

ORISSA ELECTRICITY REGULATORY COMMISSION

**BIDYUT NIYAMAK BHAWAN
UNIT-VIII, BHUBANESWAR - 751 012**

Present : Shri B. K. Das, Chairperson
Shri K.C. Badu, Member
Shri B.K. Misra, Member

Case No.134/2009

OHPC	Petitioner
Vrs.		
GRIDCO	Respondent

**In the matter of: Energy Reconciliation between OHPC & GRIDCO for the
FY 2007-08 and FY 2008-09.**

For the petitioner : Mr. D.K. Sahoo, Sr. G.M(Elect), OHPC.

For the Respondents: Mr. L. Mahapatra, AGM, GRIDCO

Date of Hearing : 04.12.2009

Date of Order :06.02.2010.

ORDER

OHPC has filed an application to the Commission for resolution of dispute between OHPC & GRIDCO on reconciliation of monthly energy bills for the FY 2007-08 & 2008-09. The dispute is on computation of Capacity Index and Capacity charges there on for Hydro Power Station during the period under Renovation & modernization of Unit #2 at Chipilima Power House and RLA study of the generating units of Balimela for Balimela Power Station. Another dispute is on the treatment of transmission loss in transmission Tie lines I & II between Hirakud and Chiplima Power House. Whether the transmission loss in the tie lines to be treated as deemed generation of Hydro Power Station or the tie-line transmission loss to be considered as integral part of auxiliary consumption of Hydro Power Station. The principle of metering arrangement to determine the energy

flow in the tie lines between Burla and Chipilima Power Stations also need finalisation.

2. Mr. D.K. Sahoo, Sr. GM(Elect), OHPC has stated that the Commission had approved the ARR of HPS (both Burla & Chipilima Power Stations) amounting to Rs.63.68 crores vide its order dtd. 22.3.07 passed in Case No. 54/06. In the year 2007-08, unit # 2(24 MW) of Chipilima Power House was under renovation and modernization. As per the PPA entered between GRIDCO and OHPC for Rengali HPS (another generating station of OHPC), both the petitioner and GRIDCO, in principle, agreed to abide the order of the Commission on tariff matters in respect of R&M of any generating units under the control of the petitioner. Further the Commission had allowed depreciation of Rs. 14.50 crore for HPS having installed capacity of 347.5 MW Hirakud and Chipilima taken together out of which Rs. 9.46 crore was considered as depreciation and Rs. 5.04 crore as advance against depreciation for FY 2007-08. The installed capacity of Chipilima Power House was 72 MW (3x24 MW). As an out of omission OHPC in their ARR application for 2007-08 had not mentioned about R&M of Unit # 2 (24MW) of Chipilima Power House and accordingly order was passed by the Commission for the FY 2007-08. In line with Rengali PPA both the parties have jointly agreed for reduction in maximum available capacity of Chipilima as 48MW instead of 72MW and corresponding reduction AFC to the tune of Rs.0.65crores towards depreciation apportioned of unit # 2 of the Chipilima for the purpose of computation of capacity charge only. OHPC will deduct the said amount of Rs. 0.65 crore from the accumulated depreciation of HPS upto FY 2007-08. He, therefore, pleaded that for computation of capacity charge of HPS (Both Burla and Chipilima), the comparative index be recalculated considering deemed installed capacity on 323.5 MW as against 347.5 MW.
3. Mr. D.K. Sahoo, Sr. GM(Elect), OHPC stated that the existing 132KV Tie-I and Tie-II lines between HPS Burla and Chipilima is a legacy from OSEB period. These transmission lines meet the excess demand of Katapali S/s

with import power from Burla and import from inter connected S/s through other 132KV feeders connected with Burla power house switchyard, which get routed through 132KV Tie-I & II and Chiplima Bus, and finally metered at the interface point of 132KV Chiplima-Katapali feeder, at Chiplima. In the above transaction the petitioner has incurred a loss of 10.35 MU and 17.52 MU of energy as transmission loss during the FY 2007-08 & 2008-09 respectively. Originally there was no energy meter at both ends of 132KV tie feeders between Burla & Chiplima and consequently OHPC had borne the above transmission loss since the year 1996-97. However, after installations of meters, HPS is computing the net export to GRIDCO considering the energy meter reading at both ends of 132KV Tie-I & II feeders from the FY 2007-08. But the energy flow in the above tie line is not taken into account by GRIDCO while computing the net export from HPS and due to this the petitioner is losing revenue towards an average transmission loss of 12MU per year. There is no scope for recovery of transmission loss by OHPC in the approved ARR. OHPC pleaded that the transmission loss in Tie-line I & II be accounted for in EHT loss of Transmission Utility and OHPC be paid as per the approved generation tariff for the additional units in the FY 2007-08 and 2008-09.

4. At Balimela Power Station, the residual life assessment (RLA) study of unit # 1 & 2 of BHEP were taken up from 25.7.2008 to 7.11.2008. Due to non-availability of units during this period, the Capacity Index of BHEP was reduced to 83.333% in case of one unit and 66.667% in case of two units. Since RLA Study is a part of the renovation and modernization programme the capacity during the RLA study period should be deducted from the maximum available capacity for the purpose of computation of capacity index.
5. In similar line OHPC also pleaded for deduction of the capacity of units under RLA Study at Balimela from the maximum available capacity for the purpose of computation of capacity index of the generating station.

6. Mr. Laxmidhar Mahapatra, AGM, GRIDCO stated that the Commission in its order dtd. 22.03.07 on ARR of OHPC for 2007-08 have approved an AFC of Rs.63.68 crore in respect of HPS (both Burla and Chiplima) having installed capacity of 347.5MW. Out of this AFC, Rs.14.50 crore have been approved as depreciation for HPS (Rs.9.46 crore is considered as depreciation and Rs. 5.04 crore as advance against depreciation). As per Schedules 5, Clause 3(h) of PPA;

“Maximum available capacity means the maximum capacity in MW, the generating station can generate with all units running (excluding the units under R&M works), under the prevailing conditions of water levels & flows, over the peaking hours of next day. The peaking hour for this purpose shall not be less than 6 hours within a 24 hours period. In case of any generating units under R&M works, only the repair and maintenance expenses and depreciation amount apportion to the generating units under R&M may be deducted from the total annual fixed charges for calculating the annual capacity charges”.

OHPC did not mention in their ARR for FY 2007-08 regarding R & M of Unit-2 of Chipilima though at the time it was under R&M since last 3 years. As a result of this, the AFC of HPS for 2007-08 was approved by the Commission considering the total installed capacity of Chipilima i.e., 72MW and without any reduction of cost towards O&M and depreciation. OHPC raised monthly bills based on AFC and computed capacity index considering installed capacity of Chipilima as 48 MW instead of 72 MW, which is not accepted by GRIDCO.

7. He also stated that as per the minutes of the meeting dated 5.8.09 in the office of the Commissioner-Cum-Secretary, DoE, GoO, there will be a reduction of Rs.0.65crore towards depreciation from the approved AFC of Rs.63.68 crore for the FY 2007-08 and accordingly the accumulated depreciation upto 2007-08 should be revised in the depreciation schedule by deducting Rs.0.65 crore. In the said meeting it was also decided that reduction in declared capacity will be considered for the time schedule

- fixed in the DPR for R&M works as mutually agreed by both parties or as per approval of OERC.
8. The billing in respect of HPS was raised by OHPC taking into consideration of the meter reading at out going feeders only upto Feb, 2004, when 'T' connection was made in Burla-Chiplima Tie to avail power for Katapali Grid Sub-station. The said 'T' connection for Katapali was disconnected since 30.4.07 at 21.15 hours. It is now directly fed through a separate line from Chiplitima. So GRIDCO is not considering the tie meter reading for billing purpose as the ownership of these tie lines lies with OHPC and it is the internal flow between Burla and Chiplitima, the loss should not be passed on to GRIDCO. Chiplitima is a base load plant with installed capacity of 72MW, it is supposed to generate atleast 50-56 MW but unfortunately at present, Chiplitima is generating a maximum 15-20 MW. If Chiplitima can generate the rated output then such situation of power flow may not arise and Chiplitima can accommodate the demand of Katapali alone comfortably.
 9. He further stated that as per the PPA signed between GRIDCO & OHPC for Rengali Power Station, the Clause 4.1.3 stipulates that in case of any generating unit under R&M work for the purpose of computation of NPAF shall not be reckoned and the relatable fixed charges relating to O&M and depreciation apportioned to the capacity under R&M shall not be included in the ARR. There is no provision in the CERC Regulation as well as in the PPA of OHPC stations to exclude the capacity of the units under RLA study for computation of capacity index / PAFM of the generating station. The application of OHPC to reduce the capacity of Unit-I and II of BPH, which was under RLA study from 07/08 to 11/08 from maximum available capacity is not justified and is not in accordance with the existing norms. So he prayed the Commission to disallow the claim of OHPC for reduction of capacities of Balima Unit- 1 & 2 from July'08 to Nov, 08.
 10. After hearing the parties and perusal of the case records, prima-facie it is observed that the issues raised by OHPC are mainly related to

- (a) The computation of capacity index for the payment of capacity charge of HPS (both Burla and Chipilima) while taking out 1 unit of Chipilima PH of 24 MW, then under R&M during that period, needs to be calculated accordingly. Consequent to the reduction of the maximum available capacity, the capacity index for payment of capacity charge therefore, needs to be recalculated. Both GRIDCO and OHPC agree in principle to the recalculation. However the reasonable period required for the O&M needs to be determined.
- (b) The meter readings at both ends of Tie-line I & II may be measured to determine the transmission loss in the tie-lines. OHPC pleads that such loss is not attributable to them, while GRIDCO opines that as the line belongs to OHPC, it may bear the transmission loss. The Commission in one of their Tariff order dated 20.03.2009 in Case No.64 of 2008 vide para 164 had decided that both Hirakud and Chipilima PH may be considered as two distinct power houses and tariff for both the power houses to be computed separately. The tie-line between the PH are to be handed over to OPTCL. This should be made effective from FY 2010-11 onwards.
- (c) Regarding computation of Capacity Index of Balimela Power House, during the period of RLA study of the generating units of Balimela, the reasonable period of taking shutdown for the RLA studies, however, need to be agreed to by both the parties.
11. We direct both OHPC & GRIDCO to sit together and sort-out the discrepancy mutually, based on the relevant norms/ guidelines and agreed PPA. If any, issue is not resolved mutually, a fresh application may be filed before the Commission alongwith the views of both OHPC & GRIDCO on the unresolved issues. The present petition is not admitted.
12. Accordingly, the case is disposed of.

Sd-
(B. K. Misra)
Member

Sd-
(K.C. Badu)
Member

Sd-
(B. K. Das)
Chairperson