

*Summary of ARR & BSP Filings*

Submitted by

*GRIDCO*

For

*FY 2016 - 17*

## **Summary of GRIDCO ARR & BSP Filings for FY 2016-17**

### **BULK SUPPLY PRICE (BSP) PROPOSAL OF GRIDCO FOR THE FY 2016-17**

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 and also a wholly State owned Company engaged in the business of purchase of electricity in bulk from various generators located inside Odisha and the State share of power from the Central Generators for supply in bulk to the four Electricity Supply Companies (hereinafter called as DISCOM Utilities). Besides, being the successor Organization to the erstwhile Odisha State Electricity Board (OSEB), GRIDCO continues the functions of bulk purchase and sale of power in the interest of the State under the “Single Buyer Model”, as a matter of historical legacy. It is the State Designated Entity to procure power on behalf of DISCOM Utilities for onward retail sale to the final consumers of the State. 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 Utilities. Thus, as a statutory requirement, GRIDCO is required to submit its Annual Revenue Requirement (ARR) before OERC for determination of the procurement price of the DISCOMs. Further, as provided in the OERC (Conduct of Business) Regulations, 2004, as amended upto May 2011 and other related Regulations and as per Section 86 (1) (a) & (b) and other applicable provisions of the Electricity Act, 2003, GRIDCO is required to submit its Annual Revenue Requirement (ARR) and Bulk Supply Price (BSP) proposal to the Commission for approval, before 30th November of each year for the ensuing year. However, OERC vide its Order Dated 04.03.2015 in Case No. 55 of 2013, revoked the Retail Supply Tariff (RST) Licenses of the erstwhile RIL Managed DISCOMs of NESCO, WESCO and SOUTHCO U/s 19 of the Electricity Act, 2003 w.e.f. 04.03.2015. By virtue of this Order, OERC simultaneously vested the management and control of these Utilities with all the assets, interests and rights with the Office of Chairman-Cum-Managing Director, GRIDCO with immediate effect in his capacity as Administrator of these Utilities. It was further directed by the Commission that the Administrator shall function under the supervision and control of the Principal Secretary, Department of Energy, Government of Odisha as far as the administration of the Distribution Utilities are concerned. Although the management and control of the DISCOM Utilities rests with the Office of the CMD, GRIDCO-cum-Administrator, DISCOM Utilities, the operational working relationship between GRIDCO and the DISCOM Utilities remains unaltered and such Utilities continue to function as independent entities in so far as their responsibilities are concerned. In the above backdrop, GRIDCO has filed an application for approval of its proposed Annual Revenue Requirement and revision of Bulk Supply Price for the FY 2016-17 to enable it to carry out its functions of bulk supply to the DISCOM Utilities and emergency supply to CGPs.

## Projection of Demand and Energy

2. The Simultaneous Maximum Demand (SMD) of the DISCOM Utilities for the FY 2016-17 has been projected at 4080.54 MVA per month based on the actual monthly highest SMD of DISCOM Utilities during first 6 months of FY 2015-16. GRIDCO has requested the Commission to suitably determine and approve the SMDs for each of the DISCOMs for FY 2016-17 keeping in view of their actual SMDs during FY 2015-16 and the likely load growth in the near future. The actual highest SMD recorded during first six months of 2015-16 and projection for 2016-17 as submitted by GRIDCO in its BSP application are given in Table below.

Table – 1  
Projection of Simultaneous Maximum Demand (SMD) for FY 2016-17  
(Figures in MVA per Month)

DISCOMs	OERC approval for FY 2015-16	Average SMD during first Six months of FY 2015-16 (April – Sept 2015)	Highest SMD during first Six months of FY 2015-16 (April – Sept 2015)	Projection of SMD by DISCOM Utilities for FY 2016-17	GRIDCO's Projection of SMD of DISCOM Utilities for FY 2016-17
CESU	1460.00	1372.90	1427.66	1872.00	1427.66
NESCO	880.00	821.38	835.36	980.00	835.36
WESCO	1240.00	1166.97	1272.75	1350.00	1272.75
SOUTHCO	560.00	532.01	544.78	600.00	544.78
TOTAL	4140.00	3893.25	4080.54	4802.00	4080.54

3. GRIDCO has projected 25468 MU as the energy consumption of DISCOM Utilities for FY 2016-17 based on the projections submitted by DISCOMs. Emergency Power Supply to Captive Generating Plants (CGPs) like NALCO and IMFA for FY 2016-17 has been projected at 10 MU. The actual for first six months of FY 2015-16, projection for FY 2015-16 on pro-rata basis and projection for FY 2016-17 as submitted by GRIDCO in its BSP application are indicated in Table below.

Table - 2  
Projection of Energy Sale for FY 2016-17  
(Figures in MU)

AGENCY	Actual drawal from April, 2015 to Sept,2015	Projection for FY 2015-16 on pro-rata basing on first six months drawal	OERC Approval for FY 2015-16	GRIDCO's Projection for FY 2016-17
CESU	4467.870	8935.74	8780	8905
NESCO	2650.0962	5300.19	5250	5583
WESCO	3509.842	7019.68	7350	7450
SOUTHCO	1646.1005	3292.20	3420	3530
TOTAL	12273.909	24547.82	24800	25,468

AGENCY	Actual drawal from April, 2015 to Sept,2015	Projection for FY 2015-16 on pro-rata basing on first six months drawal	OERC Approval for FY 2015-16	GRIDCO's Projection for FY 2016-17
DISCOMS				
NALCO & IMFA	8.044	16.09	10	10
TOTAL SALE	12,281.95	24563.91	24,810	25,478

#### Energy Availability to GRIDCO for FY 2016-17

4. GRIDCO has projected energy availability of 29,147.42 MU during FY 2016-17 from different generating stations. The estimation for drawal of hydel power from OHPC is 5778.80 MU including 262.50 MU from Machkund and 1922.96 MU from Upper Indravati; and thermal power of 2928.42 MU from OPGC, 3150.40 MU from TTPS, 8316 MU from the IPPs towards State's share (M/s Vedanta Ltd, M/s GMR Kamalanga Energy Ltd, M/s Jindal India Thermal Power Ltd, M/s Ind Barath Energy (Utkal) Ltd, and M/s Nava Bharat Ventures Ltd). GRIDCO has proposed to purchase 907 MU towards Odisha share from Eastern Regional central hydro power stations and 7837.22 MU of Odisha share of power from Eastern Regional central thermal power stations. Further, GRIDCO has proposed to procure 710 MU from Renewable Energy sources during FY 2016-17. GRIDCO has also projected to avail 153.36 MU and return 633.78 MU of energy under Power Banking Arrangement during FY 2016-17 with the net outflow of 480.42 MU. The station-wise details in respect of availability of power as projected by GRIDCO are given in the Table below.

Table-3

#### Summary of Proposed Energy Availability to GRIDCO for FY 2016-17

Stations	Availability (After Transformation loss and Auxiliary Consumption) (MU)	Odisha Share %	Projection for FY 2016-17 (MU)	Approved for FY 2015-16 (MU)
HHEP	639.28	100	639.28	
CHEP	464.62	100	464.62	
Rengali	514.55	100	514.55	
Upper Kolab	815.44	100	815.44	
Balimela	1159.46	100	1159.46	
OHPC(Old)	3593.35	100	3593.35	3676.86
Indravati	1922.96	100	1922.96	1942.38
Sub-Total OHPC	5516.3	100	5516.3	
Machhkund	262.5	100	262.5	262.50

Stations	Availability (After Transformation loss and Auxiliary Consumption) (MU)	Odisha Share %	Projection for FY 2016-17 (MU)	Approved for FY 2015-16 (MU)
Total State Hydro Availability	5778.8	100	5778.8	5881.74
OPGC	2928.42	100	2928.42	2838.27
TTPS	3150.4	100	3150.4	3177.32
Small Hydro	320		320	320.00
Biomass Energy	160		160	125.00
Solar Energy	230		230	127.00
CGPs	0		0	
Co-generation Plants	0		0	1224.62
IPPs	8316		8316	6636.35
Total State Availability	20883.62		20883.62	20330.30
TSTPS Stg.-I	2121.11	31.97	2121.11	2162.69
TSTPS Stg.-II	1323.54	10	1323.54	1332.44
FSTPS-I&II	1466.42	13.81	1466.42	
FSTPS-III	564.29	16.87	564.29	
KhSTPS Stg.-I	835.15	15.4	835.15	773.89
KhSTPS Stg.-II	224.48	2.24	224.48	262.58
Barh STPS -II (Unit-IV)	651.12	14.79	651.12	
Barh STPS -II (Unit-V)	651.12	14.79	651.12	
Total Central Thermal Availability	7837.22		7837.22	4531.61
Chukha	256	15.19	256	260.35
TALA	141	4.25	141	141.60
Teesta	510	20.59	510	512.37
Total Central Hydro Availability	907		907	914.32
Total EREB	8744.22		8744.22	5445.93
Total	29627.84		29627.84	25776.23
Power Banking				
Inflow	153.36		153.36	
Outflow	-633.78		-633.78	
Total Availability	29147.42		29147.42	25776.23

### Power Procurement Projected by GRIDCO

- GRIDCO has projected the total energy sale of 25478 MU including 10 MU sale towards the emergency power of the CGPs. Considering OPTCL transmission loss of 978.91 MU @ 3.70% for the year 2016-17, GRIDCO has estimated the total energy requirement of 26456.91 MU. The proposed energy available to

GRIDCO is 29147.42 MU. The estimated surplus energy of about 2690.52 MU is proposed to be utilised for power trading.

Table – 4  
Demand and Energy Projection for FY 2016-17

ITEMS	Projection for FY 2016-17
SMD for DISCOM Utilities (MVA)	4080.54
Energy Demand of DISCOM Utilities (MU)	25468.00
Emergency Power to CGPs (MU)	10.00
Transmission Loss @ 3.70% in OPTCL system (MU)	978.91
Total Energy Required to be Purchased (MU)	26456.91
Total Energy Availability (MU)	29147.42
Surplus energy (MU)	2690.52

**Power Purchase Cost Projected for 2016-17**

6. In its application for FY 2016-17, GRIDCO has projected to procure hydel power of 5516.3 MU from OHPC and 262.50 MU from Machkund. GRIDCO has assumed the OHPC projected rates of different OHPC Power Stations for FY 2016-17 towards procurement of such energy. The rate of energy from Machkund Joint Project has been calculated at 47.93 P/U considering Odisha share at 50%. Accordingly GRIDCO has proposed to procure the total hydel energy of 5778.8 MU at a cost of Rs.812.30 crore with an average rate of 140.57 P/U against average rate of 80.44 P/U approved for FY 2015-16.
7. The power purchase cost of 2928.42 MU from OPGC @ 216.90 P/U has been projected at Rs. 635.18 crore for FY 2016-17. The proposed variable charge (ECR) is provisionally considered as 130.56 P/U which is 15% higher than the prevailing provisional ECR of 113.53 P/U for FY 2015-16 between OPGC & GRIDCO. GRIDCO submits that the approval of the Commission in respect of power procurement and tariff from OPGC, Unt-1 & 2 for FY 2016-17 will be followed by GRIDCO. The power purchase cost of 2838.27 MU from OPGC @ 210.85 P/U approved by the Commission for FY 2015-16 was Rs.598.45 crore.
8. Based on the petition filed by NTPC before CERC in respect of Talcher Thermal Power Station (TTPS) for fixation of tariff for the period 2014-19, GRIDCO has projected to procure 3150.40 MU from TTPS with the procurement cost of Rs. 962.49 crore @ 305.51 P/U against 251.50 P/U approved for FY 2015-16.
9. GRIDCO has no procurement plan from co-generation plants and CGPs to meet the energy requirement during FY 2016-17.
10. GRIDCO has proposed to procure 710 MU of renewable energy at a cost of Rs.372.82 crore @ 525.10 P/U on an average. It includes 320 MU from small hydro sources (100 MU from M/s. Orissa Power Consortium Limited (M/s. OPCL) and 220 MU from M/s. Meenakshi Power Limited (M/s. MPL)) at a price of 368 P/U, 230 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 through NTPC from 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., and 116 MU through Solar Energy Corporation of India from 30 MW Solar Power Plant under JNNSM Phase – II, Batch - I) at an average rate of 710 P/U. GRIDCO proposes to procure 160 MU of bio-mass energy from two biomass projects at a cost of Rs.91.76 crore @ 573.5 P/U on an average during FY 2016-17.

11. As per the provisional rate approved by OERC in the ARR order of GRIDCO for FY 2015-16, GRIDCO has proposed to procure 5376 MU from M/s Vedanta Ltd at a cost of Rs.1146.89 crore at an average rate of 213.34 P/U i.e. 4200 MU @ fixed and variable cost (233.46 P/U) and 1176 MU @ variable cost only (141.46 P/U). GRIDCO has proposed the provisional rate of 275 P/U as per ARR order for FY 2015-16 for 1674 MU power procurement from M/s GMR Kamalanga Energy Ltd at a cost of Rs.460.35 crore. GRIDCO proposes to procure the power from M/s Nava Bharat Ventures Ltd, M/s Jindal India Thermal Power Ltd and M/s Ind Bharat Energy Ltd at a provisional energy charge rate of 141.46 P/U. GRIDCO has proposed procurement cost of Rs.5.66 crore from NBVL (40 MU), Rs.142.59 crore from JITPL (1008 MU) and Rs.30.84 crore from IBEL (218 MU).
12. In the absence of tariff order of the Hon'ble CERC based on CERC Tariff Regulations, 2014, the Annual Fixed Cost (AFC) as filed by NTPC before CERC, has been considered by GRIDCO for FY 2016-17. Energy Charge Rate (ECR) for FY 2016-17 has been taken as given in the filing of NTPC before CERC according to the CERC Tariff Regulations, 2014-19. Accordingly, GRIDCO has estimated to procure 7837.23 MU from Central Sector Thermal Power Stations with a total cost of Rs.3123.45 crore at an average rate of 398.54 P/U. GRIDCO has also projected to procure 907 MU from Chukha, Tala, Teesta-V hydro power stations with the procurement cost of Rs.225.22 crore at average rate of 248.32 P/U. The projected transmission charges payable to PGCIL (27.67 P/U) has been included in the central sector purchase cost.
13. The detailed cost of power purchase as furnished by GRIDCO for FY 2016-17 is reproduced hereunder in Table below.

Table – 5  
Summary of Proposed Power Procurement Cost during FY 2016-17

Stations	Availability (After Transformation Loss and Auxiliary Consumption deduction) (MU)	Rate (P/U)	Total Cost (Rs. Crore)	Approved rate for FY 2015-16 (P/U)
HHEP	639.28	183.64	117.4	
CHEP	464.62	132.34	61.49	
Rengali	514.55	230.12	118.41	
Upper Kolab	815.44	138.89	113.26	
Balimela	1159.46	156.33	181.26	
OHPC(Old)	3593.35	164.7	591.81	87.17
Indravati	1922.96	108.12	207.91	73.92
Sub-Total OHPC	5516.3	144.97	799.72	
Machhkund	262.5	47.93	12.58	34.38
Total State Hydro	5778.8	140.57	812.3	80.44
OPGC	2928.42	216.9	635.18	210.85
TTPS	3150.4	305.51	962.49	251.50
Small Hydro Renewable Energy	320	368	117.76	368.00
Biomass Energy (Shalivahan Energy Ltd.)	100	578	57.8	
BioMass Energy (Octatnt Industries Ltd.)	60	566	33.96	575.60
Solar Energy	230	710	163.3	804.22
CGPs	0	0	0	
Co-generation Plants	0	0	0	275.00
IPPs	8316	214.81	1786.33	220.84
Total State	20883.6	218.79	4569.12	195.02
TSTPS Stg.-I	2121.11	293.35	622.23	239.53
TSTPS Stg.-II	1323.54	289.44	383.08	236.36
FSTPS-II&III	1466.42	426.48	625.4	400.07
FSTPS-III	564.29	497.38	280.67	478.71
KhSTPS Stg.-I	835.15	441.5	368.72	374.02
KhSTPS Stg.-II	224.48	439.35	98.63	382.45
Barh STPS -II (Unit-IV & V)	1302.24	571.88	744.72	
Total Central Thermal	7837.22	398.54	3123.45	323.36
Chukha	256	216.68	55.47	187.95
TALA	141	235.17	33.16	206.33
Teesta	510	267.83	136.6	232.91
Total Central Hydro	907	248.32	225.22	215.99
Total EREB	8744.22	382.96	3348.67	305.33
SoC & MoC Charges			2.93	0.62
Total	29627.8	267.34	7920.72	229.97
Power Banking				
Inflow	153.36			

Stations	Availability (After Transformation Loss and Auxiliary Consumption deduction) (MU)	Rate (P/U)	Total Cost (Rs. Crore)	Approved rate for FY 2015-16 (P/U)
Outflow	-633.78			
Total Power Purchase Cost	29147.4	271.75	7920.72	229.97

#### **Pass through of arrear dues paid / to be paid during FY 2016-17**

14. GRIDCO proposes to consider pass through of expenses, already incurred or to be incurred in the ARR for the FY 2016-17. This expenses amount to Rs.414.04 crore consisting of total arrear estimation of NTPC-TTPS till FY 2016-17 as per its filing before the Hon'ble CERC (Rs.28.55 crore), arrear paid to NTPC – Barh II for the period November 2014 to September 2015 (Rs.167.14 crore), arrear of Teesta-V for FY 2014-15 (Rs.8.88 crore), arrear energy charges towards M/s Vendanta Ltd from FY 2010-11 to FY 2013-14 (Rs.164 crore), arrear towards reactive energy charge paid to ER Pool account from April 2015 to 8 November 2015 (Rs.0.87 crore), and reimbursement claimed by OHPC in tariff (Rs.44.60 crore).

#### **Special Appropriation of repayment of principal for FY 2016-17**

15. GRIDCO has proposed a sum of Rs.812.59 crore on account of repayment of principal of bank loans to be recovered through tariff of the FY 2016-17. GRIDCO proposes deferment of repayment of Govt. dues of Rs.1554.40 crore as given in the Table below.

Table – 6  
Proposed Special Appropriation in the ARR & BSP for FY 2016-17  
(Rs. Crore)

Particulars	Amount	Remarks
State Govt. Loans	498.45	Deferred
NTPC-GoO Special Bonds (Rs.1102.87 crore)	1055.95	Deferred
Bank Loans	812.59	Claimed

#### **Interest, Financing & Other expenses**

16. GRIDCO has proposed to recover Rs.582.04 crore during the FY 2016-17 towards interest on loans and financial charges related to power purchase, which includes Rs.100 crore towards proposed interest on bank loan. Based on the present manpower and salary structure, GRIDCO has considered an amount of Rs.10.72 crore towards Employees Cost for the FY 2016-17. The interest, financing and other charges including administrative and general expenses cost, repair & maintenance expenses etc. as proposed by GRIDCO is presented in Table below.

Table – 7

## Interest, Financing &amp; Other expenses for FY 2016-17 (Rs. Crore)

Particulars	Amount
1. Interest & Financial Charges	582.04
2. Other Costs:	
a. Employee Cost	10.72
b. A&G Cost	11.33
c. Repair & Maintenance Cost	0.25
Sub-Total - Other Costs	22.30
3. Depreciation	0.72
Total (1+2+3)	605.06

**Return on Equity**

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

**Other Income / Miscellaneous Receipts**

18. GRIDCO expects to earn an amount of Rs. 6.85 crore (at existing approved tariff) from proposed sale of 10 MU emergency power to NALCO and IMFA.

**Receivable from DISCOMs and other parties**

19. DISCOMs have defaulted in payment of Rs.2085.33 crore towards securitized dues, Rs.625.17 crore towards Year-end-Adjustment (YEA) Bills and Rs. 1246.86 crore towards BSP bills from FY 2011-12 to FY 2015-16 (upto September 2015). Further, Rs.195.36 crore towards NTPC Bonds is due from DISCOMs as on 31.03.2015.

**Annual Revenue Requirement**

20. The proposal for Annual Revenue Requirement of GRIDCO for FY 2016-17 is summarised in the Table below.

Table - 8

## Annual Revenue Requirement of GRIDCO for FY 2016-17

(Rs. Crore)

	Item	OERC approval for 2015-16	GRIDCO's Proposal for 2016-17
a)	Power Purchase Cost	5927.67	7920.72
b)	Pass through expenses and Special Appropriation	838.15	1226.63
c)	Interest, Financing and other expenses	290.97	605.06
d)	Return on Equity		92.27
e)	Revenue Requirement (a+b+c+d)	7056.79	9844.68
f)	(-) Misc. Receipts	6.85	6.85
g)	(-) Revenue from trading of surplus power		739.89
h)	Net Revenue Requirement (e-f-g)	7049.94	9097.94

### Proposed Revenue Earning at Existing BSP Rates

21. GRIDCO proposes to earn revenue of Rs 7239.50 crore during FY 2016-17 from the anticipated sale of 25468 MU to DISCOMs at the existing BSP rates for 2015-16, the details of which is given in Table below.

Table – 9  
Expected Revenue for FY 2016-17 with anticipated sale to DISCOMs  
at Existing BSP Rates

	Energy (MU)	Existing BSP Rate (P/U)	Amount (Rs. Cr.)
CESU	8905	285	2537.93
NESCO	5583	302	1686.07
WESCO	7450	310	2309.50
SOUTHCO	3530	200	706.00
TOTAL	25468		7239.50

### Excess / Deficit in the ARR for FY 2016-17

22. GRIDCO has proposed that it would suffer revenue deficit of Rs.1858.44 crore considering the proposed ARR and the revenue to be earned from sale of the proposed energy of 25468 MU to DISCOMs during FY 2016-17 at the existing BSP Rate for FY 2015-16, the details of which are shown in the Table below.

Table - 10  
Excess / Deficit on Revenue Requirement for FY 2016-17  
(Rs. Crore)

	Item	GRIDCO's Proposal for 2016-17
a)	Total Revenue Requirement	9844.68
b)	Less: Misc. Receipts	6.85
c)	Less: Revenue from trading of surplus power	739.89
d)	Net Revenue Requirement	9097.94
e)	Revenue Receipt from DISCOMs (at existing BSP)	7239.50
f)	Excess(+) or Deficit(-)	-1858.44

### Recovery of Proposed Cost in the ARR through Energy Charge during FY 2016-17

23. In order to meet the estimated deficit of Rs. 1858.44 crore, GRIDCO has submitted the application before the Commission for revision of Bulk Supply Price for the FY 2016-17. GRIDCO proposes to recover the Net Revenue Requirement of Rs.9097.94 crore from the Distribution Licensees through energy charges. The proposed uniform BSP for recovery of the net ARR is 357.23 P/U.

### **Demand Charge**

24. GRIDCO proposes that the Demand Charges may be levied @ Rs.250/KVA/Month from DISCOMs, when the actual SMDs of DISCOMs in a month exceed the permitted monthly SMDs (110% of the approved SMD). The monthly bills raised by GRIDCO in this regard may be paid by DISCOMs on provisional basis towards excess SMD to take care of monthly variations, subject to adjustment at the end of the year.

Other Allied Submissions to Facilitate GRIDCO for Recovery of its Expenses

### **Over Draw and Year End Charges**

25. GRIDCO proposes that any excess drawal of energy by DISCOMs during a month over and above the approved energy quantum would be payable on provisional basis at the highest OERC approved Power Purchases Rate fixed for a Station for FY 2016-17 (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)**

26. 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.

### **Rebate**

27. 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 30days 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**

28. For payment after the periods of 30 days from the date of submission of bills, delayed payment surcharge @ 1.50% per month may be levied pro-rata for the

period of delay from the due date on the amount remain unpaid (excluding arrears on account of delayed payment surcharge).

#### **Escrow Arrangement**

29. 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 2015-16 to allow escrow relaxation, GRIDCO is facing inconvenience. GRIDCO has requested to pass suitable direction as may be deemed necessary without affecting interest of GRIDCO.

#### **Revenue Gap of GRIDCO in the ARR vis-à-vis the Truing-up**

30. In order to meet the cash deficit of Rs.10070.24 Crore, GRIDCO has availed loans of about Rs. 7854.69 Crore and the balance shortfall (about Rs.2215.55 Crore) was met by way of defaulting in the payment of interest on State Govt. loan, Govt. of Odisha (NTPC) Bond, and also by postponing the payment of power purchase dues to the generators and to some extent, from realization of securitized dues. However, the approved gap by OERC is Rs. 6019.52 crore.
31. The OERC approved revenue gap, the actual revenue gap from FY 2008-09 onwards are given in the table below.

Table 11  
Financial Status of GRIDCO (Rs crore)

FY	Actual Power Pur. Cost (P/U)	Appd. 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	1,930.12	1213.00
2010-11	198	175	170	806.15	(587.86)	328.15	297.01	1,213.02	1640.71
2011-12	228	210	232	746.05	(936.81)	382.40	269.74	1,588.95	864.16
2012-13	237	236	271	700.58	31.79	777.69	590.01	745.90	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 (Upto Sept.'15)	223	230	284	882.06	115.56	413.19	140.78	438.41	800.00
<b>Total</b>				<b>6019.52</b>	<b>(4424.71)</b>	<b>4355.63</b>	<b>1879.91</b>	<b>10070.24</b>	<b>7854.69</b>

#### **Summary of Tariff Filing for FY 2016-17**

32. GRIDCO has prayed the Commission to approve the following for FY 2016-17 and make the same effective from 1<sup>st</sup> April, 2016.
- i) Energy charges from DISCOMs to recover net revenue requirement of Rs.9097.94 crore. The proposed uniform BSP is 357.23 P/U.
  - ii) Demand charges @ Rs.250 /KVA/month, when actual SMD exceeds the permitted monthly SMD.

- iii) Charges for over drawl of energy at a cost of highest OERC approved power purchase rate fixed for a station for FY 2016-17 to be recovered on monthly basis subject to final adjustment at the end of the year.
- iv) 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.
- v) Rebate @ 2% / 1% as proposed above.
- vi) Delayed Payment Surcharge @1.50% per month for the period of delay beyond 30 days from date of submission of bills.
- vii) The Electricity Duty levied by the Government of Odisha and any other Statutory levy/ Duty/ Tax/ Cess / Toll etc. imposed under any law from time to time shall be charged over and above the Bulk Supply Price.
- viii) To suitable frame and approve the Intra State UI / Deviation Settlement Mechanism & Rates in a manner by which GRIDCO will be in a position to recover its dues payable to the generators from the BSP Bills charged to the DISCOMs.

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