

**ODISHA ELECTRICITY REGULATORY COMMISSION  
BIDYUT NIYAMAK BHAWAN  
PLOT No.4, CHUNOKOLI, SHAILASHREE VIHAR,  
BHUBANESWAR – 751 021**

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**Present : Shri S. C. Mahapatra, Chairperson  
Shri G. Mohapatra, Member  
Shri S. K. Ray Mohapatra, Member**

**Case No. 80/2023**

M/s. Tata Power Southern Odisha Distribution Limited (TPSODL).... Petitioner

Vrs.

M/s. GRIDCO Ltd.& Others

..... Respondents

**In the matter of:** Application under Section 86(1)(b) of the Electricity Act, 2003 read with Para 56(1)(f) of the vesting Order dated 28.12.2020 passed by the Commission in Case No 83 of 2020 for providing clarification and direction to GRIDCO Ltd. to provide necessary credit in the BSP Bill arising out of for “Reverse Energy” for the period from March 2020 to December 2020 (Pre-Vesting period) to TPSODL instead of to erstwhile SOUTHCO Utility.

**For Petitioner:** Shri V. Wagle, Head Regulatory Affairs, TPSODL.

**Respondent:** Shri Bijaya Kumar Das, CGM (I/C), PP Cell, GRIDCO Ltd, Shri Shubhashis Samantaray, DGM(EI), RT&C, OPTCL. None appears on behalf of M/s. SLDC.

**ORDER**

**Date of hearing: 05.09.2023**

**Date of Order: 30.09.2023**

The Petitioner- Tata Power Southern Odisha Distribution Limited (TPSODL) has filed the present petition under section 86(1)(f) of the Electricity Act, 2003 and read with Para 56(1)(f) of the vesting Order dated 28.12.2020 to provide clarification and direction to GRIDCO Limited for providing necessary credit in the BSP Bill arising out of “Reverse Energy” for the period from March 2020 to December 2020 (Pre-Vesting period) to TPSODL instead of to erstwhile SOUTHCO Utility.

**Submissions of the Petitioner:**

2. The gist of the submissions made by the Petitioner-TPSODL is as under:

- a) M/s Aditya Birla has been injecting power of about 52 MUs per annum from its Solar project through the 33 KV bus of Boudh GSS of OPTCL. As the entire energy generated from this solar project is not being consumed by TPSODL, some energy is getting injected back into the OPTCL/GRIDCO (“Reverse Energy”) and it is recorded by energy meter on 33 kV side of the transformer. But GRIDCO had been raising bill

for the energy drawn from 33 KV side of Boudh GSS as well as injection of energy from the said solar project without adjusting the credit for “Reverse Energy”.

- b) During energy audit carried out by TPSODL, it was noticed that on several occasions solar power has flown into the OPTCL GRID when the load of TPSODL on Boudh sub-station is low and this was captured in bi-directional meters installed at the interface points between OPTCL and TPSODL. In the past no credit was passed on to TPSODL for such power flow.
- c) Referring to the Commission’s order in Case No 12 of 2021 in the matter of credit of reverse energy in case of TPCODL, the Petitioner, vide its letter dated 14.02.2023, has requested GRIDCO for providing the credit of Rs. 15.765 Crore (for 76.39 MUs) on account of Reverse Energy from March 2020 (i.e., date of commissioning of the Solar project) onwards upto January 2023. The details of credit of reverse energy for pre & post vesting period are given in table below:

Sl. No	Particulars	Credit for Reverse Energy (in MUs)	Amounts (Rs. Cr.)
<b>A</b>	<b>Pre-vesting Period</b>		
	Mar-2020	1.760	0.327
	Apr-2020 to Dec-2020	19.652	3.743
	<b>Sub-total</b>	<b>21.412</b>	<b>4.070</b>
<b>B</b>	<b>Post-vesting Period</b>		
	Jan-2021 to Jan-2023	54.978	11.695
<b>C</b>	<b>Total (A+B)</b>	<b>76.390</b>	<b>15.765</b>

- d) After submission of confirmed data relating to quantum of Energy Reversal as obtained by the petitioner from SLDC, GRIDCO has provided the necessary credit of Rs.11.695 Crore (for 54.978 MUs) in the BSP bills of TPSODL towards reverse energy for the Post-Vesting Period (from Jan-2021 to Jan-2023) and there is no dispute on providing credit for such reversal from February 2023. GRIDCO has provided the credit of energy (reverse energy) for the Pre-Vesting Period (from Mar-2020 to Dec-2020) to erstwhile SOUTHCO Utility and not to TPSODL. Further, from February-2023 onwards, GRIDCO has been providing the credit for reversal energy in the monthly bills to TPSODL without any dispute.
- e) Further, it has submitted that the credit for the energy of 21.412 MU (Rs.4.07 Cr.) for the period from March 2020 to December 2020 needs to be provided to TPSODL (not to SOUTHCO Utility) under the following rationale:

- i. At the time of takeover of operations on 1<sup>st</sup> January 2021 as per the Vesting Order, the Commission had handed over certain liabilities to TPSODL to be discharged. The said liabilities were crystallized in the “Carve Out Order” dated 26<sup>th</sup> November 2021 of the Commission.
- ii. Under the liabilities pertaining to “Trade Payables” to GRIDCO, TPSODL was required to pay an amount of Rs.98.87 Crores to GRIDCO on account of the unpaid power purchase bills relating to the period from April 2020 to December 2020 by erstwhile SOUTHCO utility. The extracts from the “Carve Out Order” relating to this period is as follows:

**“10. Sundry Creditors/ Trade Payables:**

- i. *As per para 46 of the Vesting Order, TPSODL is liable to pay outstanding bills for power purchase and transmission/SLDC charges raised by GRIDCO and OPTCL from Apr-2020 to Dec-2020.*
- ii. *As ascertained all the bills relating to the transmission charges had been settled by 31.12.2020. The total amount of bills towards Bulk Supply price raised by GRIDCO from Apr-2020 to Dec-2020 is Rs. 518.96 crore. Out of this Rs. 420.08 crore had been paid by SOUTHCO as on 31.12.2020.*
- iii. *TPSODL shall be liable to pay the balance amount Rs. 98.87 crore to GRIDCO and the same is reflected as sundry creditors/ trade payables in the opening balance sheet of TPSODL.”*
- iii. If the such reversal energy from March 2020 to December 2020 had been accounted in the respective months, the bills from GRIDCO to SOUTHCO Utility would have been lower to that extent and consequently, the liability of Rs.98.87 Crores for TPSODL in the Carve out order would also have been lower accordingly.
- iv. TPSODL has paid the entire amount of Rs.98.87 Crores (i.e., liability has been discharged) which represents the arrears towards the energy consumed from March 2020 to November 2020 (9 months) i.e., for the bills raised from April 2020 to December 2020.
- v. Therefore, TPSODL is entitled for the credit arising out of the reverse energy for the period from March 2020 to December 2020 (i.e., 10 months) and GRIDCO is required to provide the Credit (i.e., energy and amount) to TPSODL and not to erstwhile SOUTHCO Utility.

- f) Accordingly, TPSODL had communicated, vide its letter dated 15.06.2023, to GRIDCO for providing such credit. However, instead of replying to the communication, GRIDCO has raised debit notes on TPSODL for Pre -Vesting Period.
- g) Considering the above facts and figure, TPSODL has requested the Commission to direct GRIDCO to provide this reverse energy credit of Rs. 4.07 crore (for 21.412MUs) for the period from March 2020 to December 2020 to TPSODL instead of SOUTHCO Utility.

**Reply of the Respondents:**

- 3. The Respondent-GRIDCO in his reply dated 16.09.2023 has made submissions as under:
  - a) The Respondent-GRIDCO supplies power in bulk to the petitioner DISCOM and raises monthly invoice towards power supplied to the DISCOMs through metering arrangement and energy accounting carried out by SLDC.
  - b) The Commission has issued directives in the Vesting order, vide Case No. 83 of 2020, the extract of which is as follows:

*“46. Collection of revenue against bills raised from Apr-2020 to Dec-2020*

- (a) *As per RFP, TPSODL shall be liable and entitled to collect from consumers entire revenue billed from Apr-2020 to Dec-2020 that has remained outstanding on the Effective Date. Such collection amount by the TPSODL shall be treated in the following priority for meeting the liabilities outstanding as on Effective Date pertaining to FY 2020-21:*
  - (i) *Payment of employee cost and other dues including terminal liabilities;*
  - (ii) *Payment of outstanding Bulk Supply Price bills to GRIDCO on account of the power procured by SOUTHCO Utility from GRIDCO;*
  - (iii) *Payment of transmission charges and SLDC charges to OPTCL;*
  - (iv) *Payment to suppliers, sub-contractors, vendors, DF and such similar dues;*
  - (v) *Any excess collection made by TPSODL shall be utilized as mentioned in para 56;*
  - (vi) *Any balance amount shall be considered towards meeting approved Aggregate Revenue Requirement in true-up order(s).*
- (b) *The collections against the bills from Apr-2020 to Dec-2020 shall not be considered of the nature of Past Arrears for which the RFP envisaged an incentive for the selected bidder. These collections shall not be counted*

*towards the Past Arrears recovery commitment of TPCL provided in para 47 of this Order.”*

- c) The BSP bills between Apr-2020 to Dec-2020 which was paid by the erstwhile SOUTHCO Utility leaving an outstanding BSP dues of Rs. 98,87,92,814/- was raised. The Petitioner has settled the above amount in line with the directives of the Commission in their Vesting Order dated 28.12.2020 in Case No. 83/2020.
- d) The above outstanding amount of Rs.98.74Crore has been considered by Commission as Opening Trade Payable vide para 26 (Table-2) of the Carved-Out Order Dt. 26.11.2021. It is to state that, any settlement or revision of bill for pre vesting period directly with TPSODL may require revisiting of Carved out Order.
- e) The Chief Load Despatcher, SLDC, Odisha has submitted the revised energy accounting of TPSODL from Mar-2020 to Jan-2023 vide the letter dated 18.03.2023.
- f) The Respondent has issued credit bill of Rs.11,69,59,451/- towards the ‘Reverse Energy’ of 54.977978 MU for the period from Jan-2021 to Jan-2023 to be adjusted against the invoice raised to TPSODL for the Post-Vesting Period and intimated for credit adjustment in favour of the erstwhile SOUTHCO Utility for Rs.32,72,854/- towards ‘Reverse Energy’ of 1.759599 MU for the month of Mar-2020 and for Rs.3,74,62,782/- towards ‘Reverse Energy’ of 19.651963 MU for the period Apr-2020 to Dec-2020 considering the revised energy accounting for the aforesaid period from Mar-2020 to Dec-2020 i.e. for the Pre-Vesting period.
- g) Further, the Comptroller and Auditor General of India under Section 143(6)(b) of The Companies Act,2013 on Standalone Financial Statements of GRIDCO Limited for the year ended 31<sup>st</sup> March 2023 has made comment vide Para A1, which emphasizes that an amount of Rs.4.07 crore pertains to the period March 2020 to December 2020 when Boudh Sub-station was owned by SOUTHCO Utility which was subsequently taken over by TPSODL w.e.f. 1<sup>st</sup> January 2021. But the liability of SOUTHCO Utility towards Bulk Supply Dues of GRIDCO were not taken over by TPSODL. Hence, this amount should have been credited to SOUTHCO Utility which still exists as a residual Utility as per vesting orders of OERC.
- h) In view of the above, the Respondent-GRIDCO has prayed before the Commission to consider and pass necessary order giving suitable credit for the energy revision to SOUTHCO utility and not to TPSODL for the pre-vesting period.

**Response of TPCODL to submission of GRIDCO regarding observation of CAG:**

4. TPSODL has submitted that observation of CAG is incorrect. The entire liability for the purchase of power from 1<sup>st</sup> March 2020 to 31<sup>st</sup> December 2020 (i.e., 10 months) not paid by SOUTHCO Utility, was transferred and discharged by TPSODL and request Commission to provide necessary credit of Rs.4.07 Cr. to TPSODL for reverse energy of 21.41 MUs.

**Observations and Order of the Commission:**

5. Heard the Petitioner and Respondents through hybrid mode (virtual/Physical) and considered their written submissions and replies. The Commission observes that:
- a) After the revocation of licenses of erstwhile SOUTHCO Utility for distribution and retail supply business of electricity, the Commission under Section 21 of the Electricity Act, 2003 had transferred the responsibilities on the Tata Power Southern Odisha Distribution Limited (TPSODL) as per their Vesting Order dated 28.12.2020 in Case No. 83 of 2020. The TPSODL has been carrying out the business of distribution and retail supply of electricity w.e.f. 01.01.2021 in its licensed areas (Southern part of the State of Odisha).
  - b) The Petitioner- TPSODL in the instant petition has stated that, M/s. Aditya Birla has been injecting power of about 52 MUs per annum from its Solar project through the 33 KV bus of Boudh GSS of OPTCL. During energy audit, TPSODL noticed that on several occasions solar energy is injected back into OPTCL system when the load of TPSODL on Boudh Sub-station is low. This was captured in bi-directional energy meters installed at interface points between OPTCL & TPSODL. But GRIDCO has been raising bill for the energy drawn from 33 KV side of Boudh GSS as well as injection of energy from the said solar project of M/s Aditya Birla without adjusting the credit for “Reverse Energy”.
  - c) The Commission, vide its order passed on 18.10.2021 in Case No.12 of 2021, has provided the principle of ‘Reverse Energy’ in case of TPCODL and relevant extract is as follows:

“27. xxxxxxxxxxxx

- b) *Any power flowing from the TPCODL system to OPTCL system shall be determined by the Bi-directional BSP billing meters installed at the 33 kV side of each of the 132/33 kV transformers of Mania Grid. SLDC shall intimate to GRIDCO the quantum of export units, if any, from the TPCODL system to OPTCL system on 1st day of every month. GRIDCO shall give consequential credit to TPCODL in BSP bill for the power exported by TPCODL to OPTCL system as the same could not be consumed by*

*TPCODL and flowed into the OPTCL system. GRIDCO shall adjust the quantum of export units from 1st July 2020 onwards against its BSP bills raised to TPCODL. Accordingly, SLDC shall provide GRIDCO the information on energy exported by TPCODL to OPTCL system from 1st July, 2020 onwards for necessary action by GRIDCO. The net metering benefit shall be extended to the consumer irrespective of TPCODL getting any benefit in terms of BSP bill for the power injected to the OPTCL system.*

- c) *GRIDCO shall give credit to DISCOM in terms of BSP bill whenever and wherever any DISCOM's power flows from DISCOM side to OPTCL system.*

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- d) Referring to the above direction of the Commission, the Petitioner-TPSODL had requested credit of Rs.15.765 Crore (for 76.39 MUs) on account of Reverse Energy for the pre & post vesting period from Mar-2020 to Jan-2023 [Rs.4.07 crore (21.412MUs) for Pre-vesting period i.e. Mar-2020 to Dec-2020 and Rs.11.695 crore (54.978 MUs) for post-vesting period i.e., Jan-2021 to Jan-2023]. Against such claim, the Respondent-GRIDCO has provided the necessary credit of Rs.11.695 Crore in BSP bill of TPSODL for the Post-Vesting Period (from Jan-2021 to Jan-2023) towards reverse energy and Rs.4.07 Crore for the Pre-Vesting Period (from Mar-2020 to Dec-2020) to the credit of erstwhile SOUTHCO Utility (instead of TPSODL).
- e) The Petitioner has submitted that, as it has paid the entire liabilities pertaining to trade payable of Rs.98.87crore to GRIDCO on the basis of “Carve Out Order” dated 26<sup>th</sup> November 2021, the credit of reverse energy for the period from March 2020 to December 2020 needs to be provided to TPSODL and not to erstwhile SOUTHCO Utility. We also note that regarding the above claims of TPSODL, the Respondent-GRIDCO has submitted that, any settlement or revision of bill for pre vesting period directly with TPSODL may require revisiting of ‘Carve out Order’.
- f) Out of the total trade payable to GRIDCO (i.e. Rs.1444.95 Cr.) on account of power purchase liability shown in the audited balance sheet as on 31.12.2020 of erstwhile SOUTHCO Utility, Rs.98.87 Cr. has been transferred to TPSODL as per Carve out Order dated 26.11.2021. The same has already been taken in the books of accounts of SOUTHCO Utility by considering the power purchase cost (including reverse energy impact of Rs.4.07 Crore). In case the credit of this reverse energy is given to TPSODL then the balance sheet shown in the Carve Out order of TPSODL needs to be revisited. In this regard we refer to the Carve out order of the Commission as follows.

*“30 (iii) The additional liabilities arising under the heads “Consumer’ Security Deposits”, “Sundry Creditors/ Trade Payables”, “Sundry Creditors/ Trade Payables (goods and services)”, “Deposits and Retentions from Suppliers/Contractors”,*

*“Advance payment/ Deposits from consumers”, “Creditors on capital accounts” and “Other liabilities (as per para 8, 10, 11, 12, 13, 14 and 19 respectively) over and above the amount specified in the above statement shall be allowed after prudence check and the ASL be modified accordingly. As long as the ASL is negative, TPSODL will not be allowed any financial instrument in terms of para 56 of the Vesting Order. If the negative ASL continues, the Commission will review the matter and issue suitable direction on it which will be binding on TPSODL.*

*(iv) For claiming additional liabilities under these heads, TPSODL shall be required to maintain running ledgers and furnish all details in support of the claims as and when such eventualities arise.”*

From the above direction of the Commission, it is clear that, if any additional liabilities will arise in the accounts of TPSODL for the pre-vesting period, then only the Commission will review the same as per the provisions of carve out order and Vesting Order. Therefore, there is no provision in the Carve out order to revisit the same for giving credit to TPSODL arising out of ‘Reverse Energy’ which is in fact a reduction in liabilities.

Further this leads to mis-match of assets and liabilities in the opening audited Financial Statement as on 01.01.2021 transferred to TPSODL in carve out order dated 26.11.2021.

6. In view of above observations, the Commission is of the opinion that, the Claims of Rs 4.07 Cr by TPSODL towards credit of reverse energy for the pre-vesting period from March 2020 to December 2020 is already taken care of in the Carve Out order dated 26.11.2021 and does not require further intervention by the Commission.
7. The case is accordingly disposed of with the observations as stated above.

Sd/-

**(S. K. Ray Mohapatra)**  
**Member**

Sd/-

**(G. Mohapatra)**  
**Member**

Sd/-

**(S. C. Mahapatra)**  
**Chairperson**