

**ORISSA ELECTRICITY REGULATORY COMMISSION  
BIDYUT NIY AMAK BHAWAN  
UNIT-VIII, BHUBANESWAR -751 012**

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Present : Shri D.C.Sahoo, Chairperson  
Shri B.C. Jena, Member  
Shri S. K. Jena, Member

**Dated the 12<sup>th</sup> day of August, 2005**

**Case No.21 of 2005**

Southern Electricity Supply Company of  
Orissa Ltd. (SOUTHCO)

. . . . **Petitioner**

**In the matter of :** *Approval of Special Agreement with M/s. Jayshree Chemicals Ltd.  
Under Reg. 81 of the OERC Distribution (Conditions of Supply)  
Code, 2004*

For the petitioner - Mr. U.K. Panda, VP, CSO, BBSR

**ORDER**

SOUTHCO has filed a petition for approval of Special Agreement with *M/s. Jayshree Chemicals Ltd. (JCL)* under Regulation 81 of the OERC Distribution (Conditions of Supply) Code, 2004. The reasons cited by SOUTHCO for extending the benefit of Special Agreement to *M/s. Jayshree Chemicals Ltd.* are as follows: -

2. That, *M/s. Jayshree Chemicals Limited (JCL)*, Ganjam is a power intensive industry category consumer under SOUTHCO, having a contract demand of 11,111 KVA, availing power supply at 33 KV.

- 2.1 That, the consumer was rehabilitated under BIFR and therefore was allowed special tariff based on a minimum guaranteed load factor of 75% on a Contract Demand of 11,111 KVA by entering into a special agreement with SOUTHCO with effect from July, 2003 for a period of one year. The special agreement continued up to March-2005. The loss on account of difference between the normal Retail tariff and the special tariff was absorbed by SOUTHCO from July-2003 to March-2005.
- 2.2 That, in order to encourage energy sale to power intensive industries and improve the energy consumption in HT/EHT category, SOUTHCO in its Annual Revenue Requirement & Retail Supply Tariff Application for the year 2005-06 had requested the Hon'ble Commission to allow special tariff for power intensive industries category consumers maintaining a minimum guaranteed load factor of 80% or more.
3. M/s. JCL also entered appearance and vehemently argued for extending them the benefit of the special agreement as prayed for by SOUTHCO, otherwise they would not be in a position to avail power supply at the Retail tariff rate, leading to closure of the Company which will be a loss both to M/s. JCL as well as to SOUTHCO.
4. A copy of supplementary agreement has been appended to the petition, which among other things, stipulates that the duration of the agreement will be from 01.04.2005 to 31.03.2006.
  - 4.1 The consumer will avail power supply at 33 KV with a contract demand under existing 10 MW/11, 111 KV A as given below : -
    - (a) *THE CONSUMER shall pay to the Licensee a consolidated energy charges (including demand charges) for monthly energy consumption*

*corresponding to 10,000 KW/11,111 KV A contract demand as mentioned below: -*

<i>Load Factor</i>	<i>Consolidated Energy Charges Rs./kWh.</i>
<i>For Load Factor of 80% and more but less than 90%</i>	<i>Rs.2. 40</i>
<i>For Load Factor of 90% and more</i>	<i>Rs.2. 30</i>

*(b) Load Factor will be calculated for 24 hrs. and total number of days of the month with reference to contract demand or maximum demand in KW whichever is higher. Actual power factor shall be multiplied in place of 0.9 for conversion of KVA to KW.*

*The Load Factor will be computed on an annual basis.*

5. The Commission observes that M/s. JCL was being given power supply at 33 KV with a concessional tariff through a special agreement with effect from July, 2003 and the arrangement continuing as such. SOUTHCO never sought approval of the Commission while extending such a benefit to it. Strangely enough SOUTHCO has now approached the Commission through a petition to approve the special tariff for the year 2005-06 also compensate it for the loss of revenue due to difference in retail tariff and proposed concessional tariff.
6. The Commission after taking into account recommendations and pleadings made by SOUTHCO during the course of hearing and keeping in view the conditions of special tariff approved in respect of the P. I. Industries in the order dtd.22.03.2005 approves as under: -

The consumer shall pay to SOUTHCO a consolidated charges for the monthly energy consumption corresponding to 10 MW/11,111 KVA contract demand at a rate of Rs.2.40 per unit calculated at the actual load factor subject to a minimum guaranteed offtake of 80%. The computation of load factor will be on monthly basis and not on

annual basis as has been prayed for. The agreement will be valid for the period of one year, i.e. from 01.04.2005 to 31.03.2006 as prayed for by SOUTHCO. The Commission feels that there will be no loss of revenue to SOUTHCO as per its own submission. As such, any compensation for loss due to special tariff in future ARR of SOUTHCO is ruled out.

**-Sd-  
(S.K. Jena)  
Member**

**-Sd-  
(B.C. Jena)  
Member**

**-Sd-  
(D.C. Sahoo)  
Chairperson**