

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R.Krishnamoorthy, Member**

**Petition No. 71/2007**

**In the matter of**

Implementation of ABT with effect from 1.1.2007 in intra-State Central Generating Station NLC-TPS I supplying power to the sole beneficiary, TNEB

**And in the matter of**

Seeking intervention of the Commission for appropriate remedy for the problems encountered in UI Accounting.

**And in the matter of**

Neyveli Lignite Corporation Limited

**..Petitioner**

Vs

1. Tamil Nadu State Load Despatch Centre, Chennai
2. Tamil Nadu Electricity Board, Chennai

**Respondents**

**The Following were present:**

1. Shri R.Suresh, NLC
2. Shri C.Sukumar, NLC
3. Ms. Ratna Choudhery, NLC
4. Shri A. Axilium Jaymary, TNEB

**ORDER  
(DATE OF HEARING: 21.8.2007)**

The Commission in its order dated 4.1.2000 in Petition No. 2/99 (suo motu), after going through a transparent process of hearing and consultations with all concerned, had resolved to implement the scheme of Availability Based Tariff (ABT), having the following distinguishing features, in different regions of the country in a phased manner:

- (i) Capacity Charge linked to Availability,
- (ii) Energy Charged linked to Schedule Generation,
- (iii) Unscheduled Interchange Charge linked to the grid frequency.

2. The scheme of ABT was implemented in a phased manner from the following dates in case of the generating stations supplying electricity to more than one State;

- (i) Western region : 1.7.2002
- (ii) Northern region : 1.12.2002
- (iii) Southern region : 1.1.2003
- (iv) Eastern region : 1.4.2003
- (v) North-Eastern region: 1.11.2003

3. As of now, for the reason that ABT is in operation in all the regions of the country for sufficient time, considerable exposure and experience of the scheme has been acquired by all concerned. The beneficial results of ABT are also evident in the scheduling and despatch of generation capacity and maintenance of grid frequency within a reasonable frequency band.

4. The Commission's tariff regulations dated 26.3.2004 specifying terms and conditions of tariff for the period 2004-2009 distinguish the following two types of generating stations for the payment of energy charges:

- (i) Generating stations covered under ABT, and
- (ii) Generating stations other than those covered under ABT.

5. The generating stations other than those covered under ABT in terms of tariff regulations dated 26.3.2004, as on 1.4.2004, were those owned by Central Public Sector Undertakings, namely, NTPC and NLC but supplying power to single beneficiary State. These generating stations were nevertheless to be awarded two-part tariff consisting of the following:

- (i) Capacity charges linked to Availability,
- (ii) Energy charge linked to Actual supply.

6. The Unscheduled Interchange charge linked to frequency, was not made applicable to such generating stations. The billing for these generating stations was not on scheduled generation but on actual supply and these generating stations did not make any contribution to grid discipline in the absence of UI charge.

7. Meanwhile, the Central Government notified "National Electricity Policy" on 12.2.2005. Para 5.7.1 (b) of the policy acknowledges the benefits of ABT introduction at the national level and advised the SERCs to introduce ABT at the State level within one year. Para 5.7.1 (b) of National Electricity Policy which is relevant, reads as follows:

*"The ABT regime introduced by CERC at the national level has had a positive impact. It has also enabled a credible settlement mechanism for intra-day power transfers from licenses with surpluses to Licenses experiencing deficits. SERCs are advised to introduce the ABT regime at the State level within one year".*

8. Badarpur TPS in the National Capital Territory of Delhi, owned by the Central Government, supplying power to the sole beneficiary, namely NCT of Delhi, has been brought within the purview of ABT with effect from 1.4.2005. It was also considered appropriate that all other generating stations owned by the Central Power Sector Utilities supplying power to only one beneficiary State were brought under the purview of ABT.

9. The Commission, therefore, vide its "order" dated 4.7.2005 decided that the following generating stations would be subjected to ABT w.e.f. 1.12.2005.

**NTPC**

(i) Simhadri STPS	(2 x 500 MW)
(ii) Kayamkulam GPS	(359.58 MW)
(iii) Faridabad GPS	(431.58 MW)
(iv) Tanda TPS	(4 x 110 MW)
(v) Talcher TPS	(4 x 60 MW + 2 x 110 MW)

**NLC**

(vi) TPS-I	(600 MW)
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**NHDC**

(vii) Indra-Sagar H.E. Project	(8 x 125 MW)
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10. The Commission had felt that it should be possible for the utilities concerned to complete the following activities for proper switchover to ABT regime.

- (i) Planning, including identifying locations and requirement, of Special Energy Meters (SEMs),
- (ii) Procurement and Installation of SEMs,
- (iii) Organising data collection and energy accounting, and
- (iv) Trial run of UI accounting, etc.

11. All the concerned agencies, including State Load Despatch Centers of the concerned States, the Central Power Sector Utilities and the beneficiaries were directed to initiate steps for the installation of Special Energy Meters to ensure the implementation of ABT by the stipulated date. The concerned generating companies and beneficiaries were required to submit joint action plan to the Commission, latest by 31.7.2005.

12. Joint action plans for the following generating stations were submitted:

- (i) Talcher TPS (460 MW)
- (ii) Faridabad GPS (431.58 MW)
- (iii) Simhadri STPS (1000 MW)

13. NTPC had installed Special Energy Meters on the bus bar of Kayamkulam GPS. The beneficiaries of Kayamkulam GPS, Kerala State Electricity Board and Tanda TPS, UPPCL respectively did not agree to the joint action plan despite great persuasion by NTPC.

14. Subsequently, it was brought to notice of the Commission that ABT had not been implemented for Simhadri STPS, Kayamkulam GPS, NLC TPS-I and Indira Sagar HEP.

15. NLC had made an interlocutory application with a prayer to keep in abeyance the Commission's decision on implementation of ABT for its TPS-I generating station. The Commission summoned all concerned generating companies and the beneficiaries. The Commission after hearing the progress of implementation of ABT for these generating stations, vide order dated 13.2.2006 constituted a Single Member Bench comprising one of us (Shri Bhanu Bhushan) to look into the difficulties, if any, in the way of smooth switchover to ABT regime and make appropriate recommendations to the Commission for its consideration. As in the present petition we are concerned with TPS-I of NLC, we are omitting further references to other generating stations.

16. In respect of TPS-I of NLC, the Single Member Bench heard the parties concerned at Chennai on 27.5.2006 and made the recommendations vide order dated 3.7.2006. These recommendations were considered by the Commission on 21.9.2006. By order dated 6.12.2006, the Commission allowed implementation of ABT for TPS-I of NLC w.e.f. 1. 1.2007.

17. Through the present petition, the petitioner has sought intervention of the Commission to resolve certain difficulties being faced by it with the respondents in the matter of issue of correct UI accounts and settlement of UI bills. The dispute is primarily on account of a problem with the Lucid decoding software developed and furnished by OEM of meters, M/s L&T for decoding the downloaded data from ABT meters and converting them as output energy for the purpose of UI accounting.

18. We heard the representatives of parties present. The petitioner stated that ABT was implemented w.e.f. 1.1.2007 and SLDC and TNEB (the respondents) started billing based on the output of Lucid decoding software. However, this software, according to the petitioner, was found to be of incorrect version and the correct version was installed on 22.1.2007. But the UI billing by the SLDC (the first respondent) was continued on the incorrect version of Lucid software and TNEB (the second respondent) paid UI bills according to the data downloaded by SLDC from old software.

19. The representative of the petitioner pleaded that the new software installed gave accuracy level up to 6 decimal points. The petitioner sought direction to SLDC to issue UI bills from 22.1.2007 as per new software. The representatives of the respondents contested the claim of the petitioner on the ground that the new version of Lucid software was modified by the petitioner unilaterally according to its own requirement and hence it was not acceptable to them. The representatives of the respondents further stated that the genuineness of the modified software was not proved and as per the old version of software, net UI was payable by the petitioner but with the new version net UI was payable by TNEB. The main objection to accept the

readings as per the new version of the software was that it is was giving reading up to 6 decimal points against the data recorded by the old version up to 4 decimal points. No other specific point to doubt the genuineness of the new version could be pointed out.

20. According to section 32 (2) (c) of the Electricity Act, 2003, the SLDCs have to keep accounts of quantity of electricity transmitted through the State grid. The primary responsibility of installing SEMs, assimilation and use of data is therefore that of SLDC (the first respondent). The required SEMs should have been got installed by the respondent, along with the necessary software. However, the respondent has left it to the petitioner, and is now raising objection to what the latter has done. Further, the foremost requirement of energy accounting is that the most accurate data is used. The software, which produces more accurate results and gives readings closer to the actual, should be readily accepted. In our view the new version meets this test of accuracy by giving readings up to more decimal points. Therefore, we direct that the parties should adopt new version of software for the purpose of billing from the date of hearing of the petition i.e. 21.8.2007. As regards UI billing for the period from 22.1.2007 to 20.8.2007, the respondents are directed to make available to the Commission weekly data of SEM readings with old and new software latest by 31.10.2007. Further view in the matter as regards the period from 22.1.2007 to 20.8.2007 will be taken after consideration of the data to be furnished as aforesaid.

21. List this petition for further direction on 22.11.2007.

**sd-/  
(R.KRISHNAMOORTHY)  
MEMBER**

**New Delhi dated the 1<sup>st</sup> October 2007**

**sd-/  
(BHANU BHUSHAN)  
MEMBER**