

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI , SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR**

IN THE MATTER OF

An Application for approval of Annual Revenue Requirement and Retail Supply Tariff for the financial year 2017-18, under Section 62 and other applicable provisions of the Electricity Act 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and OERC (Conduct of Business) Regulations 2004.

AND

IN THE MATTER OF

SOUTHCO Utility (SOUTHCO)

Affidavit verifying the reply to the objections to the ARR and Wheeling and Retail Supply Tariff Application for the financial year 2017-18.

I, Sri P Arun Kumar , Son of Sri P.L Swamy, aged about 57 years, residing at Courtpeta, Berhampur, do hereby solemnly affirm and state as follows: -

I am the Chief Operating officer of SOUTHCO Utility (SOUTHCO), Berhampur, Dist-Ganjam, Odisha-760004 the Licensee in the above matter and duly authorised and am competent to swear this affidavit.

The statements made below in this application are true to the best of my knowledge and the statements made are based on information and records and I believe them to be true.

Berhampur

Date 27th January-2017

DEPONENT

**Chief Operating Officer
SOUTHCO Utility**

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI , SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR**

IN THE MATTER OF

An Application for approval of Annual Revenue Requirement and Retail Supply Tariff for the financial year 2017-18, under Section 62 and other applicable provisions of the Electricity Act 2003 and in conformity with the provisions of OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and OERC (Conduct of Business) Regulations 2004.

AND

IN THE MATTER OF

SOUTHCO Utility (SOUTHCO)

Applicant

The humble applicant above named most respectfully showeth.

Berhampur
Date: 27th January 2017

Applicant
Chief Operating Officer
SOUTHCO Utility

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI , SAILESHREE BIHAR,CHANDRASEKHAPUR
BHUBANESWAR
CASE NO. 68 OF 2016

SOUTHCO Utility (SOUTHCO)

..... **Petitioner**

Vs

Sri A.K.Sahani

Electrical Inspector (Retd.)

M/s Sahani Energy Consultancy

B/L-108, VSS Nagar, Bhubaneswar

..... **Opp. Party.**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

SOUTHCO being a Utility in the Southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2017-18.

However, the para-wise replies to the objections filed by the objector are enumerated below.

1. Southco has prayed to bridge the Revenue Gap for the FY 2017-18 through reduction in Bulk Supply Tariff (BST), grant/ subsidy from the Government of Odisha and balance if any through increase in Retail Supply Tariff. The logic to bridge the revenue gap has been enumerated in different paras of the ARR and RST application.

Regarding AT&C Loss, Southco has reduced AT&C loss by 4% during last four years ending FY 2015-16 and committed to achieve loss reduction of 4.91% during FY 2016-17 and 3.95% during FY 2017-18 respectively.

2. Southco has forecasted the Revenue requirement and expected revenue with existing tariff for the FY 2017-18 and accordingly there is a revenue gap of Rs.544.06 Cr including 1/3rd truing up revenue gap for FY 2016-17 of Rs.111.33 Cr. Southco only requested to bridge the revenue gap and the revenue gap is after considering the AT&C loss reduction by 4.91% during FY 2016-17 & 2.31% during FY 2017-18.

3. The projection of sales under different category of consumers is justified and quite a large number of consumers are going to be added under Kutir Jyoti category due to Rural Electrification policy of the GoI & GoO. Southco is agreeing with the opinion of the Respondent regarding subsidy by the GoO against cross subsidized category of consumers. Southco's consumer and consumption mix is skewed towards LT and mainly on KutirJyoti and Domestic consumers.
4. Southco has projected collection efficiency of 96% during FY 2017-18 and is achievable against the target of 99%. Licensee is not going for power interruption deliberately in its area of supply.
5. In order to give immediate power supply to the consumers LT metering is done for the consumers who are availing power supply in HT due to non availability of HT metering units. They are replaced as soon as HT metering units are available. The licensee is complying all orders of GRF and Ombudsman time to time.
6. That the meter rent is collected as per the direction of Hon'ble OERC in its Tariff Order and is justified for collection of 60 months.
7. That, in reply to para-6 to 19, it is submitted that Southco Utility has already enumerated vividly in support of tariff rationalisation measures at page no. 56 to 69 and not requires further comments in this regard.
8. That, in Reply to Para-20, it is submitted that Southco is following the Remunerative calculation as per Regulation 13 , Appendix-1 and the Remunerative Calculation is attached with the estimate. Southco has already issued a circular in this regard to its field offices to follow the same strictly. SOUTHCO has already sanctioned 39 cases and an amount of Rs.4.55Cr also adjusted in the energy bills.

SOUTHCO has not paid any automatic compensation to its consumers.

SOUTHCO is implementing the orders of GRFs and Ombudsman immediately and no such complaint is received from the consumers. SOUTHCO has complied 6638 no's of GRF cases against the receipt of GRF order of 6740 nos as during FY 15-16 and first half of 2016-17. The same is submitted in our ARR & RST application 2017-18

Hon'ble Commission has already built up the SMD demand charges while determining the BSP of the Licensee.

Southco is of the opinion that the Reliability surcharge should continue and there is no violation of standard of performance.

As per the software when the amount is posted against the consumer ledger, it segregates the portion of EC, ED and other charges. On the basis of that only the amount collected towards ED is deposited in Govt. Accounts. The views of the objector regarding ED audit is welcome in Southco Utility. Already E.D audit is conducted in SOUTHCO UTILITY.

With regard to assessment U/s 126 and appeal before appellate authority, it is strictly dealt as per the provisions of the E. Act, 2003 and as amended from time to time.

As there is a separate authority under the E. Act, 2003 to deal the Assessment cases, so it is not correct that such cases are also to be filed before GRFs and Ombudsman. Further DUMP report is supplied to the consumers on payment of prescribed fees as per tariff order.

Berhampur
Date-27-01-2017

Chief Operating Officer
SOUTHCO Utility

C.C to:

Sri A.K.Sahani
Electrical Inspector (Retd.)
M/s Sahani Energy Consultancy
B/L-108, VSS Nagar, Bhubaneswar

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI, SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR**

CASE NO.68 OF 2016

SOUTHCO Utility (SOUTHCO)

..... **Petitioner.**

Vs

**Ramesh Chandra Satapathy
Plot No. 302(B), Beherasahi
Nayapalli, BBSR-12**

..... **Opp. Party.**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

BACKGROUND:

In accordance with the provisions of Regulation 53 of OERC (Conduct of Business) Regulations, 2004 and Regulation 5 of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 the Utility is required to file the applications for determination of Annual Revenue Requirement (ARR) and revision of Retail supply Tariff (RST) for ensuing financial year before the commission.

Compliance to the provisions of above mentioned Regulations, the SOUTHCO (Petitioner) has submitted its application for approval of Annual Revenue Requirement and Retail Supply Tariff for the financial year 2017-18. The petitioner has filed its petition under Sec-62 and other applicable provisions of the Electricity Act 2003 and in conformity with provisions of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 and OERC (conduct of Business) Regulations 2004.

The para-wise replies of Southco in respect of the objections raised by the objector is submitted.

1. SOUTHCO filed the ARR and RST application for FY 2016-17 complying to the E. Act, 2003 and Regulation, 2004 & 2014 for approval of Hon'ble Commission.
2. SOUTHCO committed to provide quality power supply and better consumer services to its consumers. SOUTHCO has taken many steps for improving the voltage by way of augmentation of conductors, Installation of new S/s, upgradation

of existing S/s and Power Transformers. SOUTHCO has installed good nos of new transformer and up gradation of transformer of different capacity in its area of operation and power transformer capacity have already been upgraded to provide reliable and uninterrupted power supply. SOUTHCO has added additional transformers into the system to cater the needs of the consumers and to overcome the low voltage. Under various schemes of GoO like ODSSP, the asset addition is being taken to improve the voltage level in addition to the addition of new GRIDs at OPTCL level. The voltage problem is not an issue in Southco Utility area. The power cut without any notice is not being implemented in SOUTHCO. Further, as per the drawl schedule of SLDC and grid constraints the power restriction is being imposed at SLDC/OPTCL level. The detail of additional works under taken and going to be undertaken under various schemes is submitted in Para3.1 to 3.9.4 of our ARR & RST application.

3. The O& M activities in the Utility's area is carried out and the voltage level has improved a lot and there is no more low voltage problem in Utility's area. The management of the Utility is presently with the Administrator GRIDCO as per the order of the Hon'ble Commission. The additional information as requested is submitted in Format P-14 of our application which is part of our submission.
4. The energy audit is already carried out in 166 no's of 11 KV feeders and submitted before the Hon'ble Commission. During the FY 2016-17, Southco has metered 226(functioning) nos of 11 KV feeders against total 11 KV feeders of 575 nos. In order to complete metering arrangement at all 33kv feeders, 11kv feeders, Distribution transformers and consumers, an amount of Rs 156.58 Cr & Rs 27.3 Cr has been approved under DDUGJY & IPDS Schemes respectively. The work will be taken up soon as per receipt of funds in this regard. The details of EA of 33 KV and 11 KV feeders is enumerated in Para 5.8 of the application.
5. At present there was no franchise is operating in Southco area.
6. Although electricity is a economic good it is become a social good as out of 15.43 lakh total consumers 6.88 lakh consumers are BPL consumers who are mostly non-paying consumers paying below Rs 80 per month. So, the situation is beyond the control of licensee. So, petitioner claim in this regard is non correct.

7. The Utility was allowed an escrow relaxation for an amount of 192.75 during 2015-16 and an amount of 159.54 during 2016-17 till to date towards employees cost, Licence fees and O&M cost.
8. The detail of govt schemes with amount spent is given below for information of the petitioner

The proposed Investment under different Schemes is as under.

| Name of the Scheme | Budgeted amount | Amount spent up to March 2016 | Amount estimated to be spent FY 2016-17 | Amount projected to be spent during FY 2017-18 | Likely date of completion of the project |
|------------------------------|------------------------|--------------------------------------|--|---|---|
| CAPEX | 196.97 | 98.04 | 56.92 | 42.01 | FY 2017-18 |
| RGVY (12 th Plan) | 979.24 | 0.00 | 0.00 | 979.24 | FY 2017-18 |
| RAPDRP-A | 0.00 | 0.00 | 0.00 | 0.00 | NA |
| RAPDRP-B | 0.00 | 0.00 | 0.00 | 0.00 | NA |
| DDUGJY | 440.74 | 0.00 | 0.00 | 220.00 | FY 2018-19 |
| IPDS | 259.09 | 0.00 | 25.99 | 30.99 | FY 2018-19 |
| ODSSP | 982.00 | 111.77 | 247.50 | 622.73 | FY 2017-18 |
| ODAFF | 2.23 | 0.00 | 2.23 | 0.00 | FY 2016-17 |
| DESI | 16.32 | 7.12 | 9.20 | 0.00 | FY 2016-17 |
| BGJY | 160.91 | 121.04 | 39.87 | 0.00 | FY 2016-17 |
| BSVY | 28.50 | 12.77 | 7.90 | 7.83 | FY 2017-18 |
| RLTAP | 65.37 | 15.31 | 5.07 | 44.99 | FY 2017-18 |

8. The detail amount of outstanding on the licensee on account different dues till to date is 2453.00 crores. The detail of which is submitted in our ARR & RST application 2017-18.
9. In order to reduce AT & C loss nos of steps has been taken to improve the billing efficiency and collection efficiency inspite of the fact that out of 15.43 lakh consumers 6.88 lakh are BPL category consumers. In order to improve the billing of industrial high value consumers following steps has been taken as detailed below.
- i. Installation of AMRs in 3-phase consumers having CD more than 20 KW.
 - ii. Key Consumer Business Analytic Cell set up to analyse the dump of the meters of 3-phases for taking action at Corporate and Division level.
 - iii. Intensification of Vigilance Activities by creating separate vigilance cell at Circle level. Action is being taken to engage more nos of vigilance gangs at Subdivision level.

- iv. Dehooking squad operating at Section level and installation of AB cables in rural and urban areas.
 - v. Commencement of installation of Smart meters and Prepaid meters.
 - vi. Analysis of photo billing is taken at the corporate level to find out the areas of leakages and necessary action is been taken on the report of Photo Billing agencies.
 - vii. No of disconnection squad has increased at the section level to improve the collection and deployment of additional outsources personnel's through the agencies to improve the disconnection activity.
 - viii. This has already submitted before the commission in ARR & RST application
10. Southco has reduced the AT&C loss by 8% i.e., from 52.14 % to 43.92% during FY 2011-12 to FY 2015-16. Southco has projected AT&C loss reduction of 4.91% during FY 2016-17 and projected 3.95 % reduction for FY 2017-18 as per the MoP guidelines.
 11. However, despite all odds, with the help of Capex programme we are committed to reduce the AT&C loss as envisaged in the ARR.
 12. Death of animals and human both fatal and nonfatal are provided in the P-2 format of Hon'ble Commission which may kindly looked into.

Berhampur
Date: 27.01.2017

Chief Operating Officer
SOUTHCO Utility

C.C to
Ramesh Chandra Satapathy
Plot No. 302(B), Beherasahi
Nayapalli, BBSR-12 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI, SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR.**

CASE NO. 68 OF 2016

SOUTHCO Utility (SOUTHCO)

..... **Petitioner.**

Versus

**Prasant Kumar Das
S/o- Late Birendra Kumar Das
204, Sunamani Apartments
Tala Telenga Bazar
Cuttack-753009, Odisha**

..... **Opp. Party.**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

BACKGROUND:

In accordance with the provisions of regulation 53 of OERC (Conduct of Business) Regulations, 2004 and Regulation 5 of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2014 the Discoms are required to file the applications for determination of ARR and revision of Retail supply Tariff (RST) for ensuing financial year with the commission by 30th November of current year.

Complying the provisions of above –mentioned Regulations, the SOUTHCO (Petitioner) has submitted its application for approval of ARR and Wheeling and Retail supply tariff for the financial year 2017-18. The petitioner has filed its petition under Sec-62 and other applicable provisions of electricity act 2003 and in conformity with provisions of OERC (Terms and conditions for determination of Wheeling and Retail Supply Tariff) Regulations, 2004 and OERC (conduct of Business) Regulations 2004.

The para–wise replies of Southco Utility in respect of the objections raised by the objector is submitted.

1. **Power Cuts:** SOUTHCO committed to provide quality power supply and better consumer services to its consumers. SOUTHCO has taken many steps for improving the voltage by way of augmentation of conductors, Installation of new S/s, up gradation of existing S/s and Power Transformers. SOUTHCO has installed good no's of new transformer and up gradation of transformer of different capacity in its area of operation and power transformer capacity have already been upgraded to provide reliable and uninterrupted power supply. SOUTHCO has added

additional transformers into the system to cater the needs of the consumers and to overcome the low voltage. Under various schemes of GoO like ODSSP, the asset addition is being taken to improve the voltage level in addition to the addition of new GRIDs at OPTCL level. The voltage problem is not an issue in Southco Utility area. The power cut without any notice is not being implemented in SOUTHCO. Further, as per the drawl schedule of SLDC and grid constraints the power restriction is being imposed at SLDC/OPTCL level.

2. **High Transmission & Distribution losses :** SOUTHCO Utility tiring it best to reduce transmission and distribution losses to a reasonable leve.It is proposed to bring down the T&D loss level from 36.70% in 2015-16 to 32.35% in 2017-18. The steps taken by the utility already submitted before the commission in our ARR & RST application 2017-18.
3. **Defiance to OERC code:** The utility also follows all the regulation as set by the regulators. Further adequate safeguards like GRF and ombudsman quasi judicial bodies are set up under the regulation to look after the violation of regulation by the utility. So consumer has ample redressal mechanism under the electricity act. The pass books are issued to consumers of Southco utility. Further Billing and collection details are uploaded to the website on real time basis with SMS to making aware of the consumers of for intimation of bill generated or payment received.
4. **Raising No of accidents:** Southco utility has taken various steps for reduction of accidents. The steps like replacement of old lines with replacement of conductor by cables was taken place under various ongoing schemes like Capex. Human lives are precious. We are committed to reduce such accidents. So there was 50% reduction in such accidents in first six month of current year in comparison to first six month of previous year. The same is submitted before the commission in Format P-2 of our application for the year 2017-18.

Berhampur

Date: 27.01.2017

Chief Operating Officer
SOUTHCO Utility

C.C to

Prasant Kumar Das, S/o- Late Birendra Kumar Das
204, Sunamani Apartments ,Tala Telenga Bazar
Cuttack-753009, Odisha for information.

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI , SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR
Case No. 68 of 2016

SOUTHCO Utility (SOUTHCO) ----- Petitioner

Vs

Sri Prabhakar Dora
3rd Lane, Vidya Nagar(Co-Operative Colony) ----- Opp. Party
PO/Dist: Rayagada-765001
Ph/Fax –06856-235670: Cell No 94371-03756

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

BACK GROUND:

In accordance with the provisions of Regulation 53 of OERC (Conduct of Business) Regulations, 2004 and Regulation 5 of OERC (Terms and conditions for determination of Wheeling and Retail supply Tariff) Regulations, 2014 the Discoms are required to file the applications for determination of Aggregate Revenue Requirement (ARR) and revision of Wheeling and Retail supply Tariff (RST) for ensuing financial year with the commission.

1. Southco Utility is always striving for quality supply, Consumer service, the development of power sector through expansion of network. The detail on going schemes is submitted before the commission Para3 of our ARR & RST application 2017-18.
2. The utility runs in the business in very economical manner by reducing employees cost per MKwh i.e that is proposed to be reduced from 1.30 to 1.10 during 2017-18. Further improvement in quality need investment and increased operating expenses which need to be recovered from the consumers in a appropriate mechanism fixed by the commission.
3. The Utility is having 99.5% metering barring few consumers unmetered under the Kutir Jyoti category. The meter rent is collected from the consumers as per the meter rent approved by Hon'ble Commission and once the landed cost of the meter is recovered, the collection of meter rent is stopped from the consumers. As per the Regulation, the preference for purchase meter goes to the consumer and if the

consumer does not elect to purchase the meter, then the Utility provides the same with charging of rent of the meters for a period of 60 months.

4. The detail sales forecast is submitted before the commission with growth rate in T1 format in our ARR & RST application.
5. The SMD is projected keeping with the load growth of the consumers who are likely to be added during the ensuing year. Further separation of feeders is undertaken under ODAFF scheme and which is continuing.
6. The A&G projected in realistic way taking into account of actual expenses up to sept-16. The A&G expenses for FY2017-18 are projected at Rs59.06 crores taking into account of Annual Inspection fees and various new operational initiatives.
7. The benefits of various new operational initiatives will accrue year after year. The petitioner is well aware of the benefits to the consumer like Spot billing activity.
8. The total R&M expenses are projected in realistically and detail is submitted before the commission in Para2.6 of ARR & RST application.
9. The O.D.P was proposed in the tariff to maintain discipline in drawl of the high value consumers,
10. As the a sizable chunk of consumers are defaulters DPS is one of the disincentive to encourage such consumer to make payment voluntarily.
11. The Utility is having 99.5% metering barring few consumers unmetered under the Kutir Jyoti category. The meter rent is collected from the consumers as per the meter rent approved by Hon'ble Commission and once the landed cost of the meter is recovered, the collection of meter rent is stopped from the consumers. As per the Regulation, the preference for purchase meter goes to the consumer and if the consumer does not elect to purchase the meter, then the Utility provides the same with charging of rent of the meters for a period of 60 months.
12. The Standard of Performance both Overall and Guaranteed Standard of Performance of SOUTHCO Utility published in the news paper is based on the facts and figures and neither false nor fabricated. During the current financial year , Southco Utility have engaged one independent auditor for conducting SoP Audit in three divisions as per the direction of Hon'ble Commission.
13. The Utilities are provided large no of HT consumers are provided with AMR where MD is taken for billing purpose.
14. The estimates are always supported with Remunerative Calculations as per Regulation 13 and the circular has already been issued to adhere the same. The prospective new consumer if he/she invests in capital works, the same is being adjusted in 24 equal monthly instalments in case of Remunerative.

15. **Security Deposit:** 1) As against consumers S/D of Rs172.25 crores as per balance sheet as on 31.03.2016. The actual s/d available is 57.61 crores.
 2) An amount of 11.61 crores paid as interest on security deposit to consumers as On 31.03.2016.
 3) The security deposit is adjusted in termination of agreement in energy dues outstanding with consumers.
16. **Deposit/ Capital works:** 1)An amount of 2079.26 was estimated for deposit works during the year 2015-16. This has been submitted in our application in P - 16 formats which is part of our application.
 2) An amount of Rs 85.62 lakhs was received as 6% of supervision charges for capital works executed. This has been submitted in our application in P-16 formats which is part of our application.
 3) SOUTHCO has already sanctioned 39 cases and an amount of Rs.4.55Cr also adjusted in the energy bills.
17. **Billing:** 1) The detail no of bills issued by the utility is during 2016-17 is submitted in P-17 format which of part of ARR & RST application 2017-18.
 2) No of complaints received by division was resolved within the reasonable time. The same is submitted in P-15 format which is part of the ARR& RST application 2017-18.
 3) Southco utility covers all consumers under mobile based photo billing. The billing data instantly loaded in the server with SMS to consumer regarding his bill during the month.
18. **Collection:** 1) The details of consumers paid are submitted in P-7 format which is part of ARR & RST application 2017-18.
 2) In total 6345 consumers were disconnected for the period April to Sept of the current year.
19. **Meters:** The details of information was submitted in P-13 format which is part of ARR & RST application 2017-18.
20. **Meter Rent:** The detail information as requested is submitted as under for kind information of petitioner.

| Sl. No. | No. of Consumers whose meter rent stopped during FY 2015-16 | No. of Consumers whose meter rent stopped during FY 2016-17 (Apr-Nov.) | No. of consumers meter rent stopped till Nov-16 | No. of consumers meter rent charging as on Nov-16 |
|----------|---|--|---|---|
| 1 | 25418 | 12945 | 335819 | 170288 |

21.Complaints about consumer Bills: The details about the information requested submitted in Format P-15 of ARR & RST application which is part of the affidavit.

Berhampur
Date-27-01-2017

Chief Operating Officer
SOUTHCO Utility

C.C to:

Sri Prabhakar Dora
3rd Lane, Vidya Nagar(Co-Operative Colony)
PO/Dist: Rayagada-765001
Ph/Fax –06856-235670: Cell No 94371-03756 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI , SAILESHREE BIHAR,CHANDRASEKHAPUR
BHUBANESWAR**

CASE NO.68 OF 2016

SOUTHCO Utility (SOUTHCO)

..... **Petitioner**

Vs

M/s Grasim Industries Limited (India) Ltd.

Po- Jayshree, Ganjam- 761025

Dist:Ganjam,odisha.

..... **Opp. Party**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

2 to 7: Needs no reply. But the high cross subsidy and inability to control the T&D losses increased the tariff from year to year is not justified due to the followings.

- (a) The tariff has not increased for a period of 10 years commencing from FY 2001-02 to FY 2009-10 and was remain static. Hon'ble Commission fixes the tariff as per the E.Act, 2003 and Regulations framed there under and there is no unusual high cross subsidy in case of any category of consumers.
- (b) Although, the utility is having high T&D loss but Hon'ble Commission fixes the tariff as per the approved T&D loss which is substantial low in comparison to the actual loss level of the Utility.

8 & 9: The increase in tariff is always commensurate with the increase in cost of Supply. The power purchase Cost of the Utility has been increased substantially since FY 2010-11 as well as the inflation of the economy. If, we consider these factors the RST has not been increased simultaneously. Within a period of 5 years, Southco's BST has been increased by 231%.

10. That, the industry has been taken over by M/s Aditya Birla Chemicals (India) Ltd. and it is no more a loss industry. Further, the electricity tariff can't be fixed looking to the Loss or Profit of the Company and guided by certain principles.

11. That, Hon'ble Commission has already clarified the fixation of tariff in its tariff order from time to time.

12. That, Hon'ble Commission shall definitely look into the matter for determining tariff and cross subsidy with the different voltage of supply.
13. That, Hon'ble Commission may consider for power intensive industries and presently the Graded slab tariff is taking care of the lower tariff in comparison to other category of consumers.
14. That, Hon'ble Commission shall definitely look into the matter while determine the tariff for different category of consumers with different voltage of supply.
15. That, the GoO may provide subsidy as per the E. Act, 2003 for the economically backward class families.

DISTRIBUTION LOSS & ENERGY AUDIT:

16&17. The T&D Loss has been reduced by 12% since FY 2010-11 but not as per the approved loss level of Hon'ble Commission.

18 to 20. The energy audit is already carried out in 166 nos of 11 KV feeders and submitted before the Hon'ble Commission. During the FY 2016-17, Southco has metered 226 nos of 11 KV feeders against total 11 KV feeders of 575 nos. In order to complete metering arrangement at all 33kv feeders, 11kv feeders, Distribution transformers and consumers, an amount of Rs 156.58 Cr & Rs 27.3 Cr has been approved under DDUGJY & IPDS Schemes respectively. The work will be taken up soon as per receipt of funds in this regard. The details of EA of 33 KV and 11 KV feeders is enumerated in Para 5.8 of the application.

21-22. Southco utility likely to add around 120000 BPL consumers during 2017-18 in different schemes of govt. So, although the present LT forecast is low the projected LT sales forecast is made taking into account of increased addition of BPL consumers.

23. As per direction of Hon'ble commission receivable audit is conducted at the utility level to find out actual receivable from the consumers. A substantial portion of arrear are not receivable So, looking into above fact an amount of Rs111.33 crores towards truing u may kindly be allowed

RELIABILITY SURCHARGE:

24.(A) That, the Reliability Surcharge has been introduced by the Hon'ble Commission

to provide reliable and uninterrupted power supply to the consumers. As there is compensation as per the Standard of Performance Regulation, so there must be Reliability surcharge for providing reliable power supply.

INCENTIVE FOR HIGHER POWER FACTOR:

24 (B): That, the power factor is related with the load factor. The load factor of the particular consumer is determined on the basis of maximum demand recorded as well as the power factor. So, once the consumer is getting Graded slab tariff, the PF incentive should not be passed on to such consumers. However, the present PF incentive may be continued.

MODE OF PAYMENT OF SECURITY DEPOSIT

24(C) The issue of security deposit has been dealt in regulation 19,20,21 and other allied provisions of OERC Distribution (conditions of supply) code 2004. The utility has regularly paying security deposit to the consumers as per approved rate and never defaulted in same. So, the reservations of the consumer are unfounded. Further if the existing security deposit is adjusted in the bill of the consumer it will imbalance the immediate cash flow of the utility there by affecting the sustainability.

25. The segregated Audited Accounts for FY 2014-15 and Wheeling and Retail Business has not yet made. However, the cost allocation of Wheeling and Retail Supply Cost have been submitted vide para 7 of the Petition That, the Utility has replied the submission of Business Plan to the queries of the Hon'ble Commission and seek time for its submission.

Berhampur
Date: 27.01.2017

C.C
M/s Grasim Industries Limited (India) Ltd.
Po- Jayshree, Ganjam- 761025
Dist: Ganjam, odisha. For information. .

Chief Operating Officer
SOUTHCO Utility

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI, SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR**

CASE NO.68 OF 2016

SOUTHCO Utility (SOUTHCO)

..... **Petitioner.**

Vs

**Shri R.P. Mahapatra,
Retd. Chief Engineer
Plot No.-775 (P), Lane-3
Jaydev Vihar, Bhubaneswar-751013.**

..... **Opp. Party.**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

1. That, Southco Utility submitted its ARR and Wheeling and Retail Supply Tariff as per the OERC (Terms and Conditions of determination of Wheeling Tariff and Retail Supply Tariff) Regulation 2014.
- 2&3. The increase in tariff is always commensurate with the increase in cost of Supply. The power purchase Cost of the Utility has been increased substantially since FY 2010-11 as well as the inflation of the economy. If, we consider these factors the RST has not been increased simultaneously. Within a period of 5 years, Southco's BST has been increased by 2.31times.
4. That, the closure of industries not only the factor of increase in electricity tariff and mainly due to worldwide recession.
5. That, Hon'ble Commission has already clarified the fixation of tariff in its tariff order from time to time.
6. That, Hon'ble Commission shall definitely look into the matter for determining tariff and cross subsidy with the different voltage of supply.
- 7&8. That, Hon'ble Commission shall definitely look into the matter while determining the tariff for different category of consumers with different voltage of supply.
- 9&10 The loss was projected realistically as per loss trajectory fixed by MOP for the state of odisha

DISTRIBUTION LOSS & ENERGY AUDIT:

11 to 13. The energy audit is already carried out in 166 nos of 11 KV feeders and submitted before the Hon'ble Commission. During the FY 2016-17, Southco has metered 226 nos of 11 KV feeders against total 11 KV feeders of 575 nos. In order to complete metering arrangement at all 33kv feeders, 11kv feeders, Distribution transformers and consumers, an amount of Rs 156.58 Cr & Rs 27.3 Cr has been approved under DDUGJY & IPDS Schemes respectively. The work will be taken up soon as per receipt of funds in this regard. The details of EA of 33 KV and 11 KV feeders is enumerated in Para 5.8 of the application.

SEGREGATED ACCOUNTS:

The segregated Audited Accounts for FY 2014-15 and Wheeling and Retail Business has not yet made. However, the cost allocation of Wheeling and Retail Supply Cost have been submitted vide para 7 of the Petition.

POWER PURCHASE & SALES:

It is projected that around 1, 20,000 BPL consumers likely to be added during the year due to various economic inclusion schemes implemented by govt of India. Accordingly the sales forecast is made is submitted in our application.

ARR AND REVENUE GAP:

As per direction of Hon'ble commission receivable audit is conducted at the utility level to find out actual receivable from the consumers. A substantial portion of arrear are not receivable So, looking into above fact an amount of Rs. 111.33 crores towards truing u may kindly be allowed.

TARIFF RATIONALISATION MEASURES:

16. 8.1BPL /Kutir Joyti & Domestic consumers:

It is matter of fact that most of the consumers are consuming more than 30 units but it was not recorded in meter because most of the meters are either defective. The one LED bulb concept is far from reality in rural villages. So, we consider are proposal equitable.

8.2LF billing of irrigation category of consumers:

The utility has put sincere effort in replacement of defective meters in this category. In reality most of the OLI/PLI consumers are far flung areas with meters are open to damage as exposed to rain and the climatic conditions. So actual recovery of meter rent become remote. Considering above L.F billing is proposed in our application.

8.3 Levy of Demand charges:

This practice of charging 85% of CD is prevalent in Bihar and west Bengal. There is no intension of getting undue revenue.

8.4: No comments.

8.5Levy of meter rent on smart and prepaid meters:

The present recovery schedule is just and equitable

8.6Kvah billing:

That, the introduction of KVAH billing has already been substantiated in the ARR application and nothing more to say.

8.8 & 8.9 Verification of CGP status of power Plants

THE contention of Southco has already been clarified in its ARR application and nothing more is required to comment.

8.10 MMFC for consumers with contract Demand<110 KVA

The detail reasoning for the proposal is submitted in Para 8.10 of our application.

8.11 Demand Charges for GP>70 KVA<110 KVA and HT industrial (M) Supply

The intension of SOUTHCO utility to bridge the disparities between consumers in same category in different voltage levels of consumers so there will be level playing field in the above category of consumers in regard to the business.

8.13 MMFC/ Demand charges to be in KVA only instead of KVA/KW

The intension to charge all categories of consumer MMFC in KVA instead of differentiating on the basis of category. The same is submitted in our application

8.14 Demand charges and monthly Minimum Fixed charges

The detail reasoning for the same is submitted in the application.

8.15 Continuation of BI-Monthly billing

It is observed that more than 85% BPL of consumers are not making their payment monthly basis. Further revenue recovery from this category not encouraging. We have to spend Rs 6.50(average) per bill for billing to such type consumers also regulation provides for the bi-monthly billing. Our proposal is limited to BPL predominant sub-divisions. So, we will be save A&G cost on account of same.

8.16 Amnesty Arrear clearance scheme for LT Non-industrial category of consumers

The detail has been submitted in our ARR application. The same may be examined by the Hon'ble commission.

8.17: No comments

9. Other issues:

The detail with our submission is submitted in our ARR& RST application 2017-18.

RELIABILITY SURCHARGE:

A . That, the Reliability Surcharge has been introduced by the Hon'ble Commission to provide reliable and uninterrupted power supply to the consumers. As there is compensation as per the Standard of Performance Regulation, so there must be Reliability surcharge for providing reliable power supply.

INCENTIVE FOR HIGHER POWER FACTOR:

B : That, the power factor is related with the load factor. The load factor of the particular consumer is determined on the basis of maximum demand recorded as well as the power factor. So, once the consumer is getting Graded slab tariff, the PF incentive should not be passed on to such consumers. However, the present PF incentive may be continued.

C. Mode of payment of security deposit:

The issue of security deposit has been dealt in regulation 19,20,21 and other allied provisions of OERC Distribution (conditions of supply) code 2004.The utility has regularly paying interest on security deposit to the consumers as per approved rate and never defaulted in same. So, the reservations of the consumer are unfounded. Further if the present security deposit is adjusted in the bill of the consumer it will create imbalance the immediate cash flow of the utility there by affecting the sustainability.

Berhampur
Date: 27.01.2017

Chief Operating Officer
SOUTHCO Utility

C.C to
Shri R.P. Mahapatra,
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Plot No.-775 (P), Lane-3
Jaydev Vihar, Bhubaneswar-751013 for information.

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BHUBANESWAR
CASE NO. 68 OF 2016**

SOUTHCO Utility (SOUTHCO)

..... Petitioner.

Vs

**M/s Swain & Sons Power Tech Pvt. Ltd.
Swati Villa
Surya Vihar Link Road, Cuttack-12**

.....Opp. Party.

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18

1&2 Requires no reply.

3. SOUTHCO Utility had submitted its Business Plan for 3rd Control Period ending FY 2017-18 (FY 2013-14 to FY 2017-18) for approval of the Hon'ble Commission. Hon'ble Commission in its order dt 21.03.2014 approved the different parameters filed only for the FY 2013-14 & FY 2014-15. The Business plan for the next three years shall be decided under the revised Regulation i.e., OERC (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014. As per the present Regulation the 1st Control period commence from 1st April-2014 and up to 31st March-2019. The Utility have already filed its ARR for FY 2015-16, FY 2016-17 and FY 2017-18 and Hon'ble Commission have already approved the parameters for FY 2015-16 FY 2016-17. At present SOUTHCO Utility has submitted before Hon'ble Commission to approve the loss level as projected by the Utility as per the approval of GoO submitted before the GoI.

4. it is the prerogative of the commission to subsidise or non subsidise particular category of consumers taking into various aspect of economy and prospective plan for development of particular sector there by aligning itself with greater national interest.

5. **Employee Cost:** The details of Employee Cost projected by Southco for FY 2017-18 is based on the actual employee existing as on Sept-16 , actual retirement during FY 2016-17 & 2017-18 and the no. of employees to be recruited during FY 16-17. As per the format of Hon'ble Commission, the segregation of employee cost under different heads is also projected in Form-F-12. The above cost has been projected considering the effect of 7th Pay commission which is due from 1st January 2016. To arrive at the basic salary for the FY 2017-18 the multiplying factor 2.57 has been considered with the existing Basic and GP for FY 2016-17. Arrear due to 7th pay commission for the period 1.01.2016 to 31.03.2017 (15 months) has been taken as Rs.23.20 crs.

In addition to above, SOUTHCO has considered Contractual, Outsourced and other activity outsourced (Spot Billing, CCC and Billing IT) activities for an amount of Rs.49.83 Cr

SOUTHCO has already engaged 8 nos of manpower in each 33/11 KV S/s for operation and maintenance activity against 157 nos of 33/11 KV S/s during the FY 2016-17. The Total cost for maintaining 33/11 KV S/s comes to Rs.14.62 Cr. Further there is requirement of additional manpower for maintenance of 33/11 KV S/s under ODSSP programme.

- 6: **A&G Expenses:** The Administration and General expenses for the ensuing year have been forecasted based on estimated expenses during FY 2016-17 in line with the Commission's earlier Orders, the increase in A&G expenses for the ensuing year has been projected by considering 7% increase over the estimated A&G expenses for FY 2016-17 along with additional expenses **Rs.32.65 cr** as detailed in the following paras. The 7% increase is taken on account of inflation on the normal A&G expenses. The same has been enumerated in detail in para 2.5.1 of our ARR & RST application 2017-18.
- 7: **Depreciation Cost:** The proposed depreciation is against the proposed addition of fixed assets during the FY 2017-18.
8. **Repair & Maintenance Expenses:** Southco has projected an amount of Rs.62.64 Cr under RGGVY Assets during FY 2017-18 totalling to Rs. 109.78 Cr. The scheme wise expenditures are also mentioned in Form-F13.
9. **Provision for Bad and Doubtful Debts:** Provision for bad and doubtful debts considered Rs. 42.47.82 Cr for the FY 2017-18 on the basis of collection efficiency of 96% of total revenue.

10. The Annual Revenue Requirement (ARR) excluding Power Purchase cost as proposed by the Respondent is not a realistic one and hence cannot be accepted.
9. Hon'ble Commission has modified the Graded slab tariff during FY 2013-14 considering more and more industries are running in higher load factor. So, further reintroduction of 3 slab graded incentive tariff during FY 2017-18 is not at all correct.
10. **Distribution Loss:**

Actual T&D Loss of Southco for the FY 2010-11 to FY 2015-16 is as under.

| Sl. No. | Financial Year | Proposed | Actual |
|---------|----------------|----------|--------|
| 1. | 2010-11 | 42.76% | 48% |
| 2. | 2011-12 | 42.67% | 46% |
| 3. | 2012-13 | 43.72% | 43% |
| 4. | 2013-14 | 40.03% | 41% |
| 5. | 2014-15 | 39.17% | 39% |
| 6. | 2015-16 | 37.74% | 36.70% |
| 7. | 2016-17 | 35.20% | |

Southco requests for reconsideration of the loss level on the basis of actual loss of previous year.

11. **Projection of EHT, HT and LT Sales:**

SOUTHCO has projected realistic LT sales of 1836.51 MU looking to the growth under Kutir Jyoti Category and loss reduction measures to be undertaken during FY 2017-18. Actual Sales of EHT, HT and LT during FY 2015-16 also available in the T-1 Format and also in the ARR application. The actual Sales during FY 2015-16 is as under.

| Sales | FY 2015-16(MU) |
|--------------|-----------------|
| LT | 1519.53 |
| HT | 208.84 |
| EHT | 349.492 |
| Total | 2077.871 |

12. **Reliability Surcharge:**

Hon'ble Commission introduced the Reliability Surcharge as per Regulation 87 of OERC Dist. (Conditions of Supply) Code, 2004 to the EHT and HT category of consumers. The reliability index calculation and voltage variation report is attached with the energy bill in case of Southco Utility.

13. **Take or Pay Benefit:**

Hon'ble Commission has withdrawn the "Take or Pay " Tariff during FY 2013-14 and the reason also mentioned in the Tariff Order FY 2013-14. Licensee is not in favour of further introduction of Take or Pay Tariff.

13(1) to (7). **Cross Subsidy Surcharge:**

Hon'ble Commission is determining the Cross Subsidy Surcharge on the basis of average cost of supply to the all consumers of the State as there is uniform RST.

14. **Power Factor Incentive:**

Hon'ble Commission has already reintroduced Power Factor Incentive during FY 2015-16.

19. **TOD benefit**

The present TOD benefit is appropriate so we are adverse to the view of increasing TOD benefit to the consumer.

We are of the opinion of the same as objector regarding waiver of annual inspection fees of lines and substation.

20. The DSM activity is implemented by ESSL in Southco utility area with logistical support from SOUTHCO utility till now 11.57Lakh LED bulbs distributed in SOUTHCO utility area.

21. The energy audit is conducted in house and the details of same submitted before the commission time to time.

22 The utility agrees with the view expressed by the petitioner.

Berhampur

Date: 27.01.2016

Chief Operating Officer
SOUTHCO Utility

C.C to:

M/s Swain & Sons Power Tech Pvt. Ltd. Swati Villa,
Surya Vihar Link Road, Cuttack-753012, odisha for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI , SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR**

Case No. 68 of 2016

SOUTHCO Utility (Southco)

Petitioner

Vs

Mr. Anand Kumar Mohapatra

Power Analyst

S/o Jachindranath Mohapatra

Plot No. L-II/68, SRIT Colony

Budharaja , PS- Ainthapali

Dist- Sambalpur -768004

Opp. Party

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

The point wise clarification to the objection raised by the objector is as under.

1. The performance details are already submitted in our application before the commission. These are based upon accounts and facts.
2. The
3. The utility has carried out the direction of Hon'ble commission the same has already submitted to the commission in Para 6.0 of our ARR & RST application 2017-18.
4. We are committed to reduce the losses and projected to bring down AT&C loss to 35.06 % from 43.92 % in 2015-16.
5. The energy audit is already carried out in 166 nos. of 11 KV feeders and submitted before the Hon'ble Commission. During the FY 2016-17, Southco has metered 226 nos of 11 KV feeders against total 11 KV feeders of 575 nos. In order to complete metering arrangement at all 33kv feeders, 11kv feeders, Distribution transformers and consumers, an amount of Rs 156.58 Cr & Rs 27.3 Cr has been approved under DDUGJY & IPDS Schemes respectively. The work will be taken up soon as per receipt of funds in this regard. The details of EA of 33 KV and 11 KV feeders is enumerated in Para 5.8 of the application.

6. The detail development was submitted before the commission time to time further we have submitted in details in Para5 of ARR & RST application 2017-18.
7. The detail development was submitted before the commission time to time further the utility has submitted in details in ARR & RST application 2017-18.
8. There were no power cuts in SOUTHCO area.
- 9-10 Southco Utility was mostly dominated by BPL category of consumers. We are committed to supply power 24x7.
- 12-14. The details are already spelt in ARR & RST application 2017-18.
15. That, the consumption of the Agriculture Consumers is very low in comparison to other states of the Country. The electricity tariff rate is also very low in our State even if there is no subsidy is given by the GoO. That, the tariff of the agriculture consumer was increased after a lapse of 15 years during FY 2015-16 to Rs. 1.50 per KWH which is also low in comparison to other States.
- 16-21. The details of performance with constraints already submitted before the commission in or ARR & RST application 2017-18. Regarding other issues the Hon'ble commission may examine the same.
- 22-24 The UJALA scheme is implemented by ESSL in Southco utility area with logistical support from SOUTHCO utility till now 11.57Lakh LED bulbs distributed in SOUTHCO utility area.
25. The details of our submission was detailed in our application.
26. The matter was before the Hon'ble commission . The commission will issue order appropriately. Regarding High tariff to railways it is submitted that rate is same as to other EHT category and there is no discrimination to railways in this aspect.
27. In regard to proposals, the rationale behind the same is submitted in our application our application. Further regarding charging 85% of demand charges they are already in practice in the states like Bihar and west-Bengal.
28. That, there should not be tariff on the basis of supply of power to the consumers of Rural and Urban consumers.
- 29-30. The figures submitted before the commission as per final accounts of the utility the same is submitted before the commission as per ARR & RST application 2017-18.

31. The proposal for recruitment is to offset the manpower going to retire during the manpower going to retire in 2017-18.
32. The proposal and allowance same will improve the morale of the employees who will ultimately serve the consumer better thereby improving the resources
- 33-34. There was no franchise in operation in the area of SOUTHCO UTILITY.
35. That, Hon'ble Commission fixes the tariff as per the mandate of the National Electricity Policy and Tariff Policy where in the cross subsidy shall be within + or – 20% of average cost of supply excluding Kutirjyoti and Agriculture consumers.
- 36-37. That, Southco Utility does not want to comment on the issues as mentioned in the objection.
38. That, Southco Utility is agreeing with the contention of the objector regarding Subsidy from the GoO. As per Sec. 65 of the Electricity Act, 2003, the State Govt. can provide Subsidy to the consumers or class of consumers and the subsidy shall be paid in advance. The Revenue subsidy is not given by the State Govt. to the consumers of the State.
- 39-42. That, Southco Utility does not want to comment on the issues as mentioned in the objection.
- 43-46 That, the most of the consumers in Southco Utility area are under Kutir Jyoti and Domestic category (consuming less than 50 units).The tariff for Kutir Jyoti is Rs. 80/- per month for consuming 30 units. The average rate of tariff consuming 50 units in a month is coming around Rs.2.50. Most of the developed States like Kerala, Tamilnadu, and West Bengal, UP, Punjab, Delhi and Mumbai are higher tariff of domestic consumers.

The Industrial Average Tariff is Rs. 5.70 – Rs.5.75 in the State of Odisha and also the rate comes down to Rs. 5.15 per kwh if the consumption is more than 80% LF. The sates like Tamilnadu, Maharashtra, Karntatak, UP, Telangana etc, the Industrial tariff is higher that of Odisha.

- 46-58 That, Southco Utility does not wants to comment on the issues as mentioned in its objection.
59. We find no justification in further subsidising this category of consumer and do not agree with the same.
- 60-66, the allegation is not true we deny the same. As utility we are putting our sincere effort in reduction of losses. We have planned to bring down the losses as per loss reduction trajectory fixed by MOP. That, the facts of ATC loss is arrived considering 8% loss is not at all correct and the figure arrived of Rs. 37,000 Cr is also seems to be incorrect. That, the loss reduction trajectory as projected by Southco Utility may be approved looking to the ground reality.

67. That, Southco Utility does not want to comment on the issues as mentioned in its objection.

68-71. we do not agree with the views expressed by the objector.

72-78. That, Southco Utility does not want to comment on the issues as mentioned in the objection.

79. The whole exercise may be look in a holistic view. The immediate cost may be allowed by the commission to run the utility for further improvement in coming years.

80. The reasonable return policy is guided by electricity act-2003. So, it may be allowed.

81-89. That, Southco Utility does not want to comment on the issues as mentioned in its objection.

Berhampur

Date: 27.01.2017

Chief Operating Officer
SOUTHCO Utility

C.C

Mr. Anand Kumar Mohapatra ,Power Analyst

S/oJachindranath Mohapatra ,Plot No. L-II/68, SRIT Colony, Budharaja,
PS- Ainthapali, Dist- Sambalpur -768004 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI , SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR**

Case No. 68 of 2016

SOUTHCO Utility (Southco)

Petitioner

Vs

Siridi Sai Ginning and Pressing(P) Ltd

P.O: Dondili, Dist: Rayagada, Represented by

P. Arun Chowdary

-----**Opp. Party**

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

SOUTHCO being a Utility in the Southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2017-18.

However, the Para-wise replies to the objections filed by the objector are enumerated

1) Para 1-5 no comments

2) In Reply to para 6 & 7 of the petition, it is submitted that the present tariff is fixed factoring to the industrial policy resolution there by the demand charges is payable on 80% of contract demand and not on contract demand where the maximum demand is less than contract demand. So, we do not agree with the contention raised by the petitioner.

3) In reply to Para 8 & 9 it is submitted that Paragraph 268 & 269 the RST tariff order for FY 2014-15 and RST tariff order Dt 23.03.2015 Para 323 for FY 2015-16 speaks **for those industries which are under statutory restrictions of state where fishing is banned in the breeding season. So, it the duty of the state to compensate for such restriction accordingly tariff was fixed for those who are dependent on them.** The para 323 of the tariff order reproduced below for further clarification.

para 323

The fishing department of govt of Odisha has introduced a seasonal prohibition on the fishing of trawlers for distance of 20 km seashore of the devi (Jatadhari river mouth to devi river mouth) and Rusikulya(Chilika Lake Mouth to Rusikulya river mouth).The annual ban was for turtle season from January to May. Considering this ban we have allowed some concession to ice factories dependant on fishing in terms of demand charges in FY 2012-13 vide para 250to 257 in our RST order of that year. We direct that same concession shall continue for FY 2015-16 also. **Accordingly during the statutory restriction imposed by the fisheries department**, the ice factory located at a distance of not more than 5 Km towards land from the seashore of restricted zone will pay demand charges based on actual maximum demand recorded during the billing period. There will be no changes in the energy charges and other charges payable to DISCOMS as per existing tariff order and regulations. The modalities of implementation of concession shall as per our order in para269 in retail supply tariff order for FY 2014-15.

If we analyse the Para it is well understood that this concession was extended to the industries due to compensate the loss in case of statutory restriction but in no other cases. In the instant case no statutory restriction was imposed by the state. Further it is open for the industry to diversify and run its business on profitable lines.

So, Southco Utility does not agree with the contention raised by the petitioner.

Berhampur
Date: 27.01.2017

Chief Operating officer
SOUTHCO Utility

C.C
P. Arun Chowdary
Managing Director
Siridi sai Ginning and pressing (P) Ltd
P.O: Dondili, Dist: Rayagada, for information.

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI , SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR
Case No. 68 of 2016

SOUTHCO Utility (Southco)

Petitioner

Vs

Shree Sai Yarn Packaging(P) Ltd Main Road
Kothapeta,Dist Rayagada. PIN-765017
Represented by D.Laxman Rao, Managing Director

-----Opp. Party

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

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3) In reply to Para8&9 it is submitted that Paragraph 268 & 269 the RST tariff order for FY 2014-15 and RST tariff order Dt 23.03.2015 Para323 for FY 2015-16 speaks **for those industries which are under statutory restrictions of state where fishing is banned in the breeding season. So, it the duty of the state to compensate for such restriction accordingly tariff was fixed for those who are dependent on them.** The para 323 of the tariff order reproduced below for further clarification.

para 323

The fishing department of govt of Odisha has introduced a seasonal prohibition on the fishing of trawlers for distance of 20 km seashore of the devi (Jatadhari river mouth to devi river mouth) and Rusikulya (Chilika Lake Mouth to Rusikulya river mouth).The

annual ban was for turtle season from January to May. Considering this ban we have allowed some concession to ice factories dependant on fishing in terms of demand charges in FY 2012-13 vide para 250 to 257 in our RST order of that year. We direct that same concession shall continue for FY 2015-16 also. **Accordingly during the statutory restriction imposed by the fisheries department**, the ice factory located at a distance of not more than 5 Km towards land from the seashore of restricted zone will pay demand charges based on actual maximum demand recorded during the billing period. There will be no changes in the energy charges and other charges payable to DISCOMS as per existing tariff order and regulations. The modalities of implementation of concession shall as per our order in para 269 in retail supply tariff order for FY 2014-15.

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Berhampur
Date: 27.01.2017

Chief Operating officer
SOUTHCO Utility

C.C
D.Laxman Rao, Managing Director
Shree Sai Yarn Packaging(P) Ltd Main Road
Kothapeta, Dist Rayagada. PIN-765017 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI, SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR**

Case No. 68 of 2016

SOUTHCO Utility (Southco)

Petitioner

Vs

**Hanuman cotton industries, Hanuman Nagar, Chemtalpeta
JK Pur, Dist Rayagada. PIN-765017
Represented by S.Radhakrishna, Partner**

-----Opp.

Party

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

SOUTHCO being a Utility in the Southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2017-18.

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2) In Reply to para 6 & 7 of the petition, it is submitted that the present tariff is fixed factoring to the industrial policy resolution there by the demand charges is payable on 80% of contract demand and not on contract demand where the maximum demand is less than contract demand. So, we do not agree with the contention raised by the petitioner.

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Berhampur

Date: 27.01.2017

Chief Operating officer
SOUTHCO Utility

C.C

S.Radhakrishna, Partner

Hanuman cotton industries, Hanuman Nagar, Chemtalpeta

JK Pur,Dist Rayagada. PIN-765017 for information.

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI , SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR**

Case No. 68 of 2016

SOUTHCO Utility (Southco)

Petitioner

Vs

**MAA Banadevi Poultry Pvt Ltd,
At: Nuababanpur, Po: Babanpur
Ganjam , PIN-761111**

-----Opp. Party

Rejoinder to the objections received by the Secretary, OERC against the ARR and Wheeling and Retail Supply Tariff Application of Southco Utility for FY 2017-18.

SOUTHCO being a Utility in the Southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2017-18.

However, the Para-wise replies to the objections filed by the objector are enumerated

1) Para 1, 2, no comments

2) In Reply to para 3,4,5,6,7,8,9,10 of the petition, it is submitted that after lot of deliberation, while delivering the judgment in the WP(c) no 25765 of 2011 Hon'ble High court directed in Para 14 of the judgement

XXXX Applying the said retail tariff for the year 2014-15, it is made clear that captive feed units attached to the poultry firm being treated as integral part of poultry. **If the consumption is less than 20% of total connected load, it should be charged on allied agro industrial category not on GP(LT) basis.**

The judgement is clear that "if the consumption is less than 20% of connected load it should be charged on allied agro industrial category".

Interpreting the Judgement of Hon'ble High court, the Hon'ble commission in the Para 236 of the tariff order directed that.

XXXX In view of the above order of High court poultry firms with attached feed units having connected load less than 20% of total connected load of poultry firms should be treated as Allied Agricultural activities instead of general purpose category for tariff

purpose. As a corollary if the connected load of attached feed unit exceeds 20% of the total connected then the entire consumption by the poultry firm and feed processing unit taken together shall be charged with tariff as applicable for general purpose or industrial purpose as the case may be". XXXX

Southco Utility already implemented direction issued by the commission in Para 236 of the tariff order.

So, we do not agree with the contention raised by the petitioner in the present petition.

Berhampur
Date: 27.01.2017

Chief Operating officer
SOUTHCO Utility

C.C
MAA Banadevi Poultry Pvt Ltd,
At:Nuababanpur,Po: Babanpur
Ganjam ,PIN-761111. For information.

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Petitioner

Vs

**Sri Pranab Kumar Mishra.
116,Shree Towers,Near K K Collge.
Berhampur,PIN-760001
At:Nuababanpur,Po: Babanpur
Ganjam ,PIN-761111**

-----**Opp. Party**

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SOUTHCO being a Utility in the Southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2017-18.

However, the Para-wise replies to the objections filed by the objector are enumerated

- 1) In reply to the Para1 of the petition it is submitted that meter units and metering cubicles are installed with the high value industrial and bulk user consumers having connected load more than 70KVA. In addition to above Key consumer Business Cell is being constituted at corporate level to monitor the load survey with consumption data of such consumer on the AMR data of such consumer. Further MRT cell of utility is active at the circle level to do periodic checking to all three phase consumer to access the theft potential with steps to plug such loss.
- 2) In reply to para2 of the petition it is submitted that Southco has taken adequate steps to plug the leakages in commercial category of consumers.
- 3) In reply to the Para3 of the petition the HT meters and metering units are replaced when such meters are fall defective at the cost of Southco.

4) In reply to the Para4 of the petition it is submitted that with growth of consumer the space at the consumer pole get congested leading to discontinue that practice. Further maintenances of such facility requires more staff as well as investment This suggestion needs further examination with the current set up.

5) In reply to the Para5 of the petition, adequate steps has been taken by the utility to reduce the overload of the transformer in Town and rural areas by installing additional nos of transformer in different scheme like DESI,ODSSP,CAPEX. The scheme wise details already submitted in our ARR application. The same has put forth in Para3 of our RST application.

6) Out of total consumers strength of 15.43 lakhs as on date 6.88 lakhs are BPL category consumers who are mostly non paying inspite of our best efforts. During current year we have planned to increase the collection efficiency and also ensuing year by using different methodologies. Further SHG module of collection also adopted by the utility, which is giving good result in rural areas. Prepaid meter is now installed in the govt consumers under GNED, PSED division of Southco. We still some time to replicate the same to domestic consumers.

7) We do not have adequate manpower to place such system as we are now running in a shortage of manpower.

Berhampur
Date: 27.01.2017

Chief Operating officer
SOUTHCO Utility

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Sri Pranab Kumar Mishra.
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SOUTHCO Utility (Southco)

Petitioner

Vs

**Sri Susanta Nayak
Secretary ,Sahara
In front of Kanyashrama Raikia
Po: Raikia, Pin:762101**

-----Opp. Party

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SOUTHCO being a Utility in the Southern part of Odisha has taken into consideration all possible measures while submitting the ARR and Wheeling and Retail Supply Tariff for the FY 2017-18.

However, the Para-wise replies to the objections filed by the objector are enumerated

1) **Bill/Receipt/Notice/Correspondence in Odia language:** In reply to the Para1 of the petition it is submitted that. The Utility is made a plan of action for printing of bills in odia language on pilot basis. On successful completion of the same will be replicated in other areas of utility. This has been already submitted before the Hon'ble commission in our ARR application.

2) **Inspection of Meters:** In reply to para2 of the petition it is submitted that the meters are procured and tested as per regulation fixed by various regulatory bodies. There was ample provision in the regulation to ascertain the accuracy of meter by Electrical inspector in case the consumer does not agree to our test report. Further there was enough safeguards in the regulation for redressal of such type of complaints by GRF. So the complaint is not based on facts we deny the same.

3) **Third Party Audit:** In reply to the Para3 of the petition it is submitted that every function of it audited by third party. The internal audit, statutory audit, Tax audit, receivable audit, E.D audit, Escrow audit are all done by third party as per direction of

Govt or regulators time to time. The facts and figures are presented in the ARR basing on these records. So, we deny the allegation of petitioner.

4) **Low Voltage:** In reply to the Para4 of the petition it is submitted that SOUTHCO committed to provide quality power supply and better consumer services to its consumers. SOUTHCO has taken many steps for improving the voltage by way of augmentation of conductors, Installation of new S/s, upgradation of existing S/s and Power Transformers. SOUTHCO has installed good nos of new transformer and up gradation of transformer of different capacity in its area of operation and power transformer capacity have already been upgraded to provide reliable and uninterrupted power supply. SOUTHCO has added additional transformers into the system to cater the needs of the consumers and to overcome the low voltage. Under various schemes of GoO like ODSSP, the asset addition is being taken to improve the voltage level in addition to the addition of new GRIDs at OPTCL level. The voltage problem is not an issue in Southco Utility area.

5) **Power supply without meter:** In reply to the Para5 of the petition, it is submitted that the allegation made by the petitioner is correct.

6) **Load factor:** The load factor bills are not served to the consumers with defective meter.

7) **Extra Load:** The Company has employed responsible officer in Vigilance activity to verify the meters of consumers. In case of any abnormalities noticed the consumers are served with provisional assessment and due process of assessment is followed as prescribed in Sec (126) of electricity act 2003. In case of specific complaint same may be brought before the authorities for redressal.

8) **Dangerous Power Supply and unnecessary expenditure:** SOUTHCO committed to provide quality power supply and better consumer services to its consumers. SOUTHCO has taken many steps for improving the voltage by way of augmentation of conductors, Installation of new S/s, up gradation of existing S/s and Power Transformers. The expenditures are prudent and the pricing is fixed in transparent bidding process,

9) **Scheme:** In various schemes the physical work is done by the third party. So, employees are not involved in the process. In case of specific complaint the same may be vigilance wing of company for verification and redressed.

10) **Theft of Electrical Instruments:** In case of specific complaint the same may be vigilance wing of company for verification and redressed.

11) **Faulty Bill:** The allegation made by the petitioner is not correct. In case of wrong bill the same be brought before the authorities for redressal. In case of non redressal the same may be brought before GRF for redressals that are holding camp courts in different areas of utility.

12) Delay in grievances redressal: In case of inordinate delay the grievances may be brought before the next higher authorities for redressal.

13) Disconnection without notice: Disconnection is effected with proper notice and mike announcement in the area. Further the disconnection is effected to the consumers who are regular defaulters generally more than one year. So, the petitioner allegation is not correct.

14) Verification without notice: All verification are done by the authorities in due consent of the consumer. In case of denial the verification is done by proper notice as per regulation and act. So, the allegation of the petitioner is not correct we deny the same.

Berhampur

Date: 27.01.2017

Chief Operating officer
SOUTHCO Utility

C.C

Sri Susanta Nayak

Secretary, Sahara

In front of Kanyashrama Raikia

Po: Raikia,Pin:762101 for information.

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Vs

**Sri Hrushikesh Mishra
Consumer Protection Movement
L-45, Housing Board colony,
Bermunda, Bhubaneswar**

-----Opp.

Party

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