

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

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

**CASE NO. 28 OF 2006**

Date of hearing      04.09.2006  
Date of order :-      30.10.2006

IN THE MATTER OF –

Determination of special concessional tariff to MES (Navy),  
Chilika.

**ORDER**

The Military Engineering Services (MES) is having its naval base at Chilika. MES is a deemed licensee, under the provisions of the Electricity Act, 2003 and is responsible for supplying electricity in its cantonment area. This petition has been filed for grant of special concessional tariff. In its petition, it has contended that as a special class bulk consumer it receives power at single point from CESCO (presently CESU) and maintains the distribution system in its area of supply. The petitioner contended that as it has made huge expenditure for owning and maintaining distribution system and the distribution licensee i.e. CESU is not bearing the loss in this system, it is quite eligible to avail power at special concessional rate.

The Commission heard the authorized representatives of the petitioner and the O.P. on the matter. In compliance with the Commission's order dated 04.09.2006, the petitioner has also furnished the required information about the break-up of non-domestic consumption in its premises which is taken into record. The Commission vide its order No. Secy / MES / 2004 / 628 dated 24.04.2006 has observed that MES is a deemed licensee who is empowered to carryout power supply, related works and maintain the electrical system within their jurisdiction. The MES is directly connected to distribution network of CESU for

receiving power supply. In the same order the Commission also observed that it would be economical on the part of MES as per existing practice to receive power from DISCO i.e. CESU and distribute the same within its area.

Under section 86(1) (b) of the Electricity Act, 2003, the Commission has the authority to regulate purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution in its area of supply. The said provisions of law are also applicable to MES being a deemed distribution licensee.

After hearing the parties and examining the filings of the petitioner, the commission is of the view that as a deemed distribution licensee the MES is having liberty to procure the power from any source for its own use under the provisions of the law. So the MES may file a petition before the Commission as per provisions of the Electricity Act, 2003 and the Regulations made therein for determination of bulk supply price at which the MES shall procure its required power and file an application under section 62(1) of the Act for retail sale in its area of supply. The petitioner is advised to file the said petition on or before 30<sup>th</sup> November 2006, and the Commission may dispose of the same through a public hearing along with the tariff applications of Distribution Licensees for the FY 2007-08.

We dispose the application of MES accordingly. This order may be communicated to the petitioner forthwith.

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

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