

Dt: 22.12.16

To,

Hon'ble Administrator and Chairman,  
DNH Power Distribution Corporation Limited,  
Silvassa

**Sanjeev Kapoor**  
President

Subject: Surrender of surplus power

Hon'ble Sir,

**Ajit Deshpande**  
Vice President

The Administration of Dadra Nagar Haveli and DNH PDCL are well aware that all industrial consumers of the territory are badly suffering from the inaction on the part of DNH PDCL to get rid of surplus power.

This non-action of DNHPDCL is making the manufacturing expensive day by day, whereas, the timely action on established business principles on the part of DNHPDCL would have facilitated the great ease in making in the UT. Sir, obstructing the manufacturing in any way is a national crime. The country needs and Hon'ble Prime Minister is repeatedly saying and pursuing the fast, and sharp growth in manufacturing to enhance employment opportunities. The in-action of DNH PDCL is directly linked to employment opportunities in the UT. We all have to understand it.

Sir, it is estimated that approximately Rs 600 cr of industries have been drained in last one year because of not understanding the seriousness and gravity of the matter by both, DNH Administration as well as DNH PDCL. The manufacturing has been made expensive by that amount in the UT. It would have opened the doors for employment to another hundreds of youth.

**Dr. R.B. Shelke**  
General Secretary

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23/12/16.  
M.P. Office.

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प्रेषण लिपिक / Despatch Clerk

प्रशासक सचिवालय

Administrator's Secretariat

We submit some statistics.

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President

**Ajit Deshpande**  
Vice President

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General Secretary

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|--|---------|
| 1. Total contractual demand of the Consumers as agreement with DNH PDCL  | 1300 MW |
| 2. Total power for which DNH PDCL signed power purchase agreements with power stations or GOI has allocated power from various sources | 1050 MW |
| 3. Average power which these sources are scheduling to DNH   | 900 MW  |
| 4. Average power which is mandatory for DNH PDCL to buy  | 800 MW  |
| 5. Average actual consumption by the consumers including OA consumers  | 700 MW  |
| 6. Average power through OA route  | 300 MW  |
| 7. Average surplus power for which DNH PDCL is paying minimum charges / Fixed charges  | 350 MW  |

Approximate cost of such additional minimum charges at approved power purchase price (by JERC) Rs. 30--35 cr per month

Sir, you are well aware that the UT neither has raw material, nor the market for finished goods. Industries are still operating in the UT because of certain incentives and low power cost which is mainly due to compact size of the UT. This compact size prevents pilferage and loss of power in transmission.

Now incentives have vanished. The last incentive of VAT exemption is also ending on 31.12.2017. Little reduced power tariff is lifeline to the industries. The insensitive attitude of DNH

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General Secretary

PDCL is becoming an impediment and hurdle to the survival of the industries. If it continued, the industries will have no option but to gather at Schivalay and hand over the keys of their manufacturing units to the Administration as its attitude, activities and policies are making manufacturing non-viable in the UT.

Sir, it is not the case that industries are bringing this matter first time to your notice. Industrial Associations are pleading for resolution since Dec 2015. But DNH PDCL is yet to take any fruitful action in surrendering of surplus power. Unfortunately, it seems that the responsible have not understood the gravity of the situation.

The reasons which have been extended by DNH PDCL for not surrendering are imaginary. Those reasons are fictitious. They say that what would happen, if the open access consumers will come back to grid power.

Sir, statistics shown above establishes that, even, if all OA consumers come back, there will not be shortage of power as we are expecting and demanding surrender of 200 MW power only. If that is done DNH PDCL will have availability of 800 MW, which is more than 700 MW, (which is actual requirement of power of the UT in the DNH, including OA consumers).

Linking it to the contractual load stipulated in the agreements between consumers and DNH PDCL is nothing but a fiction. It is because, looking the CAGR estimated by JERC, the growth in demand will not exceed 6% per year. And, also, obligations of DNH PDCL under those contracts are subject to the actual availability of power. In past also, during the era of power shortage, industries have come forward and given full cooperation in giving authorization to purchase power from open market or

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President

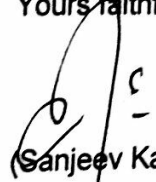
any other bilateral / available sources. The attitude of industries has always been supportive.

There is little possibility of return back of Open Access consumers to grid or exceeding the demand on grid power more than its availability.

This is our last prayer with folded hands that Administration and DNH PDCL now must understand importance of the issue and should take appropriate decisions at war footing.

Thanking you and anticipating some fruitful outcome.

Yours faithfully,

  
(Sanjeev Kapoor)  
President

**Ajit Deshpande**  
Vice President

Cc:

**Dr. R.B. Shelke**  
General Secretary

1. Office of Hon'ble Prime Minister, Government of India, New Delhi. ....with the prayer to intervene as "making in the UT is being made difficult" and survival of industries which are contributing Rs 3000 cr every year to national public exchequer is at stake.
2. Hon'ble Home Minister, Government of India, New Delhi.
3. Hon'ble Power Minister, Government of India, New Delhi.
4. Hon'ble Minister of State for Home Affairs (Sh. Hansraji Ahir), Government of India, New Delhi.
5. Hon'ble Member of Parliament, Dadra Nagar Hevli, SILVASSA
6. The Secretary, Ministry of Home Affairs, Government of India New Delhi.

7. The Joint Secretary, UT Affairs, Ministry of Home Affairs,  
Government of India, New Delhi.
8. Hon'ble JERC for Goa and UTs, New Delhi.

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