

**TAMIL NADU ELECTRICITY REGULATORY COMMISSION**  
**(Constituted under Section 82(1) of the Electricity Act 2003)**  
**(Central Act 36 of 2003)**

**PRESENT :**

**Thiru. S. Kabilan** - **Chairman**

**Thiru. R. Rajupandi** - **Member**

**and**

**Thiru K. Venugopal** - **Member**

DRP No. 19 of 2009

Precot Meridian Ltd.  
SUPREM, 737, Puliakulam Road,  
Coimbatore-641 045  
Represented by its Senior Manager-Energy & Services  
S. Varadaraj

.. Petitioner  
Counsel for Petitioner  
Thiru N. L. Rajah

Vs

1. Tamil Nadu Electricity Board  
Anna Salai, Chennai
2. Sai Regency Power Corporation  
II Floor, Crown Court  
128, Cathedral Road  
Chennai-600 086
3. OPG Energy Private Ltd.  
167, St Maris Road,  
Alwarlpet,  
Chennai-600 018

..... Respondents  
Counsel for  
Respondent No.1  
Thiru H.S. Mohamed Rafi

Date of hearing 3-12-2009

Date of Order 3-12-2009

The above DRP No.19 of 2009 praying for a direction to the Respondents to allow the petitioner to utilise 100% of the demand (KVA) equivalent to the energy supplied by the Captive Power Plant for calculating demand consumed by the Petitioner's manufacturing plant came up for hearing on 3-12-2009. The Commission orally observed that the above DRP No.19 of 2009 is disposed of in terms of the order of the Commission dated 28-10-2009. Pursuant to the above oral orders the Commission passes the following

ORDER DATED 3<sup>rd</sup> DECEMBER, 2009

In order dated 28<sup>th</sup> October 2009 in Suo-motu proceedings No.1 of 2009 in paragraph 16, it was ordered as follows:

“16. After taking into account the submissions made by both the parties, the Commission directs as follows:-

(1) The base energy consumption and base demand shall be computed for all captive users including the wind energy captive users on the basis of the formula contained in the TNEB Memo No.CE/Comm/EE/DSM/AEE/PMM/F. Power Cut/D.001/08 dated 1-11-2008;

(2) For any demand sanctioned after 1-10-2008, the additional energy quota and demand energy quota shall be as per the formula prescribed by the TNEB in Memo No.CE/Comm/EE/DSM/F.Powercut/D.001/2008 dated 1-11-2008;

(3) The demand and energy quota for the wind energy supplied after 1-11-2008 shall be fixed in accordance with the memo dated 17-11-2008 of TNEB;

(4) As already directed by the Commission, wind energy banked as on 1-11-2008 shall be adjusted in five equal monthly instalments between 1-12-2008 and 30-4-2009 and equivalent additional demand and additional energy quota should be allotted to them;

(5) Demand quota and energy quota after being redrawn in accordance with the above directions shall be set off against the actual demand and energy consumed between 1-11-2008 and 30-4-2009;

(6) Excess demand charges and excess energy charges for the period from 1-11-2008 to 30-4-2009 shall be computed with reference to the re-drawn demand and energy quota;

(7) The High Court has directed that the banked energy to the credit of the wind energy generators as on 31-3-2009 shall not lapse. Accordingly, we direct that any surplus banked energy remaining unadjusted on 30-4-2009 would be eligible for encashment at the rate of Rs.3.50 per unit, which is the current tariff for industrial consumers. This is because the captive consumers were prevented from utilizing the banked energy adequately between 1-12-2008 and 30-4-2009;

(8) For the period from 1-5-2009 to 31-10-2009, the formula for computation of energy quota and demand quota contained in the circular of TNEB dated 17-11-2008 shall apply, that is, with effect from 1-5-2009 the petitioners are entitled to demand quota for current generation in accordance with the formula of 17-11-2008; if the energy quota and demand quota during this period has been exceeded by the captive user, he will be entitled to draw from the energy banked during this period to the extent of adjusting the excess demand and excess energy consumption;

(9) The excess demand charges and excess energy charges for the period from 1-5-2009 to 31-10-2009 shall be determined with reference to the demand and energy quota calculated in accordance with para (8) above;

(10) For the future, from 1-11-2009 the base demand and base energy may continue to be fixed with reference to the formula laid down by TNEB in their memo dated 1-11-2008;

(11) Unutilised banked energy available as on 1-11-2009 may be utilized by the wind captive users in five equal monthly instalments from 1-11-2009 upto 31-3-2010 in addition to current generation of that month;

(12) The energy which remains in the bank of wind energy generators as on 1-11-2009 after adjustment in accordance with para (8) above, shall be available for consumption of the wind energy captive user between 1-11-2009 and 31-3-2010 in five equal monthly instalments. In addition, current generation would also be eligible for additional energy and additional demand quota; both current generation as well as the energy drawn from the bank would count for computation of equivalent demand;

(13) From 1-11-2009, all captive users, whether thermal or wind, shall declare on the first day of every month, the energy proposed for captive use for the following month, which shall be considered as B and F for the purpose of energy quota and demand quota respectively in terms of the memo of TNEB dated 17-11-2008; the energy so declared shall roughly be the monthly average generation;

(14) From 1-11-2009, peak hour current generation as well as peak hour banked energy shall be eligible for peak hour

utilization every month subject to the limit of one-twelfth of annual peak hour generation;

(15) Energy which remains unutilized as on 31-3-2010 shall be eligible for encashment at the rate prescribed in para 8.2.2 of Order No.1 of 2009 dated 20-3-2009 of TNERC;

(16) If a consumer opts out of wheeling agreement and becomes an ordinary consumer, A and E referred in the memo dated 17-11-2008 shall be deemed to be the base energy and base demand.

(17) Demand side management (DSM) is an effective tool to handle power shortage. This is the cheapest option and least time consuming compared to capacity addition. Accordingly, the Commission directs the TNEB to initiate appropriate action towards demand side management vigorously to bring down the demand; this would reduce either load shedding or the power purchase burden. An action plan on demand side management may be submitted to the Commission by 31-12-2009. “

The above directions will be applicable to the petitioner's case also.

Delivered on 3-12-2009

(K. VENUGOPAL)  
Member-II

(R. RAJUPANDI)  
Member-I

(S. KABILAN)  
Chairman