

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

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**Present:**        **Shri S. P. Nanda, Chairperson**  
                      **Shri B.K. Misra, Member**  
                      **Shri S. P. Swain, Member**

**Case No. 17/2013**

CESU	.....	Petitioner
Vrs.		
WESCO	.....	Respondent

**In the matter of:**        **An Application under S.86 (1) (f) of the Electricity Act, 2003 read with  
Section 11(2) of the Orissa Electricity Reform Act,1995.**

**AND**

**Case No. 18/2013**

CESU	.....	Petitioner
Vrs.		
SOUTHCO	.....	Respondent

**In the matter of:**        **An Application under S.86 (1) (f) of the Electricity Act, 2003 read with  
Section 11(2) of the Orissa Electricity Reform Act,1995.**

**AND**

**Case No. 19/2013**

CESU	.....	Petitioner
Vrs.		
NESCO	.....	Respondent

**In the matter of:**        **An Application under S.86 (1) (f) of the Electricity Act, 2003 read with  
Section 11(2) of the Orissa Electricity Reform Act,1995.**

For the Petitioners: Shri Sudarsan Nayak, CEO, CESU

For the Respondents: Shri Ricky D. Uchil, MD. WESCO

Shri K.C.Nanda, DGM (Fin.), WESCO

Shri Ashis Kumar Panda, Asst. Manager (Legal), SOUTHCO

Shri Binaya Kumar Sahoo, DGM (MRT), NESCO.

**Date of Hearing: 26.11.2013**

**Date of Order:02.12..2013**

### **ORDER**

CEO, CESU submitted that the OER Act, 1995 was came into effect on 01.04.1996, which provides restructure of Electricity Sector in the state of Odisha. Pursuant to the Reform Act and transfer Scheme GRIDCO was vested with Transmission, Distribution and Retail Supply functions of the erstwhile OSEB. As per 2<sup>nd</sup> Transfer Scheme transfer of Assets, Liabilities, Proceedings and personnel of GRIDCO to DISCOMs Rules, 1998, the distribution and retail supply of electricity activities of GRIDCO were vested with WESCO, NESCO, SOUTHCO & CESU(the then CESCO). WESCO, NESCO & SOUTHCO were managed by the REL with effect from 01.04.1997. On 01.04.1999 Central Electricity Supply Company of Orissa Ltd. (CESCO) was vested with AES Orissa Distribution Pvt. Ltd. As the AES company having abandoned the Management of CESCO, Thereafter this Commission vide its Order dated 26.02.2005 had revoked the license of CESCO u/S. 19 of the Electricity Act, 2003 and framed a Scheme named as CESU (Operation and Management) Scheme, 2006 u/S. 22 of the said Act for smooth function of the power supply in that area of CESCO. Under the said Scheme all assets, liabilities, rights, proceedings and manpower as well as the license for distribution and retail supply of electricity held by CESCO has been devolved and vested on CESU. Accordingly, CESU is a deemed distribution license u/S. 14 of the Electricity Act, 2003.

2. CEO, CESU further submitted that during the financial year 1999-2000, there were sale of materials between CESCO (now CESU), the petitioner in Case Nos. 17, 18 and 19 of 2013 and WESCO, NESCO & SOUTHCO, the respondents in the above cases respectively through indent. Similarly the REL Managed DISCOMs were also made sale some of their materials to CESU. In the process, the petitioner had raised bills against the respondent-WESCO for Rs. 2, 03, 544.91/- and similarly WESCO had raised bill for a total amount of Rs. 1, 43, 07, 328.90 against the petitioner-CESU. Like wise CESU has raised bill amount of Rs. 1, 42, 13, 203.16/- against NESCO. Both NESCO & WESCO have accepted and confirmed to have received the materials to the tune of Rs. 1, 33, 16, 185.96/- out of the above claim amount only except the disputed amount of RS. 8, 97, 017.20/- after adjustment of Rs. 22, 020, 00 towards materials received from NESCO. The total amount which has to be paid by NESCO to CESU is Rs. 4, 56, 61, 365/-.

CESU has also raised bill for supply of the materials during 1999-2000 amounting to Rs. 2, 08, 98, 604.00/- for which SOUTHCO-the respondent herein has confirmed the receipt of the said materials from CESU amounting of Rs. 1, 81, 72, 699.41/- and the balance of Rs. 4, 72, 41, 790/- is due on SOUTHCO till date.

3. Shri K C Nanda, DGM (Fin.), WESCO submitted that on account of inter DISCOM transfer of materials during 1999-2000, the respondent received certain materials from the petitioner and also remitted some materials to the petitioner-CESU. It is inter Company transfer through indent. There is no actual sale or purchase had been taken place. During initial period of operation, there was continuing process and the same was being booked In the respective books of accounts as payables/receivables. The value of material supplied was high as compared to materials remitted to the petitioner.
4. He also further submitted that there is no such agreement between the petitioner and the respondents for any sale or purchase of distribution materials among themselves. There is no such Clause in the Shareholders Agreement to deal with such sale/purchase among DISCOMs. The respondents have never denied the outstanding amounts which were arriving out of inter Company transfer. There is no such dispute between the licensees and CESU except only the method of settlement is a matter of fact. Recently WESCO has sent 20 nos. of the 16 kVA & 40 nos. of 25 kVA transformers to the petitioner for

restoration of power supply in its cyclone “ Phailine” affected area of CESU on returnable basis. The values of the said transfers are Rs 25.48 Lakhs, which will be adjusted in the outstanding dues of the petitioner. He also prayed for some time to make payment of the dues.

5. Both the representatives of the NESCO & SOUTHCO prayed for some time to make payment of the balance dues of CESU.
6. After hearing the parties and perusal of the case records, we direct the petitioner-CESU and the respondents namely, WESCO, NESCO & SOUTHCO to sit together and settle their dispute amicably as early as possible with due intimation to the Commission. However, SOUTHCO may at liberty to deposit the said balance amount within 3 months from the date of this order due to Cyclone.
7. Accordingly, the cases are disposed of with the above directions.

Sd/-

**(S. P. Swain)**

**Member**

Sd/-

**(B. K. Misra)**

**Member**

Sd/-

**(S. P. Nanda)**

**Chairperson**