

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 07 of 2018

In the Matter of:

Petition filed under Regulation 13 of UERC (Deviation Settlement Mechanism and related matters) Regulations, 2017 for seeking relaxation of one year in Regulation 1(2) for implementation of Intra State ABT and Deviation Settlement Mechanism.

And

In the Matter of:

State Load Despatch Centre (SLDC),
Power Transmission Corporation of Uttarakhand Ltd.
Vidyut Bhawan, Majra,
Dehradun.

.....Petitioner

And

In the matter of:

1. Uttarakhand Power Corporation Ltd. (UPCL)
Victoria Cross Vijeta Gabar Singh Urja Bhawan,
Kanwali Road, Dehradun
 2. Power Transmission Corporation of Uttarakhand Ltd. (PTCUL)
Vidyut Bhawan, Majra,
Dehradun
 3. UJVN Ltd.
"UJJWAL", Maharani Bag, GMS Road,
Dehradun.
 4. Uttarakhand Renewable Energy Development Agency (UREDA),
Urja Park Campus, Industrial Area, Patel Nagar,
Dehradun.
- & Others.

.....Respondents

Coram

Shri Subhash Kumar Chairman

Date of Hearing: March 23, 2018

Date of Order: March 23, 2018

ORDER

This Order relates to the Petition filed by State Load Despatch Centre, Uttarakhand (hereinafter referred to as "SLDC" or "the Petitioner") seeking approval of the Commission for relaxation of one year in Regulation 1(2) for implementation of

Intra State ABT and Deviation Settlement Mechanism (DSM) under Regulation 13 of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017.

Background & Petitioner's Submissions

2. The Commission had notified the UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 on 06.02.2017 which was published in the official gazette on 18.02.2017.
3. In order to give sufficient time to the State Constituents namely UPCL, UJVN Ltd., PTCUL, SLDC, Open Access Customers etc. for completing the pre-requisite activities/works necessary for implementation of Intra State ABT and Deviation Settlement Mechanism viz. installation of ABT compliant, special energy meters on the interface point, SCADA system automatically mechanism demand scheme alongwith other associated hardware and software's etc., the Commission in its Regulation 1(2) had made a provision that the Regulation shall come into force from 01.04.2018.
4. After notifying the aforesaid Regulations, a working group in the matter of implementation of Intra-State ABT and Deviation Settlement Mechanism was constituted and nodal officers from respective organizations namely, UJVN Ltd., PTCUL, SLDC & UPCL were nominated for expediting the implementation of the same.
5. Thereafter, meetings of the aforesaid working group were conducted in the Commission's office, in which SLDC was reminded its role as Nodal Agency for implementation of Intra State ABT and Deviation Settlement Mechanism Regulations and taking responsibility for ensuring the completion of balance works of different Utilities. Accordingly, SLDC was suggested to conduct review meeting covering the technical issues pertaining to implementation of Intra State ABT & DSM. Thereafter, SLDC convened various meetings on 08.09.2017 and 29.11.2017 with the State Utilities and PTCUL.
6. Looking at the slow progress made by the State Utilities and PTCUL w.r.t. completing the balance works required for implementation of intra State ABT & DSM, SLDC has now approached the Commission for extending the date of

applicability of the aforesaid Regulations for next one year i.e. applicability of the Regulation has been sought from 01.04.2018 to 01.04.2019.

SLDC in its Petition has submitted that:

“3. Facts of the case:

- i) *As per the regulation 1(2) of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 notified on 06.02.2017, these regulations are to come into force w.e.f 01.04.2018.*
- ii) *For implementation of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 notified on 06.02.2017, the following activities are necessarily to be completed by the various constituents before enforcement of the commercial mechanism in accordance with the Regulations:-*
 - *Installation of ABT compliant special energy meters at the interface points.*
 - *Establishment of on-line Data Acquisition System with necessary hardware & network management software for acquiring meter data from various points.*
 - *Establishment of centralized data centre at SLDC/PTCUL.*
 - *Development of application software for implementing Energy Accounting, Scheduling, Deviation Settlement Mechanism etc.*

SLDC through various review meetings has gathered the status of various activities being carried out by State constituents for implementation of Intra-State ABT and Deviation Settlement Mechanism & Recommendations of SAMAST Report which is as follows:-

UPCL

- *Installation of ABT compliant Special Energy Meters at interface points is under process.*
- *Integration of ABT compliant Special Energy Meters with the centralized data centre for Automatic Meter Reading (AMR), data collection etc. is to be carried out after completing the installation of the said meters.*

UJVNL

- *Installation of ABT compliant Special Energy Meters at interface points*

is under process.

- *Integration of ABT compliant Special Energy Meters with the centralized data centre for Automatic Meter Reading (AMR), data collection etc. is to be carried out after completing the installation of the said meters.*

PTCUL

- *The tender for procurement & installation of ABT compliant meters at interface points and establishment of on-line Data Acquisition System along with centralized data centre is under process.*
- *It may take more than one year to complete the process of installation of ABT compliant meters and establishment of data centre at SLDC, Dehradun*

SLDC

- *SLDC has finalized the scope of work, technical specifications, cost estimate etc. for the work of "Development of application software for implementing Energy Accounting, Scheduling, Deviation Settlement Mechanism etc." and is in process of tendering. The development and implementation of above software solution shall be completed in another eight (8) months."*

7. On the above Misc. Application/Petition, the Commission decided to hold a Hearing in the matter on 23.03.2018 and also decided to invite comments/suggestions/objections from the stakeholders including the State Utilities and Open Access Customers through a Public Notice & letters to the main Stakeholders.
8. Accordingly, the Public Notice was published by the Commission in two daily News Papers on 17.03.2018 seeking comments/suggestions/objections from the stakeholders through post, E-mail and or in person to the Commission latest by 22.03.2018.
9. The hearing was held on the scheduled date i.e. on 23.03.2018. The Commission heard the Petitioner & Respondents and decided to admit the Petition.

- (1) During the hearing, the Petitioner reiterated its submission made in the Petition and further informed the Commission about the meeting it had convened with the State Utilities on 16.03.2018 for the updates/status of the progress made by the respective Utilities. The Petitioner apprised the Commission w.r.t. the progress made by the Utilities in this regard. Further, the Petitioner submitted that the tender for software development shall be finalized within a week and procurement & commissioning of the same shall be done within 3-4 months.
- (2) The Respondents namely UPCL & PTCUL were present in hearing and made the following submissions:-
- (a) UPCL reiterated its submission, which has been submitted to the Commission vide letter dated 15.03.2018, stating that:-
- "1. A LOI for supply of 350 nos. 33 kV ABT and 70 nos. 11 kV ABT meters has been placed to M/s L&T meters, Chandigarh on dated 27/11/2017 for 420 nos. intra state interface points between UPCL-PTCUL, UPCL-open access consumer, UPCL-Generators. After the LOI, firm has to raise Stage inspection/Final inspection offer for testing and then after satisfactory inspection of material firm will dispatch the material. As per terms of LOI the supply of ABT meters was to be completed by the firm till 28/02/2018. But till date firm has not raised the inspection call, therefore meters on intra state interface points between UPCL-PTCUL, UPCL-open access consumer, UPCL-Generators can not be installed upto 31.03.2018.*
- 2. Generators have been requested to arrange ABT meters alongwith communication facilities at their end.*
- 3. For transfer of load survey data of ABT meters to SLDC, these intra state interface points covering Generator and also have been incorporated in upcoming AMR project, for which tendering is in process. However, till the AMR project becomes operative, the monthly load survey data of all ABT meters shall be provided to SLDC through email."*

Further, UPCL submitted that the supply of meters will be completed by the end of April, 2018 and will be installed within next 3 months. For

installation of meter communication facility, UPCL has submitted that it will take further 3-4 months time.

- (b) UJVN Ltd. was not present during the hearing. However, as per letter dated 15.03.2018 following has been submitted:-
- (i) ABT Meters have been installed on machines and feeders in MB-I MB-II, Chilla, Pathri and Mohammadpur Hydro Generating Stations.
 - (ii) ABT Meters at Ramganga and Khatima Hydro Generating Stations are expected to be installed by 31.03.2018 and 30.04.2018 respectively, ABT Meters at Chibro, Khodri, Dhalipur and Kulhal Hydro Generating Stations are expected to be installed by 30.06.2018.
- (c) PTCUL reiterated its submission vide letter No. 189 dated 19.03.2018, stating that:-
- (i) The works pertaining to finalization of Technical Specification, TQR, PQR, Tender Documents, publication of NIT and Bid submission have been completed w.r.t. implementation of Intra-State ABT.
 - (ii) Tender award (LOI/LOA agreement) is pending at CPC level and is expected to be awarded by 30.04.2018.
 - (iii) Other works namely, survey of sub-stations, inspection calls/quality clearances, supply of meters, installation & sealing of meters, supply & erection of communication equipments, establishing data center at SLDC, testing commissioning of communication channels and software development & testing are expected to get completed by 31.08.2019.

Commission's Observations, Views and Directions

10. The instant Petition has been filed under Regulation 13 of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 which stipulates that:-

“13. Power to Relax.

The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected by grant of relaxation, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.”

From the above Regulation, it is observed that inherited powers lies with the Commission for relaxing any of the provisions of the Regulations either by suo-moto proceeding or by taking cognizance of on an application filed by an interested person.

11. In light of above, let us examine the efforts made in the Petitioner and the Stakeholders in achieving the requirements of the regulations and the difficulties thereof.
12. On examination of the submissions made in the Petition, subsequent submissions made during the hearing by the Petitioner and earlier submissions of the Petitioner before the Commission, it has been observed that :-
 - (1) Being a Nodal Agency for implementation of Intra-State ABT and DSM, the Petitioner was required to prepare a customized software application for web based scheduling, State energy account, Deviation Settlement Account & Reactive Account platform latest by 15.10.2017. However, as per the Petitioner’s submission in the Petition, the development and implementation of aforesaid software solution shall be completed in another 8 months.
 - (2) Therefore, from the above, it can be realized that the Petitioner is itself not in a position to comply with the provisions of the UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 from 01.04.2018 onwards w.r.t. implementation of Intra-State ABT and DSM.
13. The Commission has observed that besides the works pending with the Petitioner, the status of works to be completed by the Stakeholders is also disappointing as evident from the status submitted by the State Utilities, PTCUL and Other Stakeholders as discussed above. The Stakeholder-wise observations of the Commission are as follows:-

- (1) With regard to the present status of works in PTCUL, it has been observed that the tendering process for supply & installation of meters, Communication equipments, Establishment of Data Centre and software development and testing is pending before the CPC of PTCUL for last more than 02 months for its decision on the tender. Further, it is a known fact that for implementation of the Intra-State ABT and DSM, installation & commissioning of ABT compliant Special Energy Meters alongwith Data Centre is pre-requisite.
- (2) Further, w.r.t. the status of implementation of Intra-State ABT, the Commission has observed that PTCUL has abysmally failed in honoring not only to its own schedule of activities which was submitted before the Commission while seeking 'Investment Approval for Implementation of Intra-State ABT Metering Scheme for On-Lining of ABT Meters to be installed at Interface Points for Energy Accounting & Transmission Level Energy Auditing at Power Transmission Corporation of Uttarakhand Ltd (PTCUL) but also has failed to honor the action plan submitted under affidavit vide letter No. 87 dated 16.03.2015 in which it had categorically stated that it would finish all the activities required for implementation of Intra-State ABT & DSM by 15.06.2018.
- (3) With regard to UPCL, during the 2nd Meeting of Working Group in the matter of implementation of Intra-State ABT & DSM, UPCL was directed to ensure installation of ABT Meters at all the required interface points latest by 31.12.2017 for ensuring the timely implementation of Intra-State ABT & DSM by 01.04.2018 as per Regulations, to which UPCL had agreed for the same. However, from the submissions of UPCL, it is observed that UPCL has still not procured the meters for installing the same at the required interface points and the communication system for transfer of meter data to PTCUL/SLDC is also not in place for which tendering is under process.

From the above, it is observed that UPCL is lagging far behind its earlier committed schedule and is not in the position of implementing ABT & DSM in its network from 01.04.2018.

- (4) Earlier, UJVN Ltd., during the 2nd Meeting of Working Group in the matter of implementation of Intra-State ABT & DSM, had submitted that it would be able to install meters at all 266 locations with communication system by 31.12.2017. However, from the current submission of UJVN Ltd., it is observed that UJVN Ltd. has installed meters at only 5 of its Hydro Generating Stations as on date and the installation of meters at balance Power Stations alongwith appropriate communication system is yet to be installed.

From the above it is observed that UJVN Ltd. is also lagging far behind its earlier committed schedule and is not in the position of implementing ABT & DSM in its network from 01.04.2018.

14. Further, based on the above observations the Commission is of the view that:-

- (1) None of the State Constituents including the Nodal Agency i.e. SLDC has completed the pre-requisite activities required for implementation of intra-State ABT & Deviation Settlement Mechanism till date, which is quite embarrassing and is not a good sign for the Power Sector of the State.
- (2) PTCUL is showing a very callous approach towards implementation of Intra-State ABT and is defying its own activity schedules/action plan under affidavit which is not in the interest of the consumers of the State and State Constituents.
- (3) The Commission has taken note of the lackadaisical approach of PTCUL in this regard, and expresses its deep displeasure that in such an important issue which is urgently required to comply with the DSM Regulations in a definite time frame, the CPC of PTCUL has become totally ignorant and indifferent. Hence, taking cognizance the same the Commission cautions PTCUL that any non-compliance of the Regulations/the Commission's directions on account of such reasons shall be treated as willful non-compliance on the part of PTCUL and necessary action shall be initiated against the person(s) responsible for such undue delays.
- (4) The Petitioner, PTCUL, UJVN Ltd. and UPCL are not in a position to implement Intra-State ABT & DSM from 01.04.2018 onwards and are

showing a very callous approach towards implementation of Intra-State ABT and are defying their own activity schedules/action plans/commitments which is certainly not in the interest of the consumers of the State and State Constituents.

- (5) Though, the Petition has been filed for extending the applicability for one year, however, the Commission is of the view that the time requested for same is excessively high as most of the works would be completed within next 9 months except installation and commissioning of proposed Data Center at PTCUL's end. The Commission, further, is of the view that the provisions of the Regulations can be complied with in absence of fully functional proposed Data Center at PTCUL's end by preparing deviation account manually on monthly basis till the time fully functional data center at PTCUL's end is in place.

However, the Commission agrees that under such circumstances the implementation of the provisions of the Regulations *in-toto* cannot be ensured.

15. In light of the above, taking a lenient view, the Commission has decided not to take any coercive action under the provisions of Act/Rules/Regulations against the Petitioner and State Utilities who have failed in complying with the directions of the Commission w.r.t. completion of pre-requisite activities for successful implementation of Intra-State ABT & DSM in the State. With regard to relaxation in Regulation 10 (1) of UERC (Deviation Settlement Mechanism & Related Matters) Regulations, 2017 wherein deviation settlement account was required to be prepared on 'weekly basis', the Commission decides to relax the same to the extent of 'monthly basis' till commissioning of the Data Centre by PTCUL. Hence, the Commission has decided to relax the commencement/ applicability of the aforesaid Regulations from 01.04.2018 to 01.04.2019 and directs the Petitioner and Stakeholders that:-

- (1) PTCUL is directed to :-
- (a) Complete installation of 679 Nos. ABT meters by **30.09.2018**.
 - (b) Establish the meter communication system by **30.11.2018**.

- (2) UPCL is directed to :-
- (a) Complete installation of all 420 nos. ABT meters by **30.06.2018**.
 - (b) Establish the meter communication system by **30.09.2018**.
- (3) UJVN Ltd. is directed to:-
- (a) Complete installation of all 266 nos. ABT meters by **30.06.2018**.
 - (b) Establish the meter communication system by **30.09.2018**.
- (4) SLDC is directed to:-
- (a) Complete the procurement & trial run of System & Software by **31.07.2018**.
 - (b) Instruct the State Constituents for furnishing required monthly data of all the interface meters.
 - (c) Prepare monthly deviation accounts based on the information/data received from the State constituents from **01.10.2018** onwards on manual basis till it starts receiving data from the proposed Data Centre of PTCUL.

Further 2 months time i.e. **from 01.10.2018 to 30.11.2018** shall be the allowed to complete all kinds of trial runs related to the Software & System without any commercial implications on the State Constituents. Thereafter, from **01.12.2018** onwards commercial implications shall be applicable on the respective State Constituents based on the monthly deviation accounts.
 - (d) Inform the respective State Constituents about the results/outcome of the trial monthly deviation accounts, so that they would act upon to improve their forecasting/declaration/scheduling process, wherever they find lapses.
 - (e) Hold review meeting on monthly basis and furnish monthly progress reports of PTCUL, UJVN Ltd., UPCL and Other Stakeholders on completion of balance works/activities required for successful implementation of Intra-State ABT & DSM w.r.t. the direction issued in this Order and shall submit a monthly report before the Commission latest by **15th day** of next month on regular basis.

- (5) State Constituents other than PTCUL, UJVN Ltd. & UPCL are directed to complete all the requisite activities pending at their end towards compliances of the DSM Regulations latest by **30.09.2018** and SLDC as a Nodal Agency is directed to review the status/preparedness of these State Constituents on monthly basis and shall submit report to the Commission by **15th day** of next month on regular basis.
- (6) PTCUL is directed to establish Data Centre with appropriate communication mediums for data communication from the various State Constituents/Stakeholders latest by **31.03.2019** and ensure that data center will be fully functional by **31.03.2019** so that the Deviation Settlement Accounts can be prepared at the Petitioner's end from **01.04.2019** onwards in accordance with the provisions of UERC (Deviation Settlement Mechanism & Related Matters) Regulations, 2017.

Further, all the State Utilities including the Petitioner are directed to name the officers alongwith their designation, who shall be responsible for carrying out the milestone activities alongwith the date of implementation of such activities till successful implementation of the same, latest by **15.04.2018**.

Ordered accordingly.

(Subhash Kumar)
Chairman