay.
 - (vii) The case has been recommended favourably by the National Highway Authority of India.
3. M/s SOUTHCO in its letter dt.28.5.2002 have stated that they can supply power from their own source to the proposed plants. The applicant has not yet submitted application to the licensee for supply of power. It has further stated that consent if accorded by the Commission for establishment of aforesaid DG sets will give a serious jolt to the financial health of the licensee and consent may alone be granted to run the DG sets as stand by mode. M/s SOUTHCO has reiterated that it has been vested with the rights to supply electricity within its earmarked jurisdiction. No person without prior consent in writing of the Commission or without obtaining permission from the licensee can generate electricity through any machinery or plant within Orissa.
4. M/s SOUTHCO has brought out that the applicant has been running the DG sets unauthorisedly for a period of last six months. This has been corroborated by Asst. Electrical Inspector vide his letter dtd.07.6.2002. In its subsequent letter dtd.10.6.2002, SOUTHCO has undertaken the responsibility for supplying power at a single point for a load of 498 KVA at 33 kV for the plant located at Palur Hills subject to the following conditions to be fulfilled by the applicant.
- a) The applicant has to bear the cost of construction of 1 km. 33 KV line. The work is to be executed through a licensed electrical contractor duly depositing 6% supervision charges.

- b) A 750 KVA 33/4 KV substation with adequate protective device including 33 KV circuit breaker which is to be subsequently maintained by the applicant.
 - c) The applicant has to deposit Rs.33.60 lakh.
 - d) On receipt of security deposit agreement is to be signed with the licensee.
5. In its rejoinder, M/s D.D. Builders Ltd. submitted that the duration of power supply is only for a short period and as soon as the construction of the national Highway from Ichhapuram to Ganjam is complete, there shall be no occasion for running three DG sets for generation of power. In this case, the cost comparison as required u/s 44 of the Supply Act, 1948 is irrelevant.
6. The applicant further submitted that the National Highway Authority of India had set down a rigid time frame for completion of the various components of work. He has further stated that construction of one km., 33 KV line in compliance with the direction of the licensee will consume considerable time and will not serve any useful purpose as and when the project becomes complete. Obviously M/s SOUTHCO will also take good deal of time to draw line for power supply to the locational points where the petitioner has installed DG sets. The licensee also has neither assessed the economical rate at which power can be supplied to the petitioner nor has committed to supply the power in a stable and uninterrupted manner. The applicant has expressed his strong reservation with regard to the security deposit of the order of Rs.37.00 lakh beside the cost of constructing line aggregating to Rs.10.00 lakh. Thus, time is quint-essence to fulfill the contractual obligation. He has also further submitted that the sophisticated equipments require qualitative and stable power without any voltage fluctuation. Interruption or frequency disturbance will lead to damages to the sophisticated machineries. Under the above circumstances, the applicant has prayed the Commission to acquire permission to set up DG sets in stand-alone mode.
7. M/s SOUTHCO in its letter dt.20.6.2002 has proposed to give power supply to this unit at their own cost and this will be commercially viable.

8. The Commission after having examined the arguments of both the parties has come to the conclusion that the compensation for non-achievement of the target set in respect of a project of such national importance should be kept in view. Since the installations require uninterrupted power supply of proper quality and quantity it will be advisable to allow the applicant to utilize the DG sets on standalone mode.
9. The Commission further directs the Electrical Inspector to take appropriate action on the reported unlawful running of the DG sets after proper verification.

The case is disposed off accordingly.

Sd/-
(B.C. JENA)
M E M B E R

Sd/-
(D.C. SAHOO)
C H A I R M A N