

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 05 of 2020

In the Matter of:

Application seeking approval for inclusion of soft drink concentrate in seasonal industries product list.

In the Matter of:

Uttarakhand Power Corporation Limited

...Petitioner

CORAM

Shri D.P. Gairola Member (Law)

Shri M.K. Jain Member (Technical)

Date of Order: June 09, 2020

This Order relates to the Petition dated 03.03.2020 filed by Uttarakhand Power Corporation Ltd. (hereinafter referred to as “the Petitioner” or “UPCL” or “Licensee”) seeking approval of the Commission for inclusion of soft drink concentrate in seasonal industries under clause-4 of Rate Schedule RTS-5 of the Tariff Order dated 27.02.2019.

1. Background

- 1.1 An application dated 03.03.2020 has been filed by UPCL seeking approval of the Commission for inclusion of soft drink concentrate in seasonal industries under clause-4 of Rate Schedule RTS-5 of the Tariff Order dated 27.02.2019.
- 1.2 UPCL submitted that the Commission vide its Tariff Order dated 27.02.2019 for FY 2019-20 approved the retail tariff of electricity to be recovered from different categories of consumers, and at para 4 of the Rate Schedule RTS – 5 (LT & HT Industry), the terms and conditions and applicable tariff for seasonal industries has been specified, which is reproduced hereunder:

“Seasonal Industries

Where a consumer having load in excess of 18 kW (25 BHP) and ToD meter and avails supply of

energy for declared Seasonal industries during certain seasons or limited period in the year, and his plant is regularly closed down during certain months of the financial year, he may be levied for the months during which the plant is shut down (which period shall be referred to as off-season period) as follows:

- (i) The tariff for 'Season' period shall be same as "Rate of Charge" as given in this schedule.
- (ii) Where actual demand in 'Off Season' Period is not more than 30% of contracted load, the energy charges for "Off-Season" period shall be same as energy charges for "Season" period given in Rate of Schedule above. However, the contracted demand in the "Off Season" period shall be reduced to 30%.
- (iii) During 'Off-season' period, the maximum allowable demand will be 30% of the contracted demand and the consumers whose actual demand exceeds 30% of the contracted demand in any month of the 'Off Season' will be denied the above benefit of reduced contracted demand during that season. In addition, a surcharge at the rate of 10% of the demand charge shall be payable for the entire 'Off Season' period.

Terms and Conditions for Seasonal Industries

- (i) The period of operation should not be more than 9 months in a financial year.
 - (ii) Where period of operation is more than 4 months in a financial year, such industry should operate for at least consecutive 4 months.
 - (iii) The seasonal period once notified cannot be reduced during the year. The off-season tariff is not applicable to composite units having seasonal and other categories of loads.
 - (iv) Industries in addition to sugar, ice, rice mill, frozen foods and tea shall be notified by Licensee only after prior approval of the Commission."
- 1.3 UPCL submitted that M/s Rasna Private Limited (herein after referred to as "M/s RPL") has a 225 kVA connection under industrial category at Selaqui, under EDD, Mohanpur. M/s RPL vide its letter dated 04.10.2018 apprised the Commission that they produce the soft drink concentrate and should be treated as seasonal industry. The Commission vide its letter dated 03.12.2018 directed the Petitioner to submit its comments in the matter.
- 1.4 UPCL submitted that as per the provisions of the Tariff Order, seasonal industries have been given certain benefits in the prevailing tariffs. The contracted demand of the seasonal industries during the off-season period is treated as 30% and, accordingly, the demand charges are levied on the reduced demand during off season on such industries. UPCL submitted that presently, only five industries, i.e. Sugar, Ice, Rice Mill, Frozen Foods, and Tea industries have been notified as seasonal industries. UPCL submitted that the terms and conditions for seasonal industries as per the Tariff Order are as follows:
- (i) The period of operation should not be more than 9 months in a financial year.
 - (ii) Where period of operation is more than 4 months in a financial year, such industry

should operate for at least consecutive 4 months.

- (iii) The seasonal period once notified cannot be reduced during the year. The off-season tariff is not applicable to composite units having seasonal and other categories of loads.
 - (iv) Industries in addition to sugar, ice, rice mill, frozen foods and tea shall be notified by Licensee only after prior approval of the Commission.
- 1.5 UPCL, in response to the aforesaid Commission's letter dated 03.12.2018, apprised the Commission that as per the consumption pattern of previous two years, the consumer, i.e. M/s RPL fulfill the first two conditions that is its period of operation is not more than 9 months in a financial year and it is operating for atleast consecutive four months in the financial year, however, no documentary evidence has been produced by M/s RPL which establishes that it is a seasonal industry.
- 1.6 UPCL also submitted that the matter of inclusion of soft drink concentrate under seasonal industries was also raised by the Uttarakhand Industrial Welfare Association before the Commission during public hearing on the MYT Petition of the Petitioner company for the third control period from FY 2019-20 to FY 2021-22, and the views of the Commission in the matter as mentioned at para 2.17.1.3 of the Tariff Order dated 27.02.2019 is as follows:
- "The Petitioner submitted that the stakeholder has not provided adequate justification for including the Soft Drink Concentrate manufacturers as Seasonal Industries under the Rate Schedule".*
- 1.7 UPCL submitted that M/s RPL again vide letter dated 08.04.2019 requested the Commission to include its product under the seasonal industries, and the Commission after receiving comments from UPCL, directed the Petitioner to file a Petition in the matter in accordance with UERC (Conduct of Business) Regulations, 2014.
- 1.8 UPCL filed the current Petition for inclusion of soft drink concentrate in seasonal industries and submitted the consumption (maximum demand) pattern of M/s Rasna Private Limited as given in the Table below:

Table: Consumption pattern of M/s RPL (Maximum Demand in KVA)

Month/ Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Apr.	155.72	197.04	187.12	93.92	193.36	182.20
May	197.04	97.64	177.60	103.20	92.60	197.24
June	78.36	51.68*	61.72*	54.92*	64.28*	140.20
Jul.	60.64*	54.88*	31.32*	25.56*	63.88*	62.96*
Aug.	83.92	55.76*	35.48*	55.84*	46.52*	73.36
Sep.	60.36*	47.64*	30.12*	50.04*	IDF	63.16*
Oct.	60.40*	44.60*	32.68*	53.44*	IDF	64.52*
Nov.	59.64*	48.76*	35.00*	54.28*	IDF	97.20
Dec.	145.32	130.40	176.04	171.84	IDF	248.00
Jan.	182.04	172.08	218.84	190.28	IDF	232.00
Feb.	190.60	183.88	201.52	179.92	197.08	
Mar.	170.92	204.40	167.20	184.56	199.64	

Note : (a) Contracted load of the consumers : 225 kVA.

(b) Maximum demand allowed during off season period : 67.50 kVA.

1.9 UPCL also submitted the following details with respect to operations of M/s Rasna Private Ltd.:

- (i) The period of operation of M/s Rasna Private Limited is not more than 9 months in a financial year.
- (ii) M/s Rasna Private Limited operates for atleast four consecutive months in a financial year.
- (iii) As per physical inspection done by the officers of Electricity Distribution Division, Mohanpur, M/s Rasna Private Limited has no composite work in its factory premises.
- (iv) As per registration of General Manager, District Industries Centre, Dehradun, M/s Rasna Private Limited has been identified as Food Processing Unit and product manufactured as Soft Drink Concentrate and nature of operation as seasonal.

1.10 UPCL, accordingly, through the current Petition requested the Commission for inclusion of soft drink concentrate industries under the seasonal industries.

2. Commission's views and decision

2.1 The Commission is of the opinion that tariffs charged from consumers should be consistent with the provisions of the rate schedule of the Tariff Order including application of surcharge, rebate and other benefits available to the consumers.

2.2 The Commission in its Tariff Order dated 27.02.2019 at Para 4 of Rate Schedule RTS-5 defined the terms and conditions for seasonal industries as reproduced hereunder:

"4. Seasonal Industries

Where a consumer having load in excess of 18 kW (25 BHP) and ToD meter and avails supply of energy for declared Seasonal industries during certain seasons or limited period in the year, and his plant is regularly closed down during certain months of the financial year, he may be levied for the months during which the plant is shut down (which period shall be referred to as offseason period) as follows:

- (i) The tariff for 'Season' period shall be same as "Rate of Charge" as given in this schedule.*
- (ii) Where actual demand in 'Off Season' Period is not more than 30% of contracted load, the energy charges for "Off-Season" period shall be same as energy charges for "Season" period given in Rate of Schedule above. However, the contracted demand in the "Off Season" period shall be reduced to 30%.*
- (iii) During 'Off-season' period, the maximum allowable demand will be 30% of the contracted demand and the consumers whose actual demand exceeds 30% of the contracted demand in any month of the 'Off Season' will be denied the above benefit of reduced contracted demand during that season. In addition, a surcharge at the rate of 10% of the demand charge shall be payable for the entire 'Off Season' period. Order on approval of Business Plan and Multi Year Tariff of UPCL for FY 2019-20 to FY 2021-22 338 Uttarakhand Electricity Regulatory Commission.*

Terms and Conditions for Seasonal Industries

- (i) The period of operation should not be more than 9 months in a financial year.*
- (ii) Where period of operation is more than 4 months in a financial year, such industry should operate for at least consecutive 4 months.*
- (iii) The seasonal period once notified cannot be reduced during the year. The off-season tariff is not applicable to composite units having seasonal and other categories of loads.*
- (iv) Industries in addition to sugar, ice, rice mill, frozen foods and tea shall be notified by Licensee only after prior approval of the Commission."*

2.3 The Commission asked UPCL to submit the monthly electricity bills raised on M/s Rasna Private Limited during the past two financial years, and after analyzing the month-wise demand and consumption pattern from the aforesaid bills, and also from the

consumption pattern (Maximum Demand) of M/s RPL as submitted by UPCL in the Petition, the Commission is of the view that M/s Rasna Private Limited qualifies as seasonal industry in terms of the conditions laid down by the Commission in its Tariff Order dated 27.02.2019 which has also been retained in the Tariff Order dated 18.04.2020 for FY 2020-21.

- 2.4 In view of the above, the Commission has no objection to grant the status of seasonal industries with effect from 01.04.2020, to **M/s Rasna Private Limited having seasonal operation** subject to adherence to all the provisions and terms & conditions with regard to seasonal industries stipulated in the Rate Schedule (RTS-5) of the prevalent Tariff Order.
- 2.5 The Commission hereby directs UPCL to monitor the consumption pattern of M/s RPL so as to ensure that it complies with all the provisions and terms & conditions laid down for the seasonal industries in the Tariff Order and in case of any violation by the consumer, appropriate action in accordance with the provisions of the Tariff Order shall be taken by the licensee.
- 2.6 Further, the Commission has given liberty to licensee that in case there are other soft drink concentrate industries eligible for grant of seasonal industries status, the licensee may submit the requisite information in this regard.

(M.K. Jain)
Member (Technical)

(D.P. Gairola)
Member (Law)