

***Summary of ARR & BSP Filings***

Submitted by

***GRIDCO***

For

***FY –2017-18***

## Summary of GRIDCO ARR & BSP Filings for FY 2017-18

### **BULK SUPPLY PRICE (BSP) PROPOSAL OF GRIDCO FOR THE FY 2017-18**

1. GRIDCO Limited (hereinafter called as GRIDCO) is a Deemed Trading Licensee under the 5<sup>th</sup> Proviso to Section 14 of the Electricity Act, 2003. GRIDCO, a wholly State owned Company, is engaged in the business of purchase of electricity in bulk from various generators located inside Odisha and the State share of power from the Central Generators for supply in bulk to the four Electricity Supply Companies (hereinafter called as 'DISCOM Utilities'). Besides, being the successor Organization to the erstwhile Odisha State Electricity Board (OSEB), GRIDCO continues the functions of bulk purchase and sale of power in the interest of the State under the "Single Buyer Model", as a matter of historical legacy.

Under the existing Bulk Supply Agreements between the DISCOM Utilities and GRIDCO, the DISCOM Utilities are to purchase power from GRIDCO at a regulated price to be determined by the Hon'ble Odisha Electricity Regulatory Commission(OERC). This Price incidentally happens to be the Bulk Supply Price at which GRIDCO supplies power to the DISCOM Utilities. Thus, as a statutory requirement, GRIDCO is required to submit its Annual Revenue Requirement (ARR) before OERC for determination of the procurement price of the DISCOM Utilities. Further, as provided in the OERC (Conduct of Business) Regulations, 2004, OERC (Terms and Conditions for Determination of Tariff) Regulations, 2004 as amended upto May 2011 and other related Regulations and as per Section 86 (1) (a) & (b) and other applicable provisions of the Electricity Act, 2003, GRIDCO is required to submit its Annual Revenue Requirement (ARR) and Bulk Supply Price (BSP) proposal to the Commission for approval, before 30th November of each year for the ensuing year.

In this above backdrop, GRIDCO has filed an application for approval of its proposed Annual Revenue Requirement (ARR) and revision of Bulk Supply Price (BSP) for the FY 2017-18 to enable it to carry out its functions of bulk supply to DISCOM Utilities and emergency supply to CGPs.

#### **Projection of Demand and Energy**

2. The Simultaneous Maximum Demand (SMD) of DISCOM Utilities for the FY 2017-18 has been projected at 4732 MVA as furnished by DISCOM Utilities to GRIDCO. GRIDCO has requested the Commission to suitably determine and approve the SMDs for each of the DISCOM Utilities for FY 2017-18 keeping in view of their actual SMDs during FY 2016-17, and the likely load growth in the near future. The actual highest SMD recorded during first six months of 2016-17 and projection for 2017-18 as submitted by GRIDCO in the BSP and ARR application is given in Table -1.

**Table – 1**  
**Projection of Simultaneous Maximum Demand (SMD) for FY 2017-18**

<b>DISCOM Utility</b>	<b>OERC approval for 2016-17</b>	<b>SMD of each DISCOM Utilities during 1st 6 Months of FY 2016-17</b>	<b>Highest SMD recorded during FY 2016-17 (Apr.'16 to Sept'16)</b>	<b>DISCOM Utilities Projection of SMD for FY 2017-18</b>	<b>GRIDCO's Projection of SMD of DISCOM Utilities for FY 2017-18</b>
<b>(MVA/Month)</b>					
<b>CESU</b>	1450	1459	1539	1752	1752
<b>NESCO</b>	890	848	884	980	980
<b>WESCO</b>	1290	1311	1397	1350	1350
<b>SOUTHCO</b>	570	549	557	650	650
<b>TOTAL</b>	<b>4200</b>	<b>4167</b>	<b>4377</b>	<b>4732</b>	<b>4732</b>

3. GRIDCO has projected 25877.05 MU as the energy consumption of DISCOM Utilities for FY 2017-18 based on the projections submitted by DISCOM Utilities. Emergency Power Supply to Captive Generating Plants (CGPs) like NALCO and IMFA for FY 2017-18 has been projected at 5 MU. The actual for first six months of FY 2016-17, projection for FY 2016-17 on pro-rata basis (pro-rating at 190%) and projection for FY 2017-18 as submitted by GRIDCO are indicated in Table -2 .

**Table - 2**  
**Projected Energy Demand of DISCOM Utilities and CGPs for FY 2017-18**

<b>DISCOM Utilities</b>	<b>Actual from April' 2016 to Sept'16</b>	<b>Projection for 2016-17 on pro-rating by taking of 1st six months consumption</b>	<b>Projection for 2016-17 on pro-rating at 190% of 1st six months consumption</b>	<b>OERC approval of Energy Requirement for DISCOM Utilities during FY 2016-17</b>	<b>GRIDCO's Projection based on energy projection given by DISCOM Utilities for FY 2017-18</b>
	<b>(MU)</b>	<b>(MU)</b>		<b>(MU)</b>	<b>(MU)</b>
<b>CESU</b>	4460.45	8920.90	8474.86	8570.00	9094.05
<b>NESCO</b>	2802.44	5604.87	5324.64	5450.00	6043.00
<b>WESCO</b>	3716.35	7432.71	7061.07	7050.00	7200.00
<b>SOUTHCO</b>	1682.15	3364.30	3196.09	3470.00	3540.00
<b>TOTAL DISCOM Utilities</b>	<b>12661.39</b>	<b>25322.78</b>	<b>24056.64</b>	<b>24540.00</b>	<b>25877.05</b>
<b>NALCO &amp; IMFA</b>	2.77	5.54	5.54	10.00	5.00
<b>TOTAL SALE</b>	<b>12664.16</b>	<b>25328.32</b>	<b>24062.18</b>	<b>24550.00</b>	<b>25882.05</b>

### Energy Availability to GRIDCO for FY 2017-18

4. GRIDCO has projected energy availability of 27543.70 MU during FY 2017-18 from different generating stations. The estimation for drawal of hydel power from OHPC is 5861.18 MU including 262.50 MU from Machhkund and 1944.36 MU from Indravati; and thermal power of 2796.22 MU from OPGC, 3162.93 MU from TTPS, 6681 MU from thermal IPPs (M/s Vedanta Ltd, M/s GMR Kamalanga Energy Ltd, M/s Jindal India Thermal Power Ltd) and 7371.37 MU of Odisha share of power from central thermal power stations. GRIDCO has proposed to purchase 908 MU towards Odisha share from central hydro power stations like Tala, Chukha and Teesta hydel plants. Further, GRIDCO has proposed to procure 763 MU from Renewable Energy sources during FY 2017-18 (320 MU from small hydro, 80 MU from biomass and 363 MU from solar projects). The station-wise details in respect of availability of power are given in the Table below.

**Table-3 Summary of Proposed Energy Availability to GRIDCO for FY 2017-18**

Stations	Availability (After Transformation Loss and Auxiliary Consumption) (MU)	Share %	Projection for FY 2017-18 (MU)	Commissions Approval FY 2016-17 (MU)
HHEP	662.54	100	662.54	
CHEP	302.94	100	302.94	
Rengali	693.00	100	693.00	
Upper Kolab	823.68	100	823.68	
Balimela	1172.16	100	1172.16	
OHPC(Old)	3654.32	100	3654.32	3676.86
Indravati	1944.36	100	1944.36	1942.38
<b>Sub-Total OHPC</b>	<b>5598.68</b>	<b>100</b>	<b>5598.68</b>	
Machhkund	262.50	100	262.50	262.50
<b>Total State hydro availability</b>	<b>5861.18</b>	<b>100</b>	<b>5861.18</b>	<b>5881.74</b>
OPGC	2796.22	100	2796.22	2861.50
TTPS	3162.93	100	3162.93	3150.40
Small Hydro Renewable Energy	320.00		320.00	320.00
Biomass Energy	80.00		80.00	115.00
Solar Energy	363.00		363.00	230.00
CGPs	0.00		0.00	
Co-generation Plants	0.00		0.00	
IPPs	6681.00		6681.00	8034.16
<b>Total State availability</b>	<b>19264.33</b>		<b>19264.33</b>	<b>20592.80</b>
TSTPS Stg.-I	2193.53	31.97	2193.53	2157.27
TSTPS Stg.-II	1365.25	10.00	1365.25	1327.24
FSTPS-I&II	1245.23	13.81	1245.23	
FSTPS-III	563.73	19.85	563.73	
KhSTPS Stg.-I	707.59	15.40	707.59	245.41

KhSTPS Stg.-II	190.19	2.24	190.19	263.42
Barh-STPS-II (Unit-IV &V)	1105.83	14.79	1105.83	
<b>Total Central Thermal Availability</b>	<b>7371.37</b>		<b>7371.37</b>	<b>3993.32</b>
Chukha	256.00	15.19	256.00	254.24
TALA	140.00	4.25	140.00	141.13
Teesta	512.00	20.59	512.00	511.37
<b>Total Central Hydro Availability</b>	<b>908.00</b>		<b>908.00</b>	<b>906.75</b>
<b>Total EREB</b>	<b>8279.37</b>		<b>8279.37</b>	<b>4900.07</b>
<b>Total Availability</b>	<b>27543.70</b>		<b>27543.70</b>	<b>25492.87</b>

### Energy Demand and Availability

5. The total projected Energy Demand by GRIDCO has been taken as 25,882 MU for FY 2017-18 consisting of the estimated energy requirement for sale to DISCOM Utilities as 25,877 MU and that of the Emergency & Back-up Power Sale to CGPs (M/s. NALCO & M/s. IMFA) as 5 MU. Considering 939 MU towards Transmission Loss @ 3.50%, procurement of energy to the tune of 26,821 MU (25,882 MU + 939 MU) will be required. The energy requirement vis-a-vis the availability to GRIDCO for supply to the State is estimated below in the following Table- 4.

**Table – 4**  
**Projected Energy Requirement of GRIDCO for FY 2017-18**

Sl. No.	Particulars	Projection for FY 2017-18 (MU)
1	Energy Demand of DISCOM Utilities (25877 MU) & CGPs 5 MU)	<b>25882</b>
2	Transmission Loss @ 3.50%	<b>939</b>
3	Energy Required to be purchased by GRIDCO to meet the power demand of DISCOM Utilities & CGPs	<b>26821</b>
4	Available Energy	<b>27544</b>
5	Surplus Energy*	<b>723</b>

Note: Figures have been rounded off to the nearest integer.

\*The estimated surplus energy of about 722.92 MU i.e. 723 MU is proposed to be utilized for Power Trading @ 250P/U. Surplus Revenue, if any from Trading of power is proposed to be utilized towards reducing cumulative losses of GRIDCO.

### Power Purchase Cost Projected for 2017-18

6. In its application for FY 2017-18, GRIDCO has projected to procure hydel power of 5598.68 MU from OHPC and 262.50 MU from Machhkund. In absence of tariff projected by OHPC for FY 2017-18, GRIDCO has assumed the OERC approved rates of different OHPC Power Stations for FY 2016-17 towards procurement of such energy. The rate of energy from Machhkund Joint Project has been calculated at 55.07

P/U considering Odisha share. Accordingly GRIDCO has proposed to procure the total hydel energy of 5861.18 MU at a cost of Rs.501.37 crore with an average rate of 85.54 P/U against average rate of 83.54 P/U approved for FY 2016-17.

7. The power purchase cost of 2796.22 MU from OPGC @ 236.91 P/U comes to Rs. 662.44 crore for FY 2017-18. The proposed variable charge (ECR) is provisionally considered as 144.18 P/U which is 20% over and above approved ECR of 120.15 P/kWh for FY 2016-17. The Commission had allowed an amount of Rs.53.06 Crore towards Year end Charges for FY2016-17 whereas GRIDCO had paid an amount of Rs.58.65 Crore against FY2015-16 (including Fuel Price Adjustment claim). Accordingly, GRIDCO has proposed an amount of Rs.58.65 Crore towards Year End Charges provisionally which works out to be 20.97 Paise/kWh and the total projected power procurement cost for FY 2017-18 is derived as Rs. 662.44 Crore. GRIDCO submits that the Commission may kindly determine the quantum of power and the tariff for procurement of such power from Unit #1 & #2 of OPGC by GRIDCO for FY 2017-18. The power purchase cost of 2861.50 MU from OPGC @ 190.26 P/U as approved by the Commission for FY 2016-17 was Rs. 544.43 crore.

Further, OPGC challenged the OERC Tariff Order dated 21-03-2016 in Case No.53 of 2016 (relating to OPGC) before the Hon'ble APTEL and the matter is sub-judice at present.

8. Based on the Tariff Order dated 26-09-2016 in Petition No.334 of 2014 passed by the CERC in respect of NTPC-TTPS for the period from 2014-19, the Annual Fixed Charges of TTPS is fixed as Rs. 426.93 Crore for FY 2017-18. Accordingly, the Fixed Cost per Unit of energy from TTPS works out to be 134.98 P/U for the proposed energy drawal of 3162.93 MU for FY 2017-18. Based on the trend of Energy Charge Rate (ECR) as claimed by TTPS-NTPC during last six months, GRIDCO has considered 10% escalation over and above the Monthly Average Energy Charge of 167.37 P/U and thus, proposes 184.11P/U towards Energy Charge Rate (ECR) for FY 2017-18. Accordingly, GRIDCO has projected to procure 3162.93 MU from TTPS with the procurement cost of Rs. 1035.51 crore @ 327.39 P/U for the FY 2017-18 against 272.92 P/U approved for FY 2016-17.
9. GRIDCO has no procurement plan from co-generation plants and CGPs to meet the energy requirement during FY 2017-18.
10. GRIDCO has proposed to procure 763 MU of renewable energy at a cost of Rs.387.55 crore @ 507.93 P/U on an average. It includes 320 MU from small hydro sources (100 MU from SAMAL (M/s. OPCL) and 220 MU from M/s. Meenakshi Power Limited (M/s. MPL)) at a price of 368.94 P/U average, 363 MU from solar energy (13 MU from 8 Nos. of Solar PV projects of 1MW each under RPSSGP, 34 MU from NVVN through 20 MW of 'New Projects' scheme under JNNSM phase-I, 17 MU from NTPC's Solar PV power plants at Dadri and Faridabad, 8 MU from Alex Green Energy Ltd through OREDA State scheme, 42 MU from ACME Odisha Solar Power Private Ltd., 117 MU from Solar Energy Corporation of India through 70 MW of JNNSM Phase – II, Batch – I and 132 MU from Solar Energy Corporation of India

through 70 MW of JNNSM Phase – II, Batch - IV) at an average rate of 615.01 P/U. GRIDCO proposes to procure 80 MU of bio-mass energy from biomass project (M/s Shalivahan Green Energy Ltd) at a cost of Rs.46.24 crore @ 578 P/U on an average during FY 2017-18.

11. Pending disposal of the Appeal and the MYT Petition filed M/s. Vedanta Ltd, the Commission in the ARR Order of GRIDCO for FY 2016-17 has fixed a provisional tariff of 236.22 Paise/kWh towards procurement of power by GRIDCO (Fixed Charge component of 90.25 Paise/kWh and Energy Charge of 145.97 Paise /kWh). However, for FY 2017-18, GRIDCO proposes to procure the total quantum of 4792 MU from Vedanta Ltd-(IPP) at an estimated cost of Rs. 1271.48 Crore at an average rate of 265.3 Paise/kWh.

The total proposed power procurement cost from GKEL (GMR Kamalanga Energy Ltd) for 1517 MU@ 353.00 Paise /kWh is worked out to be Rs.535.50 Crore for FY: 2017-18

GRIDCO proposes to procure 372MU @ 144.3 Paise/ kWh from M/s. JITPL. The total proposed procurement cost is worked out to be Rs.53.69 Crore for FY 2017-18.

12. NTPCs petitions for determination of tariff as per CERC Tariff Regulations, 2014, are pending before the CERC except for TSTPS-I and KHSTPS-I for which respective Tariff Orders are issued by CERC. Hon'ble CERC has computed the cost of fuel components in Working Capital at 85% NAPAF for the year 2017-18 & 2018-19 and based on "as billed" GCV of coal and price of coal procured by NTPC for the preceding 3 months. Similarly, the Energy Charge Rate (ECR) have been computed by CERC basing on the billed GCV with an adjustment on account of coal received at the generating station for equilibrated basis in the billed GCV of M/s. Coal India.

Going by the presumptions for FC, ECR, YEA the Projected Power Procurement Cost calculated by GRIDCO for procurement of power from different Central Sector Thermal Generating Stations (NTPC-ER Stations) is at Rs.3227.39 Crore for 7371.37 MU at average rate of 437.83 P/U.

13. GRIDCO has also projected to procure 908 MU from Chukha, Tala, Teesta-V hydro power stations during FY 2017-18 with the procurement cost of Rs.256.99 crore at average rate of 283.03 P/U.
14. The Transmission Charges payable by GRIDCO to PGCIL for the ensuing year has been calculated to Rs. 452.61 Crore. Considering energy drawal of 8832.87 MU and after allowing 2.16% of CTU loss, the per Unit PGCIL Transmission Charge including loss to works out to be 52.37 P/U.
15. The detailed cost of power purchase as furnished by GRIDCO for FY 2017-18 is reproduced hereunder in Table -5 below.

**Table – 5**  
**Summary of Proposed Power Procurement Cost during FY 2017-18**

<b>Stations</b>	<b>Availability (After Transformation Loss and Auxiliary Consumption) (MU)</b>	<b>Rate (P/U)</b>	<b>Total Cost (Rs.Cr.)</b>	<b>Commission's Approval for FY 206-17 (P/U)</b>
HHEP	662.54	144.58	95.79	
CHEP	302.94	87.27	26.44	
Rengali	693.00	88.52	61.34	
Upper Kolab	823.68	56.35	46.42	
Balimela	1172.16	91.97	107.80	
<b>OHPC(Old)</b>	<b>3654.32</b>	<b>92.44</b>	<b>337.79</b>	<b>90.41</b>
Indravati	1944.36	76.70	149.13	75.36
<b>Sub-Total OHPC</b>	<b>5598.68</b>	<b>86.97</b>	<b>486.91</b>	
Machhkund	262.50	55.07	14.46	47.92
<b>Total State Hydro Availability</b>	<b>5861.18</b>	<b>85.54</b>	<b>501.37</b>	<b>83.54</b>
OPGC	2796.22	236.91	662.44	190.26
TTPS	3162.93	327.39	1035.51	272.92
Small Hydro Renewable Energy	320.00	368.94	118.06	368.94
Biomass Energy (Shalivahan Energy Ltd.)	80.00	578.00	46.24	594.30
Solar Energy	363.00	615.01	223.25	709.98
CGPs	0.00	275.00	0.00	
Co-generation Plants	0.00	275.00	0.00	
IPPs	6681.00	278.53	1860.83	221.97
<b>Total State Availability</b>	<b>19264.33</b>	<b>230.88</b>	<b>4447.71</b>	<b>195.63</b>
TSTPS Stg.-I	2193.53	333.93	732.49	
TSTPS Stg.-II	1365.25	316.01	431.44	
FSTPS-II&III	1245.23	503.36	626.80	
FSTPS-III	563.73	576.15	324.80	
KhSTPS Stg.-I	707.59	447.99	316.99	
KhSTPS Stg.-II	190.19	476.23	90.58	
Barh-STPS-II	1105.83	636.90	704.30	
<b>Total Central Thermal Availability</b>	<b>7371.37</b>	<b>437.83</b>	<b>3227.39</b>	<b>330.85</b>
Chukha	256.00	286.59	73.37	213.61
TALA	140.00	258.98	36.26	206.46



Stations	Availability (After Transformation Loss and Auxiliary Consumption) (MU)	Rate (P/U)	Total Cost (Rs.Cr.)	Commission's Approval for FY 206-17 (P/U)
Teesta	512.00	287.82	147.36	239.23
<b>Total Central Hydro Availability</b>	<b>908.00</b>	<b>283.03</b>	<b>256.99</b>	<b>226.95</b>
<b>Total EREB</b>	<b>8279.37</b>	<b>420.85</b>	<b>3484.38</b>	
<b>GRAND TOTAL</b>	<b>27543.70</b>	<b>287.98</b>	<b>7932.09</b>	<b>229.44</b>

**Pass through of arrear dues paid / to be paid during FY 2017-18**

16. GRIDCO proposes to consider pass through of expenses, already incurred or to be incurred in the ARR for the FY 2017-18. This expenses amount to Rs.875.56 crore consisting of Arrear in respect of TTPS as per CERC Order Dtd.31.08.2016 Rs.104.40 crore and Arrear in respect of NTPC as per actual billing by NTPC Rs. 771.16 Crore.

**Special Appropriation Of Repayment For Loan And Interest Towards Past Power Purchase Liabilities**

17. GRIDCO has been forced to resort to borrowing in the earlier years to meet the payment obligations in order to keep supplying power to the DISCOM Utilities to meet the consumers demand in greater public interest.

**Table -6  
Loan Availed to Meet Deficit (Amount in Rs. Crore)**

FY	Loan Repayment	BSP Dues defaulted by DISCOM Utilities	Total Cash Deficit	Loan availed to meet Deficit
1	2	3	4=2+3	5
2008-09	374.26	163.94	538.20	300.00
2009-10	205.06	164.22	369.28	1213.00
2010-11	328.15	297.01	625.16	1640.71
2011-12	382.40	269.74	652.14	864.16
2012-13	777.69	590.01	1367.7	943.83
2013-14	1006.57	167.30	1173.87	483.50
2014-15	868.31	86.91	955.22	1609.49
2015-16	532.62	102.20	634.82	1300.00
2016-17 (Upto Sept' 16)	<b>592.60</b>	<b>972.19</b>	<b>1564.79</b>	<b>1000</b>
<b>Total</b>	<b>5067.66</b>	<b>2813.52</b>	<b>7881.18</b>	

18. GRIDCO has proposed the Special Appropriation of Rs.2797.60 Crore for recovery through the ARR and BSP for FY 2017-18 as detailed in Table- 7.

**Table – 7**  
**Proposed Special Appropriation claimed in the ARR & BSP for FY 2017-18**  
**(Rs. Crore)**

Particulars	Loan Repayment Dues	Interest Dues	Total
State Govt. Loan	162.54	355.98	518.52
NTPC-GoO Special Bonds (Rs.1102.87 Crore)	818.81	405.64	1224.45
<b>Sub-Total</b>	<b>981.35</b>	<b>761.62</b>	<b>1742.97</b>
Bank Loans	1054.63	-	1054.63
<b>Total</b>	<b>1054.63</b>	<b>761.62</b>	<b>2797.60</b>

Note: Govt. Loan of Rs.981.35 Crore has been proposed to be deferred so also interest dues of Rs.761.62 Crore (Total amount deferred to State Govt.: Rs.1742.97 Crore).

**Interest, Financing and Other expenses**

19. GRIDCO has proposed to incur about Rs.522.73 crore during the FY 2017-18 towards expenses on account of interest, Employees Cost, A&G Expenses etc. Interest and Fin. Charges have been considered as Rs.502.62 Crore after considering deferment of State Govt. Interest of Rs.89.62 Crore during FY 2017-18. GRIDCO has initiated action for its Organization Structure and Manpower Planning which is expected to be finalized during the end of the financial year 2017-18. Hence, no increase in Employees Cost on account of Organization Structure has been proposed in the present ARR.

The interest, financing and other charges including administrative and general expenses cost, repair & maintenance expenses etc. as proposed by GRIDCO is presented in Table below.

**Table – 8**  
**Interest, Financing & Other expenses for FY 2017-18 (Rs. Crore)**

Particulars	GRIDCO proposal for FY 2017-18	
1. Interest & Financial Charges		<b>502.62</b>
2. Other Costs:		
a. Employee Cost (OERC Form F-9)	11.06	
b. A&G Cost (OERC Form F-11)	8.00	
c. Repair & Maintenance Cost(OERC Form F-10)	0.32	
<b>Sub-Total</b>		<b>19.38</b>
3. Depreciation		<b>0.73</b>
<b>Total (1+2+3)</b>		<b>522.73</b>

### Return on Equity

20. GRIDCO has proposed RoE of Rs.92.27 crore @ 16.00 % on its equity capital of Rs. 576.71 crore.

### Other Income / Miscellaneous Receipts

21. GRIDCO expects to earn an amount of Rs. 3.43 crore during FY 2017-18 (at existing approved BSP @685 P/U for FY 2016-17 towards Emergency Sale) from proposed sale of 5 MU emergency power to NALCO and IMFA.

### Receivable from DISCOM Utilities and other parties

22. DISCOM Utilities have defaulted in payment of Rs.2085.33 crore towards securitized dues, Rs.625.17 crore towards Year-end-Adjustment (YEA) Bills and Rs. 2180.47 crore towards BSP bills from FY 2011-12 to FY 2016-17 (upto September 2016). Further, Rs.195.36 crore towards Bonds is due from DISCOM Utilities as on 31.03.2016.

### Annual Revenue Requirement

23. The proposal for Annual Revenue Requirement of GRIDCO for FY 2017-18 is summarized in the Table below.

**Table - 9**  
**Proposed Aggregate Revenue Requirement of GRIDCO for FY 2017-18**

Particulars	Rs. Crore	GRIDCO Projection for FY 2017-18
		(Rs. Crore)
Power Purchase cost		<b>7932.09</b>
The Interest & Financing Charges		502.62
Employees Cost		11.07
A&G Expenses		8.00
R & M Expenses		0.32
Depreciation		0.73
Return on Equity		92.27
<b>Sub Total</b>		<b>8547.10</b>
<b>Proposed Pass Through Expenses</b>		
1. Arrear in respect of TTPS as per CERC Order Dtd.31.08.2016 • AFC Arrear for FY 2009-14: Rs.35.57 Crore • AFC Arrear for FY 2016-17 : Rs.68.84 Crore	104.40	
2. Arrear in respect of NTPC as per actual billing by NTPC • Arrear of all NTPC Stations (Except Barh-II) prior to April' 16 : Rs.134.34 Cr. • Arrear towards Barh-II STPS from Oct.' 15 to Sept.' 16 : Rs. 357.33 Cr. • Arrear towards FSTPS-I&II from Apr.' 16 to Sept.' 16 : Rs.168.12 Cr. • Arrear towards FSTPS-III from Apr.' 16 to Sept.' 16 : Rs.78.41 Cr.	771.16	<b>875.56</b>

Particulars	Rs. Crore	GRIDCO Projection for FY 2017-18
• Arrear towards KhSTPS STPS from Apr.'16 to Sept.'16 : Rs.32.96 Cr.		
<b>Special Appropriation</b>		
State Govt. Loans (Rs.162.54 Crore)(Deferred)		
NTPC-GoO Special Bonds (Rs.818.81 Crore)(Deferred)		
Bank / Commercial Loans	1054.63	
<b>Sub Total :Special Appropriation</b>		<b>1054.63</b>
<b>Gross Revenue Requirement</b>		<b>10477.28</b>
Less: (i) Miscellaneous Receipts from Emergency & Back-up Power Sale to NALCO & IMFA		<b>3.43</b>
Less: (ii) Revenue from proposed Trading of Surplus Power of 722.92 MU @ 250 P/U		<b>180.73</b>
<b>Net Revenue Requirement to be recovered from DISCOM Utilities</b>		<b>10293.12</b>

#### Proposed Revenue Earning at Existing BSP Rates

24. GRIDCO proposes to earn revenue of Rs 7078.73 crore during FY 2017-18 from the anticipated sale of 25877 MU to DISCOM Utilities at the existing BSP rates for 2016-17, the details of which is given in Table below.

Table – 10

#### Expected Revenue for FY 2017-18 at Existing BSP Rates for FY 2016-17

DISCOM Utilities	Energy (MU)	Existing BSP Rate (P/U)	Amount (Rs. Crore)
CESU	9094	270.00	2455.38
NESCO	6043	297.00	1794.77
WESCO	7200	296.00	2131.20
SOUTHCO	3540	197.00	697.38
<b>TOTAL</b>	<b>25877</b>		<b>7078.73</b>

#### Excess / Deficit in the ARR for FY 2017-18

25. GRIDCO has proposed that it would suffer revenue deficit of Rs.3214.39 crore considering the proposed net ARR of Rs. 10,293.12 Crore and the revenue of 7078.73 Crore to be earned from sale of the proposed energy of 25877 MU to DISCOM Utilities during FY 2017-18 at the existing BSP Rate for FY 2016-17, the details of which are shown in the Table below.

**Table - 11**  
**Excess / Deficit on Revenue Requirement for FY 2017-18**

(Rs. Crore)

ITEM	GRIDCO
	projection for
	FY 2017-18
	(Rs. Crore)
Total Revenue Requirement	<b>10477.28</b>
Less (i) Misc. Receipt from Emergency sale of Power to NALCO & IMFA	<b>3.43</b>
<b>Less: (ii) Revenue from proposed Trading of Surplus Power of 722.92 MU @ 250 P/kWh</b>	<b>180.73</b>
<b>Net Revenue Requirement to be recovered from DISCOM Utilities</b>	<b>10293.12</b>
Revenue Receipt from DISCOM Utilities at the existing BSP	7078.73
<b>Gap i.e. Surplus / Deficit (-)</b>	<b>-3214.39</b>

### **Proposal for Revision of Bulk Supply Price**

#### **Energy Charge**

26. In order to meet the estimated deficit of Rs. 3214.39 crore, GRIDCO has submitted the application before the Commission for revision of Bulk Supply Price for the FY 2017-18. GRIDCO proposes to recover the estimated Net Revenue Requirement of Rs.10293.12 crore through Energy Charge from the DISCOM Utilities at the uniform BSP of 397.77 P/U.

#### **Demand Charge**

27. GRIDCO proposes that the Demand Charges may be levied @ Rs.250/KVA/Month from DISCOM Utilities. When the actual SMDs of DISCOM Utilities in a month exceed the permitted monthly SMDs (110% of the approved SMD), the DISCOM Utilities will pay on provisional basis towards the excess SMD to take care of monthly variations. However, such Charges will be adjusted at the end of the year if the actual Annual SMD remains within the Permitted Annual SMD i.e. 110% of the approved Annual SMD. If not, the Demand Charges for the excess SMDs may be levied at the above proposed rate.

### **Other Allied Submissions to Facilitate GRIDCO for Recovery of its Expenses**

#### **Over Drawl and Year End Charges**

28. GRIDCO proposes that any excess drawal of energy by DISCOM Utilities during a month over and above the approved energy quantum would be payable on provisional basis at the highest OERC approved Power Purchases Rate fixed for a Station for FY 2017-18 (which includes transmission charges and transmission loss) on a monthly basis instead of the normal differential BSP applicable to the respective DISCOM Utilities subject to final Year End Adjustment (YEA) considering the highest Power Purchases rate/ cost including the rate/s of energy drawn through U.I. / Deviation Settlement of the month plus transmission charges and transmission loss.

### **Fuel Price Adjustment (FPA)**

29. Any excess payment made by GRIDCO towards FPA for a particular / relevant month will be levied on DISCOM Utilities in the succeeding month in proportion to their actual drawl during the preceding month along with the BSP bills if the Fuel Surcharge Price of the particular month paid by GRIDCO exceeds by more than 5% of the approved Average Bulk Supply Price subject to maximum of 25% of the approved Average Bulk Supply Price which will be passed on to consumers in the same month along with their normal energy bills served to the consumers at a rate which will be arrived at by considering their approved monthly sale quantum to the consumers.

### **Rebate**

30. A rebate of 2% on monthly energy bill may be allowed in case of full payment of current month's BSP within two working days (except holidays under NI Act) of raising of BSP invoice. In case of payment of part of current BSP within two working days and balance current BSP dues within 30 days of raising of BSP invoice: 2% rebate for payment of bill within two working days and 1% rebate for payment of balance current BSP beyond two working days and within thirty days may be allowed. For payment of full BSP dues within 30 days, 1% rebate may be allowed. However, no rebate will be allowed if full BSP is not paid within thirty days.

### **Delayed Payment Surcharge**

31. For payment after the periods of 30 days from the date of submission of bills, delayed payment surcharge @ 1.50% per month may be levied pro-rata for the period of delay from the due date, on the amount remain unpaid (excluding arrears on account of delayed payment surcharge).

### **Escrow Arrangement**

32. DISCOM Utilities are approaching GRIDCO to allow escrow relaxation towards employee cost and R&M expenses in each month. Since there is no specific direction in the ARR 2016-17 to allow escrow relaxation, GRIDCO is facing inconvenience. GRIDCO has requested to pass suitable direction as may be deemed necessary without affecting interest of GRIDCO.

### **Carry Forward of Revenue Gap**

33. GRIDCO prays that the proposed Annual Revenue Requirement & Bulk Supply Price be made applicable from 1st April 2017. However, in case of a gap between the approved revenue requirements for FY 2017-18 and the revenue realized, the Commission may kindly approve to carry forward the gap for adjustment during the future years.

## Prayer

34. GRIDCO has prayed the Commission to approve the following for FY 2017-18 and make the same effective from 1<sup>st</sup> April, 2017.
- i) Consider Pass Through amount of Rs.875.56 Crore as requested (since all the arrears have already been paid) during FY 2017-18 and accordingly, approve the ARR and Bulk Supply Price (BSP) for FY 2017-18 as proposed.
  - ii) Allow carry forward of the additional costs, if any, for recovery in the future BSP;
  - iii) Allow recovery of the additional cost/s due to overdrawal of energy, Fuel Price Adjustment / Fuel Surcharge Adjustment etc. or on account of any other statutory increase/s, significant rise in the fuel cost etc. if any, be passed on to GRIDCO on account of the OERC / CERC / Tribunal / Court Orders, as surcharge during the year;
  - iv) Allow recovery of any cost/s due to the Electricity Duty/ Water Cess levied by the Government of Odisha and any other Statutory levy/ Duty/ Tax/ Cess / Toll etc. which shall be charged over and above the Bulk Supply Price, if any, be passed on to GRIDCO imposed under any relevant law from time to time, as surcharge during the year;
  - v) Suitably frame and approve the Intra State UI / Deviation Settlement Mechanism & Rates in a manner by which GRIDCO will be in a position to recover its dues payable to the generators from the BSP Bills charged to the DISCOM Utilities.

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