

CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

In the matter of

Review of progress for implementation of Availability Based Tariff.

The Commission vide its order dated 15th December, 2000 had prescribed the revised schedule for implementation of ABT in the various regions, to be implemented in the Southern Region w.e.f. 1-4-2001. In that context, the progress on certain issues namely, energy accounting, UI charges, VAR charges, etc. was reviewed by the Commission, with the representatives of CTU and Member-Secretaries, REBs. A list of the participants is enclosed as **Annexure A**. The issues discussed and the Commission's decisions thereon are as under:

Issue –1: Furnishing of data from Special Energy Meters (SEMs) and associated information by SRLDC to SREB.

Director (Operations), POWERGRID submitted that the flow of information from RLDCs to REBs has to be as per para 7.4.15 of the IEGC, according to which RLDCs shall be responsible for computation of actual net injection of each ISGS and actual net drawal of each beneficiary based on the readings of Special Energy Meters (SEMs). He further stated that the net injections and net drawal are required by the RLDC for comparing with the telemetered data and also for estimation of transmission losses during scheduling.

Member Secretary, SREB stated that the responsibility of energy accounting has been entrusted to the REBs by the Commission and for this purpose RLDCs should provide them the necessary information. He submitted

that the processed data of all the meters namely main, check and standby meters for all the locations be made available to SREB for carrying out energy accounting. He has informed that the data has started flowing from SRLDC w.e.f. 11th March 2001, though there are still some deficiencies in the information being furnished. According to him, since the issue is of commercial nature, the data flow has to be according to ABT order, which stipulates that RLDC shall pass on processed data to REBs for purpose of energy accounting. MS, SREB also referred to the decision taken at SREB forum in this regard. Member Secretary, SREB also stated that due to lack of desired data, the software for the energy accounting could not be tested and they need another two months of trial run.

We direct that the data desired by the SREB should be made available by RLDCs to enable them to fulfil their responsibility. If this necessitates modification of any of the provisions of the IEGC, the issue may be deliberated in the IEGC Review Panel meeting scheduled to be held on 26-3-2001 and the proposal submitted to the Commission for approval. As the software could not be tested properly, the computations carried out and bills raised on the basis of these computations during the month of April and May 2001 shall be open for checking and verification up to June 2001. However, the bills shall be paid and the adjustments, if any, as a result of re-verification, shall be done in the next billing cycle.

Issue-2 : Accounting of UI Charges

Director (Operations), POWERGRID emphasised that the meter reading, billing and payment of UI charges should be on weekly basis in view of the voluminous data and to reduce probability of payment defaults. He pointed out that the mode of operation of UI account (i.e. Pool Account vis-à-vis one to one settlement) is to be evolved by the REBs who have been entrusted this responsibility. However, he stated that pool operation is a better alternative.

We are in full agreement with the views expressed by Director (Operations), POWERGRID that the UI accounting, billing and payment should be done on weekly basis and direct accordingly. However, the accounting and billing for capacity and energy charges shall continue to be done on monthly basis as per existing practice. As some aspects related to operation of pool account such as income tax liability, etc. need further consideration, for the present, the UI accounting may be done on one-to-one settlement basis in line with ABT order dated 4th January 2000. All the constituents shall furnish payment status of bills for UI charges to respective REBs on monthly basis. The REBs in turn shall analyse this information and report to the Commission on payment defaults of these bills. The Commission makes it clear that default, if any, in payment of UI charges shall be viewed seriously.

Issue –3: Requirement of additional reading on 1st day of every month

It has been pointed out that as per the BPSA between generating companies and beneficiaries, the task of energy accounting is to be completed by 6th day of every month, which necessitates one additional set of readings on 1st day of every month. According to Director (Operations), POWERGRID, in the ABT regime, capacity and energy charges are based on availability and schedules respectively and hence readings of the meters is normally not required for these calculations. He, however, stated that additional readings might be required for Nuclear stations, etc. where ABT is not applicable, so that their schedules can be made equal to actual injection. He pointed out that collection of meter readings is a mammoth task and hence pleaded for dispensation of the requirement of one additional reading on 1st day of every month. He submitted that the problem can be sorted out if the operating personnel of the local utility where these meters are installed can take the readings and transmit to RLDC. Member Secretary, SREB pointed out that readings of all the locations may be required in case of suspension of UI charges due to grid disturbance. He,

therefore, pleaded that for the sake of uniformity it is desirable to have meter readings of all the locations on 1st day of every month

We direct that for the transactions not covered in the ABT regime, the bills may be raised based on the (i) actual readings for the days of the month for which meter readings are available and (ii) schedule for remaining days of the month. Supplementary bills may be raised after the actual readings for all days of the month are available to take care of difference between the scheduled drawal and actual drawal for the last few days of the month. This arrangement would obviate the need for one additional set of readings on 1st day of every month.

Issue-4: Accounting of VAR charges

The Commission vide its letter dated 8th January 2001 had directed CTU to take up the issue of finalising a comprehensive methodology for Reactive Energy charging, including operation of the pool account, utilisation of surplus collected in the account and apportionment of reactive energy loss/generation in lines etc. in the IEGC Review Panel. Accordingly, the issue is to be discussed in the 2nd meeting of the Review Panel to be held on 26th March 2001. During the hearing, Director (Operations), POWERGRID, submitted that this issue is not an IEGC related issue so it would not be proper to discuss it in the IEGC Review Panel.

We feel that this issue is of techno-commercial nature and hence the IEGC Review Panel, with senior officers from SEBs, generating companies, REB secretariates and CTU as its members, is the right forum to deliberate upon the issue and make appropriate recommendations to the Commission. We, therefore, direct that:

- (i) Member Secretary, SREB in consultation with Member Secretaries of other regions shall submit a proposal on the issue of operation of Pool Account for VAR charges to IEGC Review Panel and make a

presentation on the same in the next meeting of the IEGC Review Panel to be held on 26th March 2001.

- (ii) The Review Panel shall deliberate upon the issue in said meeting and CTU shall submit the recommendations of the Review Panel to the Commission by 30th March 2001. The issue of utilisation of collections in the Pool Account may be taken up later, preferably within 2 months.

The above directions supersede all the previous orders of the Commission on the issues listed above.

Sd/-

(D.V. Khera)
Member (EO)

Sd/-

(G.S. Rajamani)
Member

Sd/-

(D.P. Sinha)
Member

New Delhi dated the 19th March, 2001.