

**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. 50 of 2010

IN THE MATTER OF : Suo-Motu Petition filed by Director(Tariff) on 02.06.2010 in the proceeding initiated by the Commission for implementation of Intra-State ABT in real time mode with commercial implication in the State of Orissa under Regulation 18 of OERC (Intra-State ABT) Regulation, 2007.

A N D

IN THE MATTER OF : Director (Tariff), Orissa Electricity Regulatory Commission

.... **Petitioner**

- Vrs. -

1. The Commissioner-Cum-Secretary to Govt.,
Department of Energy, Bhubaneswar
2. The Managing Director, OPTCL,
Janpath, Bhubaneswar
3. The Managing Director
GRIDCO, Janpath, Bhubaneswar
4. The Member Secretary ,GCC
C/o. M D OPTCL,
Janpath, Bhubaneswar
5. The Chief Executive Officer,
CESU, 2nd Floor, IDCO Towers, Bhubaneswar.
6. The Vice President,
SOUTHCO, At/P.O. Courtpetta, Berhampur.
7. The Chief Executive Officer,
NESCO, At/P.O. Januganj, Dist. Balasore.
8. The Chief Executive Officer,
WESCO, At/P.O. Burla, Dist. Sambalpur.
9. The Chief Load Despatcher,
SLDC Building, GRIDCO Colony
Mancheswar Rly. Colony, Bhubaneswar – 751 017

... **Respondents**

For Petitioner: Dr. M S Panigrahi, Director (Tariff), OERC

For Respondents: Mr M Ananta Rao, CGM (IT) , Mr K M Parida, CGM (O&M) & Mr R K Das, DGM (Telecom) on behalf of OPTCL, Mr. Ranjit Das, Sr. GM (PP) on behalf of GRIDCO, Mr. R K Padhi, CGM (Tech.) on behalf of CESU, Mr. A K Bohra, CEO (Commercial), Mr S D Bhanja, GM & Mr P K Sahu, SE on behalf of SOUTHCO, WESCO & NESCO, Mr. B R Misra, Sr. GM on behalf of SLDC & Mr. S C Mohanty Legal Consultant on behalf of DOE, Govt. of Orissa were present during the Hearing.

Date of Hearing: 30.08.2011

Date of Order: 14.09.2011

ORDER

1. Director (Tariff) had filed a suo-motu petition before the Commission on 02.06.2010 for implementation of Intra-State ABT in real time mode with commercial settlement in the State of Odisha under Regulation 18 of OERC (Intra-State ABT) Regulations, 2007. The suo-motu petition after due scrutiny was registered as Case No. 50/2010.
2. OERC (Intra-State ABT) Regulations, 2007 was published in Odisha Gazette on 14.02.2008 and the said Regulation is applicable to the state of Odisha since 14.02.2008 onwards. The Commission had observed that this Regulation could not be implemented as the stakeholders i.e SLDC, DISTCOMs, OPTCL etc. were not fully prepared then to implement the same.
3. In Order to facilitate implementation of Intra State ABT in the State, the Commission had decided to implement the same in two phases i.e. Intra State ABT (Phase-I) amongst GRIDCO & DISTCOMs and after successful operation of Phase-I, the Intra State ABT (Phase-II) would be launched covering all the Licensees the State Generators including CGP and long term & short term Open Access Customers etc..
4. The Commission, therefore, started the “Mock Exercise” of Intra State ABT (Phase-I) in hourly mode w.e.f 20.07.2009. After availability of 15-minute data on OERC Website in November, 2009, the Commission had directed SLDC & other stake holders to start the “Mock Exercise” of Intra State ABT (Phase-I) in 15-minute mode w.e.f. 01.12.2009 which is continuing till date.
5. The Commission as a facilitator had conducted 3 Meetings on 18.07.2009, 17.09.2009 & 25.11.2009 & 2 “Mock Workshops” on 23.12.2009 & 05.05.2010 to discuss threadbare on the commercial & operational problems faced by the DISCOMs

as regards to command areas, points of injections of power to each DISCOM, points of Intra- DISCOMs transfer and its energy accounting etc. Most of the operational as well as commercial issues raised in those aforesaid Meetings and Workshops have been resolved.

6. The Commission had directed SLDC to prepare monthly “Mock UI” bills based on EBC data of GRIDCO. SLDC has been preparing and issuing to all DISCOMs from March, 2010 till date being certified by Member Secretary, GCC.
7. The suo-motu petition was first heard on 16.06.2010 and the interim order was issued on 14.07.2010. The matter was then heard on 08.12.2010 and 07.03.2011 on the following two important issues.
 - To decide the procedure for settlement of UI account as first charge on receivables either weekly on a separate account or through existing escrow arrangement on monthly basis.
 - Date of commercial implementation of Intra-State ABT (Phase-I) on real time mode with the DISCOMs and GRIDCO.
8. The Commission vide its Interim Orders issued on 14.07.2010 and 31.12.2010 addressed all the major issues raised by the stake holders and asked SLDC-the Nodal Agency & Member Secretary, GCC for discussion & resolution of balance Operational & Commercial issues associated with implementation of Intra State ABT (Phase-I).
9. Both SLDC & GCC had deliberated on the Operational & Commercial issues raised in the Meetings conducted by them & resolved almost all the balance issues associated with the implementation of Intra State ABT (Phase-I).
10. The matter was heard by the Commission on 07.03.2011 and vide Interim Order dtd. 30.03.2011, the Commission directed as under:
 - UI account is to be prepared on Weekly basis in line with the Inter-State ABT settlement, whereas the financial transaction shall be settled on monthly basis. SLDC would monitor the State ‘UI’ Pool Account for the purpose of recovery and payment of dues on account of UI charges. The Commission will have to decide the procedure for commercial settlement of UI account as First Charge on monthly basis for release of funds from Escrow Accounts.

- OPTCL has been directed for retrieval of data from the existing 98 sub-stations on weekly basis and to furnish the weekly data to SLDC from 1st April, 2011 onwards for preparation of weekly UI accounts.
 - OPTCL has been further directed to install 4 nos. of Dumb Terminals in Distribution System Operation Control Centres (DSOCCs) of DISCOMs to display the drawal and other related data in approved formats by end of May, 2011.
 - All DISCOMs should organize their DSOCCs with requisite men, hardware and software immediately to man on 24 x 7 hour basis under the direct control of very Senior Level Officers to monitor the schedule and drawal for optimal load management.
 - SLDC has been directed that EASSC of SLDC should be in total readiness for commercial operation w.e.f. 01.07.2011 so that the monthly State Energy Account and weekly UI account can be issued from SLDC based on the processed data of EASSC.
11. The Commission again heard the matter on 09.08.2011 on the following unresolved issues in implementation of intra-state ABT (Phase-I):-
- Commercial Operation of Energy Accounting Settlement System Centre (EASSC) which OPTCL/SLDC had committed during hearing on 07.03.2011 to be effective from 01.07.2011.
 - Installation of 4 nos. of Dumb Terminals in Distribution System Operation Control Centres (DSOCCs) of DISCOMs to display the drawal and other related data in approved formats which OPTCL had committed during hearing on 07.03.2011 to complete by 31.05.2011.
 - The Commission will have to issue a standard direction for Escrow Relaxation to enable DISCOMs to pay dues of “UI” charges as “FIRST CHARGE” on “FIRST PRIORITY” basis.
12. During the hearing on 09.08.2011 the stakeholders submitted their views on the unresolved issues mentioned in Para-11 as under:
- Sr. GM, SLDC submitted that ESSAC would be ready by end of August, 2011.

- CGM (IT), OPTCL submitted that equipments (hardware portion) of ESSAC have been installed and handed over to SLDC on 2nd August, 2011. He submitted that the requisite software for operation of ESSAC under Intra-State ABT regime was being developed by Infosys which is expected to be ready by 15th September, 2011.
 - DGM (Telecom) submitted that M/s. AREVA have been assigned to install Dumb Terminals in 4 DSOCCs of DISCOMs along with AMC. He assured the Commission that 4 Dumb Terminals would be installed by 15th September, 2011.
 - CEO (Commercial), CSO for NESCO, WESCO and SOUTHCO submitted that 3 DSOCCs were functioning in full swing being equipped with requisite hardware and software, man and materials etc. and furnishing day ahead schedule to SLDC.
 - DGM, ABT Cell, CESU submitted that DSOCC of CESU was equipped in all respects and is manned under direct supervision of CGM (Technical).
13. The Commission finally heard the matter on 30.08.2011 to decide the date of implementation of Intra State ABT (Phase-I) with commercial implication where the stake holders submitted as under:
- All the four DISCOMs of the State submitted that their DSOCCs are ready in all respects with requisite man power, hardware & software and are furnishing the day ahead schedule everyday to SLDC.
 - CGM (IT) on behalf of OPTCL submitted that the hardware portion of EASSC have been handed over to SLDC during 1st week of August, 2011. He submitted that the software for operation of EASSC is expected to be ready by end of October, 2011.
 - DGM (Telecom) submitted that M/s AREVA have been assigned by OPTCL to install Dumb Terminals in four DSOCCs along with AMC & requests another six months to complete the installation works.

14. Commission's Observations:-

- 14.1 We had observed that even though OERC Intra State ABT Regulation , 2007 came into effect since 14.02.2008, the said Regulation was yet to be implemented in part or in full even after 3 ½ years of its publication in Odisha Gazette.
- 14.2 In order to facilitate implementation of Intra State ABT in the State, the Commission with due consultation with the stake holders decided to implement Intra state ABT in 2 phases as mentioned below:-
- Intra State ABT (Phase-I) amongst GRIDCO & DISCOMs
 - Intra State ABT (Phase-II) covering all the Licensees, the State Generators including CGPs, long term & short term Open Access Customers etc. after successful operation of Phase-I.
- 14.3 As per our direction and under the direct supervision of SLDC, the “Mock Exercise” of Intra State ABT (Phase-1) in hourly mode was started w.e.f 20.07.2009. After availability of 15-minute data on OERC website in November, 2009, the “Mock Exercise” of Intra State ABT (Phase-I) was started in 15-minute mode w.e.f. 01.12.2009 which is continuing till date.
- 14.4 As a facilitator the Commission had conducted 3 Meetings on 18.07.2009, 17.09.2009 & 25.11.2009 & 2 (two) “Mock Workshops” on 23.12.2009 & 05.05.2010 to discuss threadbare on the commercial & operational problems faced by the DISCOMs as regards to command areas, points of injections of power to each DISCOMs, points of Intra- DISCOMs transfer and its energy accounting etc. Most of the operational as well as commercial issues raised in those aforesaid Meetings and Workshops have been resolved.
- 14.5 As per direction, SLDC has been preparing monthly “Mock UI” bills based on EBC data of GRIDCO since March, 2010 & has been issuing to all DISCOMs till date being certified by Member Secretary, GCC. Hence the DISCOMs as well as GRIDCO are well aware of their gain and loss status/position under Intra State ABT (Phase-I) since last 18 months.
- 14.6 We express our deep anguish on the manner in which both OPTCL & SLDC are working for establishment of EASSC which is expected to work as Live

Center/ Data Center of SLDC but the establishment of EASSC is unnecessarily delayed year after year even after the allotment of Fund for the said purpose by the Commission since FY 2008-09.

- 14.7 In similar vein, we deplore and express our serious concern on the delay of over 2 years for non-installation of 4 Dumb Terminals in DSOCCs by OPTCL for establishing the communication link between SLDC Server with PCs of DSOCCs of DISCOMs for display of drawal and other related data in approved formats at DISCOM end.
15. In view of the observations mentioned in Para-14 above, we direct as under:
 - 15.1 As the 'Mock Exercise' of Intra-State ABT was successfully implemented in hourly mode from 20.07.2009 to 30.11.2009 and thereafter, in 15-minute mode from 01.12.2009 till date, we have decided that it is now appropriate to launch the Intra State ABT on real time mode with commercial implication amongst DISCOMs & GRIDCO under Phase-I programme with effect from 1st January, 2012. No further time shall be allowed under any circumstances. All concerned are directed to complete all formalities before 30th November, 2011.
 - 15.2 On the basis of written submission of GRIDCO and agreed to by other stakeholders, UI account is to be prepared on Weekly basis in line with the Inter-State ABT settlement, whereas the financial transaction shall be settled on monthly basis. We hereby direct SLDC to maintain the State 'UI' Pool account. SLDC will open a separate Bank Account for this purpose to recover and pay the dues on account of UI Charges. SLDC will raise bills/claims for UI Charges on DISCOMs & GRIDCO and they in turn will pay the amount to SLDC by transferring the same to the said account within the stipulated period.
 - 15.3 We hereby issue a standing direction to GRIDCO for escrow relaxation to enable DISCOMs to pay the dues of UI Charges as the "First Charge" on "First Priority" for release of funds from Escrow Accounts. Accordingly priority of release of fund from ESCROW Account by GRIDCO would stand modify w.e.f. 01.01.2012 as indicated below and Para 516 and 517 of Retail Tariff Order for FY 2011-12 are deemed to have been revised to that extent

(A) From Current Revenue

- a. UI charges payable by DISCOMs, current BST dues (including overdrawing charges if any as clarified vide Lr. No. DIR(T)-335/08/1066 dtd. 18.06.2011), current Transmission charges, SLDC charges and license fees payable by the Distribution Companies, the energy bill of DISCOMs in respect of direct power purchase from CGPs or other agencies if any.
- b. Employees cost as approved by the Commission in this tariff order for FY 2010-11 and for subsequent years.
- c. Monthly R&M expenditure as approved by the Commission in the tariff order for FY 2010-11 and for subsequent years.
- d. The monthly obligation for repayment of principal and interest in respect of loan obtained/ to be obtained from the financial institutions for capex programme/system improvement.
- e. Average monthly obligation of the defaulted arrear BST as approved by the Commission in the RST order for 2008-09 and 2009-10 and for the subsequent years, if any.
- f. The balance amount towards arrear of BSP dues as approved in the securitization order of the Commission dated 01.12.2008.

(B) From Arrear Revenue

The collection to be made out of the arrear outstanding as on 01.4.2010 / beginning of the relevant financial year would be utilised in order of priority as indicated below:-

- (i) 50% of the monthly arrear collection would be utilised towards payment of the balance arrear revised salary worked out up to 31.3.2009.
- (ii) Balance 50% of the monthly arrear collection would be utilized towards arrear BST dues as approved in the securitization order dated 01.12.2008.

- 15.4 We hereby direct GRIDCO to remit the UI Charges of SLDC relating to GRIDCO on first charge basis.
- 15.5 We direct OPTCL to engage the persons/ agencies for downloading the data from the present 98 nos. of Grid Substations and any other substations which will be added afterwards on weekly basis. OPTCL is directed to furnish those weekly data to SLDC for preparation of weekly UI accounts from 1st January, 2012 onwards.
- 15.6 We direct OPTCL to install 4 nos. of Dumb Terminals in DSOCCs of DISCOMs to display the drawal and other related data in approved formats or to download from SLDC website in the GCC approved formats by end of October, 2011 spending the amount (if required) from the ARR of SLDC approved for FY 2011-12. The expenditure on hiring charges of communication links between SLDC & DSOCCs shall also be made from SLDC ARR approved for FY 2011-12.
- 15.7 We direct all DISCOMs to organize their DSOCCs by October, 2011 with requisite men, hardware & software to man on 24X7 hour basis under the direct control of very Senior Level Officers to vigorously monitor the schedule and drawal and optimal load management in actual operation with effect from 1st January, 2012.
- 15.8 We direct Chief Load Despatcher, SLDC to make available all the schedule and drawal data in 15-minute real time mode in SLDC website immediately. We direct Chief Load Despatcher, SLDC to convene a meeting of all 4 DISCOMs, OPTCL and GRIDCO to discuss and finalize all the minor / balance operational and commercial issues associated with implementation of Intra-State ABT (Phase-I) by 15th October, 2011.
- 15.9 We further direct Chief Load Despatcher, SLDC that EASSC of SLDC should be in total readiness for commercial operation w.e.f. 01.01.2012 so that the monthly State Energy Account & weekly UI account can be issued from SLDC based on the processed data of EASSC from January, 2012 onwards. We will not entertain any delay beyond 01.01.2012 in this matter.

15.10 We further direct Chief Load Despatcher, SLDC to initiate Intra State ABT (Phase-II) in 'Mock Mode' with effect from 1st January, 2012 covering all Licensees, CGPs, State Generators, Long and Short Term Open Access customers etc. so that Intra-State ABT in State shall be implemented fully among all stakeholders, early, say within 6 (six) months after implementation of Phase-I of Intra-State ABT.

In view of the above, we direct that the copy of this Order may be sent to the State Govt., Member Secretary, GCC, SLDC, all licensees and Long Term and Short Term Open Access customers and may be posted in OERC website for the information of all concerned.

Sd/-

(B K Misra)
Member

Sd/-

(K C Badu)
Member

Sd/-

(B K Das)
Chairperson