

Summary of ARR & BSP Filings

Submitted by

GRIDCO

For

FY 2015 - 16

Summary of GRIDCO ARR & BSP Filings for FY 2015-16

BULK SUPPLY PRICE (BSP) PROPOSAL OF GRIDCO FOR THE FY 2015-16

1. GRIDCO Limited (hereinafter called as GRIDCO) is a Deemed Trading Licensee under the 5th 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 Supply Companies (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. It will be relevant to mention here that Hon'ble Commission in the Annual Revenue Requirement (ARR) & Bulk Supply Price (BSP) Order date 18.03.2011 for FY 2011-12 & 23.03.2012 for FY 2012-13 has extensively dealt with the issues relating to the "Legal Status" of GRIDCO and concluded that the continuance of GRIDCO is sustainable in law and essential in the overall interest of Odisha and power sector in particular. Under the existing Bulk Supply Agreements between the DISCOMs and GRIDCO, the DISCOMs are to purchase power from GRIDCO at a regulated price to be determined by the Hon'ble Odisha Electricity Regulatory Commission. 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 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. Accordingly, GRIDCO has filed an application for approval of its proposed Annual Revenue Requirement and revision of Bulk Supply Price for the FY 2015-16 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 2015-16 has been projected at **4447** MVA per month based on the actual monthly highest SMD of DISCOMs during first 6 months of FY 2014-15. GRIDCO requested the Hon'ble Commission to suitably determine and approve the SMDs for each of the DISCOMs for FY 2015-16 keeping in view of their actual SMDs during FY 2014-15, the likely load growth in the near future, as the projection of SMD given by the DISCOMs for FY 2015-16 seem to be on the higher side. The actual highest SMD recorded during first six months of 2014-15 and projection for 2015-16 as submitted by GRIDCO in the BSP and ARR application are given in Table below.

Table – 1
Projection of Simultaneous Maximum Demand (SMD) for FY 2015-16
(Figures in MVA per Month)

DISCOMs	OERC approval for FY 2014-15	Average SMD during first Six months of FY 2014-15 (April – Sept 2014)	Highest SMD during first Six months of FY 2014-15 (April – Sept 2014)	DISCOMs Projection of SMD for FY 2015-16	GRIDCO's Projection of SMD of DISCOMs for FY 2015-16
CESU	1490.00	1356.06	1385.894	1657.00	1657.00
NESCO	870.00	840.20	857.94	940.00	940.00
WESCO	1100.00	1179.50	1209.353	1250.00	1250.00
SOUTHCO	560.00	526.80	533.125	600.00	600.00
TOTAL	4020.00	3902.55	3986.313	4447.00	4447.00

3. GRIDCO has projected 26156 MU as the energy consumption of DISCOMs for FY 2015-16 based on the projections submitted by DISCOMs. Emergency Power Supply to Captive Generating Plants (CGPs) like NALCO and IMFA for FY 2015-16 has been projected at 10 MU. The actual for first six months of FY 2014-15, projection for FY 2014-15 on pro-rata basis and projection for FY 2015-16 as submitted by GRIDCO in its BSP application are indicated in Table below.

Table - 2
Projection of Energy Sale for FY 2015-16

(Figures in MU)

AGENCY	Actual drawal from April, 2014 to Sept,2014	Projection for FY 2014-15 on pro-rata basing on first six months drawal	OERC Approval for FY 2014-15	GRIDCO's Projection for FY 2015-16
CESU	4383.50	8767.00	9040.00	9401.00
NESCO	2501.18	5002.37	5330.00	5625.00
WESCO	3556.90	7113.81	6820.00	7500.00
SOUTHCO	1617.26	3234.52	3340.00	3630.00
TOTAL DISCOMS	12058.85	24117.70	24530.00	26156.00
NALCO & IMFA	0.00	0.00	10.00	10.00
TOTAL SALE	12,058.85	24,117.70	24,540.00	26,166.00

Energy Availability to GRIDCO for FY 2015-16

4. GRIDCO has projected energy availability of 29,304.60 MU during FY 2015-16 from different generating stations. The estimation for drawal of **hydel power** from OHPC is 5939.39 MU including 262.50 MU from Machkund and 2026.53 MU from Upper Indravati; and **thermal power** of 2838.35 MU from OPGC,

3177.25 MU from TTPS, 7053 MU from state share of thermal IPPs (M/s Sesa Sterilite Ltd, M/s GMR Kamalanga Energy Ltd, M/s Nava Bharat Ventures Ltd, and M/s Jindal India Thermal Power Ltd.) and 7546.98 MU of Odisha share of power from Eastern Regional central thermal power stations. GRIDCO has proposed to purchase 918 MU towards Odisha share from Eastern Regional central hydro power stations like Tala, Chukha and Teesta hydel plants. GRIDCO has also proposed to procure 1224.62 MU from Co-generation plants inside the state. Further, GRIDCO has proposed to procure 607 MU from Renewable Energy sources during FY 2015-16 (320 MU from small hydro, 160 MU from biomass and 127 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 2015-16

Stations	Availability (After Transformation loss and Auxiliary Consumption) (MU)	Odisha Share %	Projection for FY 2015-16 (MU)	Approved for FY 2014-15
HHEP	662.54	100	662.54	
CHEP	297.00	100	297.00	
Rengali	693.00	100	693.00	
Upper Kolab	825.66	100	825.66	
Balimela	1172.16	100	1172.16	
OHPC (Old)	3650.36	100	3650.36	3676.86
U. Indravati	2026.53	100	2026.53	1942.38
Sub-Total OHPC	5676.89	100	5676.89	
Machhkund	262.50	100	262.5	262.50
Total State hydro availability	5939.39	100	5939.39	5881.74
OPGC	2838.35	100	2838.35	2663.74
TTPS	3177.25	100	3177.25	3105.55
Small Hydro	320.00		320.00	300.00
Biomass Energy	160.00		160.00	141.91
Solar Energy	127.00		127.00	105.00
CGPs			0.00	0.00
Co-generation Plants	1224.62		1224.62	1160.00
IPPs	7053.00		7053.00	5205.24
Total State availability	20839.61		20839.61	18563.18
TSTPS Stg.-I	2138.42	31.97	2138.42	2168.62
TSTPS Stg.-II	1332.44	10.00	1332.44	1346.04
FSTPS-I&II	1470.92	13.81	1470.92	1434.95
FSTPS-III	566.02	16.87	566.02	-
KhSTPS Stg.-I	838.09	15.40	838.09	850.37
KhSTPS Stg.-II	225.19	2.24	225.19	217.92
Barh STPS – I & II	975.90	12.57	975.90	-
Total Central Thermal Availability	7546.98		7546.98	6017.89
Chukha	263.00	15.19	263.00	261.15

Stations	Availability (After Transformation loss and Auxiliary Consumption) (MU)	Odisha Share %	Projection for FY 2015-16 (MU)	Approved for FY 2014-15
TALA	142.00	4.25	142.00	142.96
Teesta	513.00	23.4	513.00	510.53
Total Central Hydro Availability	918.00		918.00	914.64
Total EREB	8464.98		8464.98	6932.53
Total Availability	29304.60		29304.60	25495.71

Power Procurement Projected by GRIDCO

5. GRIDCO has projected the total energy sale of 26166 MU including 10 MU sale towards the emergency power of the CGPs. Considering OPTCL transmission loss of 1019.45 MU @ 3.75% for the year 2015-16, GRIDCO has estimated the total energy requirement of 27185.45 MU. The proposed energy available to GRIDCO is 29304.60 MU. The estimated surplus energy of about 2119.14 MU is proposed to be utilised for power trading.

**Table – 4
Demand and Energy Projection for FY 2015-16**

ITEMS	Projection for FY 2015-16
SMD for DISCOMs (MVA per month)	4447.00
Energy Demand of DISCOMs (MU)	26156.00
Emergency Power to CGPs (MU)	10.00
Transmission Loss @ 3.75% in OPTCL system (MU)	1019.45
Total Energy Required to be Purchased (MU)	27185.45
Total Energy Availability (MU)	29304.60
Surplus energy (MU)	2119.14

Power Purchase Cost Projected for 2015-16

6. In its application for FY 2015-16, GRIDCO has projected to procure hydel power of 5676.89 MU from OHPC and 262.50 MU from Machkund. GRIDCO has provisionally assumed the OERC approved rates of different OHPC Power Stations for FY 2014-15 towards procurement of such energy along with Electricity Duty (ED), Water Cess payment, and SLDC charges. The rate of energy from Machkund Joint Project has been calculated at 33.86 P/U considering Odisha share at 50%. Accordingly **GRIDCO has proposed to procure the total hydel energy of 5939.39 MU at a cost of Rs.483.36 crore with an average rate of 81.38 P/U against average rate of 81.17 P/U approved for FY 2014-15.**
7. **The power purchase cost of 2838.35 MU from OPGC @ 210.84 P/U comes to Rs. 598.44 crore for FY 2015-16.** The proposed power purchase cost is based on

- the statement of tentative tariff calculation furnished by OPGC to GRIDCO considering 100% domestic coal use, which is subject to the approval of the Commission. The power purchase cost of 2663.74 MU from OPGC @ 212.24 P/U approved by the Commission for FY 2014-15 was Rs.565.36 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 3177.25 MU from TTPS with the procurement cost of Rs. 921.62 crore @ 290.07 P/U** against 198.14 P/U approved for FY 2014-15.
 9. GRIDCO proposes to procure **1224.62 MU @ 275 P/U at a cost of Rs.336.77 Crore from co-generation sources** to fulfill the RPO requirement of 1229.80 MU @4.70% in order to meet the total renewable energy requirement of 1831.62 MU @ 7% of the total projected energy of 26166 MU during FY 2015-16. GRIDCO has no procurement plan from CGPs to meet the energy requirement during FY 2015-16.
 10. GRIDCO has proposed to procure **1831.62 MU of renewable energy including co-generation** at a cost of **Rs.643.83 crore @ 351.51 P/U** on an average. It includes **320 MU from small hydro** sources (110 MU from M/s. Orissa Power Consortium Limited (M/s. OPCL) and 210 MU from M/s. Meenakshi Power Limited (M/s. MPL)) at a price of 368 P/U, **127 MU from solar energy** (13 MU from 8 Nos. of Solar PV projects of 1MW each under RPSSGP, 25 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., and 22 MU from Solar Energy Corporation of India through 30 MW of JNNSM Phase – II, Batch - I) at an average rate of 804.25 P/U. GRIDCO proposes to procure 160 MU of bio-mass energy from two biomass projects at a cost of **Rs.87.16 crore @ 544.75 P/U** on an average during FY 2015-16.
 11. As per the provisional rate approved by Hon'ble OERC in the ARR order of GRIDCO for FY 2014-15, GRIDCO has proposed to procure **4199 MU from M/s Sesa Sterlite Ltd** at a cost of **Rs.884.14 crore at an average rate of 210.56 P/U**. GRIDCO proposes to procure 3905 MU @ fixed and variable cost (217 P/U) and 294 MU @ variable cost only (125 P/U). GRIDCO has proposed the interim provisional rate of 275 P/U for **1798 MU power procurement from M/s GMR Kamalanga Energy Ltd at a cost of Rs.494.45 crore**. GRIDCO proposes to procure the power from M/s Nava Bharat Ventures Ltd and M/s Jindal India Thermal Power Ltd at a provisional energy charge rate of 125 P/U. GRIDCO has proposed procurement cost of **Rs.6.75 crore from NBVL** (54 MU) and **Rs.125.25 crore from JITPL** (1002 MU).
 12. Hon'ble CERC has issued final tariff orders of the NTPC's thermal power plants for the period 2009-14. However, in the absence of tariff order of the Hon'ble CERC according to CERC Tariff Regulations, 2014, the Annual Fixed Cost (AFC) as filed by NTPC before CERC, has been considered for FY 2015-16. Energy Charge Rate (ECR) for FY 2015-16 has been taken as 20% increase over

weighted average ECR recalculated on the basis of New CERC Tariff Regulations, 2014-19 of respective stations during first six months of FY 2014-15. Accordingly, **GRIDCO has estimated to procure 7546.98 MU from Central Sector Thermal Power Stations with a total cost of Rs.3196.46 crore at an average rate of 423.54 P/U. GRIDCO has also projected to procure 918 MU from Chukha, Tala, Teesta-V hydro power stations with the procurement cost of Rs.246.84 crore at average rate of 268.89 P/U.** The transmission charges payable to PGCIL (32.09 P/U) has been included in the central sector purchase cost.

13. The detailed cost of power purchase as furnished by GRIDCO for FY 2015-16 is reproduced hereunder in Table below.

Table – 5
Summary of Proposed Power Procurement Cost during FY 2015-16

Stations	Availability (After Transformation Loss and Auxiliary Consumption deduction) (MU)	Rate (P/U)	Total Cost (Rs. Crore)	Approved rate for FY 2014-15 (P/U)
HHEP	662.54	131.93	87.41	
CHEP	297.00	79.80	23.70	
Rengali	693.00	82.48	57.16	
Upper Kolab	825.66	51.15	42.23	
Balimela	1172.16	89.61	105.03	
OHPC(Old)	3650.36	86.44	315.53	84.39
Indravati	2026.53	78.43	158.95	80.42
Sub-Total OHPC	5676.89	83.58	474.48	
Machhkund	262.50	33.86	8.89	41.68
Total State Hydro	5939.39	81.38	483.36	81.17
OPGC	2838.35	210.84	598.44	212.24
TTPS	3177.25	290.07	921.61	198.14
Small Hydro	320.00	368.00	117.76	368.00
Biomass Energy (Shalivahan)	100.00	532.00	53.20	555.67
Biomass Energy (Octant)	60.00	566.00	33.96	
Solar Energy	127.00	804.25	102.14	870.30
CGPs	0.00	275.00	0.00	275.00
Co-generation Plants	1224.62	275.00	336.77	275.00
IPPs	7,053.00	214.18	1,510.59	212.46
Total State	20839.61	199.52	4157.83	181.20
TSTPS Stg.-I	2138.42	301.31	644.33	242.97
TSTPS Stg.-II	1332.44	292.34	389.53	241.09
FSTPS- I & II	1470.92	485.09	713.54	422.85
FSTPS- III	566.02	557.97	315.83	494.55
KhSTPS Stg.-I	838.09	456.84	382.88	389.38
KhSTPS Stg.-II	225.19	454.88	102.44	399.99

Stations	Availability (After Transformation Loss and Auxiliary Consumption deduction) (MU)	Rate (P/U)	Total Cost (Rs. Crore)	Approved rate for FY 2014-15 (P/U)
Barh STPS – I & II	975.90	663.94	647.94	
Total Central Thermal	7546.99	423.54	3196.47	330.73
Chukha	263.00	220.04	57.87	162.74
TALA	142.00	238.42	33.86	206.76
Teesta - V	513.00	302.37	155.12	231.15
Total Central Hydro	918.00	268.89	246.84	207.81
Total EREB	8464.99	406.77	3443.31	314.51
SoC & MoC charges			3.38	
Total power purchase cost	29304.60	259.50	7604.52	227.05

Pass through of arrear dues paid / to be paid during FY 2015-16

14. GRIDCO proposes to consider pass through of expenses, already incurred or to be incurred till FY 2015-16 in the ARR for the FY 2015-16. This expenses amount to **Rs.1051.93 crore** consisting of total arrear estimation of NTPC-TTPS till FY 2015-16 as per its filing before the Hon'ble CERC (Rs.956.35 crore), arrear estimation of NTPC-ER's thermal power stations for the period October 2013 to Sept 2014 (Rs.29.60 crore), arrear POC charges in respect of PGCIL (Rs.15.16 crore), and arrear of Teesta-V in respect of revision of AFC, FERV and tax (Rs.50.82 crore).

Special Appropriation of repayment of principal for FY 2015-16

15. GRIDCO has proposed a sum of **Rs.882.06 crore** on account of repayment of principal of bank loans to be recovered through tariff of the FY 2015-16. GRIDCO proposes deferment of repayment of Govt. dues of Rs.1486.32 crore as given in the Table below.

Table – 6
Proposed Special Appropriation in the ARR & BSP for FY 2015-16
(Rs. Crore)

Particulars	Amount	Remarks
State Govt. Loans	476.22	Deferred
NTPC-GoO Special Bonds (Rs.1102.87 crore)	1010.10	Deferred
Bank Loans	882.06	Claimed

Interest, Financing & Other expenses

16. GRIDCO has proposed to recover **Rs.493.13 crore** during the FY 2015-16 towards interest on loans and financial charges related to power purchase. This includes additional interest payment to OHPC on securitized dues of Rs.619 crore. Based on the present manpower and salary structure, GRIDCO has considered an amount of Rs.5.97 crore towards Employees Cost for the FY 2015-

16. 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 & Other expenses for FY 2015-16 (Rs. Crore)

Particulars	Amount
1. Interest & Financial Charges	493.13
2. Other Costs:	
a. Employee Cost	5.97
b. A&G Cost	5.50
c. Repair & Maintenance Cost	0.30
Sub-Total - Other Costs	11.77
3. Depreciation	0.42
Total (1+2+3)	505.32

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. 6.70 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.1771.96 crore towards securitized dues, Rs.625.17 crore towards Year-end-Adjustment (YEA) Bills and Rs. 1113.96 crore towards BSP bills from FY 2011-12 to FY 2014-15 (upto September 2014). Further, Rs.196.45 crore towards NTPC Bonds is due from DISCOMs.

Annual Revenue Requirement

20. The proposal for Annual Revenue Requirement of GRIDCO for FY 2015-16 is summarised in the Table below.

Table - 8

Annual Revenue Requirement of GRIDCO for FY 2015-16

(Rs. Crore)

	Item	OERC approval for 2014-15	GRIDCO's Proposal for 2015-16
a)	Power Purchase Cost	5788.75	7604.52
b)	Pass through expenses and Special Appropriation	243.97	1933.99
c)	Interest, Financing and other expenses	426.81	505.32
d)	Return on Equity	-	92.27
e)	Revenue Requirement (a+b+c+d)	6459.53	10136.10
f)	(-) Misc. Receipts	6.70	6.70

	Item	OERC approval for 2014-15	GRIDCO's Proposal for 2015-16
g)	(-) Revenue from trading of surplus power		847.66
h)	Net Revenue Requirement (e-f-g)	6452.83	9281.74

Proposed Revenue Earning at Existing BSP Rates

21. GRIDCO proposes to earn revenue of Rs 6882.82 crore during FY 2015-16 from the anticipated sale of 26156 MU to DISCOMs at the existing BSP rates for 2014-15, the details of which is given in Table below.

Table – 9
Expected Revenue for FY 2015-16 with anticipated sale to DISCOMs at Existing BSP Rates

	Energy (MU)	Existing BSP Rate (P/U)	Amount (Rs. Cr.)
CESU	9401	265	2491.27
NESCO	5625	280	1575
WESCO	7500	286	2145
SOUTHCO	3630	185	671.55
TOTAL	26156		6882.82

Excess / Deficit in the ARR for FY 2015-16

22. GRIDCO has proposed that it would suffer revenue deficit of Rs.2398.92 crore considering the proposed ARR and the revenue to be earned from sale of the proposed energy of 26156 MU to DISCOMs during FY 2015-16 at the existing BSP Rate for FY 2014-15, the details of which are shown in the Table below.

Table - 10
Excess / Deficit on Revenue Requirement for FY 2015-16
(Rs. Crore)

	Item	GRIDCO's Proposal for 2014-15
a)	Total Revenue Requirement	10136.10
b)	Less: Misc. Receipts	6.70
c)	Less: Revenue from trading of surplus power	847.66
d)	Net Revenue Requirement	9281.74
e)	Revenue Receipt from DISCOMs (at existing BSP)	6882.82
f)	Excess(+) or Deficit(-)	-2398.92

Recovery of Proposed Cost in the ARR through Energy Charge during FY 2015-16

23. In order to meet the estimated deficit of Rs. 2398.92 crore, GRIDCO has submitted the application before the Commission for revision of Bulk Supply

Price for the FY 2015-16. The licensee proposes to recover the Net Revenue Requirement of Rs.9281.74 crore from the Distribution Licensees through rise in BSP from the existing average energy charge.

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 2015-16 (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 against full payment of the amount raised in the bill within two working days (except holidays under NI Act) of serving of the bill by GRIDCO. In case DISCOMs make payment for the full bill amount within a period of 30 days of the serving of the bill, a rebate of 1% shall be allowed. However, no rebate will be allowed for part payment of bill and / or the amount raised in the bill is not fully paid within the due date for entitlement of rebate. Also, no rebate will be allowed, if the DISCOMs have not cleared the BSP dues of earlier months/years.

Delayed Payment Surcharge

28. For payment after the periods of 30 days from the date of submission of bills, delayed payment surcharge @ 1.25% 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. GRIDCO has entered into escrow agreements with the DISCOMs towards security mechanism. GRIDCO has been directed to allow escrow relaxation to DISCOMs and priority order of appropriation of funds from the escrow account has been fixed by the Commission. In order to ensure the proper escrow arrangement, GRIDCO has requested the Commission to give a direction for escrow relaxation to be allowed for FY 2015-16.

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

30. In order to meet the cash deficit of Rs.8229 Crore, GRIDCO has availed loans of about Rs. 5945 Crore and the balance shortfall (about Rs.2284 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. 5137.46 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 Purchase Cost (P/U)	Approved Power Purchase Cost (P/U)	Approved BSP (P/U)	Approved Revenue Gap	Profit / (loss) in P&L account	BSP Dues defaulted by DISCOMs	Total Cash Deficit	Loan availed to meet deficit
2008-09	151	127	122	410.05	98.14	163.94	440.06	300.00
2009-10	197	148	122	882.85	(1560.84)	164.22	1930.12	1213.00
2010-11	198	175	170	806.15	(587.86)	297.01	1113.09	1640.71
2011-12	228	210	232	746.05	(936.81)	290.60	1435.12	864.16
2012-13	237	236	271	700.58	31.79	590.01	1054.32	943.83
2013-14	214	229	265	707.60	59.24	167.30	1,704.64	483.50
2014-15 (upto Sept-14)	214	227	263	884.18	-	86.91	606.27	500.00
Total				5137.46	(2896.34)	1739.13	8228.96	5945.21

Summary of Tariff Filing for FY 2015-16

32. GRIDCO has prayed the Commission to approve the following for FY 2015-16 and make the same effective from 1st April, 2015.
- i) Energy charges from DISCOMs to recover net revenue requirement of Rs.9281.74 crore.
 - 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 2015-16 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 @1.25% 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 as well as 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.