

**Before**

**UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

**In the matter of:**

Clarification sought by UPCL on levy of 15% Surcharge on Continuous Process Industries vide their letter no. 145/UPCL/COM dated 21.01.2012.

And

**In the matter of:**

Uttarakhand Power Corporation Ltd.

Urja Bhawan, Kanwali Road, Dehradun

..... Petitioner

**Coram**

**Shri Jag Mohan Lal**

**Chairman**

**Date of Order: 14<sup>th</sup> February 2012**

**ORDER**

The Commission received a representation vide their letter no. 145/UPCL/COM dated 21.01.2012 from Uttarakhand Power Corporation Ltd. (hereinafter referred to as "UPCL") seeking clarification regarding levy of continuous surcharge on industries from the date of connection or from the cut-off date given in the Tariff Order.

- UPCL has informed that M/s. Creative Industries (hereinafter referred to as "industry") has 3 connections, one of 600 kVA and two other of 1000 kVA each at Haridwar and had applied for sanction of continuous supply surcharge for FY 2008-09 and FY 2009-10 which was sanctioned to it. The industry has applied for sanction of continuous process in FY 2010-11 also, but due to the provisions of the tariff order dated 10.04.2010 it could not be sanctioned to it, as there were other industries also on the same feeder who did not apply for continuous supply.

3. Subsequently, the industry applied with UPCL for construction of independent feeder on 29.04.2010 which was constructed by UPCL on 26.09.2011 and all the three connections of the industry were connected on independent feeders on December, 2011.
4. For FY 2011-12, the industry applied for sanction of continuous process on 01.04.2011 with the condition that it was ready to pay 15% extra energy charge from the date of connection on the independent feeder and not from 01.06.2011 as per the condition of the Tariff Order dated 24.05.2011, as it treated itself a new connection from the date of connection on the independent feeder. UPCL has, thus, sought a clarification from the Commission as to whether the continuous supply surcharge was chargeable from the date of connection on independent feeder or from the cut-off date stipulated in the Tariff Order dated 24.05.2011.
5. Clause 6(ii) of RTS-10 in the Tariff Order dated 24.05.2011 for FY 2011-12 has laid down the conditions for grant of continuous supply to industries which is reproduced hereunder:  
*“From June 1, 2011, only Continuous Process Industry consumers operating 24 hours a day for 7 days of a week without any weekly off connected on either independent feeders or industrial feeder can only opt for continuous supply. For industrial feeder, all connected industries will have to opt for continuous supply and in case anyone consumer on industrial feeder does not wish to opt for continuous supply, all the consumers on such feeder will not be able to avail continuous supply. Such Continuous Process Industry consumers who opt for continuous supply shall be exempted from load shedding during scheduled/unscheduled power cuts and during restricted hours of the period of restriction in usage approved by the Commission from time to time, except load shedding required due to emergency breakdown/shutdown. Such consumers shall pay 15% extra energy charges with effect from June 1, 2011 or from the date of connection whichever is later till 31st March 2012 irrespective of actual period of continuous supply option.....”*
6. From the above, it is evident that continuous Process consumers operating 24 hours a day for 7 days in a week connected on either independent feeders or industrial feeder (all connected industries will have to opt for continuous supply) are eligible to opt for continuous supply and such consumers would be required to pay 15% extra energy charges with effect from June 1, 2011 or from the date of connection whichever is later till 31st March 2012 irrespective of actual period of continuous supply option .
7. Thus, any new consumer who is eligible and who opts for continuous supply would pay 15% extra energy charges from the date of connection. In the current case, M/s. Creative Industries was not eligible for applying for continuous supply during FY 2010-11 as it was connected on an industrial feeder and there were other industries also on the same

- feeder who did not apply for continuous supply as the same conditions for becoming eligible to seek continuous supply also existed in the Tariff Order for FY 2010-11.
8. Hence, to become eligible to opt for continuous supply for the FY 2011-12, the industry decided to get an independent feeder constructed and applied with UPCL on 29.04.2010 and payment was also made on 09.09.2010 for the same. However, due to considerable delay on UPCL's part, rearrangement of supply on independent feeder to all the three connections of the industry alongwith M/s. TCPL Packaging Ltd. was extended by UPCL on Dec., 2011. This is also evident from the letter of the Executive Engineer of the concerned Division addressed to the Executive Director of UPCL.
  9. Hence, as is apparent from above, the industry became eligible for opting for continuous supply only after rearrangement of supply on the independent feeder and this was due to the delay on the part of UPCL to get the independent feeder constructed on time despite the industry having applied for and depositing the amount in September, 2010. Further, due to the delay on the part of UPCL, to construct the independent feeder in time, the industry would have been subjected to power cuts which would have impacted its production. Hence, it would be improper to again burden it by imposing the continuous supply surcharge for the period commencing from the cut-off date stipulated in the Tariff Order.
  10. **If any industry applies for continuous supply of power by the cut-off date specified in the orders of the Commission from time to time and the industry, not finding itself meeting the eligibility criteria laid down for availing continuous supply (particularly with regard to having supply through independent feeder or if not independent feeder requiring all the industrial consumers in that feeder to apply for continuous supply option), has deposited the requisite amount with the licensee, by the cut-off date, for construction of the independent feeder by the licensee, then such industry should be treated as new connection for the purpose of continuous supply surcharge from the date of rearrangement of supply on the independent feeder subject to its fulfilling other requirements laid down for the continuous process industry and the continuous supply surcharge will be levied on it from the date of rearrangement of supply on the independent feeder.**
  11. The matter is disposed off accordingly.

**(Jag Mohan Lal)**  
**Chairman**