

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 29 of 2016

In the matter of:

Petition filed under Regulation 27(2) and 41 of the UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015 read with Regulations, 59 UERC (Conduct of Business) Regulations, 2014 for seeking approval for fixing the cost of ABT check meters.

And

In the matter of:

Uttarakhand Power Corporation Ltd. (UPCL)
Victoria Cross Vijeta Gabar Singh Bhawan,
Kanwali Road, Dehradun.

..... Petitioner

&

1. M/s BST Textile Mills Pvt. Ltd., Udham Singh Nagar
2. M/s Rukmani Iron Pvt. Ltd., Haridwar
3. M/s Alps Industries Ltd., Haridwar

..... Respondents

Coram

Shri Subhash Kumar	Chairman
Shri K.P. Singh	Member

Date of Order: July 19, 2016

ORDER

This Order relates to the Petition filed by Uttarakhand Power Corporation Ltd. (hereinafter referred to as "UPCL" or "the Petitioner"), under Regulation 27(2) and Regulation 41 of the UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015 read with Regulations, 59 UERC (Conduct of Business) Regulations, 2014 for fixing the cost of ABT Check Meters.

Petitioner's Submission & Background

2. The Petitioner vide letter No. 4063/UPCL/Com./ dated 31.08.2015 filed a Petition for seeking approval of the Commission for fixing the cost of ABT Compliant Check Meters, which is to be refunded through adjustments to the Open Access Consumers who have bought the ABT Compliant Check Meters in accordance with the Regulation 27(2) of UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015.

3. The Petitioner in its Petition has submitted that:

(1) It had invited tender through National Competitive Bidding (NCB) for procurement of ABT Compliant Meters. Following three firms were participated in the above Bidding Process:

(i) M/s Genus Power Infrastructures Ltd., Jaipur

(ii) M/s Secure Meters Ltd., Gurgaon

(iii) M/s Larsen & Tubro Meters Ltd., Chandigarh

Thereafter, LoI for supply of 20 nos. of 11 kV & 80 nos. of 33 kV ABT meters @ Rs. 16,644+Service Tax extra @2% was issued to the selected bidder i.e. M/s Larsen & Tubro Meters Ltd., Chandigarh.

(2) Some of the open access consumers purchased check meters on behalf of UPCL and since Regulation 27 (2) of UERC (Terms & Condition of Intra State Open Access) Regulations, 2015 specifies refunding through adjustment, hence, the cost of meter purchased by open access customers is to be refunded by UPCL to customers through adjustment.

However, as no rate of ABT meter has been specified in the aforesaid Regulations and as open access customers may purchase the meters at different rates, hence, there arises a difficulty in ascertaining the cost of the meter for which refund through adjustment is to be given to the open access consumer, therefore, requested the Commission to fix a reasonable cost considering the cost at which ABT meters have been procured by the Petitioner, so that no discrimination in refunding the cost of meter purchased by the open access customer is there.

4. The Commission heard the matter for admissibility on 22.09.2015 and directed the Petitioner to justify the exercise of 'Removal of Difficulties' provision giving full details of the contended difficulties, its proposal for removal of difficulty and names of affected parties.
5. In compliance to the above , UPCL vide its letter No. 4501 dated 01.10.2015 submitted that:
 - (1) It has allowed open access to 48 consumers as on 30.09.2015 and has tested 46 nos. ABT compliant check meters which has been installed alongwith the main meter in the premises of open access consumers.
 - (2) Total 3 nos. open access consumers namely M/s BST Textile Mills Pvt. Ltd., M/s Rukmani Iron Pvt. Ltd. and M/s Alps Industries Ltd. have requested UPCL for adjustment of cost of ABT compliant check meter procured by them.
 - (3) As the cost claimed by open access consumers vary from case to case, therefore, there arises a difficulty in refunding the different claim amounts.
 - (4) UPCL proposes that the cost ascertain by it through open tendering process be considered as the standard criteria for refunding the cost of ABT compliant check meter.
 - (5) The cost claimed by the open access consumers is very high in comparison to the cost discovered through National Competitive Bidding (NCB) and there is no uniformity in claims made by the open access consumers. Hence, due to large variation in cost of meter purchased by UPCL through NCB process vis-a-vis cost of ABT compliant check meter claimed by open access consumers, a matter of dispute with regard to refund of meter cost is bound to arise.
6. Thereafter, the Commission decided to hold a hearing on admissibility on 08.12.2015, making M/s BST Textile Mills Pvt. Ltd., M/s Rukmani Iron Pvt. Ltd. and M/s Alps Industries Ltd. as Respondents in the matter. The matter was heard on the scheduled date and an Order was issued by the Commission directing that:

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- (1) *Both the parties should sit together in next 10 days and identify the reasons for the difference in prices of the ABT meters.*

(2) The Petitioner should scrutinize the invoices of the Respondents and submit a comprehensive report on the prices offered to the Petitioner and Respondents.

(3) The Petitioner should submit complete and comprehensive proposal including CT & PT's cost also

The above information is required to be submitted before the Commission within 15 days."

7. In compliance to the Commission's Order dated 08.12.2015, UPCL vide its letter no. 5414 dated 28.12.2015 submitted that:

(1) It had followed-up with the Respondents for meeting as directed by the Commission. However, only M/s Alps Industries Ltd., Haridwar attended the meeting.

(2) While scrutinising the invoices, it has observed that the price claimed by M/s Alps Industries Ltd., Haridwar was Rs. 80,000 per meter, whereas the prices obtained through the open tendering process were as follows:

S. No.	Name of Bidder	FOR Destination Rate (in Rs.)	Status of Bidder	Remark
1	M/s Larsen & Tubro	16,643.75/- (2% CST extra)	L1	Purchase order has been placed to M/s L&T, Chandigarh for 20 nos. 11 kV & 80 nos. 33 kV ABT meters.
2	M/s Genus Power Infrastructures Ltd.	19,999/- (13.5% VAT extra)	L2	
3	M/s Secure Meters Ltd.	24,335.71/- (1.5% CST extra)	L3	

(3) UPCL has purchased 100 nos. meters through NCB process therefore, competitive rates have been received, whereas, the open access customers have purchased the prescribed make meter from trader.

(4) There is large variation in rates received through NCB process i.e. Rs. 16,643.75 (2% CST extra) and the rates quoted by M/s Alps Industries i.e. Rs. 80,000/- (Taxes & Duties extra).

(5) UPCL has not procured CT & PT compatible to ABT meters at present, therefore, cost analysis for the same cannot be submitted.

8. On examination of the aforesaid submission of UPCL dated 28.12.2015, it was observed that the reply submitted by UPCL was incomplete, hence, the Commission vide its letter dated 12.02.2016 directed UPCL to furnish a comprehensive report on the prices offered w.r.t. ABT Meters and associated equipments after proper scrutiny

of the invoices submitted by the Respondents and ensure the compliance of directions issued in the Commission's Order dated 08.12.2015.

9. In response, UPCL vide its letter dated 01.03.2016 and 19.03.2016 submitted that:

- (1) In compliance to the Commission's directions Respondents were invited for meeting alongwith the raised invoices and technical specifications of the ABT check meters, however, only one firm M/s Alps Industries attended the meeting.
- (2) Total 5 nos. open access consumers have claimed the cost of ABT check meters as mentioned below:

Sl. No	Name of bidder	Amount claimed per ABT meter	Qty
1	M/s BST Textile Mills Pvt. Ltd.,	1,12,200	1
2	M/s Alps Industries Ltd.,	80,000	1
3	M/s Kashi Vishnath Textiles	1,07,100	2
4	M/s Hindustan National Glass Industries Limited, Rishikesh	1,27,500	2
5	M/s Rukmani Iron Pvt. Ltd.	89,610	1

The above cost of Meters does not include cost of any other associated equipments e.g. CT, PT.

- (3) For 33 kV and 11 kV metering cubicles, it had been procuring 0.5 accuracy class instrument transformers and therefore rates for 0.2 accuracy class instrument transformers were not available with it.
- (4) With regard to CT and PT, it has sought quotation from its regular suppliers, and the prices obtained were as follows:

(Figures in Rs.)

Manufacturer	11 kV CT including Tax & duties	11 kV PT including Tax & duties	Grand Total of 11 kV CT & PT	33 kV CT including Tax & duties	33 kV PT including Tax & duties	Grand Total of 33 kV CT & PT
M/s Perfect Sales, New Delhi	13620	20430	34050	57885	64695	122580
M/s Floral, Meerut	40860	24970	65830	95340	108960	204300
M/s Electro Transformer Muzzafarnagar	14820	17583	32403	47631	59934	107565
M/s Adhunik Yantra Udyog Pvt.Ltd. New Delhi	22132.5	19295	41427.5	61290	71505	132795

Note: - Cost of 11/33 kV CT & PT mentioned in above table are for 3 Phase.

10. Further, UPCL in its letter dated 19.03.2016 has submitted that the variation in cost of ABT compliant check meter purchased by it through Bidding Process and Meter

purchased by Open Access Customers should be in the range of 10%-12% of the cost of meter purchased by UPCL and cost of meter claimed by open access customers beyond the aforesaid range is not justified. Further, UPCL has requested the Commission to consider only a reasonable variation of 10%-12% and requested not to include cost of CT & PT in arriving at the amount which needs to be refunded to the open access customers.

Commission's Observations, Views & Directions

11. Regulation 27 of UERC (Terms and Conditions of Intra State Open Access) Regulations, 2015 specifies that:

"27. Metering:

- (1) All open access customers, existing as well as new including generating stations irrespective of their capacity, shall be provided with ABT compatible Special Energy Meters by the distribution licensee for and at the cost of the open access customers.*
- (2) The distribution licensee shall provide Check Meter of the same specifications as Main Meter at its own cost.
Provided that Main and Check ABT compliant meters can also be procured by open access customers from the suppliers notified by the distribution/transmission licensee as applicable. However, the cost of Check meter shall be refunded through adjustment in open access charges bills of the customers.
Provided that open access shall be allowed at the existing metering arrangement for a period of upto three months from the date of notification of these Regulations. Thereafter, the above provisions with regard to ABT compliant Main and Check meters shall become mandatory.*
- (3) Special Energy Meters installed shall be capable of time-differentiated measurements for time-block-wise active energy and voltage differentiated measurement of reactive energy in accordance with the State Grid Code.
...*
- (6) All the open access customers shall abide by the metering standards of CEA."*

Based on the above provisions of the Regulations, the Petitioner (UPCL) shall provide main and check ABT compliant meters of same specification and install the same at the premises of the open access consumers. The cost of main meter is to be borne by the open access consumer, while the cost of check meter is to be borne by the distribution licensee, Petitioner in this case. However, there is a provision in the above Regulation that the open access consumer can procure both these meters by itself at its own cost. Further, the Regulation also provide that in the latter option, the cost of check meter shall be refunded to the open access consumer through adjustment in open access charges bills of such consumer.

12. On examination of the Petition and subsequent submissions made by the Petitioner, the following has been observed:

- (1) The Commission has taken cognisance of the fact that due to inability on the part of the Petitioner to install these ABT compliant main and check meters by the stipulated period at the premises of the open access consumers, these consumers exercised the option to procure these meters at their own cost, making them eligible for refund of cost of check meter by the Petitioner. In the process, the Commission has observed that based on the documents submitted by the open access consumers (Respondents), the cost of the ABT check meter have been as high as five (05) times the price as discovered by the Petitioner through National Competitive Bidding (NCB) route.
- (2) The costs of CT & PT have not been included in the price(s) claimed by the open access consumers (Respondents). Also in the price discovered by the Petitioner (UPCL) through NCB for the ABT Meters, the cost of CT & PT has not been included.
- (3) Based on the invoices provided by the open access consumers to the Petitioner, the unit prices of ABT Compliant Meter have been presented in the Table given below:

Sl. No.	Name of bidder	Amount claimed by Open Access Consumer for ABT meter as per UPCL submission dt. 01.03.2016	Unit prices of ABT Check meter worked out as per invoices of Open Access Consumers
1	M/s BST Textile Mills Pvt. Ltd.	Rs 1,12,200/-	1,10,000+ 2% CST =Rs 1,12,200/- (freight inclusive) Testing fee= 1,000/- Total amount claimed Rs 1,13,200/-
2	M/s Alps Industries Ltd.	Rs 80,000/-	Rs 80,000/- (Inclusive of freight & insurance and liasoning charges for lab testing of the meters at the lab, with complete support of manufacturer i.e. Secure meters Ltd.) (Taxes and Duties shall be extra) (Meter Make-Secure)
3	M/s Kashi Vishnath Textiles	Rs 1,07,100	Copy of invoice not submitted.
4	M/s Hindustan National Glass Industries Limited, Rishikesh	Rs 1,27,500	Copy of invoice not submitted.
5	M/s Rukmani Iron Pvt. Ltd.	Rs 89,610	For 2 meters 174000 + 2% (CST) + 1740 (Freight) =Rs 179220 i.e. for 1 meter Rs 89,610/- (Meter Make-Secure)

- (4) Whereas, the unit costs offered by the meter manufacturing firms to the Petitioner for 100 nos. of ABT Meters (tender quantity) in the Bidding Process are as follows:

S. No.	Name of Bidder	FOR Destination Rate (in Rs.)	Remark
1	M/s Larsen & Tubro	16,643.75/- (2% CST extra)	Purchase order placed to M/s L&T, Chandigarh for 20 nos. 11 kV & 80 nos. 33 kV ABT meters @16,643.75/- (2% CST extra).
2	M/s Genus Power Infrastructures Ltd.	19,999/- (13.5% VAT extra)	
3	M/s Secure Meters Ltd.	24,335.71/- (1.5% CST extra)	

- (5) From the above, it has been observed that the cost of ABT compatible check meter claimed by the open access consumers is on a very much higher side compared to unit price discovered by the Petitioner through bidding process. In general procurement practices, difference in unit price of an item in retail purchase vis-à-vis bulk purchase is in the order of 20-25 %.
- (6) Further, it has been observed that out of 05 open access consumers, 02 consumers have procured Secure Make ABT Compliant Meters. The unit price claimed by the Respondent who have purchased Secure make meters is in the range of Rs. 80000/- to Rs. 90000/- while for this make meter, the Petitioner (UPCL) has submitted a price of Rs. 24,335.71 (65% CST extra including CT/PT cost) discovered through bidding process.
- (7) The Commission also cross-verified the prices of Secure make, ABT Compliant Meter having same specifications on the basis of prices offered by M/s Secure to Transmission Licensee in the State namely PTCUL and it was Rs 24,631.28 /- (FOR destination), which is in the same range as submitted by the Petitioner (UPCL).
13. Based on the above, for arriving at the cost of ABT Check meter, the Commission has considered the highest rate of Secure ABT Compliant Meter submitted by the Petitioner based on this price discovered through National Comparative Bidding Process @ Rs. 24,335.71 and the same price has been escalated by 25% considering the fact that the open access consumers (Respondents) procured the meters on retail basis and the same works out to Rs. 30,419.64 (rounding off to Rs 30,420/-). Since the price discovered by the Petitioner was exclusive of taxes/duties, the Unit cost to be refunded through adjustment in open access charges bills of the Open Access

Customers for ABT Check meter has been considered as Rs 30,420/- (Taxes/duties @2% extra).

14. In light of the above, it is ordered that:

- (1) The cost of ABT check meter to be refunded by the Petitioner in accordance with Regulation 27 of UERC (Terms & Conditions of Intra State Open Access) Regulations, 2015 to the open access customers shall be @ Rs. 30,420/- (Taxes & Duties @2% extra) or actual cost claimed by the open access customers whichever is lower.
- (2) The aforesaid cost shall be applicable for the ABT Check meters installed on or before 31.03.2017.

Ordered accordingly.

(K.P. Singh)
Member

(Subhash Kumar)
Chairman