

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.-4, CHUNUKOLI, SHAILASHREE VIHAR
BHUBANESWAR - 751 021**

**Present: Shri U. N. Behera, Chairperson
 Shri S. K. Parhi, Member
 Shri G. Mohapatra, Member**

Case No. 57/2020

M/s. Power Grid Corporation of India Ltd.	Petitioner
Vrs		
The CMD, GRIDCO Ltd & Others	Respondents

In the matter of: **Application under Section 86 of the Electricity Act, 2003 read with OERC Distribution (Conditions of Supply) Code, 2004 & 2019 seeking appropriate direction of the Commission to the Respondents to adhere to the minutes of the meeting dated 02.08.2017 regarding present arrangement of payment towards auxiliary consumption for running and operation of the sub-station and permit the Petitioner to enter into agreement with the Respondent Nos. 3 to 5 and pay the energy charges as per the actual consumption in respect of the tariff fixed by the Commission and also direct the DISCOMs to enter into an agreement and waive the meter rent, security deposit etc.**

For Petitioner: Shri Aditya Narayan Das, Advocate on behalf of M/s. Power Grid Corporation of India Ltd.

For Respondent: Shri Bijay Das, Shri Chinmaya Kumar Das and Shri Madhusudan Sahoo, DGM (PP) of GRIDCO Ltd., Shri Vidyadhar Wagle of M/s. TPCODL, Ms. Malancha Ghose, AGM (RA) of TPNODL, the representative of TPSODL, Shri K. C. Nanda, DGM (Fin.), TPWODL, Shri Bijay Kumar Das, GM (R&T), Ms. Banishree Pradhan, AGM (R&T) of OPTCL.

ORDER

Date of hearing: 27.04.2021

Date of order: 12.08.2021

M/s. Power Grid Corporation of India Ltd. (In short Powergrid), a company registered under companies Act is a Central Transmission Utility, notified by the Central Government under section 38(1) of the Electricity Act, 2003. Powergrid has several substations connected across the State of Odisha and is engaged in wheeling power from generating stations to different substations as a part of interstate transfer of

power. The substations consume certain amount of electrical energy by drawing the same from tertiary winding of the ICTs of different grid sub-station. Such consumption of electrical energy is essential and is specifically used for operation and maintenance of substation. The petitioner is having its substations at Angul, Pandiabili, Rengali & Kaniha (under TPCODL area of operation), Baripada & Keonjhar (under TONODL area of operation), Rourkela, Bolangir and Sundergarh (under TPWODL area of operation) and Jeypore & Indravati (under TOSODL area of operation) in the state of Odisha.

2. The petitioner submitted that, GRIDCO, the respondent in this case has been bearing the energy charges as per actual by adding the said auxiliary consumption to the Bulk Supply Tariff (BST), which was also accepted by all the stake holders. However, GRIDCO has raised the issue of auxiliary consumption, which was discussed in various meetings of Eastern Region Load Dispatch Centre (in short ERLDC) and State Load Dispatch Centre (in short SLDC). The stake holders have also attempted to reach conciliation and resolve the issues amicably.
3. The petitioner submitted that the issue was discussed in 35th commercial sub-committee meeting held on 02.08.2017, 36th TCC and ERPC meeting held on 13.09.2017 and 14.09.2017 respectively. The decision taken in the above meeting is as follows :

“It was decided that the drawl of auxiliary power from tertiary winding by Power grid substations would be treated as state drawl for inter-regional accounting. Power grid and the states would make back to back commercial arrangements for this power. ERLDC requested Power grid to submit the requisite information such as meter no, CTR, PTR, etc. in respect of those meters and also make meter readings available on time.

Power grid agreed to make the necessary data available before the ensuing TCC/ERPC meetings.

4. The issue was again discussed in 133rd, 134th, 135th of OCC Meetings. The matter was further discussed in 145th meeting of OCC held on 21.05.2018. GRIDCO in the meeting dt.21.05.2018 had requested to ascertain the procedure being adopted by other states to recover the auxiliary consumption from Power grid and to place in the agenda of the subsequent commercial meeting for deliberations/discussions.

5. The issue was further discussed in the special meeting of ERPC held on 10.07.2018. It was agreed that the drawl due to auxiliary consumption will be treated as the drawl by Power grid from DISCOMs. Therefore, Power grid is required to approach the concerned DISCOM(s) to become a consumer and complete the necessary formalities. The extracts of the decisions taken in the ERPC meeting dated 10.07.2018 are mentioned below:

- i. *Drawl of auxiliary power through tertiary winding by Power grid Substations shall be treated as drawl by Power grid from the DISCOM.*
- ii. *For this, Power grid shall approach the concerned DISCOM(s) and shall complete all the necessary formalities to become a consumer of the concerned DISCOM.*
- iii. *For Odisha system, Power grid may approach GRIDCO for necessary help in completing the formalities.*
- iv. *For Odisha system, while calculating the DSM liability, drawl of auxiliary power by Power grid substations shall be treated as drawl by GRIDCO. Total power drawn in a month as auxiliary power shall be treated as drawl by DISCOM from GRIDCO and shall be accordingly commercially settled between DISCOM and GRIDCO.*
- v. *This methodology of settlement shall be effective from 23rd October, 2017.*
- vi. *This procedure of settlement shall be continued for the coming few months. Thereafter, if necessary, this methodology of settlement shall be reviewed at ERPC.*

6. The petitioner on the basis of above decisions had approached the DISCOMs of the state to become a new consumer. Since, DISCOMs are asking to deposit fees towards registration/processing, security deposit, demand charges etc., Power grid again raised this issue in the 161st OCC meeting held on 20.09.2019. The petitioner expressed that the state DISCOMs should not ask to deposit such fees as they have neither provided any infrastructure in their substation nor extending any service for such purpose. The issue after a detailed deliberation in the aforesaid meeting was deferred for discussions in the next OCC meeting during November, 2019.

7. The issue was again discussed in the OCC meeting held on 15.11.2019. The extract of the deliberations /discussions taken in the said meeting are as below :

Item No. B.5: Auxiliary Power consumption by Power grid substations - GRIDCO

As per decision of special meeting on this issue held at ERPC on 10.07.2018, drawl of auxiliary power through tertiary winding by Powergrid substations shall be treated as drawl by Powergrid from the DISCOM(s). For this, Power grid shall

approach the concerned DISCOM(s) and shall complete all the necessary formalities to become a consumer of the concerned DISCOM.

Power grid is not becoming the consumer of DISCOM Utility as a result of which, GRIDCO/DISCOM(s) are unable to realize the revenue from Power grid., where as GRIDCO is paying for the said quantum of energy consumed by Power grid since October, 2017.

This issue has already been discussed in the monthly Power System Operational Co-ordination Committee (PSOC) meeting convened by SLDC, Odisha several times. Power grid did not attend these meetings. DISCOMs stated that they are not receiving proper response from the Power grid to regularize the consumer issue.

In 161st OCC, Power grid informed that Odisha DISCOMs are charging for registration and security fees. Power grid observed that these fees are not payable by Power grid as DISCOMs do not have to construct any infrastructure for this power. In other states, Power grid had not paid these charges.

GRIDCO informed that DISCOMs were raising the bills as per the OERC regulations.

After detailed deliberation, it was decided that the issue would be discussed with DISCOMs in Odisha in November 2019 OCC meeting wherein the DISCOMs of Odisha would be invited to attend.

Deliberation in the meeting

Power grid informed that DISCOMs (WESCO & CESU) are asking POWERGRID to pay for the Security Deposit, Maximum Demand charges and Meter rent etc. Power grid stressed that, as the entire infrastructure for auxiliary power consumption through tertiary was provided by POWERGRID only and not by the DISCOMs, these charges are not applicable in this case. Power grid further informed that they are not paying such charges for other states.

DISCOMs informed that they are requesting on the payment of Security Deposit., Maximum Demand charges and Meter rent etc. in line with the OERC Regulations. DISCOMs informed that they would not have any objection in case OERC allows any exemption to Power grid in this matter.

After detailed deliberation, OCC advised Power grid to file a Petition before OERC for exemption of Security Deposit, Maximum Demand Charges and meter rent etc.

8. Therefore, the present application has been filed in pursuant to the decision taken in the 163rd OCC Meeting of ERPC with the following prayers.

- (i) Admit and allow the petition; and
- (ii) Direct the Respondents to adhere to the Minutes of the Meeting dated 02.08.2017 and settle the dispute between GRIDCO and DISCOMs as agreed; and
- (iii) Concurrently direct that the present arrangement of payment of auxiliary consumption for the running and operation of the substation continue as such and GRIDCO, the Respondent continue to add the energy charges as per actual consumption by adding the same to the Bulk Supply Tariff (for short BST); and / or
- (iv) Without prejudice to the above, exercise powers under Code 139 of the Supply Code and permit the special agreement and tariff keeping in view the nature of supply and purpose for which the supply is needed; and
- (v) Concurrently permit the petitioner to enter into agreement with the Respondent No.3 to 5 and pay the energy charges as per actual consumption as per the tariff fixed by the Commission and direct the Respondent distribution companies to enter into an agreement and waive the meter rent, security deposit etc.; and /or
- (vi) The Commission should exercise its inherent powers under Chapter XV and especially w.r.t. Code 208 of the Supply Code and bring a conclusion to the long pending issue, in the interest of wheeling and inter-state supply of electrical energy and all the stake holders; and/or
- (vii) The Commission should exercise its wide powers under Chapter XV of the Code to remove the hindrances and difficulties, amend and relax any of the provisions of the Code, to redress the peculiar present situation and direct the parties to abide by the same.

9. The replies of GRIDCO, a respondent in this case are summerised below:

- (i) Auxiliary energy consumption of Power grid EHV AC substations are usually met from the feeders of state DISCOMs as well as tertiary windings of ICTs. The grid substations located at Angul, Baripada, Bolangir, Jeypore, Keonjhar,

Pandiabilli, Rourkela, Rengali, Indravati, Kaniha and Sundergarh are availing their station auxiliary supply from the tertiary windings of the respective ICTs.

- (ii) In 35th Commercial Committee Meeting (CCM) of ERPC held on 02.08.2017 it was decided that those sub-stations where auxiliary requirement is met through tertiary winding of ICTs, state's net drawl need to be computed by adding drawl through feeders after LV side of the transformer and auxiliary consumption through tertiary windings. Power grid substations in Odisha should be the consumer of respective DISCOMs for their auxiliary consumption so that GRIDCO will have back to back commercial arrangement with DISCOMs for the power consumed by Power grid from tertiary windings of the ICT of their substation.
- (iii) In the special meeting held on 10.07.2018 with reference to the issues on auxiliary consumption, it has been decided that the drawl of the auxiliary power through tertiary windings in Powergrid substation shall be treated as drawl by Powergrid from DISCOMs, for which Powergrid is required to approach the concerned DISCOMs.
- (iv) The matter was again discussed on 01.10.2019 and finally on 15.11.2019 in 163rd OCC meeting. While deliberating on the issues of deposit of security deposit, maximum demand charges etc, DISCOMs informed that Powergrid may be allowed as a consumer without deposit of security deposit, maximum demand charges only if OERC allows such exemption.
- (v) GRIDCO is raising bills in respect of auxiliary consumption of power grid substations (CESU/TPCODL from Jan, 2019 onwards, SOUTHCO/TPSODL from February, 2019 onwards, WESCO/TPWODL & NESCO/TPNODL from May, 2019 onwards) located in respective DISCOM areas on the Energy Accounting Statement provided by SLDC but DISCOMs are disputing such bills. Powergrid has not made any payment towards auxiliary consumption with effect from 23.10.2017.
- (vi) Since, the drawl of auxiliary power through tertiary winding by Powergrid substations is treated as drawl by GRIDCO for the purpose of DSM computation, GRIDCO is paying for it in addition to the relevant interstate transmission charges without realisation of the same from DISCOMs.

- (vii) GRIDCO prayed that Powergrid may be directed to become the consumers of respective DISCOMs and suitable direction be issued as regards to recovery of past dues (i.e. from 23rd October, 2017 till Powergrid becomes a consumer of DISCOMs) towards auxiliary consumption along with electricity duty and applicable interest.
10. Respondent TP Western Odisha Distribution Ltd. (TOWODL), in its reply to the petition of Powergrid have submitted that Rourkela GSS, Bolangir GSS and Sundergarh GSS under its area of operation are consuming auxiliary power with effect from 14.02.2018, 23.10.2017 and 17.11.2017 respectively. Powergrid has been requested to deposit Rs.19,41,890/- towards security deposit for execution of agreement for extension of power supply as a consumer. Powergrid has neither deposited the said amount nor responded yet to their communication and not executed the agreement for the purpose.
11. TPWODL further submitted that Power grid is prohibited under the Electricity Act 2003 to operate the distribution system for auxiliary consumption even though the infrastructure, metering arrangement, etc. are made by them. Further, the security deposit, demand charges, meter rent, customer service charges, etc. as applicable to other consumers should also be paid by Power grid in line with the provisions of OERC Distribution (Conditions of Supply) Code, 2019 before execution of power supply agreement.
12. Respondent TP Central Odisha Distribution Ltd. (TPCODL) in its reply submitted that the auxiliary consumption should be accounted in the expenditure of Power grid and not to be transferred to TPCODL automatically without the approval of OERC. Further, such auxiliary consumption is required to be billed by the respective distribution licensee i.e. based on the area of operation at an appropriate tariff category. The representative of TPCODL shared their experience in Maharashtra and stated that Maharashtra Electricity Regulatory Commission (MERC) in the state of Maharashtra has allowed a special category consumer status for recovery of such auxiliary consumption.
13. Respondent TP Southern Odisha Distribution Ltd. (TPSODL) in its reply submitted that Power grid has been requested to deposit Rs.11,67,860/- as security deposit for each consumer under Jeypore Electrical Circle for execution of power supply

agreement for extension of power supply as a consumer. Powergrid neither executed the agreement nor paid anything to TPSODL on this account. Further, as per the provisions of the Electricity Act, 2003, Power grid is required to be a consumer of Distribution Licensee even though the infrastructure is made by them. The security deposit, demand charges, customer service charges, etc. as applicable to any consumer in the state should also be paid by the Power grid. Power grid may also be directed to submit the consumption details for the period from October, 2017 to April, 2019 for calculation of energy dues payable to their utility.

14. Respondent TP Northern Odisha Distribution Ltd. (TPNODL) submitted that Power grid has not paid the security deposit to avail power supply as a consumer for its auxiliary consumption in 400/220 kV s/s at Baripada and 400/220 kV s/s at Keonjhar. TPNODL has also argued in the similar manner as that by TPWODL and TPSODL and prayed for issuance of necessary direction to Power grid to deposit the security deposit etc. for execution of power supply agreement. TPNODL prayed to direct Power grid to furnish the consumption details for the period from October, 2017 to April, 2019 for calculation of energy dues payable to them.
15. Respondent OPTCL submitted that the charges to be paid by a person/firm to become a consumer of any DISCOM as specified in OERC Distribution (Conditions of Supply) Code, 2019 should be applicable to the Power grid. The energy consumption in the Power grid substation may be treated as deemed drawl of DISCOM from GRIDCO and OPTCL be paid applicable transmission charges considering the deemed transmission of such energy in OPTCL network. The request of Power grid to treat their consumption under special category may not be allowed since the very nature of consumption is for commercial purpose. Further, power grid being a Maharatna company does not deserve any consideration for concession/subsidy in energy tariff, security deposit, demand charges, etc. Therefore the submission of power grid may not be allowed.
16. Heard the parties at length. The Commission took note of the decision taken during the special meeting on auxiliary consumption held on 10.07.2018 that the drawl of auxiliary power through tertiary winding of ICTs in power grid substation should be treated as drawl by Power grid from the concerned DISCOMs.

17. As per the provisions on security deposit in OERC Distribution (Conditions of Supply) Code, 2019, any person entering into an agreement with the distribution licensee for supply of power shall deposit such amount to cover charges (i.e. demand/fixed charges & energy charges as applicable) for supply of two months charges in case of monthly billing cycles, for the relevant consumer category unless the supply is extended through a pre-payment meter. Further, the Supply Code at Regulation 52 provides as follows:
- (iii) *If any person requiring supply under LT or HT is prepared to take the supply through a pre-payment meter if available, the distribution licensee/supplier shall not be entitled to collect the security deposit from such person. Provided that in the case of existing consumers (LT or HT) who opt for the supply through pre-payment meter, the Licensee/supplier shall refund the amount of the security deposit of such consumer lying with the Licensee/supplier by adjustment of outstanding dues to the Licensee/supplier or any amount becoming due to the Licensee/supplier immediately thereafter.*
 - (iv) *The security deposit shall be paid in cash or by bank draft or by electronic/digital payment. It may also be paid by cheque or by credit card, where specifically allowed by the licensee/supplier.*
 - (v) *The licensee/supplier may require any consumer to give him reasonable security as shall be approved by the Commission for the payment to him of all monies which may become due to him where any electric line or electrical plant or electric meter is to be provided for supplying electricity to such consumer, in respect of the provision of such line or plant or meter.*
18. In view of the above statutory provisions, we opine that the provisions in the OERC Distribution (Conditions of Supply) Code, 2019 should be applicable mutatis mutandis to Power grid like any other consumer of the state. Even, the consumer under special category also pays those charges. Therefore, exemption from Supply Code cannot be granted to Powergrid, since it uniformly applies to all categories of consumers. The development of infrastructure inside the substation premises by Powergrid has no relevance in this case, since security deposit, demand charges are collected to secure the DISCOMs against non-payment of bill and reservation of capacity in the power station which is built in the BSP.
19. Power grid is therefore directed to complete necessary formalities as a consumer, pursuant to Supply Code and deposit the amounts with the DISCOMs as per the said code. The petitioner is technically liable to pay all the charges with effect from the date it actually availed power from the tertiary winding of the transformer as a consumer. However, since the matter was first raised by the DISCOMs/GRIDCO on 02.08.2017, we direct the charges be paid by the petitioner w.e.f 02.08.2017. The

petitioner is not required to pay any interest on the arrear amount till date since the matter was in a discussion stage before it was referred to the Commission.

20. Energy drawn by Power grid towards auxiliary consumption in their substations during a month should be considered as drawn by respective DISCOMs from GRIDCO. GRIDCO should have back to back commercial arrangement with DISCOMs for the energy consumed by Power grid from the tertiary winding for auxiliary consumption. Similarly, DISCOM shall recover the charges from Powergrid as a consumer. GRIDCO and OPTCL shall be entitled to get the BSP charge as applicable to each DISCOM and the Transmission charge from the DISCOMs. Further, since the energy is sourced from the Powergrid, GRIDCO will be required to pay the power purchase cost to Powergrid and that will be at the rate of state hydel pooled cost.
21. Since SLDC is responsible for energy accounting of the state, we direct SLDC to provide station wise auxiliary energy consumption data of the Power grid substations to GRIDCO for the past period.
22. The retail tariff determined by the Commission has a built in component of transmission charges of OPTCL. Therefore, while transmission charge will be paid by the DISCOMs, no transmission charge is payable by Powergrid.
23. Accordingly the case is disposed of.

Sd/-
(G. Mohapatra)
Member

Sd/-
(S.K. Parhi)
Member

Sd/-
(U.N. Behera)
Chairperson