

**BEFORE THE TAMIL NADU ELECTRICITY REGULATORY COMMISSION
CHENNAI**

Order No T.O. 1 - 77 dated 20/03/2006

Present :	Hon'ble Thiru. A.Balraj,	Chairman
	Hon'ble Thiru S.Thangarathnam,	Member
	Hon'ble Thiru B.Jeyaraman,	Member

**In the matter of : Extending Single Point HT supply under HT
Tariff I A to Industrial Parks / Complexes.**

M/s. Nethaji Apparel Park, Tiruppur and Palladam Hi-Tech Weaving Park (both incorporated under Companies Act) represented the following:

- (i) They are Special Purpose Vehicles promoted by the shareholders who are engaged in apparel making and exports business, for setting up of an exclusive "Apparel Park for Exports Scheme", a scheme under Ministry of Textiles, Government of India.
- (ii) They have established the parks in the contiguous area bound by compound wall and the shareholders have constructed manufacturing units in the plots allotted to them.
- (iii) They want to avail bulk supply from TNEB so as to distribute the power among the members through the distribution net work erected by them,
- (iv) When they approached TNEB, they were advised by the TNEB to get distribution licence under the Electricity Act 2003.
- (v) They requested the Commission to clarify as to whether they can be extended single point supply or they require a distribution licence.

(2) The Commission referred the requests to the TNEB and asked the TNEB to examine and report as to whether single point HT supply can be extended to the Apparel Parks as in the case of such single point supply extended to Tidal Park in Chennai.

- (3) The TNEB in their letter dated 28.02.2006 informed the following:

- a. Only one bulk supply has been effected to M/s. Tidal Park for 9150 KVA and the Tidal Park is extending supply to 30 consumers rented in the building and the tariff is based on the IT Policy of the Government of Tamil Nadu.
- b. In the case of the Apparel Park, they have proposed to distribute the power to the consumers within the premises besides consumption of power for maintaining infrastructure and common facilities.
- c. The service to the Tidal Park was extended prior to enactment of Electricity Act 2003 and the Electricity Act requires license for distribution of power.
- d. The TNEB have no objection in granting distribution licence to the above Apparel Park / Weaving Park.

(4) M/s. Tirupur Export Knitwear Industrial Complex, (TEKIC) an association registered under Societies Act had represented that their request to have one single HT service surrendering the LT services enabling them to wheel the power from their Wind Mills, has not been considered by TNEB on the grounds that such an arrangement will result in TNEB losing many consumers and considerable revenue.

(5) In such a context, the Commission considered the following:

- (i) As regards the grant of distribution licence, the following points require to be noted:
 - As per section 2 (17) of the Electricity Act 2003, "distribution licensee" means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply.
 - As per section 2 (19) "distribution system" means the system of Wires and associated facilities between the delivery points on the transmission lines, or the generating station connection and the point of connection to the installation of the consumer.
- (ii) In the case of the Apparel Park and Weaving Park, they are registered companies (artificial juridical persons) requiring electricity for consumption

by the shareholders in the contiguous area bound by compound wall. It is not for distribution to other consumers at a different rate.

- (iii) The distribution licensee implied in the provisions of the Act and the Regulation is that "such a licensee will draw power from Generating Company through transmission system and distribute it to different categories of consumers in his area of supply by erecting and maintaining his own distribution system".
- (iv) The cases of M/s. Nethaji Apparel Park and M/s. Palladam Hi Tech Weaving Park do not fall under the provisions of the Act to necessitate a distribution licence.

(6) Taking into consideration the benefits such as lesser number of services, lesser capital investment, lesser losses, reduction in consumer services, billing etc., the Commission orders that single point HT supply under HT Tariff I A (Industrial) tariff may be permitted to the Textile Parks and any other Association of consumers forming Industrial Complex for distribution among the Members / constituents subject to the conditions specified.

(9) Accordingly, the following shall be added as **Condition IX** under para 2.0 High Tension Tariff I A under Part I: High Tension Supply in Chapter 7.17 Tariff Schedule of the Commission's Tariff Order dated 15.03.2003.

- (ix) **Single Point HT supply under this tariff may be permitted to Textile Parks and any other Associations of consumers forming Industrial Complexes for distribution among the constituents / members subject to the following conditions:**
 - a) **The Industrial Units availing supply is in a contiguous area.**
 - b) **The power is not sold to any other person and the electricity charges for industrial consumption billed by TNEB are shared among the members / constituents according to their internal consumption.**
 - c) **Supply to common infrastructure facilities such as water supply, street lighting etc., shall be measured in a separate**

meter and charged at LT Tariff V and if the demand for such facilities exceeds 112 KW, separate HT supply at tariff III shall be availed for such facilities.

- d) The Association / Special Purpose Vehicle – SPV shall not charge a rate higher than the rate charged by the Distribution Licensee.
- e) Wheeling of power from NCES to such HT services, if any, shall be covered by the respective policy ordered by the Commission.

(By Order of the Commission)

R. Balasubramanian
Secretary

To

The Chairman,
Tamil Nadu Electricity Board,
Chennai 600 002.