

Annexure -H

**BEFORE THE RAJASTHAN ELECTRICITY REGULATORY COMMISSION**

**Jaipur**

Filing No. ....

Case No. ....

IN THE MATTER OF:

Providing rebate to Large Industries under Hon'ble Commission's directive of Ease of Doing Business in the ARR and Tariff Order for FY 2018-19 dated 28.05.2018.

AND

IN THE MATTER OF :

Jaipur VidyutVitrان Nigam Ltd.  
Jaipur

  
SUPERINTENDING ENGINEER (RA&C)  
JODHPUR DISCOM, JODHPUR

**PETITION UNDER SECTION 62 OF THE ELECTRICITY ACT, 2003 FOR PROVIDING REBATE TO LARGE INDUSTRIES UNDER HON'BLE COMMISSION DIRECTIVE OF EASE OF DOING BUSINESS**

Most Respectfully Submitted:

1. The Petitioner is a Company incorporated under the provisions of the Companies Act, 1956 with registered office at the places mentioned in the Case Title. The Petitioner is the Distribution Licensees in the State of Rajasthan and is engaged in maintaining distribution and retail supply of electricity to the consumers/public at large in the State, in its areas of distribution. The Petitioner functions as a distribution licensee in terms of Section 14 – of the Electricity Act and on the terms and conditions specified by the Hon'ble Commission from time to time.
2. In the present scenario, where the industrialization in the nation is on the rise, the electricity growth of the industrial sector in Rajasthan has stagnated. Over the past few years, there has been no significant growth in the industrial consumption in the state. There was negligible Y-o-Y increase in the demand of such consumers in FY 2017-18 while the demand had reduced by 2% Y-o-Y in FY 2016-17.

**Table 1: HT Industry energy consumption growth from all sources in Rajasthan (Discom, IEX, Captive, Renewable, etc.)**

Particulars	FY 2016-17	FY 2017-18
Total HT industry Consumption Growth (%)	-2%	1%

3. This is despite the fact that the state of Rajasthan has surplus availability of power. Cost of power is one of the major input costs to most of the industries. Therefore there is a need to explore possibilities of increasing consumption by the Industrial sector while also making it competitive, so as to not only ensure increased utilization of the generating assets but also to give boost to industrialization in the State and "Make in India" initiative of Government of India.
4. It is pertinent to mention that increase in consumption by the industrial sector not only leads to increased revenue for the Discoms but also increases employment opportunities in the state thereby leading to improved standards of living.
5. Moreover, the financial health of any Discom is dependent on the revenue generated from sale of power to the consumers under the jurisdiction of the Discoms. Amongst the various categories of consumers, Industrial category is the sect of consumers that contributes significantly to the revenue generation of the

  
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Discoms. Further, as these consumers are connected at high voltage level, the losses pertaining to such consumers are also less thereby reducing the cost to serve such consumers. Hence, if a Discom has a healthy base of such industrial consumers, it is bound to help the Discom in reducing the losses and maintaining a sustainable stream of revenue.

6. Considering the aforementioned facts, the Hon'ble Commission in its Tariff order for FY 2018-19 dated May 28, 2018 directed the Discom to consider providing an incentive of upto Rs. 1/unit to new industries being set up in State after 01.09.2018 for a period of first (5) year under its directive of "Ease of Doing Business".
7. As such, in order to attract the large industrial consumers to invest in the state and draw power from the Discom for its operations, an incentive scheme is being proposed by the Discom. Apart from the rebate for new industrial connections, Petitioner is also proposing rebate for incremental consumption for existing industrial consumers and captive consumers.
8. The objective of supplying electricity at reduced rates is to give an impetus to consumption of power and increase industrialisation in the state. The scheme being proposed is as under.

#### **9. Rebate Scheme for industrial consumers**


##### **a. Applicability:**

The rebate will be applicable to HT consumers under the MIP and LIP categories.

##### **b. Rebate**

##### **i. Consumers having a connection or taking a connection before 1.4.19:**

For the Medium HT and Large HT industrial consumers having a connection or taking a connection before 1.4.19, a rebate of Rs 0.55 per unit and Rs. 0.85 per unit respectively in energy charges will be provided on the yearly consumption in a financial year in excess of the consumption of the base year. Base year for consumers existing as on 1.4.17 shall be FY17-18. For consumers who took connection between 1.4.17 and 31.3.18, the base year shall be FY 17-18 but the consumption of the base year shall be deemed to be the first full twelve months after the connection is taken. For consumers who take connection between 1.4.18 and 31.3.19, the base year shall be FY18-19 but the consumption of the base year shall be deemed to be the first full twelve months after the connection is taken. The rebate in a financial year after the base year shall be provided from the month normative consumption has been achieved.

  
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**ii. Consumers taking a connection between 1.4.19 and 31.3.20**

For the Medium HT and Large HT industrial consumerstaking a connection after 1.4.19 for a new unit set up by a manufacturing enterprise set up by making a new investment in fixed assets, a rebate of Rs 0.55 per unit and Rs. 0.85 per unit respectively in energy charges will be provided on the yearly consumption. New connection merely on account of a change in ownership shall not qualify under this category.

**c. Period of rebate:**

The period of rebate shall be five years.

**d. Other rebates:**

Other rebates like power factor rebate, load factor rebate and voltage rebate will continue to be provided and computed on the tariff decided by the Hon'ble Commission.

*Example: If the connection is taken on 15.7.17, the base year shall be FY17-18. Consumption of this year shall be the consumption in the months of August 17 to July 18 (lets say its 10 lakh units). If monthly consumption is 1 lakh unit per month from April 18 till September 18 and 1.5 lakh units per month from October 18 to March 19, the total consumption in FY18-19 is 15 lakh units. The rebate shall be admissible on 5 lakh units. Since the consumption of 10 lakh units was achieved in the month of December 18 (cumulative consumption till December 18 is 10.5 lakh units), rebate will be due for the excess 0.5 lakh units in December 18 and 1.5 lakh units each in January 18, February 18 and March 18, totalling 5 lakh units. The rebate shall be available for a total of five years from FY18-19 to FY22-23.*

**10. Rebate Scheme for captive consumers**

**a. Applicability:**

Any consumer with a connection as on 1.4.17 and having a captive power plant based on non-renewable source of energy will be applicable for rebate.

**b. Rebate**

A rebate of Rs. 1.5 per unit will be given on the lower of increase in consumption from discom and reduction in consumption from captive power plant over the base year of FY 17-18.

*Example 1: There is no reduction in consumption from captive power plant but only incremental increase in consumption from Discom, hence a rebate of Rs 0.55 per unit or Rs. 0.85 per unit will be applicable as specified in the clause 1.*

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*Example 2: The incremental consumption from Discom is due to the reduction of captive consumption by same quantum of units. The entire incremental consumption will attract a rebate of Rs 1.50 per unit.*

*Example 3: There is higher reduction in consumption from captive power plant as compared to incremental consumption from Discom. Then, incremental units consumed from the Discom, shall qualify for a rebate of Rs 1.50 per unit*

*Example 4: There is lower reduction in consumption from captive power plant as compared to incremental consumption from Discom. Then, incremental units consumed from Discom up to reduction in captive consumption will qualify for a rebate of Rs. 1.5 per unit while incremental units over and above the reduction in captive consumption will qualify for a rebate of Rs 0.55 or Rs0.85 per unit for Medium HT consumer or Large HT consumer as specified in the above clause 1.*


*Example 5: If there is reduction in captive consumption but no incremental consumption from the Discom, there shall not be any rebate due to absence of incremental consumption from Discom irrespective of reduction in captive consumption.*

**c. Period of applicability:**

This rebate is applicable till any further order.

**d. Other rebates:**

Rebate of Rs 1.5 per unit for HT LIP consumers is inclusive of load factor rebate availed by the consumer on incremental consumption. Other rebates like power factor rebate and voltage rebate will continue to be provided and computed on the tariff decided by the Hon'ble Commission.

  
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## **PRAYER**

In view of the above submissions, the Petitioner prays as under:

- a) To admit and approve the Petition seeking amendment to provide rebate to Large Industry consumers;
- b) To condone any error/omission and to give opportunity to rectify the same;
- c) To permit the Petitioner to make further submissions, additions and alterations to this Petition as maybe necessary from time to time;
- d) Pass any such other order/s and/or direction/s, which the Hon'ble RERC may deem fit and proper in the facts and circumstances of the case.

  
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