

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, UNIT-VII, BHUBANESWAR

File No.

Case No.: 48 of 2012

IN THE MATTER OF: Suo motu proceeding initiated by the Commission under Regulation 70(1) of OERC (Conduct of Business) Regulation, 2004 for review and implementation of "Take or Pay" Tariff for HT and EHT industries with Guaranteed load factor introduced in RST order in case no. 93-96 of 2011 for FY 2012-13

And

IN THE MATTER OF:

Director (Tariff), Odisha Electricity Regulatory Commission

Petitioner

And

IN THE MATTER OF:

Western Electricity Supply Company of Orissa Ltd (WESCO)

Corporate Office, Burla, Sambalpur-768017 & Orissa

Respondent

Affidavit verifying the Application :

I Sri Santosh Kumar Patel, Son of Pafulla Kumar Patel, aged about 56

years, residing at Burla, Sambalpur do hereby solemnly affirm and state as

Sl. No. 1
a) 1/2/2012

b) 1/2/2012

c) 1/2/2012

d) 1/2/2012

e) 1/2/2012

f) 1/2/2012

g) 1/2/2012

h) 1/2/2012

i) 1/2/2012

j) 1/2/2012

k) 1/2/2012

l) 1/2/2012

m) 1/2/2012

n) 1/2/2012

o) 1/2/2012

p) 1/2/2012

q) 1/2/2012

r) 1/2/2012

s) 1/2/2012

I am the GM(Commerce) of the Western Electricity Supply Company of Orissa Limited (WESCO), Burla, Sambalpur-768 017 and the Licensee in the above matter; I am competent to make this affidavit.

The statements made in the above para of the application are true to the best of knowledge and belief.

Place: Burla

The document being filed
by Sri. *[Signature]* Advocate
solemnly sworn before me
today at 5.40 AM P.M.

Santosh Kumar Patel

DEPONENT

WESCO



[Signature]
NOTARY
SAMBALPUR

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Director (Tariff), Odisha Electricity Regulatory Commission
----- Petitioner

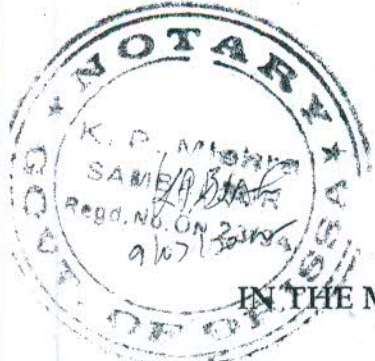
And

IN THE MATTER OF:

Western Electricity Supply Company of Orissa Ltd (WESCO)
Corporate Office, Burla, Sambalpur-768017 & Others
----- Respondents

Most Respectfully Showeth:

1. That, the Respondent Company is a Distribution Licensee inter alia to undertake the distribution activities in the Western part of Odisha.
2. That, Director Tariff, OERC filed Suo motu Petition regarding removal of difficulties for implementation of 'Take or Pay' tariff introduced by the Commission for FY 2012-13 and Commissions order to review it vide letter no. DIR(T)-389/2011/VOL-I/3286 dtd. 08.05.2012.



Santosh Kumar Palai

3. That, Hon'ble Commission has introduced 'Take or Pay' Tariff vide Para-262 of the Tariff Order FY 2012-13. The industries should guarantee in writing to pay for consumption of 70% of the Load Factor or actual drawl whichever is higher. For the purpose of determination of Load Factor (a) maximum demand shall be based on the highest demand recorded in hours in respect of hours other than off peak hours.

4. That, the 'Take or Pay' tariff also introduced in the tariff orders FY 2011-12 where in the guaranteed Load Factor was based on 75% of Load factor or actual consumption whichever is higher. For the purpose of determination of Load Factor, the contract demand shall be taken into consideration.

That, the current tariff order has considered 70 % load factor which is 5% less than the previous tariff order and also considered maximum demand instead of contract demand.

6. That, in the current tariff order the special rebate allowed is Rs.0.50 per kwh instead of 5% of the electricity charges.

7. That, the maximum benefit has been extended to the consumer under 'Take or Pay' tariff in respect of (i) lower load factor (ii) consideration of maximum demand as per graded slab tariff as well as (iii) enhancement of special rebate which is about 10% of the electricity charges.

8. That, there are 23 industries has opted for 'Take or Pay' tariff and the impact on account of same from April-12 to June-12 is Rs.1.01 crs, Rs.1.37 crs and Rs.1.61 crs. So, total financial loss till June-12 is Rs.3.99 crs. Out of the 23 industries there are 7 industries where L.F. is less than 70% but still then wesco is losing on account of 50 paise per unit. A detail sheet is enclosed herewith in **Annexure-I**



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NOTARY
Regd. No. ON 23/194
SAMBALPUR, ORISSA

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9. That, it is found that the industries those who are availing the "Take or pay tariff" during the current financial year were also running in the same L.F. during last year (FY-11-12). A calculation sheet is enclosed herewith in **Annexure-II**.

10. That, in addition to above there are around 4 more industries running in more than 70% L.F. but have not opted the "Take or pay tariff" so, far. The financial impact will again increase when they will opt for "take or pay tariff". Consumer wise detail is enclosed herewith in **Annexure-III**.

11. Further, it is also submitted that even the industries presently running with Less than 70% L.F. and opting for "take or pay" tariff then wesco shall lose as the present rebate of 50 paise per unit is very high. A list of such industries is enclosed herewith in **Annexure-IV**.

12. That, considering the above the special rebate of Rs.0.50 per KWH if continued further, WESCO shall suffer further financial loss. The Special rebate allowed by Hon'ble commission also not taken care of in the approved RST of the Licensee under HT & EHT category.

13. That, in view of the above, it is observed that WESCO shall realize less revenue of around Rs.20.00 Cr during the FY 2012-13 due to allowance of special rebate under 'Take or Pay' tariff from the consumers already opted for as the consumers availing the above tariff are consuming around 70% or more LF on the basis of recorded maximum demand. Further, loss shall be increased to greater extent if more consumers shall be opted for take or pay tariff in future.



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14. That, it is proposed that the above benefit if at all be extended, the quantum of assured energy may be calculated considering 70% of CD or MD during peak or MD during off-peak period(>120%) whichever is higher.

15. That it is also proposed that this 'Take or Pay' tariff may not be extended to EHT consumer i.e. above 33kv level.

For & on behalf of WESCO

Santosh Kumar Patel
GM(Commerce)
WESCO



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Regd. No. ON 23/94
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| WESCO LTD. | | | | | | | | | | | | | | | Statement of financial Impact on account of "Take or Pay Tariff" | | | | | | | | | | | | | | | Rs. Lacs | | | | |
|------------|---------------------------------|----------|--------|----------|------|--------|---------|-------------|-----------------------|-------------------------|---------------|------|---------|-------------|--|-------------------------|---------|------|---------|-------------|-----------------------|-------------------------|---------|--|--|--|--|--|--|----------|--|--|--|--|
| SI No. | NAME | DIVISION | ACC NO | CATEGORY | CD | Jun-12 | | | | | May-12 | | | | | Apr-12 | | | | | | | | | | | | | | | | | | |
| | | | | | | LF | PEAK MD | OFFPEA K MD | EC AS PER TAKE OR PAY | EC AS PER NORMAL TARIFF | Diff Ec | LF | PEAK MD | OFFPEA K MD | EC AS PER TAKE OR PAY | EC AS PER NORMAL TARIFF | Diff Ec | LF | PEAK MD | OFFPEA K MD | EC AS PER TAKE OR PAY | EC AS PER NORMAL TARIFF | Diff Ec | | | | | | | | | | | |
| 1 | M/S. CHUN CHUN ISPAT (P) LTD | 8130 | 0220 | POI | 2500 | 0.76 | 2423 | 2396 | 55.10 | 62.08 | 6.98 | 0.72 | 2470 | 2444 | 55 | 62 | 7 | 0.75 | 2469 | 2442 | 55.84 | 62.51 | 6.67 | | | | | | | | | | | |
| 2 | M/S. VISHAL FERRO ALLOYS LTD | 8130 | 0221 | POI | 4900 | 0.57 | 4770 | 5483 | 92.93 | 104.35 | 11.42 | 0.62 | 4774 | 5685 | 108.01 | 125.57 | 17.56 | 0.61 | 4916 | 5,629 | 104.38 | 116.90 | 12.52 | | | | | | | | | | | |
| 3 | M/S ATTITUDE ALLOYS PVT.LTD. | 4140 | 0002 | LARGE | 3000 | 0.84 | 3816 | 3330 | 94.52 | 106.01 | 11.49 | 0.79 | 3516 | 3414 | 85.43 | 95.71 | 10.28 | 0.89 | 3408 | 3,402 | 88.86 | 99.77 | 10.91 | | | | | | | | | | | |
| 4 | M/S.TRL KROSAKI REFRACTOIES LTD | 4130 | 0003 | LARGE | 6200 | 0.76 | 5437 | 5227 | 122.28 | 150.56 | 28.29 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | | | | | | | | | | | |
| 5 | M/S.21ST CENTURY FERRO & ALLOY | 8140 | 0101 | LARGE | 3600 | 0.59 | 3398 | 3289 | 61.10 | 70.55 | 9.45 | 0.66 | 3615 | 3575 | 73.90 | 34.68 | 10.78 | 0.70 | 3702 | 3,684 | 79.34 | 85.39 | 6.05 | | | | | | | | | | | |
| 6 | M/S ASHOKA MULTIYARN MILLS LTD | 8120 | 0002 | LARGE | 2200 | 0.75 | 2244 | 2160 | 50.55 | 57.02 | 6.47 | 0.80 | 2172 | 2070 | 53.44 | 60.26 | 6.82 | 0.84 | 2142 | 2,076 | 52.93 | 59.76 | 6.83 | | | | | | | | | | | |
| 7 | M/S. DD IRON & STEEL (P) LTD | 8130 | 0186 | POI | 2500 | 0.77 | 2358 | 2322 | 54.30 | 60.81 | 6.50 | 0.76 | 2376 | 2310 | 55.88 | 62.63 | 6.76 | 0.81 | 2365 | 2,323 | 56.93 | 63.81 | 6.88 | | | | | | | | | | | |
| 8 | SHRI RADHA RAMAN ALLOYS LTD | 8130 | 0188 | POI | 2530 | 0.75 | 2555 | 2449 | 57.62 | 64.78 | 7.16 | 0.80 | 2440 | 2432 | 59.93 | 67.28 | 7.35 | 0.83 | 2503 | 2,494 | 61.23 | 68.66 | 7.43 | | | | | | | | | | | |
| 9 | M/S SURAJ PRODUCTS LTD. | 8130 | 0052 | LARGE | 1000 | 0.68 | 1018 | 912 | 21.27 | 22.41 | 1.14 | 0.72 | 1014 | 940 | 22.67 | 25.55 | 2.87 | 0.70 | 967 | 912 | 20.84 | 20.50 | -0.34 | | | | | | | | | | | |
| 10 | BAJRANG STEEL &ALLOY(P) LTD | 8130 | 0078 | MSP | 5500 | 0.65 | 5183 | 5096 | 105.60 | 94.04 | -11.55 | 0.66 | 5352 | 5208 | 112.23 | 121.84 | 9.61 | 0.70 | 5220 | 5,166 | 112.55 | 116.54 | 3.99 | | | | | | | | | | | |
| 11 | M/S MAA GIRIJA ISPAT(P)LTD. | 8130 | 0111 | LARGE | 2600 | 0.69 | 2464 | 2389 | 51.92 | 55.87 | 3.96 | 0.74 | 2544 | 2606 | 59.01 | 67.15 | 8.14 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | | | | | | | | | | | |
| 12 | M/S TOP TECH STEELS PVT.LTD. | 8130 | 0110 | LARGE | 2800 | 0.83 | 2736 | 2736 | 66.98 | 75.11 | 8.13 | 0.80 | 2844 | 2796 | 70.21 | 78.69 | 8.48 | 0.80 | 2844 | 2,796 | 67.43 | 75.56 | 8.13 | | | | | | | | | | | |
| 13 | M/S SRI JAGANNATH ALLOYS P LTD | 8130 | 0112 | POI | 2000 | 0.72 | 2170 | 2177 | 47.68 | 53.52 | 5.84 | 0.70 | 2376 | 2388 | 52.48 | 59.06 | 6.58 | 0.79 | 2400 | 2,388 | 56.52 | 63.33 | 6.80 | | | | | | | | | | | |
| 14 | SHRI RADHAKRISHNA ISPAT(P)LTD. | 8130 | 0143 | POI | 5400 | 0.67 | 2502 | 2484 | 50.90 | 57.61 | 6.71 | 0.66 | 2742 | 2754 | 57.73 | 59.76 | 2.03 | 0.70 | 2664 | 2,652 | 57.07 | 55.60 | -1.46 | | | | | | | | | | | |
| 15 | M/S.SCAN STEELS LTD (UNIT-I) | 8130 | 0090 | MSP | 5000 | 0.68 | 5176 | 5213 | 101.02 | 106.67 | 5.65 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | | | | | | | | | | | |
| 16 | M/S SHUBH ISPAT LTD. | 8130 | 0115 | LARGE | 2400 | 0.63 | 2916 | 2871 | 56.24 | 62.13 | 5.89 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | 0.70 | 3020 | 2,898 | 64.51 | 69.51 | 5.00 | | | | | | | | | | | |
| 17 | M/S SATGURU METALS & POWER (P) | 8130 | 0191 | POI | 2700 | 0.70 | 2634 | 2628 | 55.87 | 61.12 | 5.25 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | | | | | | | | | | | |
| 18 | M/S SHREE AUSTA BINAYAK STEELS | 8130 | 0192 | POI | 3000 | 0.73 | 2728 | 2726 | 60.36 | 67.69 | 7.34 | 0.81 | 2750 | 2717 | 68.56 | 77.01 | 8.45 | 0.75 | 2772 | 2,754 | 62.94 | 70.46 | 7.52 | | | | | | | | | | | |
| 19 | M/S. SCAN STEELS LTD(UNIT-II) | 8130 | 0106 | MSP | 6000 | 0.69 | 5749 | 5850 | 118.43 | 96.54 | -21.89 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | | | | | | | | | | | |
| 20 | M/S.ASHOKA ISPAT UDYOG | 8130 | 0156 | LARGE | 1830 | 0.68 | 1806 | 1788 | 37.90 | 39.80 | 1.89 | 0.68 | 1818 | 1806 | 38.79 | 42.49 | 3.71 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | | | | | | | | | | | |
| 21 | M/S REFULGENT ISPAT PVT.LTD. | 8130 | 0089 | POI | 3750 | 0.71 | 2907 | 2862 | 62.27 | 69.91 | 7.65 | 0.66 | 2844 | 2790 | 59.68 | 62.72 | 3.03 | 0.70 | 2970 | 2,880 | 63.47 | 69.76 | 6.29 | | | | | | | | | | | |
| 22 | M/S MAA LAXMI STEELS(P)LTD. | 8130 | 0093 | POI | 3405 | 0.68 | 4890 | 4438 | 102.43 | 108.71 | 6.28 | 0.66 | 4690 | 4600 | 98.20 | 107.73 | 9.53 | 0.70 | 4900 | 4,806 | 105.74 | 108.43 | 2.69 | | | | | | | | | | | |
| 23 | SHREE SALASAR CASTINGS(P)LTD. | 8130 | 0094 | LARGE | 3600 | 0.64 | 2664 | 2664 | 52.04 | 59.17 | 7.13 | 0.67 | 2784 | 2796 | 59.14 | 66.79 | 7.65 | 0.70 | 2856 | 2,808 | 61.39 | 64.96 | 3.57 | | | | | | | | | | | |
| | | | | | | | | | | | 160.63 | | | | | 136.58 | | | | | 101.28 | | | | | | | | | | | | | |

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