

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

Submitted by

***GRIDCO***

For

***FY-2020-21***

## Summary of GRIDCO ARR & BSP Filings for FY 2020-21

### **BULK SUPPLY PRICE (BSP) PROPOSAL OF GRIDCO FOR THE FY 2020-21**

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.

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 the 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 the 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 2020-21 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 2020-21 has been projected at 5197 MVA per month based on the SMD projected by DISCOMs. GRIDCO mentions that SMDs projected for FY 2020-21 is on the higher side because of the enhanced load arising due to power supply to cover all households particularly under the rural electrification in the State. The actual highest SMD recorded during first six months of 2019-20 and projection for

2020-21 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 2020-21**  
**(MVA/Month)**

<b>DISCOM Utility</b>	<b>OERC approval for 2019-20</b>	<b>Highest SMD recorded during FY 2019-20 (Apr.'19 to Sept'19)</b>	<b>DISCOMs Projection of SMD for FY 2020-21</b>	<b>GRIDCO's Projection of SMD of DISCOMs for FY 2020-21</b>
<b>CESU</b>	1660	1559.77	1957	1957
<b>NESCO</b>	1060	1015.24	1150	1150
<b>WESCO</b>	1300	1238.94	1400	1400
<b>SOUTHCO</b>	660	613.87	690	690
<b>TOTAL</b>	<b>4680</b>	<b>4427.82</b>	<b>5197</b>	<b>5197</b>

3. GRIDCO has projected 28187.37 MU as the energy consumption of DISCOMs for FY 2020-21 based on the projections submitted by DISCOMs. Emergency Power Supply to Captive Generating Plants (CGPs) like NALCO and IMFA for FY 2020-21 has been projected at 60 MU. The actual for first six months of FY 2019-20, projection for FY 2019-20 on pro-rata basis and projection for FY 2020-21 as submitted by GRIDCO are indicated in Table -2.

**Table - 2**  
**Projected Energy Demand of DISCOMs and CGPs for FY 2020-21 (MU)**

<b>DISCOM Utilities</b>	<b>Actual from April' 2019 to Sept' 2019</b>	<b>Projection for 2019-20 on pro-rata basis</b>	<b>OERC approval of energy requirement during FY 2019-20</b>	<b>GRIDCO's projection based on energy projection given by DISCOM for FY 2020-21</b>
<b>CESU</b>	4582.32	9165.14	9740.00	9550.33
<b>NESCO</b>	3028.64	6057.28	6310.00	6567.04
<b>WESCO</b>	4066.71	8124.76	7750.00	8000.00
<b>SOUTHCO</b>	1887.51	3775.02	4040.00	4070.00
<b>TOTAL DISCOMs</b>	<b>13565.18</b>	<b>27122.20</b>	<b>27840.00</b>	<b>28187.37</b>
<b>NALCO &amp; IMFA</b>	<b>31.896</b>	<b>63.80</b>	<b>30.00</b>	<b>60.00</b>
<b>TOTAL SALE</b>	<b>13597.07</b>	<b>27186.00</b>	<b>27870.00</b>	<b>28247.37</b>

### Energy Availability to GRIDCO for FY 2020-21

4. GRIDCO has projected energy availability of 29181.17 MU during FY 2020-21 from different generating stations. The estimation for drawal of hydel power from OHPC is 5865.14 MU including 262.50 MU from Machhkund and 1942.38 MU from Indravati; and thermal power of 9690.56 MU from OPGC (Units 1, 2,3 and 4), 3254.22 MU from TTPS, 2386 MU from thermal IPPs (M/s Vedanta Ltd and M/s GMR Kamalanga Energy Ltd) and 4577.25 MU of Odisha share of power from central thermal power stations. GRIDCO has proposed to purchase 1171 MU towards Odisha share from central hydro power stations like Tala, Chukha, Teesta, and Mangdechhu hydel plants. Further, GRIDCO has proposed to procure 2237 MU from Renewable Energy sources during FY 2020-21 (385 MU from small hydro, 80 MU from biomass, 753 MU from wind, and 1019 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 2020-21**

Stations	Availability (After transformation loss and Auxiliary Consumption) (MU)	Share %	Projection for FY 2020-21 (MU)
HHEP	660.56	100	660.56
CHEP	485.10	100	485.10
Rengali	519.75	100	519.75
Upper Kolab	823.68	100	823.68
Balimela	1171.17	100	1171.17
<b>OHPC(Old)</b>	3660.26	100	3660.26
Indravati	1942.38	100	1942.38
<b>Sub-Total OHPC</b>	<b>5602.64</b>	100	<b>5602.64</b>
Machhkund	262.50	100	262.50
<b>Total State hydro availability</b>	<b>5865.14</b>	100	<b>5865.14</b>
OPGC (1& 2)	2743.56	100	2743.56
OPGC (3& 4)	6947.00	50	6947.00
TTPS	3254.22	100	3254.22
Small Hydro Renewable Energy	385.00		385.00
Biomass	80.00		80.00
Wind Energy	753.00		753.00
Solar Energy	1019.00		1019.00
CGPs	0.00		0.00
Co-generation Plants	0.00		0.00
IPPs	2386.00		2386.00

Stations	Availability (After transformation loss and Auxiliary Consumption) (MU)	Share %	Projection for FY 2020-21 (MU)
<b>Total State availability</b>	<b>23432.92</b>		<b>23432.92</b>
TSTPS Stg.-I	2186.40	32.34	2186.40
TSTPS Stg.-II	1360.52	10.00	1360.52
FSTPS-I&II	0.00	14.18	0.00
FSTPS-III	0.00	18.05	0.00
KhSTPS Stg.-I	761.28	15.77	761.28
KhSTPS Stg.-II	269.05	2.62	269.05
<b>Total Central Thermal Availability</b>	<b>4577.25</b>		<b>4577.25</b>
Chukha	260.00	15.19	260.00
TALA	131.00	4.25	131.00
Teesta	510.00	20.59	510.00
Mangdechhu	270.00	10.97	270.00
<b>Total Central Hydro Availability</b>	<b>1171.00</b>		<b>1171.00</b>
<b>Total EREB</b>	<b>5748.25</b>		<b>5748.25</b>
<b>Total Availability</b>	<b>29181.17</b>		<b>29181.17</b>

### Energy Demand and Availability

5. The total projected Energy Demand by GRIDCO has been taken as 28,247.37 MU for FY 2020-21 consisting of the estimated sale to DISCOMs as 28,187.37 MU and Emergency & Back-up Power Sale to M/s. NALCO & M/s. IMFA as 60 MU. Considering 933.80 MU towards Transmission Loss @ 3.2%, procurement of energy to the tune of 29,181.17 MU (28,247.37 MU + 933.80 MU) will be required. The energy requirement vis-a-vis the availability to GRIDCO for supply to the State for FY 2020-21 is estimated below in the following Table- 4.

**Table – 4**  
**Projected Energy Requirement of GRIDCO for FY 2020-21**

Sl. No.	Particulars	Projection for FY 2020-21 (MU)
1	Energy Demand of DISCOM Utilities (28,187.37MU) & Emergency Sales to CGPs (60 MU)	<b>28,247.37</b>
2	Transmission Loss @ <b>3.20%</b>	<b>933.80</b>
3	Energy Required to be purchased by GRIDCO to meet the power demand of DISCOM Utilities & CGPs	<b>29,181.17</b>
4	Available Energy	<b>29,181.17</b>

### **Power Purchase Cost Projected for 2020-21**

6. GRIDCO has projected to procure hydel power in the tune of 5602.64 MU from OHPC and 262.50 MU from Machhkund. GRIDCO has relied upon the OERC approved costs for different OHPC Stations for FY 2019-20 as the basis for projection of the related costs for FY 2020-21 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 62.58 P/U considering Odisha share. Accordingly, GRIDCO has proposed to procure the total hydel energy of 5865.14 MU at a cost of Rs.521.34 Crore with an average rate of 88.89 P/U for FY 2020-21.
7. The power purchase cost of 9690.56 MU from OPGC (Units 1, 2, 3 and 4) @ 295.20 P/U comes to Rs. 2860.71 Crore for FY 2020-21. For OPGC (Units 1 and 2), the Annual Fixed Charges, Energy Charge Rate and year end charges as approved in the Tariff Order for FY 2019-20 have been considered provisionally. Thus, the total projected power procurement cost for OPGC (Units 1 and 2) in FY 2020-21 is Rs.714.09 Crore (@ 260.28 P/U). However, GRIDCO submits that, the Commission may consider the application for tariff determination to be filed by OPGC for FY 2020-21.
8. For OPGC expansion project, as per the Supplementary PPA dated 24.01.2019, the power is to be procured at tariff to be determined as per CERC Tariff Regulations from time to time in line with PPA dated 04.01.2011. GRIDCO proposes to procure net quantum of 6947 MU of power from OPGC expansion project at a tentative tariff of Rs.3.09/kWh (which has been derived by considering 85% of Fixed Cost), estimated at Rs. 2146.62 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 2020-21 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 136.89 P/U for the proposed energy drawal of 3254.22 MU for FY 2020-21. Based on the trend of Energy Charge Rate (ECR) as claimed by TTPS-NTPC during last seven months, GRIDCO has considered the Monthly Average Energy Charge of 192.73 P/U towards Energy Charge Rate (ECR) for FY 2020-21. GRIDCO has projected to procure 3254.22 MU from TTPS with the procurement cost of Rs. 1103.23 Crore @ 339.02 P/U.
10. GRIDCO has no procurement plan from co-generation plants and CGPs to meet the energy requirement during FY 2020-21.

11. GRIDCO has proposed to procure 2237 MU of renewable energy at a cost of Rs. 866 Crore @ 387.13 P/U on an average. It includes 385 MU from three small hydro projects at an average price of 381.43 P/U, 1019 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, 6 MU from 4 MW solar power through GEDCOL Rooftop PV project as a deemed purchase through CESU under Net metering Regulation, 125 MU from 75 MW Aditya Birla Renewables Ltd under GRIDCO e-bidding, and 208 MU from 300 MW ISTS connected solar projects through SECI) at an average rate of 448.24 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 2020-21. Similarly, GRIDCO has proposed to procure around 753 MU of Wind Energy @ 287.05 P/U for an amount of Rs. 216.15 Crore from the wind power projects through M/s PTC India Ltd and SECI. GRIDCO submits that GRIDCO is willing to purchase the required quantum in order to fulfill its RPO @ 11% during FY 2020-21. However, the availability of such energy has been posing a constraint. The shortfall of RPO, if any, would be made up through procurement of solar energy from outside the state, subject to feasibility.
12. GRIDCO proposes to procure 2386 MU of power from the existing IPPs at an average rate of 312.96 P/U during FY 2020-21 and total projected power procurement cost from IPPs is Rs. 746.73 Crore.

For Vedanta Ltd-(IPP), GRIDCO has considered the fixed charge as 94.85 P/U and energy charge rate of 159 P/U based on the ARR order of GRIDCO for FY 2018-19. GRIDCO proposes to procure 544 MU pro-rating of actual supply of power supplied during April-2019 to Spet-2019 from Vedanta Ltd-(IPP) at an estimated cost of Rs. 138.09 Crore at an average rate of 253.85 P/U.

In case of GKEL (GMR Kamalanga Energy Ltd), GRIDCO has considered the Annual Fixed Charges for 25% contracted capacity to be 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 171.29 P/U. The average of actual monthly Energy Charge Rate (ECR), considering the actuals for the period April-19 to Sept-19 based on use of linkage coal and SHAKTI coal by GKEL, has been worked out to be 159.13 P/U. GRIDCO proposes to procure 1842 MU (25% of state share) from

GKEL @ 330.42 P/U with the total power procurement cost of Rs.608.63 Crore for FY 2020-21.

In view of no supply of power by JITPL during FY 2019-20 since June-2019 onwards in view of on-going cases before different forum of law, GRIDCO has not proposed any quantum of power to be procured from JITPL during FY 2020-21.

13. In the absence of new tariff order as per new CERC Tariff Regulations, 2019-24, the Annual Fixed Charge of 2018-19 has been considered by GRIDCO for determination of fixed cost of the respective stations for 2020-21. The Fixed Costs of the NTPC-ER Thermal Stations has been considered as Rs.668.36 Crore as per the Share Allocation and the mandate in the relevant CERC Tariff Regulations. At present, the entire Energy Charges rate has been claimed by NTPC as per Tariff Regulation 2019-24. Keeping in the present trend of Energy charges GRIDCO has projected the Energy Charge Rate (ECR) computed as per the new CERC Tariff Regulations for 2019-24. Going by the presumptions for FC, ECR, YEA, the Projected Power Procurement Cost for FY 2020-21 from different Central Sector Thermal Generating Stations (NTPC-ER Stations) is calculated as Rs.1640.81 Crore for 4577.25 MU at average rate of 358.47 P/U.
14. GRIDCO has also projected to procure 1171 MU from Chukha, Tala, Teesta-V and Mangdechhu hydro power stations with the procurement cost of Rs.330.61 Crore at average rate of 282.33 P/U.
15. Based on the Billing by the PGCIL for the Quarter-1 and 2 for FY 2019-20 (April'19 to Sept'19) including ULDC and communication charges, GRIDCO proposes the Central Transmission Charges of Rs.795.52 crore for FY 2020-21. Considering the bills received during April'19 to Sept'19 and prorating the same for a year, GRIDCO proposes for payment of an amount of Rs.1.45 Crore towards ERLDC fees and charges for the FY 2020-21.
16. The detailed cost of power purchase as furnished by GRIDCO for FY 2020-21 is reproduced hereunder in Table -5 below.

**Table – 5**  
**Summary of Proposed Power Procurement Cost during FY 2020-21**

Stations	Availability (After Transformation Loss and Auxiliary Consumption) (MU)	Rate (P/U)	Total proposed power procurement cost (Rs Crore)
HHEP	660.56	131.86	87.10



Stations	Availability (After Transformation Loss and Auxiliary Consumption) (MU)	Rate (P/U)	Total proposed power procurement cost (Rs Crore)
CHEP	485.10	76.03	36.88
Rengali	519.75	128.08	66.57
Upper Kolab	823.68	78.65	64.78
Balimela	1171.17	62.82	73.57
<b>OHPC(Old)</b>	<b>3660.26</b>	<b>89.86</b>	<b>328.91</b>
Indravati	1942.38	90.61	176.00
<b>Sub-Total OHPC</b>	<b>5602.64</b>	<b>90.12</b>	<b>504.91</b>
Machhkund	262.50	62.58	<b>16.43</b>
<b>Total State Hydro Availability</b>	<b>5865.14</b>	<b>88.89</b>	<b>521.34</b>
OPGC (I & II)	2743.56	260.28	714.09
OPGC (III & IV)	6947.00	309.00	2146.62
TTPS	3254.22	339.02	1103.23
Small Hydro Renewable Energy	385.00	381.43	146.85
Biomass Energy (Shalivahan Energy Ltd.)	80.00	578.00	46.24
Wind Energy	753.00	287.05	216.15
Solar Energy	1019.00	448.24	456.76
CGPs	0.00	0.00	0.00
Co-generation Plants	0.00	0.00	0.00
IPPs	2386.00	312.96	746.73
<b>Total State Availability</b>	<b>23432.92</b>	<b>260.23</b>	<b>6098.00</b>
TSTPS Stg.-I	2186.40	313.92	686.35
TSTPS Stg.-II	1360.52	282.63	384.52
FSTPS-I&II	0.00	335.51	132.10
FSTPS-III	0.00	397.94	90.59
KhSTPS Stg.-I	761.28	343.44	261.45
KhSTPS Stg.-II	269.05	318.85	85.79
<b>Total Central Thermal Availability</b>	<b>4577.25</b>	<b>358.47</b>	<b>1640.81</b>
Chukha	260.00	246.07	63.98
TALA	131.00	221.31	28.99
Teesta	510.00	238.69	121.73
Mangdechhu	270.00	429.30	115.91
<b>Total Central Hydro Availability</b>	<b>1171.00</b>	<b>282.33</b>	<b>330.61</b>
<b>Total EREB</b>	<b>5748.25</b>	<b>342.96</b>	<b>1971.42</b>
<b>Total Availability</b>	<b>29181.17</b>	<b>276.53</b>	<b>8069.42</b>
<b>PGCIL Charges</b>			<b>795.52</b>
<b>SOC &amp; MOC Charges</b>			<b>1.45</b>

Stations	Availability (After Transformation Loss and Auxiliary Consumption) (MU)	Rate (P/U)	Total proposed power procurement cost (Rs Crore)
<b>GRAND TOTAL</b>	<b>29181.17</b>	<b>303.84</b>	<b>8866.39</b>

**Pass through of arrear dues paid / to be paid during FY 2020-21**

17. GRIDCO requests to consider the claim of Rs.308.18 Crore (Rs 127.93 Crore towards guarantee commission and arrear payment to OPGC and Rs 180.25 Crore for financial impact of costly power purchase during April'19 to Sept'19 period) under Pass Through while approving the ARR & BSP for FY 2020-21. GRIDCO also submits that it will include such other 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 been forced to resort to borrowing in the earlier years to meet the payment obligations in order to keep supplying power to the DISCOMs to meet the State's 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	Appvd. Power Pur. Cost	Approved BSP	Approved Gap	Profit/(loss) in P&L Accounts	Loan Repayment	BSP Dues defaulted by DISCOMs	Total Cash Deficit	Loan availed to meet deficit
	(P/U)	(P/U)	(P/U)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)
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
2013-14	214	229	265	707.60	-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	267	259	277	832.03	-281.05	1065.13	245.71	1591.89	935.00
2019-20 (04/19 to 09/19)	273	260	270	1189.87	- 333.91 (provisional)	551.25	753.63*	2235.08	500.00
<b>Total</b>				<b>9908.64</b>	<b>-5326.70</b>	<b>7719.48</b>	<b>2954.80</b>	<b>16910.50</b>	<b>12104.69</b>

**Note:\*** Energy Billing to DISCOM Utilities for FY 2019-20 (April'19 to Sept.'19) & Collection up to Nov.'19.

19. GRIDCO has proposed the Special Appropriation of **Rs. 1111.74 Crore** for recovery through the ARR and BSP for FY 2020-21 as detailed in Table - 7. Out of the total repayment and interest dues of Rs.3172.84 Crore, Loans from Banks, Bond Dues and Inter Corporate Loan from OMC Ltd. & principal component of OHPC Securitized Dues amounting to Rs.1111.74 Crore only are proposed under “Special Appropriation” for recovery through the ARR & BSP for FY 2020-21 while Loans payable to the State Government are deferred in terms of the relevant Tariff Orders.

**Table – 7**  
**Proposed Special Appropriation claimed in the ARR & BSP for FY 2020-21**  
**(Rs. Crore)**

<b>Particulars</b>	<b>Loan Repayment Dues</b>	<b>Interest Dues</b>	<b>Total</b>	<b>Proposed special appropriation by GRIDCO</b>
State Govt. Loan	162.54	416.18	578.72	
NTPC-GoO Special Bonds (Rs.1102.87 Crore)	818.81	663.57	1482.38	
<b>Sub-Total (A)</b>	<b>981.35</b>	<b>1079.75</b>	<b>2061.1</b>	Proposed to be deferred
Bank Loans & Inter Corporate Loan (OMC)	1023.31	-	1023.31	
OHPC Securitized Dues	88.43		88.43	
<b>Sub-Total(B)</b>	<b>1111.74</b>		<b>1111.74</b>	<b>1111.74</b>
<b>Grand Total (A+B)</b>	<b>2093.09</b>	<b>1079.75</b>	<b>3172.84</b>	<b>1111.74</b>

**Interest, Financing and Other expenses**

20. GRIDCO has proposed to incur expenses about Rs.502.89 Crore during the FY 2020-21 towards interest and financial charges, Employees Cost, A&G Expenses

etc as given in the Table-8. Out of the total interest expenses of Rs.583.68 Crore, Rs.106.05 Crore of interest payable to the State Government is proposed to be deferred. Accordingly, Interest amounting to Rs.477.63 Crore (Rs.583.68 Cr. – Rs.106.05 Cr.) payable to Banks / FIs/ Corporates has been proposed for FY 2020-21.

GRIDCO proposes Rs.14.41 Crore towards employees cost for FY 2020-21 including the balance 60% arrear amounting to Rs.1.02 Crore on account of implementation of the 7th Pay Commission recommendation.

**Table – 8**  
**Interest, Financing & Other expenses for FY 2020-21 (Rs. Crore)**

Particulars	GRIDCO proposal for FY 2020-21	
1. Interest & Financial Charges		<b>477.63</b>
2. Other Costs:		
a. Employee Cost	14.41	
b. A&G Cost	8.54	
c. Repair & Maintenance Cost	1.28	
<b>Sub-Total</b>		<b>24.23</b>
3. Depreciation		<b>1.03</b>
<b>Total (1+2+3)</b>		<b>502.89</b>

**Return on Equity**

21. Duly acknowledging and obliging the repeated observations of the Commission in all the previous ARR & Tariff Orders with regard to non-admittance of the Return on Equity (RoE), GRIDCO has not proposed any Return on Equity for FY 2020-21.

**Other Income / Miscellaneous Receipts**

22. GRIDCO expects to earn an amount of Rs. 41.70 Crore during FY 2020-21 (at existing approved BSP @ 695 P/U for FY 2019-20 towards Emergency Sale) from proposed emergency sale of 60 MU to long term customers like NALCO and IMFA.

**Receivable from DISCOMs and others**

23. GRIDCO has outstanding securitized dues payable by DISCOMs of Rs.2117.45 Crore (as on 31.3.2019), due of Rs.2817.50 Crore towards Year-End-Adjustment (YEA) Bills and due towards BSP bills (up to September 2019). Further, Rs.195.36 Crore towards Bonds is due from DISCOMs as on 31.03.2019.

### Truing-up of GRIDCO's Expenses

24. GRIDCO submits that considering the truing up amount of Rs. 3,588.02 Crore as approved by the Commission till 31.03.2015 and GRIDCO's estimation of Truing up from FY 2015-16 to FY 2017-18 amounting to Rs. 824.33 Crore, the cumulative Truing up amount is Rs. 4,412.35 Crore till 31.03.2018. However, GRIDCO has not yet been compensated in monetary terms as per the approval by the Commission in subsequent Tariff Orders.

### Annual Revenue Requirement

25. The proposal for Annual Revenue Requirement of GRIDCO for FY 2020-21 is summarized in the Table 9 below.

**Table - 9**  
**Proposed Aggregate Revenue Requirement of GRIDCO for FY 2020-21**

<b>Particulars</b>	<b>Amount (Rs Crore)</b>
Power Purchase cost	8866.39
Interest & Financing Charges	477.63
Employees Cost	14.41
A&G Expenses	8.54
R & M Expenses	1.28
Depreciation	1.03
Return on Equity	0.00
<b>Pass through expenses</b>	<b>308.18</b>
<b>Special Appropriation</b>	
State Govt. Loans & Interest (Rs.578.72 Crore) <b>(Deferred)</b>	
NTPC-GoO Special Bonds & Interest (Rs.1482.38 Crore) <b>(Deferred)</b>	
Bank / Commercial Loans including OHPC Securitized Dues	1111.74
<b>Gross Revenue Requirement</b>	<b>10789.20</b>
Less: (i) Miscellaneous Receipts from Emergency & Back-up Power Sale to NALCO & IMFA	41.70
<b>Net Revenue Requirement to be recovered from DISCOM Utilities</b>	<b>10747.50</b>

### Proposed ARR & BSP for the FY 2020-21

26. GRIDCO has proposed that it would suffer revenue deficit of Rs. 3123.66 Crore considering the proposed ARR of Rs. 10747.50 Crore and the revenue of Rs.7623.84 Crore to be earned from sale of the proposed energy of 28187.37 MU to DISCOMs during FY 2020-21 at the existing BSP Rate for FY 2019-20. In order to meet the estimated deficit, GRIDCO has submitted before the

Commission for revision of Bulk Supply Price for the FY 2020-21. GRIDCO proposes to recover the Net Revenue Requirement of Rs. 10747.50 Crore through Energy Charge only as per the Table given below.

**Table - 11**  
**Proposed Aggregate Revenue Requirement of GRIDCO for FY 2020-21 for Recovery through “ENERGY CHARGE”**

SL. NO.	COMPONENTS	Proposed ARR and BSP for FY 2020-21 (Rs Crore)
1	Net ARR to be recovered through BSP	10747.50
2	Units to be sold to DISCOMs Utilities (MU)	28187.37
3	Net Revenue to be recovered through sale of 28187.37 MU at existing Average BSP of 270.47 P/U	7623.84
4	Deficit Revenue at existing Average BSP of 270.47 P/U	3123.66
5	Proposed Average BSP to recover the Net Total Aggregate Revenue (P/U)	381.29

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

**Demand Charges**

27. GRIDCO proposes that the Demand Charges may be levied @ Rs.250/kVA/Month from DISCOM Utilities 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**

28. GRIDCO submits that it presently bills the DISCOMs at the corresponding OERC approved applicable BSP Rate(s) in terms of the Hon’ble APTEL Judgement dated 07.05.2018 in Appeal No. 55 of 2015 till Deviation Settlement Mechanism (DSM) Regulations is pronounced by the Commission (OERC) and implemented in the State of Odisha.

GRIDCO also 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 2020-21 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 2020-21 (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)**

29. 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**

30. 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**

31. The monthly charges 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**

32. 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 2019-20 to allow escrow relaxation, GRIDCO is facing inconvenience. Keeping in view the overall interest of the Sector, the Commission may pass suitable direction as may be deemed necessary without affecting the interest of GRIDCO.

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

33. GRIDCO prays that the proposed Annual Revenue Requirement & Bulk Supply Price be made applicable from 1st April 2020. However, in case of a gap between the approved revenue requirements for FY 2020-21 and the revenue realized, the Commission may kindly approve to carry forward the gap for adjustment during the future years.

#### **Inclusion of Effect of Review Petition of GRIDCO in Case No. 51/2019 in the ARR & BSP for FY 2020-21**

34. GRIDCO has filed a Review Petition before the Commission against Commission's ARR & BSP Order for FY 2019-20 which has been registered as Case No.51/2019. GRIDCO prays the Commission to pass through the effect including the Financial Effect of the Review Petition while approving the ARR & BSP for FY 2020-21.

#### **Prayer**

##### **Summary of Tariff Filing for FY 2020-21**

35. GRIDCO has prayed the Commission to approve the following for FY 2020-21 and make the same effective from 1<sup>st</sup> April, 2020.
- 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 2020-21;
  - 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 pronounce the Order on the Truing-up Petition of GRIDCO upto FY 2017-18, the hearing of which has been concluded and 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) to pass through the effect including the Financial Effect of the Review Petition in Case No 51/2019 while approving the ARR & BSP for FY 2020-21.



- v) allow recovery of the additional cost/s due to over-drawal 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;
- vi) 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 and be passed on to GRIDCO.

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