
2. GRIDCO has claimed year end adjustment bill amounting to Rs.3,47,61,114/- (Rs.3,17,147 + Rs.30,43,667/-) towards excess drawl by the SOUTHCO over and above the approved quantity allowed by OERC for the year 2000-01.

3. SOUTHCO has drawn 1523.58MU as against 1499.50 MU approved by OERC for the year 2000-01 resulting in excess drawl of 24.07 MU. SOUTHCO has paid an amount of Rs.2,95,98,051/-.

4. SOUTHCO has objected to this claim and stated that the above demand from the beginning on the ground that the claim was not reviewed by the Commission and GRIDCO did not comply with the tariff order dated 19.01.2001 in case No.27/2000 passed by the Commission. SOUTHCO along with other two distribution companies i.e. NESCO and WESCO have taken up the matter with GRIDCO for withdrawal of the year-end adjustment claim. As a consequence, discussion was held on this issue on dated 05.6.2003 and 12.7.2003 wherein the GRIDCO has agreed for revision of the bill as per the final decision of the OERC in case the DISTCOS refer the matter to the Commission.

5. That in Para 6.29.4 of the tariff order for the year 2000-01, the Commission has stated as follows:-

“The Commission analysed the proposal of GRIDCO and DISTCOs. Acceptance of DISTCOs suggestion for allowing the entire expenditure on account of excess consumption over the approved figure could mean that all power purchase cost incurred irrespective of the normative level of power purchase approved by the Commission could be allowed for tariff. GRIDCO being the carrier of this energy should not be unduly burdened due to failures if any, by the DISTCOs in making their projections. The Commission, therefore, approves that any expenditure for excess purchase of power over the approved annual quantum of energy should be reimbursed by the DISTCOs in proportion to their excess consumption. Such excess drawl should be billed by GRIDCO at the actual cost of power purchase plus transmission charges and transmission losses, if any and payable, as a year-end adjustment. However, any additional purchase by the DISTCOs over the approved requirement would be reviewed by the Commission and the expenditure of DISTCOs shall be limited to the normative level of power purchase approved by the Commission. The bill for year-end adjustment shall be based on the actual cost of power purchase made by GRIDCO plus transmission charges and transmission loss. GRIDCO has not submitted the merit order cost

of actual power purchased for the DISTCOs during the year supported by audited documentary evidence for review by the Commission.”

6. After prolonged discussion GRIDCO withdrew the provisional bill towards year-end adjustment and raised the revised bill of Rs.3,47,61,114/- based on the unit cost of KHSTPS of NTPC as against the provisional bill of Rs.3,17,17,447/- submitted earlier, without computing the merit order cost of power purchase made by GRIDCO for the total drawl of DISTCOs.

7. Before raising any claim towards year-end adjustment charges, GRIDCO is required to compute the cost of power purchase charges for the actual drawl by all the four DISTCOs namely WESCO, NESCO, CESCO & SOUTHCO by considering the transmission loss of 3.7% allowed by the Commission.

8. As per the 6th Annual Report of GRIDCO and as per the audited annual accounts for the FY 2000-01, GRIDCO has sold 10864 MU to all the four retail supply licensees during the year 2000-01. This sale presumed to have taken place at various Grid Sub-Stations excludes the State Transmission loss of 3.7% allowed by the OERC in its Tariff Order dated 19.1.2001.

9. GRIDCO in its counter stated that in the application of SOUTHCO, the provisional year end adjustment bill of Rs.3,17,17,447/- (Rupees three crore seventeen lakh seventeen thousand four hundred forty seven) only was raised on 07.07.01 at OERC approved rate for the additional purchases made for the year's excess drawl of DISTCOs over and above the quantity approved by OERC for 2000-01. The revised year end adjustment bill of Rs.3,47,61,114/- (Rupees three crore forty seven lakh sixty one thousand one hundred fourteen) only was raised on dated 13.8.03 at the highest audited rate of NTPC station in accordance with the minutes of discussion drawn up between GRIDCO and DISTCOs on 12.07.2003.

10. GRIDCO had prepared and served the bill at the marginal cost of power purchase plus transmission charges and transmission losses for the excess drawl by DISTCOs during 2000-01 with reference to MOU between GRIDCO & DISTCOs held on dated 12.07.03. SOUTHCO objected the said provisional revised bill on the ground that GRIDCO has not followed the BST order dated 19.01.2001 passed in Case No.27/2000 as well as the claim of GRIDCO was not reviewed by the Commission.

11. GRIDCO has recalculated the Y.E.A. for 2000-01 for the excess drawl by DISTCOs at the actual power purchase cost plus transmission charges and transmission losses during 2000-01 on the basis of audited figures.

12. The revised bill of Rs.3,47,61,114/- was served on SOUTHCO for payment with reference to minutes of discussion between GRIDCO and DISTCOs dated 12.7.2003.

13. In this context, an extract of Commission's order in Case No.62 of 2003 and Case No.74 of 2003 pertaining to year end adjustment bill claim of GRIDCO on WESCO and NESCO is quoted below.

"6. After hearing both sides at length, on perusal of materials available on record, we find that petitioners have not mentioned the meeting held between GRIDCO and two DISTCOs on 12.07.2003 where the issue in question was debated. It is strange to note that no documentary evidence is forthcoming from the side of the respondent – GRIDCO to substantiate the same. On the other hand, the Bulk Supply Tariff order dt.19.01.2002 has permitted an amount of Rs.108.25 crores in respect of revenue requirement for the year 2001-02. Such claim has been admitted basing on the submission made by GRIDCO in its tariff application before the Commission. As observed in para 6.23.1.2 of the tariff order dt.19.04.2002 "this has necessitated drawl from costlier central power station involving additional expenditure, which has been estimated at Rs.60.13 crore on the quantum of energy approved for the 2001-02 applying the approved rate of OERC. The Commission considers it reasonable to accept this figure as a pass through for

the revenue requirement for the year 2001-02. However, the actual figure will have to be verified by the appropriate authority during the course of auditing. GRIDCO has not submitted any audited account relating to additional sum actually spent for meeting the power requirement of the distribution companies in excess of what has been permitted by the Commission and has also not spelt out the reduction in cost of power purchase due to export of power outside the State. The claim of GRIDCO need to be scrutinised in view of a pass through already permitted by the Commission. As such, the claim raised on the petitioners – licensees are not being allowed.”

However, GRIDCO has not responded in their pleadings to the above observations of the Commission, though the case is similar in character. As such, the order passed by the Commission in the above mentioned cases will be mutatis mutandis applicable to the instant case.

**Sd/-
(S.K. Jena)
Member**

**Sd/-
(B.C. Jena)
Member**

**Sd/-
(D.C. Sahoo)
Chairperson**