

TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION

Regd. No. 181-8524/1998

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TECA: 2013/2014/DB-002

November 30, 2013

To

ALL MEMBERS - TECA

Dear Sir,

Sub: TN EC JC Meeting Held on 27-11-2013

1. A meeting of the representatives of some industry associations in Coimbatore was held on Wednesday, 27-11-2013 at the Indian Chamber of Commerce and Industry, Coimbatore. The purpose of the meeting, organized by TECA, was to discuss the frequent and prolonged electric power shutdowns being faced by the industrial consumers in the Region and also in rest of Tamil Nadu. Representatives from 20 associations took part in the meeting. The list of the names of the associations represented in the meeting is given in the enclosure.
2. The meeting was briefed about the discussions with the Chief Engineer, Coimbatore Region, TANGEDCO on 25-11-2013 in his office by TECA's office bearers and representatives of other industrial associations. The Chief Engineer said that the shortage of power was about 2500 MW caused by breakdown of machinery in generating stations and shortage of coal. He said that the some of the breakdowns have been repaired and normal generation would be restored in two days, that is, by 27-11-2013.
3. TECA reported that the informal sample survey done by it among its members all over Tamil Nadu. The power shutdowns averaged about 5 hours in day time and about one hour in the night time, apart from the peak hour restrictions. Most members reported a loss of production of 40% and above.
4. Representatives of the associations of small industries sought some reliefs due to the power shutdowns. They included deferment of VAT payments and electricity dues, deferment of term loan repayments and reduction of bank interest rate for small industries. A suggestion for non-payment of the electricity dues was also made. TECA referred to the efforts made by Indian Chamber of Commerce and Industry, Coimbatore for getting deferment of term loan installments payable to banks. Though the Union Finance Ministry had forwarded the proposal and the State Level Banking Committee recommended it, the Reserve Bank of India has refused to accept the proposal, while it accepted that the proposal is a genuine one. The reason given for the refusal is that it will set a precedent which other states would also demand even if the problem is not serious or genuine. Mr R Ramachandran,

President, Codissia said that the Reserve Bank has granted a 2% reduction in interest rate for the small scale industry in Andhra Pradesh. It was decided to get full details of this.

5. Some associations pressed for some action, including protest rallies etc. citing their members were in deep distress and wanted early relief.

6. The following decisions were made in the meeting:

- a) To monitor the power supply situation till Dec 7, 2013 to decide on further course of action in view of the assurance given by the Chief Engineer, Coimbatore Region, TANGEDCO that the supply will be normalized in a few days.
- b) To request Govt of Tamil Nadu and TANGEDCO for equitable distribution of available power across all consumers in Tamil Nadu with showing preference to consumers in Chennai.
- c) To request TANGEDCO and the Government of Tamil Nadu to waive the Cross Subsidy Surcharge on power purchased in Open Access by consumers. If the Cross Subsidy Surcharge cannot be waived, the Govt of Tamil Nadu may be requested to pay it to TANGEDCO.
- d) To request TANGEDCO to calculate the Demand Charges for the actual hours of supply of power, after deducting the load shut down durations.
- e) To request Honourable Chief Minister of Tamil Nadu to grant an appointment in the next two weeks to explain the disastrous impact on the power shutdowns and the Restriction and Control Measures on the industry in Tamil Nadu, particularly the Medium, Small and Micro Enterprises.

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