

have improved power supply to their plant is very slow. Although NESCO has granted them permission for availing additional 500 KVA power in addition to their existing contract demand of 700 KVA, they have not availed of the same due to the poor quality of power. Their unit is a continuous process industry. In the event of failure of the existing D.G. sets, their unit will bear heavy loss. Hence, their application for 1000 KVA D.G. set to be used as a standby to their existing D.G. sets.

3. The M.D., NESCO in his submission has contended that necessary permission was given to the applicant to enhance its existing load of 700 KVA by another 500 KVA. But without executing necessary agreement and without depositing necessary security amount for the additional 500 KVA load, the petitioner has made an application before the Commission for grant of permission for installation of 1000 KVA D.G. set as standby to the existing standby D.G. set. When the petitioner is having 1263 KVA D.G. sets as standby against existing contract demand of 700 KVA there is no necessity of granting any permission for installation of another 1000 KVA D.G. set. If such an application is allowed, the petitioner may misutilise the same.
4. NESCO has further submitted that the petitioner is availing power supply from Tensa Grid, the supply line passing through dense forests. At times, there has been interruption of power supply. For improvement of the system, steps have been taken through World Bank Assistance (PMU Scheme) to draw a dedicated feeder for the Industrial belt at Barbil from Sundara to Rugudi. The work would be completed within 10 to 15 days. Once the work is completed, the power supply to industrial belt/area would improve. Therefore, grant of permission for 1000 KVA D.G. sets in addition to the existing D.G. sets may not be allowed and the application may be rejected.

5. We have heard the petitioner and advocate for NESCO. Permission for establishment of new D.G. set is granted u/s 44 of the Electricity (Supply) Act, 1948 r/w Sec. 21(3) of the OER Act, 1995. Sec. 44 of the Electricity (Supply) Act, 1948 provides that consent for establishment of a new generating station shall not be withheld unless within three months from the date of receipt of application, the Board
- i) gives to the applicant, being a licensee, an undertaking that it is competent to, and will, within twenty-four months from the said date, afford to him a supply of electricity sufficient for his requirements pursuant to his application; or
 - ii) shows to the applicant that the electricity required by him pursuant to his application could be economically obtained within a reasonable time from another appropriate source.

In the instant case, NESCO, the Supply licensee has already permitted the applicant for availing additional power supply of 500 KVA in addition to their existing 700 KVA contract demand. NESCO has thus agreed to provide electricity to the applicant sufficient for his requirement.

6. Besides the cost of electricity available from the grid is Rs.2.83/unit at 80% L.F. against the cost of electricity at more than Rs.4.00/unit if generated through D.G. sets as stated by the petitioner. Thus, power supply from the grid is more economical than the power to be available from the D.G. set.
7. NESCO has also intimated that, for improvement of power supply to industrial belt/area at Barbil, where the plant of the applicant is located, a dedicated feeder is being constructed from Sundara to Rugudi. Out of 170 spans of the 33 KV feeder line, pole erection, fittings, putting stays have already been completed and stringing work of 154 spans have been completed. The balance work of 16 spans is expected to be completed

within a period of 10 to 15 days, and thereafter power supply can be availed through the said feeder. This would ensure better quality of power supply to the applicant.

8. The petitioner has filed the application for permission to install a 1000 KVA D.G. set, mainly to act as a standby to the existing standby 1263 KVA D.G. sets, because of frequent power failure and poor quality of supply to its plant. However, in view of the categorical assertion by NESCO, that, steps have been taken by the licensee for providing a dedicated feeder for ensuring better quality of power supply and minimum interruption at the plant site, there is no need for permitting the petitioner to install another 1000 KVA standby D.G. set, particularly, when there exists 1263 KVA Standby D.G. sets as against a contract demand of 700 KVA. As such, the application of the petitioner for permitting to install additional 1000 KVA Standby D.G. set is rejected.

Sd/- (B.C. JENA)
MEMBER

Sd/- (H.S. SAHU)
MEMBER

Sd/- (D.C. SAHOO)
CHAIRMAN