

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 150/MP/2015**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson**

**Shri A.K. Singhal, Member**

**Shri A.S. Bakshi, Member**

**Dr. M.K.Iyer, Member**

**Date of Hearing: 11.8.2015**

**Date of Order : 13.6.2016**

**In the matter of**

Petition under section 79(1) of Electricity Act, 2003 read with Regulation 86 of the CERC (Conduct and Business) Regulations, 1999 for permission of realization of cost of energy for the period 1.4.2003 onwards against export of energy to Royal Govt. of Bhutan under the scheme of re-import of Kurichhu energy through Assam grid.

**And**

**In the matter of**

Assam Power Distribution Company Limited  
Bijulee Bhawan, Paltanbazar,  
Guwahati-781 001

**...Petitioner**

**Vs**

1. Member-Secretary,  
North Eastern Regional Power Committee  
NERPC Complex, Dong Parmaw, Lapalang,  
Shillong-6

2. Member-Secretary  
Eastern Regional Power Committee,  
14, Golf Club Road,  
Tollygunge, Kolkata-700 033

3. General Manager  
Eastern Regional Load Despatch Centre  
14, Golf Club Road,  
Tollygunge, Kolkata-700 033

4.General Manager  
North Eastern Regional Load Despatch Centre  
Lower Nongrah, Dongtiah, Lapalang,  
Shillong-6.

5. Executive Director (Marketing)  
PTC India Limited,  
2<sup>nd</sup> Floor, NBCC Tower, Bhikaji Cama Place,  
New Delhi-110 066..2.

.....Respondent

**Following were present:**

Shri M.K.Adhikary, APDCL  
Shri K.Goswami, APDCL  
Shri P.K.Mishra, NERPC  
Shri B. Lygnkhai, NERPC  
Ms. Abiha Zaidi, POSOCO

**ORDER**

This petition has been filed by the petitioner, Assam Power Distribution Company Limited, to allow it to realize the cost of energy imported by Bhutan for the period from April 2003 onwards from UI/DSM Pool Account along with the accumulated interest.

The petitioner has submitted as under:

(a) Royal Government of Bhutan (RGOB) has been traditionally drawing energy from Assam through 33 kV Tamulpur-Samdrupjhanakar S/C transmission line initially charges at 11 kV and 11 kV Udalgri-Daifam S/C transmission line to meet its electricity demand in the adjoining towns and villages of Bhutan along the international border line with Assam. Initially the transaction was carried out under bilateral arrangement between Bhutan Power Corporation (BPC) and the erstwhile Assam State Electricity Board (ASEB). Based on the bilateral

arrangement, ASEB had raised bills on monthly basis to BPC at its State tariff and BPC was paying it accordingly.

(b) At that time, number of Hydro projects such as Chukha HEP and Kurichhu HEP, etc. were in the process of development within Bhutan by the Indian Government under the bilateral arrangement between the Government of India (GOI) and RGOB with a condition that the entire saleable electricity generated in these stations would be sold to India. It was also a pre-condition that with the commissioning of upcoming projects within Bhutan, the energy consumed by Bhutan through such existing lines would be supplied on set off basis by Indian marketing agency from the free share quantum of Bhutan from these generating stations through Indian grid until such time the internal distribution network of Bhutan comes up and also-during outage of these hydro generating stations located in Bhutan.

(c) Based on the above understanding and with the commissioning of Chukha HEP and Kurichhu HEP, the earlier mode of bilateral transaction was converted to new methodology of off-setting mechanism by Chukha and Kurichhu energy by signing agreement with Power Grid Corporation of India Limited (PGCIL), who was the first marketing Agency and later with Power Trading Corporation of India Limited (PTCIL).

(d) Since the inlet points and the beneficiary Indian States of Bhutan export from Chukha and Kurichhu HEP to India are located at Eastern Region (ER), the

monthly energy accounting with respect to energy exchange with Bhutan has been done by Eastern Regional Electricity Board (EREB)/ Eastern Regional Power Committee (ERPC) from beginning. Accordingly, ASEB/ APDCL has been raising the monthly energy meter readings taken on the first day of every month to Eastern Regional Power Committee with copy to all concerned as per guidelines of the agreement. The readings are being sent regularly during pre-ABT and post ABT period.

(e) Of late, there is a new 132 KV connectivity in between Assam and Bhutan grid by 132 KV Rangia-Motonga transmission line near Samdrupjankhar with effect from 1.5.2011.

(e) A special meeting was convened on 3.11.2014 at the ERPC office, Kolkata at the behest of NERPC and ERPC in which the representatives of ERLDC, NERLDC, SLDC Assam and APDCL were present. In the above meeting, it was agreed that during the ABT regime, the re-import of power by Bhutan from Assam grid has not been taken care of while assessing the net drawl of Assam for ER grid. As a result, the UI liability of Assam has been increased.

(f) One of the factors for missing of the meter readings of ASEB/ APDCL feeders in the ABT accounting system may be that these feeders are in the remotest areas in Bhutan border without any sub-station control room. Being the 11KV / 33 KV transmission lines, these feeders are not connected with ABT compliant meters. Therefore, the real time meter readings as per ABT

requirements are not yet provided. Meter readings are normally collected manually by meter readers of respective sub-divisional office on the first day of month and the same are sent to ASEB/ APDCL Head Quarter on 2nd/ 3rd day of the months which are sent to EREB/ ERPC within 4<sup>th</sup>/ 5<sup>th</sup> day of the month. The system is in continuation prior to implementation of regional energy accounting in NER/ ER.

(g) As per provisions of the agreement, the petitioner was sending monthly energy meter readings regularly. However, the petitioner is not being compensated by equivalent energy quantum as per the provisions of the agreement. Though, ERPC while preparing monthly energy accounting, duly considered the energy figures sent by the petitioner for settlement of exact quantum of Kurichhu import by ER beneficiaries. However, ERPC failed to provide due credit to the petitioner in monthly accounting on the quantum of energy exported from its own bus.

(h) As decided in the meeting dated 3.11.2014, the petitioner has prepared an energy bill considering UI/DSM rates based on monthly average frequency and placed for ratification/approval in the 24<sup>th</sup> Commercial Committee meeting dated 10.3.2015. The petitioner has submitted that NERPC has approved the calculations submitted by it in the Commercial Committee (CC) meeting. The petitioner has submitted that the details of the bill amount as under:

From 1.4.2003 to 16.2.2014	Rs. 198,86,035.30
From 17.2.2014 to 30.11.2014 (Up to Nov, 2014)	Rs. 14,98,830.93

**Total**

**Rs. 213,84,866.23**

(i) In the special meeting held on 3.11.2014, the petitioner was advised to file the appropriate petition before the Commission.

3. Against the above background, the petitioner has filed the present petition with the following prayers:

“(a) To condone the time bar in bringing the matter in right time as monthly energy Accounting for ABT period does not contain details of meter readings because of which the Petitioner were completely unaware of the facts.

(b) To allow the Petitioner to realize the cost of energy imported to Bhutan for the period from April, 2003 onwards from UI/DSM Pool Account along with the accumulated interest.

(c) To allow the petitioner to continue with the present system till decision of the Commission.

(d) To issue instruction as regards the provision of SEM meters in 33 kV and 11 kV lines else continuation of the proposed system of billing @ average UI/DSM rates on the basis of monthly average frequency be followed multiplies by monthly based on ER bus.”

4. The matter was heard on 11.8.2015. During the course of hearing on 11.8.2015, the representative of the petitioner submitted that in the joint meeting convened on 9.1.2014, at ERPC, Kolkata in which the representatives of ERPC, NERPC, ERLDC and NERLDC had participated, it was brought to the notice of the petitioner that monthly accounting of re-import of Kurichhu/Chukha energy by Bhutan from Assam grid has been discontinued with effect from 1.4.2003. In the said meeting, it was opined that the above accounting of adjustment of re-import of energy by Bhutan from Assam grid was in order, prior to implementation of ABT in Eastern Region (1.4.2003)

which is subject to proper reconciliation between the petitioner and ERPC. The representative of the petitioner further submitted that the petitioner was providing monthly energy meter readings regularly to ERPC. However, the petitioner is not being compensated by equivalent energy quantum. Though ERPC while preparing monthly energy accounts, duly considered the energy figures sent by the petitioner for settlement of exact amount of Kurichhu import by the beneficiaries of Eastern Region. However, ERPC failed to give due credit to the petitioner in monthly accounting on the quantum of energy exported from its own bus-bar. The representative of the petitioner submitted that in the special meeting convened by ERPC on 3.11.2014 with NERPC, ERPC, APDCL, NERLDC, ERLDC and SLDC, Assam, it was agreed that during the ABT regime the re-import of power by Bhutan from Assam grid had not been taken care of while assessing the net drawal of Assam from Eastern Region grid. As a result, the UI liability of Assam has increased. The representative of the petitioner stated that the petitioner is not being compensated by equivalent energy quantum in terms of provisions of the Agreement.

#### **Analysis and Decision:**

5. We have considered the submissions of the petitioner and ERPC. The petitioner has filed the present petition to allow it to realize the cost of energy imported by Bhutan for the period from April 2003 onwards from UI/DSM Pool Account along with accumulated interest. During the course of hearing, the representative of the petitioner submitted that since the UI pool money for the period under consideration has already been transferred to the PSDF account, the Commission's approval is necessary. The

representative of NERPC submitted that the issue of disbursement of amount from UI account and DSM account was raised by ERPC and UI amount has already been transferred in the PSDF account. The representative of NERPC submitted that since no payment has been made from the year 2003 onwards by ERPC, the directions from the Commission on disbursement of money from deviation settlement account are required.

6. It is noted that in the 30<sup>th</sup> Eastern Regional Power Committee (ERPC) meeting held on 17.7.2015, the following were emerged:

“(i) 33kV Tamulpur-Sandrupjhonkar and 11 kV Rowta-Diafam lines connect Assam and Bhutan. Bhutan draws power through these two lines.

(ii) In the given case this drawal of Bhutan from Assam system was deducted from Kurichu (Bhutan) injection in monthly REA by ERPC (thus completing the accounting for Bhutan) but the same was not deducted from Assam and NER drawal by NERLDC. This caused the drawal of Assam and NER inflated.

(iii) Since ER constituents are beneficiaries of the Kurichu system this drawal should be treated as transaction between ER and Bhutan. So, the actual drawal of Assam and NER would reduce by the amount of drawal by Bhutan through 33 kV and 11kV systems.

(iv) The problem started with the implementation of ABT. The meters installed at Rowta and Tamulpur are not SEMs and accordingly these were not considered by NERLDC for calculation of Assam/NER net drawal.

(v) Therefore in a special meeting in ERPC on 03.11.2014 with ERPC, NERPC, ERLDC, APDCL, NERLDC the following methodology was formulated for adjusting the excess amount paid by Assam.

- NERPC/NERLDC to calculate the monthly average frequency for the period from 2003 till date.
- Based on the above average frequency figures NERPC/NERLDC to tabulate the UI/deviation rates for relevant periods.
- Get the monthly meter readings for power transfer from Assam to Bhutan.
- NERPC/NERIDC to calculate the average monthly UI/deviation charges.



- NERPC/NERLDC to calculate the total charges payable to Assam.
- All data and calculations to be made available to ERPC/ERLDC for agreement.
- ERPC/ERLDC will then adjust the amount payable to Assam as calculated above with the NER receivable/payable from/to ER pool.

(vi) Period from 1.4.2003 to 16.2.2014 were under UI regime. Since UI account has already been closed and no balance is left there it was agreed to adjust these past payments from deviation pool. But regulation on Deviation Settlement Mechanism has no provision of such adjustment of amount related to UI period. So Assam was advised to file a petition before CERC.

(vii) As already mentioned 33 kV Tamulpur-Sandrupjhonkar and 11kV Rowta-Diafam lines from Assam to Bhutan have no SEM meters. For permanent solution to this type of problem Assam has to install the SEM meters & NERPC/NERLDC has to submit the SEM readings to ERPC/ERLDC.”

7. It is noted that in the special meeting held on 3.11.2014, the methodology of calculation of UI amount to be disbursed to Assam was agreed. The only issue raised by NERPC was that the payment of charges by ERPC should be from DSM account. According to NERPC, the money collected in UI amount has already been transferred to PSDF. The relevant portion of the said meeting dated 3.11.2014 is extracted as under:

“(a) The power flow from Assam to Bhutan was not considered for net drawl of Assam from 1<sup>st</sup> April, 2003 i.e. from the date of introduction of ABT in ER.

(b) By not accounting the re-import of power by Bhutan in 15 minutes time block, the net drawl of NER in UI calculation has been over estimated. Money to that extent has been received by ER pool from NER.

(c) Similarly, by not taking into account the re-import of power by Bhutan from Assam, Assam drawl has been overestimated in the UI calculation and Assam has ended up paying more UI.

(d) Therefore Assam needs to be given relief to the extent of re-import of power by Bhutan through Assam.

(e) ER pool shall compensate NER pool for this who, in turn, shall compensate Assam.

(f) For accounting of drawl the following methodology was agreed by the Forum:

- NERPC/NERLDC to calculate the monthly average frequency for the period from 2003 till date.
- Based on the above average frequency figures NERPC/NERLDC to tabulate the UI/deviation rates for relevant periods.
- Get the monthly meter readings for power transfer from Assam to Bhutan.
- NERPC/NERIDC to calculate the average monthly UI/deviation charges.
- NERPC/NERLDC to calculate the total charges payable to Assam.
- All data and calculations to be made available to ERPC/ERLDC for agreement.
- ERPC/ERIDC will then adjust the amount payable to Assam as calculated above with the NER receivable/payable from/to ER pool.

(g) As the UI mechanism has been replaced by Deviation Settlement Mechanism (DSM) with effect from 17.02.2014. Therefore for the period from 17.02.2014 onwards the data/ calculation would be done by NERPC/ NERLDC and on that basis adjustment would be done by ERPC/ ERLDC immediately after verification of data/ calculation.”

8. Taking note of submissions of North Eastern Regional Power Committee (NERPC) to the effect that the UI amount has already been transferred to the PSDF account and no payment has been made from the year 2003 by ERPC, we direct ERPC to pay the amount due to the petitioner from DSM account maintained by it in six equal monthly installments along with interest starting from 1.8.2016.

9. Petition No. 150/MP/2016 is disposed of with the above direction.

Sd/-  
**(Dr.M.K.Iyer)**  
Member

sd/-  
**(A.S. Bakshi)**  
Member

sd/-  
**(A. K. Singhal)**  
Member

sd/-  
**(Gireesh B. Pradhan)**  
Chairperson