

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

Submitted by

***GRIDCO***

For

***FY-2019-20***

## Summary of ARR & BSP Filings of GRIDCO for FY 2019-20

### **BULK SUPPLY PRICE (BSP) PROPOSAL OF GRIDCO FOR THE FY 2019-20**

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 Distribution and Supply Utilities (hereinafter called as 'DISCOMs'). 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. The Commission in the Annual Revenue Requirement (ARR) & Bulk Supply Price (BSP) Order date 18.03.2011 for FY 2011-12 & 23.03.2012 for FY 2012-13 has extensively dealt with the issues relating to the "Legal Status" of GRIDCO and concluded that the continuance of GRIDCO is sustainable in law and essential in the overall interest of Odisha and power sector in particular.

Under the existing Bulk Supply Agreements between the DISCOMs and GRIDCO, the DISCOMs are to purchase power from GRIDCO at a regulated price to be determined by Odisha Electricity Regulatory Commission (OERC). This Price incidentally happens to be the Bulk Supply Price at which GRIDCO supplies power to the DISCOMs. 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 DISCOMs. Further, as provided in the OERC (Conduct of Business) Regulations, 2004, OERC (Terms and Conditions for Determination of Tariff) Regulations, 2004 as amended up to 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 2019-20 to enable it to carry out its functions of bulk supply to DISCOMs and emergency supply to CGPs.

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

2. The Simultaneous Maximum Demand (SMD) of DISCOMs for the FY 2019-20 has been projected at 5040 MVA per month based on the SMD projected by DISCOMs. GRIDCO mentions that SMDs projected for FY 2019-20 is on the higher side due to increased power supply to cover all Households particularly under the rural electrification in the State. The actual highest SMD recorded during first six months of 2018-19 and projection for 2019-20 as submitted by GRIDCO in the BSP and ARR application are given in Table -1.

**Table – 1**  
**Projection of Simultaneous Maximum Demand (SMD) for FY 2019-20**  
**(MVA/Month)**

<b>DISCOM Utility</b>	<b>OERC approval for 2018-19</b>	<b>Highest SMD recorded during FY 2018-19 (Apr.'18 to Sept'18)</b>	<b>DISCOMs Projection of SMD for FY 2019-20</b>	<b>GRIDCO's Projection of SMD of DISCOMs for FY 2019-20</b>
<b>CESU</b>	1580	1579.05	2040	2040
<b>NESCO</b>	990	973.29	1020	1020
<b>WESCO</b>	1350	1223.53	1300	1300
<b>SOUTHCO</b>	610	613.54	680	680
<b>TOTAL</b>	<b>4530</b>	<b>4389.41</b>	<b>5040</b>	<b>5040</b>

3. GRIDCO has projected 27953 MU as the energy consumption of DISCOMs for FY 2019-20 based as per the projections submitted by DISCOMs. Emergency Power Supply to Captive Generating Plants (CGPs) like NALCO and IMFA for FY 2019-20 has been projected at 5 MU. The actual for first six months of FY 2018-19, projection for FY 2018-19 on pro-rata basis and projection for FY 2019-20 as submitted by GRIDCO are indicated in Table -2.

**Table - 2**  
**Projected Energy Demand of DISCOMs and CGPs for FY 2019-20 (MU)**

<b>DISCOM Utilities</b>	<b>Actual from April' 2018 to Sept' 2018</b>	<b>Projection for 2018-19 on pro-rata basis</b>	<b>OERC approval of energy requirement during FY 2018-19</b>	<b>GRIDCO's projection based on energy projection given by DISCOM for FY 2019-20</b>
<b>CESU</b>	4817.02	9634.044	9070	9853
<b>NESCO</b>	2860.27	5720.54	6140	6350
<b>WESCO</b>	3766.81	7533.62	7120	7700
<b>SOUTHCO</b>	1881.72	3763.44	3660	4050
<b>TOTAL DISCOMs</b>	<b>13325.82</b>	<b>26651.64</b>	<b>25990</b>	<b>27953</b>
<b>NALCO &amp; IMFA</b>	<b>35.939</b>	<b>71.88</b>	<b>10</b>	<b>5</b>
<b>TOTAL SALE</b>	<b>13361.76</b>	<b>26723.52</b>	<b>26000</b>	<b>27958</b>

**Energy Availability to GRIDCO for FY 2019-20**

4. GRIDCO has projected energy availability of 28897.16 MU during FY 2019-20 from different generating stations. The estimation for drawal of **hydel power** from OHPC is 5833.46 MU including 262.50 MU from Machhkund and 1950.30 MU from Indravati; and thermal power of 7436.58 MU from OPGC (Units 1, 2,3 and 4), 3336.04 MU from TTPS, 4771.19 MU from thermal IPPs (M/s Vedanta Ltd, M/s GMR Kamalanga Energy Ltd, M/s Jindal India Thermal Power Ltd) and 5233.89 MU of Odisha share of

power from central thermal power stations. GRIDCO has proposed to purchase 843 MU towards Odisha share from central hydro power stations like Tala, Chukha and Teesta hydel plants. Further, GRIDCO has proposed to procure 1443 MU from Renewable Energy sources during FY 2019-20 (417 MU from small hydro, 80 MU from biomass, 260 MU from wind, and 686 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 2019-20**

Stations	Availability (After transformation loss and Auxiliary Consumption) (MU)	Share %	Projection for FY 18-19 (MU)	Commission's approval for FY 2018-19 (MU)
HHEP	657.59	100%	657.59	
CHEP	346.50	100%	346.50	
Rengali	663.30	100%	663.30	
Upper Kolab	780.12	100%	780.12	
Balimela	1173.15	100%	1173.15	
<b>OHPC(Old)</b>	3620.66	100%	3620.66	<b>3676.86</b>
Indravati	1950.30	100%	1950.30	1942.38
<b>Sub-Total OHPC</b>	5570.96	100%	5570.96	<b>5619.24</b>
Machhkund	262.50	100%	262.50	<b>262.50</b>
<b>Total State hydro availability</b>	5833.46	100%	5833.46	<b>5881.74</b>
OPGC (1& 2)	2861.60	100%	2861.60	2912.82
OPGC (3& 4)	4574.98	50%	4574.98	
TTPS	3336.04	100%	3336.04	3376.07
Small Hydro Renewable Energy	417.00		417.00	320.00
Biomass	80.00		80.00	80.00
Wind Energy	260.00		260.00	22.00
Solar Energy	686.00		686.00	680.00
CGPs	0.00		0.00	0.00
Co-generation Plants	0.00		0.00	0.00
IPPs	4771.19		4771.19	7889.53
<b>Total State availability</b>	<b>22820.27</b>		<b>22820.27</b>	<b>21162.17</b>
TSTPS Stg.-I	2213.05	32.34	2213.05	2229.92
TSTPS Stg.-II	1361.96	10.00	1361.96	1371.85
FSTPS-I&II	1549.10	14.18	1549.10	0.00
FSTPS-III	0.00	18.05	0.00	0.00
KhSTPS Stg.-I	0.00	15.77	0.00	854.37
KhSTPS Stg.-II	109.78	2.62	109.78	271.69
Barh-STPS-II (Unit-IV &V)	0.00	14.79	0.00	0.00
<b>Total Central Thermal Availability</b>	<b>5233.89</b>		<b>5233.89</b>	<b>4727.83</b>

Stations	Availability (After transformation loss and Auxiliary Consumption) (MU)	Share %	Projection for FY 18-19 (MU)	Commission's approval for FY 2018-19 (MU)
Chukha	261.00	15.19	261.00	262.18
TALA	135.00	4.25	135.00	138.80
Teesta	447.00	20.59	447.00	512.84
<b>Total Central Hydro Availability</b>	<b>843.00</b>		<b>843.00</b>	<b>913.82</b>
<b>Total EREB</b>	<b>6076.89</b>		<b>6076.89</b>	<b>5641.65</b>
<b>Total Availability</b>	<b>28897.16</b>		<b>28897.16</b>	<b>26803.81</b>

#### Energy Requirement vis-a-vis Availability

5. The total projected Energy Demand by GRIDCO has been taken as 27,958 MU for FY 2019-20 consisting of the estimated energy requirement for sale to DISCOMs as 27,953 MU and that of the Emergency & Back-up Power Sale to M/s. NALCO & M/s. IMFA as 5 MU. Considering 939.16 MU towards Transmission Loss @ 3.25%, procurement of energy to the tune of 28,897.16 MU (27,958 MU + 939.16 MU) will be required. The energy requirement vis-a-vis the availability to GRIDCO for supply to the State for FY 2019-20 is estimated below in the following Table- 4.

**Table – 4**

#### Projected Energy Requirement of GRIDCO for FY 2019-20

Sl. No.	Particulars	Projection for FY 2019-20 (MU)
1	Energy Demand of DISCOM and emergency sale (27953 MU & CGPs 5 MU)	<b>27958.00</b>
2	Transmission Loss @ 3.25%	<b>939.16</b>
3	Energy Required to be purchased by GRIDCO to meet the power demand of DISCOMs & CGPs	<b>28897.16</b>
4	Available Energy	<b>28897.16</b>

#### Power Purchase Cost Projected for 2019-20

6. GRIDCO has projected to procure hydel power in the tune of 5570.96 MU from OHPC and 262.50 MU from Machhkund. GRIDCO has relied upon the OERC approved costs for different OHPC Stations for FY 2018-19 as the basis for projection of the related costs for FY 2019-20 along with likely payout towards SLDC Charges (SOC & MOC Charges), Electricity Duty (ED) & Water Tax / Cess etc. The rate of energy from Machhkund Joint Project has been calculated at 51.17 P/U considering Odisha share. Accordingly, GRIDCO has proposed to procure the total hydel energy of 5833.46 MU at a cost of Rs.523.32 Crore with an average rate of 89.71 P/U for FY 2019-20 against average rate of 87.96 P/U approved for FY 2018-19.
7. The power purchase cost of 7436.58 MU from OPGC (Units 1, 2, 3 and 4) @ 302.57 P/U comes to Rs. 2250.06 Crore for FY 2019-20. For OPGC (Units 1 and 2), the Annual Fixed Charges and year end charges as approved in the Tariff Order for FY

2018-19 have been considered provisionally along with Energy Charge Rate arrived at considering actual average energy charges rate (ECR) of 146 Paise/kWh based on actual for the period April-18 to Sept-18. Thus, the total projected power procurement cost for FY 2019-20 is Rs.726.60 Crore for OPGC (Units 1 and 2). However, GRIDCO submits that, the Commission may consider the application for tariff determination to be filed by OPGC for FY 2019-20 as per the OERC (Terms and Condition for Determination of Generation Tariff) Regulation, 2014 and outcome of Case No.33/2018 filed by OPGC for redetermination of tariff afresh by the Commission for the period FY2016-17, FY 2017-18 and FY2018-19 respectively. The approved power purchase cost from OPGC for FY 2018-19 was Rs. 597.89 Crore (2912.82 MU @ 205.26 P/U).

8. As per current status, OPGC expansion project (Unit 3 and 4) shall come into operation during FY 2019-20. According to the approved Power Purchase Agreement dated 04.01.2011, GRIDCO as the State Designated Entity is entitled to procure contracted capacity to the tune of 50% of installed capacity (2X660MW) at tariff to be determined by CERC. Pending determination of tariff, GRIDCO has projected to procure net quantum of 4574.98 MU of power from OPGC expansion project at a tentative tariff of Rs.3.33/kWh, amounting to Rs. 1523.47 Crore.
9. Based on the Tariff Order dated 26-09-2016 in Petition No.334 of 2016 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. 445.48 Crore, the same has been considered for FY 2019-20 in the absence of tariff order for the period 2019-24. Accordingly, the Fixed Cost per Unit of energy from TTPS works out to be 133.53 P/U for the proposed energy drawal of 3336.04 MU for FY 2019-20. Based on the trend of Energy Charge Rate (ECR) as claimed by TTPS-NTPC during last six months, GRIDCO has considered the Monthly Average Energy Charge of 169.07 P/U towards Energy Charge Rate (ECR) for FY 2019-20. GRIDCO has projected to procure 3336.04 MU from TTPS with the procurement cost of Rs. 1040.74 Crore @ 311.97 P/U against 309.18 P/U approved for FY 2018-19.
10. GRIDCO has no procurement plan from co-generation plants and CGPs to meet the energy requirement during FY 2019-20.
11. GRIDCO has proposed to procure 1443 MU of renewable energy at a cost of Rs.649.02 Crore @ 449.77 P/U on an average. It includes 417 MU from four small hydro projects at an average price of 382.21 P/U, 686 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., 116 MU from Solar Energy Corporation of India through 70 MW of JNNSM Phase – II, Batch – I, 450 MU from Solar Energy Corporation of India through 270 MW of JNNSM Phase – II, Batch – IV and 6 MU from 4 MW solar power through GEDCOL Rooftop PV project as a deemed purchase through CESU

under Net metering Regulation) at an average rate of 533.24 P/U. GRIDCO proposes to procure 80 MU of bio-mass energy from M/s Shalivahan Green Energy Ltd at a cost of Rs. 46.24 Crore @ 578 P/U during FY 2019-20. Similarly, GRIDCO has proposed to procure around 260 MU of Wind Energy @ 298.46 P/U for an amount of Rs. 77.6 Crore from the wind power projects through M/s PTC India Ltd and SECI. GRIDCO requested that RPO shortfall, if any, may be considered to carry forward to the next financial year so that when such energy is available, GRIDCO will fulfill the cumulative requirement for both the years FY 2018 -19 & FY 2019 - 20.

12. GRIDCO proposes to procure 4771.19 MU of power from the existing IPPs at an average rate of 270.86 P/U during FY 2019-20 and total projected power procurement cost from IPPs is Rs. 1292.31 Crore.

For Vedanta Ltd-(IPP), GRIDCO has considered the fixed charge as 114.40 P/U and energy charge rate of 162.70 P/U based on the ARR order of GRIDCO for FY 2018-19 fixed by Hon'ble Commission. GRIDCO proposes to procure 2100 MU (95% at total cost and 5% at variable cost) from Vedanta Ltd-(IPP) at an estimated cost of Rs. 569.90 Crore at an average rate of 271.38 P/U.

In case of GKEL (GMR Kamalanga Energy Ltd), the Annual Fixed Charges for 25% contracted capacity of GRIDCO is Rs.314.74 Crore as per CERC Order dated 29.06.2018, and the equivalent per unit normative fixed cost has been worked out to be 170.68 P/U. The Energy Charge Rate (ECR), the average of actual monthly Energy Charge Rate (ECR) for the period April-18 to Sept-18 based on use of linkage coal and SHAKTI coal by GKEL, has been worked out to be 145.4 P/U. GRIDCO proposes to procure 2217.7 MU (1844 MU towards state share of 25% @316.08 P/U and excess 373.72 MU above State Share @ 195.40 P/U, i.e VC of 145.40 P/U plus Incentive of 50 P/U) from GKEL at an average rate of 295.75 P/U and total power procurement cost would be Rs.655.88 Crore for FY 2019-20.

GRIDCO proposes to procure 453.47 MU @ 146.7 P/U from M/s. JITPL. The proposed procurement cost from M/s JITPL is Rs.66.52 Crore for FY 2019-20.

13. The Capacity Charge (Fixed Cost) of NTPC Stations are being claimed as per the relevant Tariff Order / Regulations approved by the CERC applicable from time to time. In the absence of new tariff order based on new CERC tariff regulations of post 31.3.2019, the Annual Fixed Charge of 2018-19 has been considered for determination of fixed cost of the respective stations for 2019-20 as CERC (Terms and Conditions of Tariff) Regulation, 2014 which is applicable up to 31.03.2019. The Fixed Costs of the NTPC-ER Thermal Stations has been considered as Rs.691.17 Crore only by GRIDCO instead of the related allocated total fixed Cost. NTPC is claiming the Monthly Energy Charges every month as per the ECR worked out from the landed price of coal and GCV and oil for that month and considering the operational parameters laid down in CERC Tariff Regulation, 2014. Keeping in the present trend of Energy charges GRIDCO has projected the Energy Charge Rate (ECR) computed as per the CERC Tariff Regulation for 2014-19. Going by the presumptions for FC, ECR, YEA, the Projected Power Procurement Cost for FY 2019-20 from different

Central Sector Thermal Generating Stations (NTPC-ER Stations) is calculated as Rs.1698.46 Crore for 5233.89 MU at average rate of 324.51 P/U.

14. GRIDCO has also projected to procure 843 MU from Chukha, Tala, Teesta-V hydro power stations for FY 2019-20 with the procurement cost of Rs.234.73 Crore at average rate of 278.45 P/U.
15. Based on the Billing by the PGCIL for the Quarter-1 for FY 2018-19 (April'18 to June'18), GRIDCO proposes the Central Transmission Charges @39.72 P/U for FY 2019-20. Considering the bills received during April'18 to Sept'18 and prorating the same for the year, GRIDCO proposes for payment of an amount of Rs.2.20 Crore towards SOC & MOC of ERLDC for the FY 2019-20 and Rs.2.98 crore towards ULDC & Communication changes.
16. The detailed cost of power purchase as furnished by GRIDCO for FY 2019-20 is reproduced hereunder in Table -5 below.

**Table – 5**  
**Summary of Proposed Power Procurement Cost during FY 2019-20**

Stations	Availability (After Transformation Loss and Auxiliary Consumption) (MU)	Rate (P/U)	Total proposed power procurement cost (Rs Crore)	Commission's approval for FY 2018-19 (P/U)
HHEP	657.59	157.73	103.72	
CHEP	346.50	79.28	27.47	
Rengali	663.30	98.46	65.31	
Upper Kolab	780.12	63.84	49.80	
Balimela	1173.15	88.05	103.29	
<b>OHPC(Old)</b>	<b>3620.66</b>	<b>96.55</b>	<b>349.59</b>	<b>92.88</b>
Indravati	1950.30	82.19	160.30	80.36
<b>Sub-Total OHPC</b>	<b>5570.96</b>	<b>91.53</b>	<b>509.89</b>	
Machhkund	262.50	51.16	13.43	75.34
<b>Total State Hydro Availability</b>	<b>5833.46</b>	<b>89.71</b>	<b>523.32</b>	<b>87.96</b>
OPGC (I & II)	2861.60	253.91	726.59	205.26
OPGC (III & IV)	4574.98	333.00	1523.47	
TTPS	3336.04	311.97	1040.74	309.18
Small Hydro Renewable Energy	417.00	382.21	159.38	368.94
Biomass Energy (Shalivahan Energy Ltd.)	80.00	578.00	46.24	578.00
Wind Energy	260.00	298.46	77.60	353.00
Solar Energy	686.00	533.24	365.80	537.94
CGPs	0.00	0.00	0.00	0.00
Co-generation Plants	0.00	0.00	0.00	0.00
IPPs	4771.19	270.86	1292.31	260.89
<b>Total State Availability</b>	<b>22820.27</b>	<b>252.21</b>	<b>5755.45</b>	<b>224.71</b>



Stations	Availability (After Transformation Loss and Auxiliary Consumption) (MU)	Rate (P/U)	Total proposed power procurement cost (Rs Crore)	Commission's approval for FY 2018-19 (P/U)
TSTPS Stg.-I	2213.05	317.52	702.69	259.83
TSTPS Stg.-II	1361.96	295.19	402.04	236.37
FSTPS-II&III	1549.10	356.83	552.77	
FSTPS-III	0.00	0.00	0.00	
KhSTPS Stg.-I	0.00	0.00	0.00	340.64
KhSTPS Stg.-II	109.78	373.11	40.96	333.87
Barh-STPS-II	0.00	0.00	0.00	
<b>Total Central Thermal Availability</b>	<b>5233.89</b>	<b>324.51</b>	<b>1698.46</b>	<b>319.61</b>
Chukha	261.00	285.86	74.61	233.70
TALA	135.00	261.11	35.25	220.43
Teesta	447.00	279.35	124.87	237.39
<b>Total Central Hydro Availability</b>	<b>843.00</b>	<b>278.45</b>	<b>234.73</b>	<b>233.75</b>
<b>Total EREB</b>	<b>28897.16</b>	<b>266.07</b>	<b>7688.64</b>	<b>305.70*</b>
<b>SOC &amp; MOC Charges</b>			<b>2.20</b>	
<b>GRAND TOTAL</b>	<b>28897.16</b>	<b>266.15</b>	<b>7690.82</b>	<b>259.34</b>

\* Excluding transmission charges for all central sector projects

#### Pass through of arrear dues paid / to be paid during FY 2019-20

17. GRIDCO has not proposed any pass through of expenses during FY 2019-20, and submitted that GRIDCO will include such expenses while filing the Relevant Truing-up Petition for the concerned period before the Commission.

#### Special Appropriation for Loan and Interest towards Past Power Purchase Liabilities

18. GRIDCO has borrowed in the earlier years to meet the payment obligations in order to keep supplying power to the DISCOM to meet the consumers demand. Total loan availed by GRIDCO to meet the deficit is given in Table 6.

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

FY	Actual Power Pur. Cost (P/U)	Appvd. Power Pur. Cost (P/U)	Approved BSP (P/U)	Approved Gap	Profit/(loss) in P&L Accounts	Loan Repayment	BSP Dues defaulted by DISCOMs	Total Cash Deficit	Loan availed to meet deficit
2008-09	151	127	122	410.05	98.14	374.26	163.94	440.06	300.00
2009-10	197	148	122	882.85	-1560.84	205.06	164.22	1930.12	1213.00
2010-11	198	175	170	806.15	-587.86	328.15	297.01	1213.02	1640.71
2011-12	228	210	232	746.05	-936.81	382.40	269.74	1588.95	864.16
2012-13	237	236	271	700.58	31.79	777.69	590.01	1335.91	943.83

FY	Actual Power Pur. Cost (P/U)	Appvd. Power Pur. Cost (P/U)	Approved BSP (P/U)	Approved Gap	Profit/(loss) in P&L Accounts	Loan Repayment	BSP Dues defaulted by DISCOMs	Total Cash Deficit	Loan availed to meet deficit
2013-14	214	229	265	707.6	-1464.34	1006.57	167.30	2638.21	483.50
2014-15	214	227	263	884.18	-120.35	868.31	86.91	1075.57	1609.49
2015-16	247	230	284	882.06	-406.66	532.62	102.20	1041.48	1300.00
2016-17	262	230	273	812.59	-378.37	801.01	90.74	1270.12	1300.00
2017-18	262	246	277	1054.63	-197.50	925.49	23.39	1146.38	1015.00
2018-19 (04/18 to 09/18)	250	259	277	832.03	196.10	564.66	1247.90*	1616.46	300.00
<b>Total</b>				<b>8718.77</b>	<b>-5326.70</b>	<b>6766.22</b>	<b>3203.36</b>	<b>15296.28</b>	<b>10969.69</b>

19. Out of the total of Rs.2971.98 Crore, GRIDCO has proposed the Special Appropriation of Rs. 1016.93 Crore for recovery through the ARR and BSP for FY2019-20 as detailed in Table- 7 below:

**Table – 7**  
**Proposed Special Appropriation claimed in the ARR & BSP for FY 2019-20**  
**(Rs. Crore)**

Particulars	Loan Repayment Dues	Interest Dues	Total	Proposed special appropriation by GRIDCO
State Govt. Loan	162.54	396.11	558.65	
NTPC-GoO Special Bonds (Rs.1102.87 Crore)	818.81	577.59	1396.40	
<b>Sub-Total (A)</b>	<b>981.35</b>	<b>973.70</b>	<b>1955.05</b>	Proposed to be deferred
Bank Loans & Inter Corporate Loan (OMC)	<b>928.50</b>	-	<b>928.50</b>	
OHPC Securitized Dues	88.43		88.43	
<b>Sub-Total(B)</b>	<b>1016.93</b>		<b>1016.93</b>	<b>1016.93</b>
<b>Grand Total (A+B)</b>	<b>1998.28</b>	<b>973.70</b>	<b>2971.98</b>	<b>1016.93</b>

#### **Interest, Financing and Other expenses**

20. GRIDCO has proposed to incur about Rs.429.92 Crore during the FY 2019-20 towards expenses on account of interest, Employees Cost, A&G Expenses etc. as given in the Table-8. Out of the total interest expenses of Rs.545.15 Crore, Rs.106.05 Crore of interest payable to the State Government and Rs.29.69 Crore as Interest on SOD are proposed to be deferred. Accordingly, Interest amounting to Rs.409.41 Crore (Rs.545.15 Cr. – Rs.106.05 Cr.- Rs.29.69 Cr.) payable to Banks / FIs/ Corporates has been proposed for FY 2019-20.

GRIDCO proposes Rs.12.84 Crore towards employees cost for FY 2019-20 including arrear amounting to Rs.1.70 Crore on account of implementation of the 7th Pay Commission recommendation.

**Table – 8**  
**Interest, Financing & Other expenses for FY 2019-20 (Rs. Crore)**

Particulars	GRIDCO proposal for FY 2019-20	
1. Interest & Financial Charges		<b>409.41</b>
2. Other Costs:		
a. Employee Cost	12.84	
b. A&G Cost	6.66	
c. Repair & Maintenance Cost	0.25	
<b>Sub-Total</b>		<b>19.75</b>
3. Depreciation		<b>0.76</b>
<b>Total (1+2+3)</b>		<b>429.92</b>

**Other Income / Miscellaneous Receipts**

21. GRIDCO expects to earn an amount of Rs. 3.48 Crore during FY 2019-20 (at existing approved BSP @695 P/U for FY 2018-19 towards Emergency Sale) from proposed emergency sale of 5 MU to long term customers like NALCO and IMFA.

**Receivable from DISCOMs and other parties**

22. GRIDCO has an outstanding securitized dues payable by DISCOMs of Rs.2117.44 Crore (as on 31.3.2018), due of Rs.664.27 Crore towards Year-End-Adjustment (YEA) Bills and Rs. 4320.65 Crore due towards BSP bills (up to September 2018). Further, Rs.195.36 Crore towards Bonds is due from DISCOMs as on 31.03.2018.

**Annual Revenue Requirement**

23. The proposal for Annual Revenue Requirement of GRIDCO for FY 2019-20 is summarized in the Table below. GRIDCO has proposed two alternatives – Alternative – 1 (with principal repayment) and Alternative – 2 (without principal repayment).

**Table - 9**  
**Proposed Aggregate Revenue Requirement of GRIDCO for FY 2019-20**

Particulars	Alt.-1 (With Principal Repayment)	Alt.-2 (Without Principal Repayment)
Power Purchase cost	7690.82	7690.82
The Interest & Financing Charges	409.42	409.42
Employees Cost	12.84	12.84
A&G Expenses	6.66	6.66
R & M Expenses	0.25	0.25
Depreciation	0.76	0.76

<b>Particulars</b>	<b>Alt.-1 (With Principal Repayment)</b>	<b>Alt.-2 (Without Principal Repayment)</b>
Return on Equity	0.00	0.00
<b>Special Appropriation</b>		
State Govt. Loans & Interest (Rs.558.65 Crore) <b>(Deferred)</b>		
NTPC-GoO Special Bonds & Interest (Rs.1396.40 Crore) <b>(Deferred)</b>		
Bank / Commercial Loans including OHPC Securitized Dues	1016.94	0.00
<b>Gross Revenue Requirement</b>	<b>9137.69</b>	<b>8120.75</b>
Less: (i) Miscellaneous Receipts from Emergency & Back-up Power Sale to NALCO & IMFA	3.48	<b>3.48</b>
<b>Net Revenue Requirement to be recovered from DISCOM Utilities</b>	<b>9134.21</b>	<b>8117.27</b>

#### **Proposed Revenue Earning at Existing BSP Rates**

24. GRIDCO estimates to earn revenue of Rs 7733.48 Crore during FY 2019-20 from the anticipated sale of 27953 MU to DISCOMs at the existing average BSP rates of 276.66 for 2018-19.

#### **Proposed ARR & BSP for the FY 2019-20**

25. GRIDCO has proposed that it would suffer revenue deficit of Rs. 1400.73 Crore (Alternative-1) and Rs. 383.79 Crore (Alternative-2) considering the proposed ARR of Rs. 9134.21 Crore (Alternative-1) and Rs. 8117.21 Crore (Alternative-2) and the revenue of Rs.7733.48 Crore to be earned from sale of the proposed energy of 27953 MU to DISCOMs during FY 2019-20 at the existing average BSP Rate of 276.66 P/U for FY 2018-19. In order to meet the estimated deficit, GRIDCO has submitted before the Commission for revision of Bulk Supply Price for the FY 2019-20. GRIDCO proposes to recover the Net Revenue Requirement of Rs. 9,134.21 Crore under Alternative-1 and Rs.8117.27 Crore under Alternative-2 through Energy Charge only as per the Table given below.

**Table - 10**  
**Proposed Aggregate Revenue Requirement of GRIDCO for FY 2019-20 for Recovery through “ENERGY CHARGE”**

<b>SL. NO</b>	<b>COMPONENTS</b>	<b>Alternative-1 (With Principal Repayment)</b>	<b>Alternative-2 (Without Principal Repayment)</b>
		<b>Rs. Crore</b>	
1	Net ARR to be recovered through BSP	9134.21	8117.27
2	Units to be sold to DISCOMs Utilities (MU)	27953.00	27953.00
3	Net Revenue to be recovered through sale of 27953 MU at existing Average BSP of 276.66 P/U	7733.48	7733.48

4	Deficit Revenue at existing Average BSP of 276.66 P/U	1400.73	383.79
5	Proposed Average BSP to recover the Net Total Aggregate Revenue (or to recoup the Deficit Revenue at the existing BSP for FY 2018-19) i.e. (ENERGY CHARGE ONLY) (P/U)	326.77	290.39

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

#### **Demand Charges**

26. GRIDCO proposes that the Demand Charges may be levied @ Rs.250/KVA/Month from DISCOM Utilities under both the above Alternatives, i.e. Alternative-1 (with inclusion of Repayment of Principal) and Alternative-2 (with exclusion of Repayment of Principal). When the actual SMDs of DISCOMs in a month exceeds the permitted Monthly SMDs (110% of the approved SMD), the DISCOM Utilities will be billed by GRIDCO and paid by DISCOMs 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

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

27. GRIDCO proposes that any excess drawal of energy by a Distribution and Retail Supply License (DISCOM Utilities) during a month over and above the approved energy quantum (Approved MU for FY 2019-20 X No. of days of the relevant month / 365 days) would be payable on provisional basis at the highest OERC approved Power Purchases Rate fixed for a Station for FY 2019-20 (which includes transmission charges and transmission loss) on a monthly basis instead of the normal differential BSP applicable to the respective DISCOMs 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)**

28. Any excess payment made by GRIDCO towards FPA for a particular / relevant month will be levied on DISCOMs 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 (approved quantum for the financial year/12 months).

### **Rebate**

29. GRIDCO proposes that 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**

30. GRIDCO proposes that the monthly charges together with other charges and surcharge on account of delayed payments, if any, shall be payable within 30 days from the date of bill. If payment is not made within the said period of 30 days, delayed payment surcharge at the rate of 1.50% (One point five percent) per month shall be levied pro-rata for the period of delay from the due date, i.e. from the 31st day of the bill, on the amount remaining unpaid (excluding arrears on account of delayed payment surcharge).

### **Escrow Arrangement**

31. DISCOMs 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 2018-19 to allow escrow relaxation, GRIDCO is facing inconvenience. Keeping in view the overall interest of the Sector, Commission may kindly pass suitable direction as may be deemed necessary without affecting the interest of GRIDCO.

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

32. GRIDCO prays that the proposed Annual Revenue Requirement & Bulk Supply Price be made applicable from 1st April 2019. However, in case of a gap between the approved revenue requirements for FY 2019-20 and the revenue realized, the Commission may kindly approve to carry forward the gap for adjustment during the future years.

### **Prayer**

#### **Summary of Tariff Filing for FY 2019-20**

33. GRIDCO has prayed the Commission to approve the following for FY 2019-20 and make the same effective from 1<sup>st</sup> April, 2019.
- i) consider to allow all the genuine Costs as proposed in the Application and accordingly, approve the ARR and Bulk Supply Price (BSP) for FY 2019-20 and make the same effective from 1st April 2019;
  - ii) allow carry forward of the additional costs, if any, for recovery in the future BSP or pass through of the same in the Truing-up Exercise;

- iii) consider to hear the Truing-up Petition of GRIDCO wherein the Audited Accounts of GRIDCO for & up to the FY 2015-16 as well as for and upto FY 2016-17 along with the hearing of the ARR & BSP Application of GRIDCO for FY 2019-20 to allow all the genuine costs to GRIDCO for recovery in real terms so that GRIDCO is able to sustain its principal function of supplying power to the State Consumers in public interest through the DISCOM Utilities as the State Designated Entity;
- iv) 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 etc. or the like, as surcharge during the year;
- v) 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.

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