

BEFORE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA & UNION TERRITORIES

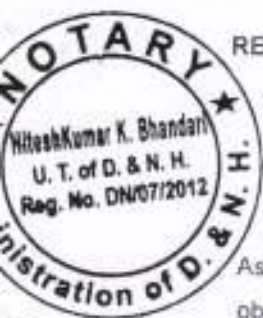
PETITION NO. 150, 151 and 154 OF 2014

IN THE MATTER OF : Petition for True up for FY 2013-14 and
Review of Aggregate Revenue Requirement
for the FY 2014-15 and Approval of
Aggregate Revenue Requirement (ARR) and
MYT Tariff Proposal for FY 2015 - 16 to 17-
18 for the Union Territory of Dadra & Nagar
Haveli under Sections 61, 62 and 64 of The
Electricity Act 2003

AND

IN THE MATTER OF : DNH Power Distribution Corporation Limited,
THE PETITIONER Silvassa

.....Petitioner



REPLY OF SILVASSA INDUSTRIES & MANUFACTURERS ASSOCIATION
TO THE SUGGESTIONS AND OBJECTIONS MADE BY M/S ALOK
INDUSTRIES LIMITED, RELIANCE INDUSTRIES LIMITED AND
SANATHAN TEXTILES PVT LIMITED BEHALF OF

Association respectfully submits following reply to the suggestions and
objections made by M/s Alok Industries Limited, Reliance Industries Limited
and M/s Snathan Textiles Pvt Limited, which have been made during the
public hearing on 8th Jan 15.

M/s Alok Industries Limited and Reliance Industries Limited have submitted
their suggestions and objections in writing while M/s Sanathan Textiles Pvt
Limited submitted verbal submissions.

- 1 Copies of written submissions made by these consumers were made
available to this Association during the hearing.

2. Before proceeding to the reply, it is submitted that these consumers are also Hon'ble members of this Association, and Association is committed to protect their interests also. But, here Association finds that their submissions would affect large number of consumers (more than 3000) and would penalize them considering that they alone are responsible for the alleged 'distribution losses'.

Therefore, this reply for protection of interests of all consumers including 220 and 66 KV consumers.

3. After going through the written representations of these two consumers and verbal representation of M/s Sanathan Textiles Pvt Limited, It is found that their common case was as under:

- a. They are draw their energy through 220 Kv / 66 kv substations where distribution losses are almost zero or minimal.
- b. They have made investment on erection of sub-stations so they should be rewarded by certain concessions.
- c. In the last ARR, Hon'ble Commissions had accepted their suggestions and granted concessions, so, in the year 15-16 should also be continued
- d. There are many states in the Country which are providing concessions to such consumers, therefore, this trends should be followed in the UT of Dadra Nagar Haveli
- e. Hon'ble Commission should follow the principle of actual cost of supply in place of average cost of supply.

4. This Association hereafter submits reply to each of above-

- a. Zero or Minimal distribution losses through 220 Kv sub-stations-

It is well established that distribution losses in the UT is lowest in the Country. Credit goes to all consumers. One category of consumers cannot claim that it is they who have made it.



Distribution losses are counted from the first receiving point of DNH PDCL from the power grid to the premises of consumers. No consumer in the UT directly receive the power from the grid. Therefore, it cannot be segregated. All consumers have to bear the distribution losses equally.

b. Reward for Investment:

This is a highly misleading theory. Investments have been made by these two consumers for their business and mandatory requirements, not with the sole purpose of getting awarded through concessions.

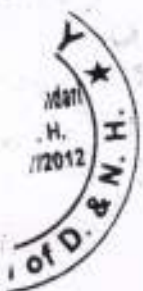
These are two consumers are giant producers of texturized yarn in the country and to sustain their business, they need sustained power, quality power, less dependency on local distribution network, and above all not within scope the staggering shut-downs with others.

They are getting these benefits, which are nothing but real rewards of their investment.

No reward should become a punishment for other without their fault. Granting concessions would by implications will detrimental to three thousand other consumers who cannot be said as dishonest.

c. It was granted last year, therefore, it should be for this year also:

This is not logical that Hon'ble Commission have granted it last year, therefore, it must continue this year also. If that is the case, there should not be any hearing by Hon'ble Commission. Simply a computer would be necessary to decide the tariff mechanically. Every time there has to be application of mind. Therefore, learned Commissions are appointed and they hear each argument, each time with an open mind. Every year, there are different situations,

different level of awareness in consumers, different type of problems. Each time Hon'ble Commission hears each argument with open mind and decide it. Hon'ble Commission is not bound by any law that if a concession was given in a particular year, it should continue forever disregarding the new arguments, new facts and new analogy.

This Association draws special attention of Hon'ble Commission that an appeal has been filed against the ARR Order of Hon'ble Commission for the year 12-13 before the Appellate Tribunal on Electricity Matters, New Delhi and which has been admitted for hearing.

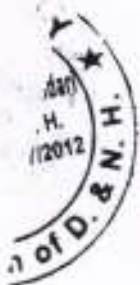
In fact, Hon'ble Commission should wait for final verdict on the appeal and should maintain the situation prevailing before last year's order.

New development this year is that 66 KV consumers have also come forward and demanded the concessions at par with 220 KV consumers. Further, similar, demands are likely to come from 11KV express feeders consumers.

Therefore, Hon'ble Commission should not grant the concessions merely on the ground because last year these were granted so this year also these should be granted.

- d. **Some states have given these concessions, so it should be given in the UT also.**

This is not logical. If, in some states, it has been granted, there many states, in which it is not being granted. They have not found it a fit case. Why selective citations are being made? The Annexure (R-1) attached to the representation submitted by the RIL shows that only 9 states are granting either lower tariff or concessions. It means out of 28 states only 9 are granting rest 17 do not grant such concessions. Even the states who have granted, they have kept fixed charge higher than others, or they have



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prescribed separate category of tariff at higher rate and thereafter given the concessions, except Maharashtra, no state has granted @ 3% which was given in the UT.

Logic says if concessions have to be given, first there should be higher fixed charge, higher tariff and thereafter concessions.

No reason has been cited by any of these consumers as why Hon'ble Commissions should follow the foot-steps of only 'A' states and why not 'B' states.

Arguments of precedence in other states does not support their case at all. In fact, it is not mandatory on Hon'ble Commission that practice in 'A' states should only be followed.

Hon'ble Commission should not be influenced by certain other states, but should decide with open mind and in the interests of large consumers without being non-judicious to even these two and other eighteen 66 KV consumers.

e. Actual Supply Cost versus Average Supply Cost:

This is true that as far as possible, one should bear his own cost of supply. Therefore, Hon'ble Commission was quite right in holding the principle of actual cost of supply and there should not be cross subsidy.

However, everyone knows that working out actual cost of supply is not that easy. The basic commodity here is power. It is purchased different time for different consumers. The principle of actual supply of cost would warrant that each consumer is charged for the power sanctioned based on what rate power was purchased for him.

This is true, huge power was purchased to meet the needs of these two and other 66 KV consumers. This Association was at front in demanding purchase of power at whatever rates, it was available, with the motive that it paves the way of development,



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knowing that large consumers would be affected because of its impact on averaging of cost of power purchase.

If these consumers wish to go for 'actual supply cost' than they must suggest that they will pay the price of power which was purchased for them at much higher rate. If this alone is worked out, other consumers would be automatically benefited. However, Association does not demand such actual cost of supply. Nor, it is possible. There are many more such expense heads which cannot be actualized, like O&M expenses, depreciation, return on equity, normative re-payment of long term loans and interests on them. If, these can be actualized, other consumers would draw tremendous benefits.

Prayer:

It is prayed that, Hon'ble Commission should not accept the suggestion of concessions on the ground made by these two consumers in their written representations and in verbal submissions of Sanathan Textiles Private Limited.

In case, Hon'ble Commission still incline to the arguments extended in favour of concessions, than their tariff should be fixed at higher rate based on the principle of 'higher the consumption, higher the tariff'.



Sunil Ijari

Vice-President, Silvassa Industries & Manufacturers Association,

Silvassa

17/1/2015



Verification

I, Sunil Ijari, S/o: Sh. Vardaman Ijari, aged about 56 years, resident of 4-A, Bogan Villa, Behind District Court, Silvassa, solemnly declare that statements and data mentioned in the objections and suggestions made above in response to the True-up for the FY 13-14, Review for FY 14-15 and Aggregate Revenue Requirement for the FY 15-16 are true and correct to the best of my knowledge and belief.




Sunil Ijari

Vice-President, Silvassa Industries & Manufacturers Association,

Silvassa

17/1/2015

IDENTIFIED BY ME



(Kiran Narankshai
Chauhan)



Solemnly affirmed before me by
Shri Sunil. V. Ijari
of Silvassa who is identified
by Shri Kiran. N. Chauhan of
Silvassa whom I personally know



HITESHKUMAR K. BHANDARI
B.A., LL.B.

ADVOCATE & NOTARY

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