

**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 2019-20, 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 2019-20.

I, Sri P Arun Kumar, Son of Sri P.L Swamy, aged about 59 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

**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 2019-20, 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:

Applicant
Chief Operating Officer
SOUTHCO Utility

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI, SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR
CASE NO. 76 OF 2018

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 2019-20.

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 2019-20.

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 2019-20 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 3% during last four years ending FY 2017-18 and proposed to reduce 3.93% during FY 2018-19 & 5.21% during 2019-20.
2. Southco has forecasted the Revenue requirement and expected revenue with existing tariff for the FY 2019-20 and accordingly there is a revenue gap of Rs.189.39 Cr only requested to bridge the revenue gap. The revenue gap arrived after considering the AT&C loss reduction by 3.93% during FY 2018-19 & 5.21% during FY 2019-20.
3. The remuneration benefit is extended to the consumer after submission of bills by the consumer regarding cof works taken up by the consumer as per Regulation 13(1) and Appendix-1 of OERC Distribution conditions of supply Code 2004. That, Further 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 45 cases and an amount of Rs.5.28Cr also adjusted in the energy bills

4. The detail Reliability surcharge calculation is attached to the every bill served to the consumer
5. The OYT scheme is extended to the applicant as per their application.TOD benefit is given to the eligible consumers.
6. That, in reply to para-4 to 7, it is submitted that Southco Utility has already enumerated vividly in support of tariff rationalisation measures at page no. 67 to72 and not requires further comments in this regard. Further the meter rent is collected as per the direction of Hon'ble OERC in its Tariff Order.
7. In reply to para- 8 It is submitted that Hon'ble Commission has already built up the SMD demand charges while determining the BSP of the Licensee
8. In reply to para- 9 Southco is of the opinion that the Reliability surcharge should continue and standard of performance is the another aspect which is to be adhered by the licensee.
9. In reply to para- 10 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.
10. In regard to the transformer loss at Para-328(E) of RST order 2018-19 is correct and we do not agree with the proposal of the objector.

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(Enclosed: Reply to Query)

Berhampur
Date-27-01-2019
C.C to:
Sri A.K.Sahani
Electrical Inspector (Retd.)
M/s Sahani Energy Consultancy
B/L-108, VSS Nagar,Bhubaneswar

Chief Operating Officer
SOUTHCO Utility

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

CASE NO.76 OF 2018

SOUTHCO Utility (SOUTHCO)

..... Petitioner.

Vs

**Ramesh Chandra Satapathy
Plot No. 302(B), Beherasahi
Nayapalli, BBSR-751012**

..... 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 2019-20.

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 2019-20. 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 2019-20 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, 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. The detail of additional works under taken and going to be undertaken under various schemes is submitted in Para3.1 to 3.8.2 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 detail expenses occurred is submitted in oue reply to the Hon'ble commission.
4. Due to inadequate cash flow of revenue from consumers the utility not able to pay the BSP bills to GRIDCO on monthly basis.
5. The detail information regarding collection and reduction of AT&C loss of each division is submitted on our ARR Query reply in Annexure-LT-A-12.
6. The detail status of up gradation is submitted in P format in of our ARR application.
7. The energy audit is already carried out in 173 no's of 11 KV feeders and submitted before the Hon'ble Commission. During the FY 2017-18, Southco has metered 227 nos of 11 KV feeders against total 11 KV feeders of 648 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 5.7 of the application. Further as per direction of the Hon'ble commission the utility has carried energy audit in three loss making feeders of Aska and Nowrangpur Division the detail loss reduced is submitted in Para 5.7 of the application.

8. Although electricity is a economic good it is become a social good as out of 19.20 lakh total consumers as on Oct-18, 7.60lakh consumers are BPL consumers who are mostly non-paying consumers paying below Rs 85 per month. So, the situation is beyond the control of licensee. How over the utility has planned special collection drive was taken up to boost collection of revenue. Further following steps has been taken for improvement of revenue as well as reduction of loss
 - 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. De hooking 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
9. The Utility was allowed an escrow relaxation for an amount of 194.80 during 2016-17 and an amount of 263.36 during 2017-18 till to date towards employees cost, Licence fees and O&M cost.
10. 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 Oct 2018	Likely date of completion of the project
CAPEX	196.97	133.72	FY 2019-20
RGGVY (12 th Plan)	979.24	783.00	FY 2019-20
RAPDRP-A	0.00	0.00	NA
RAPDRP-B	0.00	0.00	NA
DDUGJY	440.74	352.00	FY 2019-20
IPDS	259.09	155.00	FY 2019-20
ODSSP	772.15	346.00	FY 2019-20
BGJY	216.66	150.04	FY 2018-19
BSVY	32.39	15.67	FY 2018-19
RLTAP	34.03	20.38	FY 2018-19

11. The detail of which is submitted in our ARR & RST application 2019-20. The valuation and auction of scarp takes place of the utility time to time.

12. In order to reduce AT & C loss no's of steps has been taken to improve the billing efficiency and collection efficiency in spite of the fact that out of 19.20 lakh consumers 7.60lakh 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
13. Southco has reduced the AT&C loss by 8% i.e., from 52.14 % to 41% during FY 2011-12 to FY 2016-17. Southco has reduced AT&C Loss 3% during FY 2017-18 and projected 3.93 % reduction for FY 2018-19 and 5.21% FY2019-20 as per the MoP guidelines. In view of above it is submitted to design the tariff on realistic AT&C loss level rather than loss level proposed by the objector which is impossible to achieve in the present circumstances.
 14. However, despite all odds, with the help of Capex programme we are committed to reduce the AT&C loss as envisaged in the ARR.
 15. 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.
 16. SOUTHCO has 3454 km of 33kV lines, 37,152km of 11 KV lines, 31,852 Km of LT lines and there are 2404 Nos of permanent employees working in southco utility as on 01.04.2018. The other details are available in the website of utility.
 17. The restructuring of human resource of three utilities in process under guidance of DMU through a HR consultant engaged for the above purpose.

(Enclosed: Reply to Query)

Berhampur
Date: 27.01.2019

Chief Operating Officer)
SOUTHCO Utility

C.C to
Ramesh Chandra Satapathy
Plot No. 302(B), Beherasahi
Nayapalli, BBSR-751012 for information.

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

**BHUBANESWAR
Case No. 76 of 2018**

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 2019-20.

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. In reply to Para 1 it is submitted that it is in the interest of consumer the distribution business may be run in a healthy matter. Looking into the present reality the application is filed as per provisions of act and regulation.
2. The applicant duly considered the principles of reform act.
3. In reply to the objection it is submitted that the utility filed the application as per appropriate provisions of 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.
4. The LT and HT loss projected as per actual for FY 2017-18 and the future projections are as per different schemes and projections.
5. The projected sales forecast are prepared as per future growth of consumer.
6. The employee cost projected as per actual and detail calculation is submitted in support of above projection.
7. The utility has proposed to bridge the Revenue Gap for the FY 2019-20 through reduction in Bulk Supply Tariff (BST), grant of subsidy from the Government of

Odisha as per Section 65 of the Electricity Act 2003 and balance, if any increase in Retail Supply Tariff.

8. The detail performance audit is already conducted in three divisions of utility and utility is taking different corrective measures to improve its performance.

9. Presently the utility is running with minimum expenditure only and escrow relaxation is allowed by GRIDCO for employee costs only and other costs are met from MISC collections.

10. It is submitted the utility is complying orders of the Hon'ble commission time to time.

(Enclosed: Reply to Query)

Berhampur

Date-27-01-2019

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.

Chief Operating Officer

SOUTHCO Utility

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

**BHUBANESWAR
CASE NO. 76 OF 2018**

SOUTHCO Utility (SOUTHCO)

..... Petitioner.

Vs

**M/s Swain & Sons Power Tech Pvt. Ltd.
Office at K-8-82, Kalinga Nagar, Ghatikia
Bhubaneswar, Pin-751003, 0674-2386219**

.....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 2019-20**

1&2 requires no reply.

3. SOUTHCO Utility is in a process of submission of business plan for the forth control period FY 2019-20 to 2023-24 as per direction of Hon'ble commission. The Honble commission has directed the utility to submit the business Plan by 7th Feb 2019.

4. In reply to Para 4&5 it is submitted that ,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:** In reply to Para 6 The details of Employee Cost projected by Southco for FY 2019-20 is based on the actual employee existing as on Sept-18 , actual retirement during FY 2017-18 & 2018-19 and the no. of employees to be recruited during FY 17-18. 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 impact of 7th Pay commission which is being already implemented in the utility. However 50% of 7th pay commission is considered for payment during 2019-20 which is **Rs.23.94 Cr** and arrear amount to pensioner **Rs17.72cr** included in the terminal liability.

In addition to above, SOUTHCO has considered Contractual , Outsourced and other activity outsourced activities for an amount of Rs.44.08 Cr. Presently, SOUTHCO is having 1368 Nos outsourced man power under different activities and the Cost is

about Rs. 20.33 Cr per annum as per new minimum wage rate effective from 1st Nov-18.

SOUTHCO has already engaged 8 nos of manpower in each 33/11 KV S/s for operation and maintenance activity against 177 nos of 33/11 KV S/s during the FY 2018-19 and shall be increased to 223 nos during FY 2019-20. The Total cost for maintaining 33/11 KV S/s comes to Rs.22.42 Cr and the balance of Rs.1.34 Cr is for contractual employees. Further there is requirement of additional manpower for maintenance of 33/11 KV S/s under ODSSP programme.

In view of the above it is humbly submitted before Hon'ble Commission to approve the proposed employee cost of Rs.399.51 crs for the ensuing year

6: **A&G Expenses:** The Administration and General expenses for the ensuing year have been forecasted based on estimated expenses during FY 2018-19 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 2018-19 along with additional expenses Rs.33.23cr 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 to 2.5.3 of our ARR & RST application 2019-20. The total A&G expenses projected as 76.72 crores.

7: **Depreciation Cost:** The proposed depreciation is against the proposed addition of fixed assets during the FY 2019-20. The depreciation for FY 2019-20 is projected at Rs.36.49 Crore

8. **Repair & Maintenance Expenses:** Southco has projected a nominal amount of Rs. 12.51 Cr under RGGVY Assets during FY 2019-20 totalling to Rs. 73.38 Cr. The scheme wise expenditures are also mentioned in Form-F13.

9&10. **Provision for Bad and Doubtful Debts:** Provision for bad and doubtful debts considered Rs. 23.37 Cr for the FY 2019-20 on the basis of collection efficiency of 96% of total revenue.

11. Annual Revenue Requirement (ARR) excluding Power Purchase cost as proposed by the Respondent is not a realistic one and hence cannot be accepted.

12. 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 slabs graded incentive tariff during FY 2019-20 is not at all correct.

13. Distribution Loss:

Actual T&D Loss of Southco for the FY 2010-11 to FY 2017-18 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%	34.59%
8	2017-18	32.06%	32.70%
9	2018-19	29.37%	
10	2019-20	26.30%	

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

14. Projection of EHT, HT and LT Sales:

SOUTHCO has projected realistic LT sales of MU looking to the growth under soubhagaya scheme and loss reduction measures to be undertaken during FY 2018-19-18. Actual Sales of EHT, HT and LT during FY 2017-18 also available in the T-1 format in the ARR application. The actual Sales during FY 2017-18 is as under.

Sales	FY 2017-18(MU)
LT	1686.527
HT	248.150
EHT	399.441
Total	2334.118

15. 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.

16. 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.

17(1) to (6).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.

18. Power Factor Incentive:

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

19.(i,ii)The electrical inspector time to time directs the Utility to carry out modification of lines and substation as per requirement of safety. The same was rectified immediately. We are of the opinion of the same as objector regarding waiver of annual inspection fees of lines and substation.

iii)The utility already printing bills in oriya language in Chatrapur,Khallikote,Bellaguntha,Aska subdivision of utility the same will be rolled to other sub-division of utility by end of the current year.

iv) The establishment of independent server is taken under IPDS scheme and project is under bidding process where NDPL is project consultant.

v) The utility has appointed dedicated safety officer at Headquarter who is looking into the aspect of safety. Further there are one training institute at ambagada , Berhampur who is imparting in house safety training to our employees.

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

21. The DSM activity is implemented by ESSL in Southco utility area with logistical support from SOUTHCO utility till now 16.00 Lakh LED bulbs distributed in SOUTHCO utility area along with govt schemes of AMA GHARA LED.

22. Souhco Utility has already appointed BEE accredited energy auditor M/s Swain & Sons Power Tech Pvt. Ltd for taking up energy audit in the utility

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

Berhampur

Date:27.01.2019

Chief Operating Officer
SOUTHCO Utility

C.C to:

M/s Swain & Sons Power Tech Pvt. Ltd.

Office at K-8-82, Kalinga Nagar, Ghatikia
Bhubaneswar, Pin-751003, 0674-2386219

ODISHA

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

Case No. 76 of 2018

SOUTHCO Utility (Southco)

Petitioner

Vs

Mr. Anand Kumar Mohapatra

Power Analyst

Plot No. 639/1021, Laxmi Bihar, Basuaghai, Badagada

Tankapani Road, PS: Badagada, Bhubaneswar

Dist: Khurda, Odisha, PIN: 751002

Mobile 8895418169

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 2019-20.

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. The detail power purchase bills of GRIDCO, Transmission tariff bills of OPTCL and SLDC charges bills are submitted before the commission which is part of our tariff filing. The same is available in our website.
2. In regard to para-2 of the utility is not agreed to the views expressed by the objector.
3. In regard to Para-3 of the objection submitted by the objector it is submitted that the figures pertaining to 2017-18 is actual and audited data.
4. In regard to Para-4&5 of the objection submitted by the objector. The auditors of utility are appointed in fair and transparent manner as per provisions of various acts. The same also reviewed by utility and discom monitoring unit at various level. In addition to it one internal control cum audit wing functioning under utility to check the functioning of internal control system in the utility.

5. In reply to para-6&7 of the objection it is submitted that SOUTHCO UTILITY has around 19.20 lakh consumer with around 7.60 lakh are BPL consumers who are billed @ Rs85.00 per month who are located in inaccessible areas of Malakangiri, Koraput ,Nawrangpur ,Jeypore, Phulbani and Boudh . So, the cost to serve is higher then to the existing consumers in urban pockets. Due to large topographical area with BPL category of consumer the AT&C loss is higher than other utilities.
6. In reply to Para-8 to 11 it is submitted that the Hon'ble commission may examine the suggestion objector.
7. In reply to Para 12 it is submitted that the technical loss in SOUTHCO area is around 8% due to vast network area spreading from hills to plane. How over detail study need to be carried out to access the technical loss as it differs from utility to utility.
8. In reply to Para-13 to 17 it is submitted that the Hon'ble commission may examine the suggestion objector.
9. In reply to Para-18 it is submitted that the licensee has already submitted detail report of energy audit carried by the utility in Para 5.7 the ARR RST application 2018-19. The 100% Energy audit is not achieved is due to shortage of funds which is beyond control of licensee.
10. In reply to Para-18 to 21 it is submitted that the Hon'ble commission may examine the suggestion objector
11. In reply to Para-22 of the objection raised by the objector it is submitted that Southco is complying to the direction of Hon'ble commission time to time.
12. 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.

(Enclosed: Reply to Query)

Berhampu

Date: 27.01.2018

Chief Operating Officer
SOUTHCO Utility

C.C

Mr. Anand Kumar Mohapatra

Power Analyst

Plot No. 639/1021, Laxmi Bihar,Basuaghai,Badagada

Tankapani Road,PS:Badagada,Bhubaneswar

Dist:Khurda,Odisha,PIN:751002

Mobile:8895418169

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO-4, CHUNUKOLI, SAILESHREE BIHAR, CHANDRASEKHAPUR
BHUBANESWAR
Case No. 76 of 2018

SOUTHCO Utility (Southco)

----- **Petitioner**

Vs

The Utkal chambers of commerce & Industry Ltd (UCCI)

N-6, IRC village, Nayapalli, Bhubaneswar

Pin: 751015

----- **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 2019-20.

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. In reply to the Para-3, 4 it is submitted that 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 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. The same was reiterated in RST tariff order 2018-19 in para (XII) of Annexure-B.

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, the claim of the objector for extending above benefits to seasonal industries is not acceptable.

3. SOUTHCO UTILITY has projected revenue gap of 182.39 Cr 2019-20 through reduction of BSP, Govt subsidy and increase in RST.
4. In reply to para-8 of the petition it is submitted that, although electricity is an economic good it has become a social good as out of 19.20 lakh total consumers as on Oct-18, 7.60 lakh consumers are BPL consumers who are mostly non-paying consumers paying below Rs 85 per month. So, the situation is beyond the control of licensee. However the utility has planned special collection drive during the upcoming three months to boost collection of revenue. Further following steps have been taken for improvement of revenue as well as reduction of loss. In reply to Para-9 it is submitted that the technical loss in SOUTHCO area is around 8% due to vast network area spreading from hills to plains. However a detailed study needs to be carried out to assess the technical loss as it differs from utility to utility.
 - 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. De hooking 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 being 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 outsourced personnel's through the agencies to improve the disconnection activity.
 - viii. This has already been submitted before the commission in ARR & RST application
5. In reply to para-10, 11, 12, 13 it is submitted that the utility has already submitted the details with views in this regard in our ARR-RST application 2019-20.
6. The electrical inspector time to time directs the Utility to carry out modification of lines and substation as per requirement of safety. The same was rectified

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

7. Souhco Utility has already appointed BEE accredited energy auditor M/s Swain & Sons Power Tech Pvt. Ltd for taking up energy audit in the utility.
8. In reply to the observation in Para-17 it is submitted that already same is in place in terms of power factor incentive and penalty.

(Enclosed: Reply to Query)

Berhampur

Dt.: 27.01.2019

C.C. to: -

The Utkal chambers of commerce & Industry Ltd (UCCI)
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Pin: 751015

Chief Operating Officer
Southco Utility