

**ORISSA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
UNIT-VIII, BHUBANESWAR – 751 012**

Present : Shri D.C.Sahoo, Chairperson
Shri B.C. Jena, Member
Shri S. K. Jena, Member

Dated the 12th day of July , 2006

Case No.41 of 2005

Director (Engg.), Orissa Electricity
Regulatory Commission, Unit-8, Bhubaneswar **Petitioner**

- Vrs –

1. Chief Executive Officer, NESCO
At/P.O.Januganj, Dist-Balasore **Respondent**
2. Managing Director, M/s Orissa Power
Transmission Corporation
Limited (OPTCL) **Proforma
Respondent**

For the petitioner : Mr.B.K.Sahoo,
Director (Engg.), OERC

For the respondent : Mr. J.M. Vashishat,
E.D., NESCO

For the Proforma Respondent : Mr.N.N.Mohapatra
Sr.G.M.(R&T), OPTCL

ORDER

The license condition No.19.2 of the Orissa Distribution & Retail Supply License, 1999 (No.3/99) requires the licensee NESCO to forecast the demand of power for the next five financial years giving the year-wise breakup. The detailed particulars in respect of Demand Forecast and the data, methodology and

assumptions are to be submitted to the Transmission and Bulk Supply Licensee and to the Commission. Thereafter, GRIDCO/OPTCL would furnish a consolidated Load Forecast for the next ten years for the entire state to the Commission.

2. The Director (Engg.) submitted to the Commission about the failure of NESCO to supply relevant information to OPTCL/GRIDCO for preparation of Load Forecast for the year 2004-2013. This action on the part of the licensee is tantamount to non-compliance of the provisions of the license conditions, as stated earlier.
3. A show cause notice was issued to the licensee vide OERC/Engg./24/99 (Vol-V. Para-1) dt.29.09.05 asking NESCO as to why suitable action as per law shall not be initiated against the licensee for his failure to meet the requirements of license conditions. The licensee also failed to file a reply to the show cause notice dt.29.09.05. Thereafter, a suo motu proceeding under section 142 of the Act, 2003 was started against NESCO for non-compliance with the provisions of license conditions and orders of the Commission. Director (Engg), Orissa Electricity Regulatory Commission acted as the petitioner, NESCO was listed as Respondent No.1 and OPTCL was made the Proforma Respondent.
4. The case was heard on 10.01.06. The Commission after having heard the OPTCL and the licensee did not consider it necessary to ask NESCO to submit the Demand Forecast for the period prior to 05-06 to 09-10 as it had lost its relevance. Therefore, the Commission allowed time upto 28.02.06 for submission of the Demand Forecast covering the period 05-06 to 09-10 which was due for submission by 31.12.2005. It is now observed that NESCO has filed the reply only on 28.04.06.

5. The Commission has observed about the persistent failure on the part of NESCO to submit the Demand Forecast in accordance with license conditions. This has adversely affected the Load Forecast preparation by the State Transmission Utility. The Commission also records its displeasure that the licensee had not put in place an appropriate group of executives to carry out this job to meet the requirement of the license conditions. CEO, NESCO submitted during course of the hearing that required numbers of executives are now available. A cell has been constituted in their Corporate Office so that the preparation of Demand Forecast shall not be delayed.
6. In spite of the assurance of the licensee, it is also observed that the licensee has failed to submit the required information as promised by 28.02.06. This kind of belated submission shall be strictly avoided in future and the Commission shall take a serious view if such kind of negligence continues for the subsequent filings, penal action as deemed appropriate will have to be taken against the licensee.

In the instant case, the Commission has taken a lenient view on the assurance of the CEO about the creation of an exclusive cell and drops for the present proceedings initiated.

Sd/-
S. K. Jena
Member

Sd/-
B.C. Jena
Member

Sd/-
D.C. Sahoo
Chairperson