

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

Present: **Shri S. P. Nanda, Chairperson**
 Shri S. P. Swain, Member
 Shri A. K. Das, Member

Case No. 69/2013

CESU
- Vrs. -
NESCO & GRIDCO

..... **Petitioner**

..... **Respondents**

IN THE MATTER OF : **An Application u/S. 86 (1) (f) of the Electricity Act, 2003 read with Section 11 (2) of the OER Act, 1995 to resolve the dispute regarding non-payment of dues payable for drawal of power through 11 kv feeders.**

AND

Case No. 70/2013

CESU
- Vrs. -
WESCO & Another

.....**Petitioner**

.....**Respondents**

IN THE MATTER OF : **An Application u/S. 86 (1) (f) of the Electricity Act, 2003 read with Section 11 (2) of the OER Act, 1995 to resolve the dispute regarding non-payment of dues payable for drawal of power through 11 kv feeders.**

For Petitioners: Shri P. K. Dash, CGM (Comm.), CESU, Shri S. K. Harichandan, AGM (Law), CESU, Shri T. K. Mohanty, GM (Com.), CESU

For Respondents: Shri K. C. Nanda, DGM (Fin.), WESCO Utility, Shri U. N. Mishra, CGM (PP), GRIDCO and Shri S. Bhuyan, Sr. GM, NESCO Utility.

Order

Date of hearing: 05.05.2015

Date of order:27.06.2015

The present petition has been filed by Central Electricity Supply Utility of Odisha (CESU) in Case No. 69/2013 to recover the dues for the power fed to NESCO Utility through its Bari Feeder. The Petitioner submits that CESU supplies power to consumers of NESCO Utility in KED, Kuakhia through Bari Feeder whereas NESCO Utility supplies power to CESU through Arua Feeder of CED, Cuttack and Sibida

Feeder of TED, Chainpal. The above transactions are to be netted in monetary term and CESU is to get net payment from NESCO Utility.

2. Similarly in another petition in Case No. 70/2013, CESU seeks to recover its dues for the power it feeds to WESCO Utility through Bahalasahi, Bagadia and Brahmanibil feeders in AED, Angul area. CESU further submits that it is also drawing / importing power from WESCO Utility in 11 KV Kerjeng (AED Angul) and Siaria (TED Chainpal) feeders. The above power transactions are to be netted and CESU is to get net payment. But both NESCO Utility and WESCO Utility are not making any payment after several attempts by CESU.
3. NESCO Utility submitted that it is a matter of concern that, the issue of import and export of power between the distribution licensees is raised after a period of 15 years before the Commission while the distribution losses/annual revenue requirement of the licensees for these years have already been finalized and the financial impact of such transaction can not be accommodated at this stage by the respondent company. The financial accounts from April, 1999 to March, 2014 of all the DISCOMs and GRIDCO have already been audited and closed. This net effect of export and import of power between the DISCOMs has neither being reflected in their ARR for these years nor been recognized by the Commission in the approved ARR nor given effect in the accounts of NESCO Utility. They further submitted that even though such multiple inter DISCOM transaction points are existing between CESU and NESCO Utilities there is no formal arrangement/requisition for power supply or agreement for such transactions.
4. Respondent WESCO Utility submitted that the past period i.e. from April, 1999 to March, 2013 the accounts of all the DISCOMs and GRIDCO has already been audited and closed. GRIDCO has already billed and recovered the BSP charges on the approved rate. Now the claim of CESU for the past period would affect the power purchase cost of the respondent and the same is also required to be recovered from the consumers. In view of the same the petition for recovery of past period liability is not permissible.
5. We heard both the cases analogously. In our interim order dated 03.12.2014 we directed that all the parties to the present proceeding should sit together with Director (Engg.) of OERC on 02.12.2014 in the office of the OERC for amicable settlement of

their issues raised in the above cases. Now the minutes of the said meeting is available with us. As per the decision in the said meeting NESCO Utility is required to pay Rs. 469.04495 Lakh to CESU upto March, 2013 but NESCO Utility expressed its inability to pay the arrear amount due to the fact that books of accounts for the past years have already been closed. But for the power transaction from April, 2013 onwards both the parties are ready to reconcile the figures on net import.

6. Similarly in the said meeting it was decided that WESCO Utility is to pay Rs. 959.041 Lakh upto March, 2013. However, from April, 2013 onwards WESCO Utility has been paying its dues to CESU towards net power import. Both NESCO & WESCO Utilities agreed that they would resolve the dispute on net power import amicably between themselves for the transaction after April, 2013.
7. After going through the minutes of the meeting we direct both WESCO & NESCO Utilities and CESU to show the amount payable to CESU upto March, 2013 in their balance sheet. Deficit of fund cannot be taken as a ground for avoiding payment of power purchase dues to CESU. The NESCO & WESCO Utilities have to repay the liability in due course. Regarding power transaction from April, 2013 onwards the net importing utility must pay regularly to the exporting utility.
8. With the above direction the cases are disposed of.

Sd/-
(A.K.Das)
Member

Sd/-
(S.P.Swain)
Member

Sd/-
(S.P.Nanda)
Chairperson