

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, Unit-VIII, BHUBANESWAR.

1

Case No.58 of 2015

In the matter of : WESCO Utility

And

In the matter of : Shri. Akshya Kumar Sahani, Retd. Electrical Inspector,GoO, B/L-108, VSS Nagar, Bhubaneswar

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

AT& C Loss: Reason of achievement of projected AT& C loss has been depicted in the ARR application of the Utility in comprehensive manner. The actual AT & C loss for the year ended FY' 2014-15 was 38.45%. During the current year the licensee estimated a reduction of 2.60% over previous year. With projected collection efficiency of 98% and estimated T&D loss of 30.79% in the ensuing year the Utility has proposed to reduce the AT&C loss by another 3.70%. Accordingly, the AT& C loss projected as 32.17% for the ensuing year is genuine and achievable which may kindly be approved.

Meter Rent: Recovery of meter rent has been directed by Hon'ble Commission in 60 months. However, consumers wishing to avoid payment of meter rent are at liberty to purchase the same at their own cost with proper inspection. Further, meter is a measuring instrument through which consumption of energy are being recorded & subsequently billed. It is a part & parcel of the distribution business. Therefore, recovery of meter rent should also be continued even after recovery of cost to replace the same immediately in case of defect or burnt for which the licensee is incurring huge expenses.

KVAH Billing: The licensee is persistently submitting for introduction of KVAH billing as like of other states. Previously, Hon'ble Commission vide para-216 of RST order dt. 22.03.14 has also sought information regarding preparedness of the Utility. For implementation of same. Accordingly, a target was given in 30.09.14 to submit the details. The Utility had also submitted the details during Nov-14 before Hon'ble Commission. The idea of Kvah billing is to make the consumer discipline. If Kvah billing would be introduced then TOD incentive, PF incentive, PF

penalty would no longer required. Therefore, in line with comprehensive submission by the Utility in it's ARR for introduction of KVAH billing may kindly be considered.

Power factor Penalty for HT<110 KVA consumers: The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Assessment U/S-126 of Elect. Act, 2003: The Utility has submitted before Hon'ble Commission to facilitate the levy of penalty for excess use of energy when maximum demand is more than the contract demand in line with the apex court decision in EE, SOUTHCO Vrs. M/s Sitaram Rice Mill case. It is a fact that, consumers who are drawing power more than their CD are liable for penalty for such overdrawal in shape of demand charges. However, for consequential energy on account of such overdrawal are only paying the energy charge in single rate. As like of double the rate of demand charges for such overdrawal, the Utility submits that the consequential energy consumed should also be billed at double the rate of energy charges. The above submission has been made as the licensee is making further assessment consumerwise on piece meal basis which is a separate exercise with limited resources. In view of the above it

is humbly submitted that the submission made by the licensee in its ARR application may kindly be approved.

Other Issues: That the objector has raised some other issues regarding standard of performance, functioning of GRF, Ombudsman, automatic compensation, remunerative scheme in a generalize manner. The issues raised are not relevant for proceedings for ARR application of licensee, hence the same may kindly be rejected.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : Shri. Akshya Kumar Sahani, Retd. Electrical Inspector, GoO, B/L-108, VSS Nagar, Bhubaneswar.

Note- This is also available at the licensee's website-www.wescoodisha.com

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, Unit-VIII, BHUBANESWAR.

2

Case No.58 of 2015

In the matter of : WESCO Utility

And

In the matter of : Sri Santosh Kumar Agarwala, Secretary, All Odisha Rice Millers Association, S-3/36, Sector-A, Zone-B, Mancheswar Industrial Estate, Bhubaneswar-10.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

AT& C Loss: Reason of achievement of projected AT& C loss has been depicted in the ARR application of the Utility in comprehensive manner. The actual AT & C loss for the year ended FY' 2014-15 was 38.45%. During the current year the licensee estimated a reduction of 2.60% over previous year. With projected collection efficiency of 98% and estimated T&D loss of 30.79% in the ensuing year the Utility has proposed to reduce the AT&C loss by another 3.70%. Accordingly, the AT& C loss projected as 32.17% for the ensuing year is genuine and achievable which may kindly be approved.

Meter Rent: Recovery of meter rent has been directed by Hon'ble Commission in 60 months. However, consumers wishing to avoid payment of meter rent are at liberty to purchase the same at their own cost with proper inspection. Further, meter is a measuring instrument through which consumption of energy are being recorded & subsequently billed. It is a part & parcel of the distribution business. Therefore, recovery of meter rent should also be continued even after recovery of cost to replace the same immediately in case of defect or burnt for which the licensee is incurring huge expenses.

KVAH Billing: The licensee is persistently submitting for introduction of KVAH billing as like of other states. Previously, Hon'ble Commission vide para-216 of RST order dt. 22.03.14 has also sought information regarding preparedness of the Utility. For implementation of same. Accordingly, a target was given in 30.09.14 to submit the details. The Utility had also submitted the details during Nov-14 before Hon'ble Commission. The idea of Kvah billing is to make the

consumer discipline. If KVAH billing would be introduced then TOD incentive, PF incentive, PF penalty would no longer required. Therefore, in line with comprehensive submission by the Utility in it's ARR for introduction of KVAH billing may kindly be considered.

Power factor Penalty for HT<110 KVA consumers: The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Assessment U/S-126 of Elect. Act, 2003: The Utility has submitted before Hon'ble Commission to facilitate the levy of penalty for excess use of energy when maximum demand is more than the contract demand in line with the apex court decision in EE, SOUTHCO Vrs. M/s Sitaram Rice Mill case. It is a fact that, consumers who are drawing power more than their CD are liable for penalty for such overdrawal in shape of demand charges. However, for consequential energy on account of such overdrawal are only paying the energy charge in single rate. As like of double the rate of demand charges for such overdrawal, the Utility submits that the consequential energy consumed should also be billed at double the rate of energy charges. The above submission has been made as the licensee is making further assessment consumerwise on piece meal basis which is a separate exercise with limited resources. In view of the above it

is humbly submitted that the submission made by the licensee in its ARR application may kindly be approved.

Other Issues: That the objector has raised some other issues regarding standard of performance, functioning of GRF, Ombudsman, automatic compensation, remunerative scheme in a generalize manner. The issues raised are not relevant for proceedings for ARR application of licensee, hence the same may kindly be rejected.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla

Authorised Officer

Dated

**C.C. : Sri Santosh Kumar Agarwala, Secretary, All Odisha Rice Millers Association, S-3/36,
Sector-A, Zone-B, Mancheswar Industrial Estate, Bhubaneswar-10.**

Note- This is also available at the licensee's website-www.wescoodisha.com

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, Unit-VIII, BHUBANESWAR.

3

Case No.58 of 2015

In the matter of : WESCO Utility

And

In the matter of : M/s Larsen & Toubro Limited, Metallurgical & Material Handling,
Rourkela Campus, Kansbahal Works, P.O. Kansbahal, Sundargarh-
770034.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Poor quality of Power supply & frequent power failure: It is submitted that, M/s L & T is complaining about poor quality of power & frequent interruption. However, they have paid reliability surcharge for the month of Feb-15, Mar-15, May-15 & Dec-15 during 2015 due to 99% of reliability index. The interruption they are citing may be on account of schedule maintenance & sometimes problem at their end.

Further, the objector had given the permission for construction of 132 kv. line during 2013 which was revalidated on 23.04.14 till March-15. When it was observed that, no action was initiated by the consumer for construction of 132 kv line, this office has cancelled the original permission on dt. 27.08.15 with an advise to apply afresh. Till date no action has been taken by the Consumer.

Deposit of Bill amount within 72 hours: It is humbly submitted that, the Utility is required to pay within 48 hrs. of presentation of BST bill to avail prompt payment rebate. The prompt payment rebate of 1% if paid within 72 hrs. is adequate consideration. Further, relaxation would affect the BST payment of the Utility. Further, it is submitted that the objector is availing prompt payment rebate in each & every month. So, contention of depriving of prompt payment rebate is not correct.

TOD Tariff: The suggestion of the objector to waive 50% of the tariff during off-peak hour means the Utility will bill the consumer during off-peak hour even in less than the BSP cost. Hence, such irrelevant request may not be accepted.

Waiver of penalty for occasional consumption beyond C.D.: It is submitted by the objector that off-peak hour may be considered as other than 6:00 AM 12:00 Noon & 6:00 PM to 10:00 PM so that maximum benefit can be availed. In view of above it is submitted that, the present timing from 12:00 AM to 6:00 AM of next day is adequate quantum, hence, further enhancement is not justified. Further, present TOD benefit of 20 paise per unit is higher by 100% with regards to previous benefit. Hence, the submission of the objector is not correct. The Utility also submits that presently the load curve is almost flat hence, TOD benefit is no more required.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s Larsen & Toubro Limited, Metallurgical & Material Handling,
Rourkela Campus, Kansbahal Works, P.O. Kansbahal, Sundargarh-770034.

Note- This is also available at the licensee's website-www.wescodisha.com

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, Unit-VIII, BHUBANESWAR.

4

Case No.58 of 2015

In the matter of : WESCO Utility

And

In the matter of : Chief Electrical Distribution Engineer, East Coast Railway, Rail Sadan, Chandrasekharapur, Bhubaneswar-751017.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Separate category with special Tariff & Kvah Billing: Presently as per Regulation 80 (4) of OERC condition of supply code-2004, Railway is being categorized under the head "Railway Traction". Depending upon the voltage of supply i.e. HT & EHT, Railway also finds a place in the tariff schedule and is being charged as per applicable tariff to each category. The submission made by railway for special tariff during the past years was also rejected by Hon'ble Commission vide para 342 of RST order dt. 23.03.15. The same has already been addressed in the previous tariff orders. Hence, the issue of separate category with special Tariff may not be accepted.

Reduction of Demand & Energy charges: the benefit of graded slab tariff is required to be availed by Railway by consuming more so that a benefit of Re 1/- can be availed. Instead of optimization in consumption, request for further reduction in RST will heavily affect the finances of the company.

Withdrawal of Reliability Surcharge: Prior to RST order dt. 23.03.15, Reliability Surcharge was 20 paise/kwh. However, Hon'ble Commission has pleased enough to reduce the same to 10 paise/kwh. This is adequate benefit to Railway.

Ignoring of M.D. during feed extension when fault due to OPTCL: The impact of feed extension between two TSS are being taken care of by the Utility. There is no such issues are pending with the Utility as far as WESCO is concerned.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : Chief Electrical Distribution Engineer, East Coast Railway, Rail Sadan, Chandrasekharapur, Bhubaneswar-751017.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Suraj Products Limited, At-Barpali, Po-Kesramal, Dist-Sundargarh.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

AT& C Loss: Reason of achievement of projected AT& C loss has been depicted in the ARR application of the Utility in comprehensive manner. The actual AT & C loss for the year ended FY' 2014-15 was 38.45%. During the current year the licensee estimated a reduction of 2.60% over previous year. With projected collection efficiency of 98% and estimated T&D loss of 30.79% in the ensuing year the Utility has proposed to reduce the AT&C loss by another 3.70%. Accordingly, the AT& C loss projected as 32.17% for the ensuing year is genuine and achievable which may kindly be approved.

Meter Rent: Recovery of meter rent has been directed by Hon'ble Commission in 60 months. However, consumers wishing to avoid payment of meter rent are at liberty to purchase the same at their own cost with proper inspection. Further, meter is a measuring instrument through which consumption of energy are being recorded & subsequently billed. It is a part & parcel of the distribution business. Therefore, recovery of meter rent should also be continued even after recovery of cost to replace the same immediately in case of defect or burnt for which the licensee is incurring huge expenses.

KVAH Billing: The licensee is persistently submitting for introduction of KVAH billing as like of other states. Previously, Hon'ble Commission vide para-216 of RST order dt. 22.03.14 has also sought information regarding preparedness of the Utility. For implementation of same. Accordingly, a target was given in 30.09.14 to submit the details. The Utility had also submitted the details during Nov-14 before Hon'ble Commission. The idea of Kvah billing is to make the consumer discipline. If Kvah billing would be introduced then TOD incentive, PF incentive, PF

penalty would no longer required. Therefore, in line with comprehensive submission by the Utility in it's ARR for introduction of KVAH billing may kindly be considered.

Power factor Penalty for HT<110 KVA consumers: The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Assessment U/S-126 of Elect. Act, 2003: The Utility has submitted before Hon'ble Commission to facilitate the levy of penalty for excess use of energy when maximum demand is more than the contract demand in line with the apex court decision in EE, SOUTHCO Vrs. M/s Sitaram Rice Mill case. It is a fact that, consumers who are drawing power more than their CD are liable for penalty for such overdrawal in shape of demand charges. However, for consequential energy on account of such overdrawal are only paying the energy charge in single rate. As like of double the rate of demand charges for such overdrawal, the Utility submits that the consequential energy consumed should also be billed at double the rate of energy charges. The above submission has been made as the licensee is making further assessment consumerwise on piece meal basis which is a separate exercise with limited resources. In view of the above it

is humbly submitted that the submission made by the licensee in its ARR application may kindly be approved.

Other Issues: That the objector has raised some other issues regarding standard of performance, functioning of GRF, Ombudsman, automatic compensation, remunerative scheme in a generalize manner. The issues raised are not relevant for proceedings for ARR application of licensee, hence the same may kindly be rejected.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s. Suraj Products Limited, At-Barpali, Po-Kesramal, Dist-Sundargarh.

Note- This is also available at the licensee's website-www.wescodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s Swain & Sons Power Tech Pvt. Limited, Swati Villa, Surya Vihar, Link Road, Cuttack-753012.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Depreciation cost: Depreciation has been calculated on the opening gross block of the asset on the basis of pre-92 rates. Hence, the amount projected by the Utility amounting to Rs. 38.91 crs. may kindly be approved.

R & M Expenses: R & M expenses @ 5.4 % on opening G.F.A. has been projected in line with Hon'ble Commission's direction. The suggestion given by the objector to allow R & M after deducting depreciation is not acceptable as such repair & maintenance of depreciated asset is always more. Regarding execution of RGGVY & BGGY assets from gross block for calculation of R&M is not correct as R&M of aforesaid assets are being made by the Utility only. Therefore, R&M expenses for FY' 2016-17 as proposed amounting to Rs. 58.58 crs. may please be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be 35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Sales projection-'LT' Category: The sales projection under LT category has been made considering the actual sale of FY' 2014-15 & FY' 2015-16 till Sept' 15. The improvement shown under Domestic category is due to inclusion of consumer under RGGVY & BGGY scheme. Further, Govt. of Odisha has given more thrust towards LI points to improve agriculture sector. So the Utility has projected more consumption in this category. Accordingly, the projection made under LT category is quite justified & may please be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Power factor Incentive: Present level of Power factor Incentive is quite substantial amount for benefit of the Industries. The loss of revenue on account of same may kindly be factored in. the ARR of Utility.

TOD Benefit: The TOD Benefit was 10 paise per unit prior to order dt. 23.03.15 However, Hon'ble Commission has increased the same to 20 paise per unit in the current year. The Utility submits that, TOD benefit may please be extended to 10 paise per unit instead of 20 paise per unit to avoid revenue loss of the licensee. Further, the licensee is in the view that presently the load curve is almost here flat hence there should not be any incentive for TOD consumption.

Power factor Penalty for HT<110 KVA consumers : The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s Swain & Sons Power Tech Pvt. Limited, Swati Villa, Surya Vihar, Link Road, Cuttack-753012.

Note- This is also available at the licensee's website-www.wescoodisha.com

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, Unit-VIII, BHUBANESWAR.**

7

Case No.58 of 2015

In the matter of : WESCO Utility

And

In the matter of : Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Energy Audit: Hon'ble Commission has asked for road map for Energy Audit & action plan thereof. The same has already been submitted with Hon'ble Commission on 13.01.16 while replying queries of the Commission. An abstract of the same is reproduced below.

| Voltage level | Nos. | Metered | Audit activities | Cumulative Projection of audit activity by | | |
|---------------|-------|---------|------------------|--------------------------------------------|----------|---------|
| | | | | March' 16 | Sept' 16 | Dec' 16 |
| 33 KV | 104 | 102 | 40 | 40 | 104 | 104 |
| 11 KV | 604 | 589 | 335 | 400 | 604 | 604 |
| DTRs | 27329 | 55 | Nil | 100 | 400 | 500 |

Functioning of Energy Police Station: As regards to functioning of Energy Police Station it is submitted that filing of FIR & prosecution status are as under.

| | FY' 2011-12 | FY' 2012-13 | FY' 2013-14 | FY' 2014-15 | FY' 2015-16 (Oct-15) |
|-----------------------------------------------|-------------|-------------|-------------|-------------|----------------------|
| FIR lodged | 171 | 151 | 161 | 113 | 80 |
| No. of cases prosecuted or initiated to court | 138 | 91 | 64 | 54 | 16 |

Amount spend on Energy Police Station: Apart from the staff salary which is yet to be reimbursed the following are the expenditure incurred during FY' 2014-15 towards energy police station.

| Sr. No | Division / Unit | Exp. (Rs.) |
|--------------|-----------------|----------------|
| 1 | Sambalpur | 300000 |
| 2 | Rourkela | 252000 |
| 3 | Jharsuguda | 331249 |
| 4 | Sundergarh | 288000 |
| 5 | Deogarh | 111215 |
| 6 | Bargarh | 123154 |
| 7 | Bolangir | 283343 |
| 8 | Sonepur | 334494 |
| 9 | Bhawanipatna | 423500 |
| 10 | Nuapada | 433988 |
| Total | | 2880943 |

Status of Franchisee Operation:

Performance of Franchisee engaged under Wesco Utility are as under:-

| SI No | NAME OF FRANCHISEE | DIVISION | DATE OF COMMENCEMENT | BEFORE FRANCHISEE OPERATION IN CORRESPONDING PERIOD i.e. APR'2014 TO SEPT'2014 (Amt. in Lacs) | AFTER FRANCHISEE OPERATION IN PERIOD i.e. APR'2015 TO SEPT'2015 (Amt. in Lacs) |
|-------|-------------------------------|-----------------|----------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| | JED, JHARSUGUDA | | | | |
| 1 | M/S KAPOOR'S & SON | JHARSUGUDA | 01.07.2015 | 72.15 | 101.78 |
| 2 | SRI GLOBAL ENGINEERING | JHARSUGUDA | 01.08.2015 | 105.24 | 135.58 |
| 3 | M/S GUDIA TRADERS | JHARSUGUDA | 01.09.2015 | 19.91 | 32.49 |
| 4 | M/S SAHOO ENTERPRISES | JHARSUGUDA | 01.09.2015 | 22.99 | 30.99 |
| | SEED, SAMBALPUR EAST | | | | |
| 5 | M/S SAI ARPIT ENTERPRISES | SEED, SAMBALPUR | 01.09.2015 | 35.26 | 47.28 |
| | SED, SAMBALPUR | | | | |
| 6 | M/S PUROHIT ENTERPRISES | SED, SAMBALPUR | 01.01.2015 | 18.64 | 24.66 |
| | BED, BARGARH | | | | |
| 7 | SHREE LAKSHMI SAI ENTERPRISES | BED, BARGARH | 01.06.2015 | 76.1 | 95.74 |

| | | | | | |
|----|---------------------------|----------------|------------|---------------|----------------|
| 8 | M/S KOSHAL SHC | BED, BARGARH | 01.04.2015 | 5.32 | 7.23 |
| | SED, SONEPUR | | | | |
| 9 | SRI DHIRENDRA PADHI | SED, SONEPUR | 01.07.2015 | 32.25 | 51.32 |
| 10 | SRI GANESH SAHU | SED, SONEPUR | 01.07.2015 | 5.25 | 7.72 |
| 11 | SRI SHANKAR SAHU | SED, SONEPUR | 01.08.2015 | 9.81 | 16.09 |
| 12 | SRI MAHESH RANJAN PUROHIT | SED, SONEPUR | 01.08.2015 | 8.28 | 12.47 |
| 13 | SRI JAYANANDA PANGIRAH | SED, SONEPUR | 01.09.2015 | 11.66 | 18.28 |
| 14 | SRI NILAMBARA PADHAN | SED, SONEPUR | 01.09.2015 | 6.44 | 11.18 |
| 15 | SRI MUKESH KU BARIK | SED, SONEPUR | 01.09.2015 | 11.85 | 14.93 |
| 16 | ARTATRANA PUJHARI | SED, SONEPUR | 01.09.2015 | 6.22 | 9.52 |
| | TED, TITLAGARH | | | | |
| 17 | SRI GAMANA RANA | TED, TITLAGARH | 01.08.2015 | 5.77 | 8.89 |
| | KEED, BHPT | | | | |
| 18 | M/S BIMALA ENTERPRISES | KEED, BHPT | 01.04.2015 | 42.20 | 49.68 |
| 19 | M/S SUSANTA PATNAIK | KEED, BHPT | 01.05.2015 | 47.57 | 95.72 |
| | KWED, BHPT | | | | |
| 20 | M/S SEBAKRAM SAHU | KWED, BHPT | 01.04.2015 | 4.92 | 8.27 |
| 21 | M/S MAA LANKESARI TOBACCO | KWED, BHPT | 01.09.2015 | 15.24 | 20.43 |
| 22 | M/S MAA LANKESARI TRADERS | KWED, BHPT | 01.09.2015 | 21.33 | 32.40 |
| 23 | M/S BIMALA ENTERPRISES | KWED, BHPT | 01.09.2015 | 38.54 | 53.34 |
| | NED, NUAPADA | | | | |
| 24 | MAA GAYARI FRANCHISEE | NED, NUAPADA | 01.06.2015 | 29.42 | 54.35 |
| 25 | SRI BIKASH RANJAN THAKUR | NED, NUAPADA | 01.06.2015 | 21.5 | 29.73 |
| 26 | SRI BHAWANI SHANKAR DASH | NED, NUAPADA | 01.09.2015 | 10.28 | 22.45 |
| 27 | SRI RAMAKRISHNA SAHU | NED, NUAPADA | 01.09.2015 | 8.49 | 11.81 |
| 28 | MAA APARNA FRANCHISEE | NED, NUAPADA | 01.09.2015 | 6.69 | 9.63 |
| 29 | M/S SEBAKRAM SAHU | NED, NUAPADA | 01.06.2015 | 25.52 | 34.3 |
| | TOTAL | | | 724.84 | 1048.26 |

Steps taken for conservation of Energy: An application has already been filed with Hon'ble Commission for approval of the DELP(Domestic Efficiency Lighting Programme) scheme through EESL.

Status Report of Capex scheme:

| Sl. No. | Name of the Item | Unit | Progress of CAPEX | | | |
|-----------|--------------------------------------------------|------|-------------------|-----------------------------|------------|------------|
| | | | Total | Work executed during (Nos.) | | |
| | | | | Scope | FY 2013-14 | FY 2014-15 |
| 1 | New Primary Sub-station | Nos. | 2 | 0 | 2 | 0 |
| 2 | Up-gradation of Primary Sub-station | | 0 | | | |
| a | Up-gradation to 8 MVA (Dept.) | Nos. | 17 | 0 | 16 | 1 |
| | Total | | 0 | | | |
| 3 | Breakers | | 0 | | | |
| a | 33 KV | Nos. | 11 | 0 | 8 | 1 |
| b | 11 KV | Nos. | 349 | 0 | 115 | 179 |
| | Comissioning charges | | 360 | 0 | 123 | 180 |
| | Total | | | | | |
| 4 | Distribution transformer | Nos. | 0 | | | |
| a | New Distribution S/S | | 487 | 0 | 77 | 151 |
| b | Up-gradation of Distribution Sub-station (Dept.) | | 437 | 155 | 94 | 188 |
| 5 | Re-conductoring of OH line | | 0 | | | |
| a | 34 KV | KM | 149 | | | |
| b | 11 KV (100 mm2) | KM | 35 | 0 | 8 | 0 |
| 6 | New OH line | | 0 | | | |
| a | 33 KV | | 0 | | | |
| b | 11 KV (100 mm2) | KM | 26 | 0 | 0 | 0 |
| 7 | Energy Accounting | | 0 | | | |
| a | Consumer metering | | 0 | | | |
| i | 1 PH | Nos. | 125632 | 0 | 12750 | 34900 |
| ii | 3 PH | Nos. | 7800 | 0 | 1475 | 1720 |
| | Total | | 0 | | | |
| b | System metering | | 0 | | | |
| i | DTR (LTCT) metering | Nos. | 3760 | 0 | 0 | 0 |
| ii | MU | Nos. | 64 | 0 | 0 | 25 |
| | Total | | 0 | | | 25 |
| 8 | AB cable & HVDS | | 0 | | | |
| A | AB cable | KM | 0 | | | |
| | Total | | 1243 | | | 63 |
| B | HVDS | Nos. | 0 | | | |
| | Total | | 144 | | | |
| 9 | IT Implementaion | Lot | 0 | 0 | 0 | 0 |
| 10 | Special R&M of S/S | Lot | 0 | 0 | 0 | 0 |

| | | | | | | |
|----|-----------------------------------------------------------------------------------|-----|---|---|---|---|
| 11 | System Quality, Reliability and Safety | | | | | |
| 12 | Others (LTDB, AB cable accessories, control cable, PT, 33 KV MU, HTTV meter etc.) | Lot | 0 | 0 | 0 | 0 |
| | WESCO TOTAL | | | | | |

Govt. Outstanding dues: The Govt. Outstanding as on Oct-15 are as follows.

| | |
|----------------------|----------------------|
| | <u>(Rs. in Crs.)</u> |
| Govt. Departments - | 21.15 |
| PSUs - | 25.34 |
| NAC & Municipality - | <u>37.88</u> |
| Total | 84.37 |
| | ===== |

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour, Plot No.302(B), Beherasahi, Nayapalli, Bhubaneswar-751012.

Note- This is also available at the licensee's website-www.wescodisha.com

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, Unit-VIII, BHUBANESWAR.

8

Case No.58 of 2015

In the matter of : WESCO Utility

And

In the matter of : Sri Prashanta Kumar Das, S/o. Late Birendra Kumar Das, 204,
Sunamani Apartment, Tala Telenga Bazar, Cuttack-753009.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Power cut & low voltage supplies: The submission made by the objector pertaining to area of some other licensee (NESCO) hence no need to be replied.

Faulty Billing system: The objection raised towards serving correct bill to the consumers is not acceptable. The Utility is duty bound to raise the bill as per prescribed regulation & collect the revenue accordingly.

Arbitrary Replacement & Testing of meters: Doubt regarding procedure of meter shifting, testing, installation & revision of bills as contended by the objector has no bearing & without any specific reference. Hence, the submission may not be accepted.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : Sri Prashanta Kumar Das, S/o. Late Birendra Kumar Das, 204, Sunamani
Apartment, Tala Telenga Bazar, Cuttack-753009.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Maa Girija Ispat (P) Ltd., Regd. Off-BB-2, Ground Floor, Civil Township, Rourkela-4, Dist-Sundargarh.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Depreciation cost: Depreciation has been calculated on the opening gross block of the asset on the basis of pre-92 rates. Hence, the amount projected by the Utility amounting to Rs. 38.91 crs. may kindly be approved.

R & M Expenses: R & M expenses @ 5.4 % on opening G.F.A. has been projected in line with Hon'ble Commission's direction. The suggestion given by the objector to allow R & M after deducting depreciation is not acceptable as such repair & maintenance of depreciated asset is always more. Regarding execution of RGGVY & BGGY assets from gross block for calculation of R&M is not correct as R&M of aforesaid assets are being made by the Utility only. Therefore, R&M expenses for FY' 2016-17 as proposed amounting to Rs. 58.58 crs. may please be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be 35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Sales projection-'LT' Category: The sales projection under LT category has been made considering the actual sale of FY' 2014-15 & FY' 2015-16 till Sept' 15. The improvement shown under Domestic category is due to inclusion of consumer under RGGVY & BGGY scheme. Further, Govt. of Odisha has given more thrust towards LI points to improve agriculture sector. So the Utility has projected more consumption in this category. Accordingly, the projection made under LT category is quite justified & may please be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Power factor Incentive: Present level of Power factor Incentive is quite substantial amount for benefit of the Industries. The loss of revenue on account of same may kindly be factored in. the ARR of Utility.

TOD Benefit: The TOD Benefit was 10 paise per unit prior to order dt. 23.03.15 However, Hon'ble Commission has increased the same to 20 paise per unit in the current year. The Utility submits that, TOD benefit may please be extended to 10 paise per unit instead of 20 paise per unit to avoid revenue loss of the licensee. Further, the licensee is in the view that presently the load curve is almost here flat hence there should not be any incentive for TOD consumption.

Power factor Penalty for HT<110 KVA consumers : The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

c.c. : M/s. Maa Girija Ispat (P) Ltd., Regd. Off-BB-2, Ground Floor, Civil Township, Rourkela-4, Dist-Sundargarh.

Note- This is also available at the licensee's website-www.wescodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Jagannath Alloys (P) Limited, Regd. Office-Basanti Colony,
Uditnagar, Rourkela.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Depreciation cost: Depreciation has been calculated on the opening gross block of the asset on the basis of pre-92 rates. Hence, the amount projected by the Utility amounting to Rs. 38.91 crs. may kindly be approved.

R & M Expenses: R & M expenses @ 5.4 % on opening G.F.A. has been projected in line with Hon'ble Commission's direction. The suggestion given by the objector to allow R & M after deducting depreciation is not acceptable as such repair & maintenance of depreciated asset is always more. Regarding execution of RGGVY & BGGY assets from gross block for calculation of R&M is not correct as R&M of aforesaid assets are being made by the Utility only. Therefore, R&M expenses for FY' 2016-17 as proposed amounting to Rs. 58.58 crs. may please be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be 35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Sales projection-'LT' Category: The sales projection under LT category has been made considering the actual sale of FY' 2014-15 & FY' 2015-16 till Sept' 15. The improvement shown under Domestic category is due to inclusion of consumer under RGGVY & BGGY scheme. Further, Govt. of Odisha has given more thrust towards LI points to improve agriculture sector. So the Utility has projected more consumption in this category. Accordingly, the projection made under LT category is quite justified & may please be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Power factor Incentive: Present level of Power factor Incentive is quite substantial amount for benefit of the Industries. The loss of revenue on account of same may kindly be factored in. the ARR of Utility.

TOD Benefit: The TOD Benefit was 10 paise per unit prior to order dt. 23.03.15 However, Hon'ble Commission has increased the same to 20 paise per unit in the current year. The Utility submits that, TOD benefit may please be extended to 10 paise per unit instead of 20 paise per unit to avoid revenue loss of the licensee. Further, the licensee is in the view that presently the load curve is almost here flat hence there should not be any incentive for TOD consumption.

Power factor Penalty for HT<110 KVA consumers : The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s. Jagannath Alloys (P) Limited, Regd. Office-Basanti Colony, Uditnagar,
Rourkela.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Shri Radha Krishna Ispat (P) Ltd. Regd. Office-Plot No. 19 P
Goi Bhanga, Kalunga, Dist-Sundargarh-770031.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Depreciation cost: Depreciation has been calculated on the opening gross block of the asset on the basis of pre-92 rates. Hence, the amount projected by the Utility amounting to Rs. 38.91 crs. may kindly be approved.

R & M Expenses: R & M expenses @ 5.4 % on opening G.F.A. has been projected in line with Hon'ble Commission's direction. The suggestion given by the objector to allow R & M after deducting depreciation is not acceptable as such repair & maintenance of depreciated asset is always more. Regarding execution of RGGVY & BGGY assets from gross block for calculation of R&M is not correct as R&M of aforesaid assets are being made by the Utility only. Therefore, R&M expenses for FY' 2016-17 as proposed amounting to Rs. 58.58 crs. may please be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be 35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Sales projection-'LT' Category: The sales projection under LT category has been made considering the actual sale of FY' 2014-15 & FY' 2015-16 till Sept' 15. The improvement shown under Domestic category is due to inclusion of consumer under RGGVY & BGGY scheme. Further, Govt. of Odisha has given more thrust towards LI points to improve agriculture sector. So the Utility has projected more consumption in this category. Accordingly, the projection made under LT category is quite justified & may please be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Power factor Incentive: Present level of Power factor Incentive is quite substantial amount for benefit of the Industries. The loss of revenue on account of same may kindly be factored in. the ARR of Utility.

TOD Benefit: The TOD Benefit was 10 paise per unit prior to order dt. 23.03.15 However, Hon'ble Commission has increased the same to 20 paise per unit in the current year. The Utility submits that, TOD benefit may please be extended to 10 paise per unit instead of 20 paise per unit to avoid revenue loss of the licensee. Further, the licensee is in the view that presently the load curve is almost here flat hence there should not be any incentive for TOD consumption.

Power factor Penalty for HT<110 KVA consumers : The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s. Shri Radha Krishna Ispat (P) Ltd. Regd. Office-Plot No. 19 P Goi Bhanga,
Kalunga, Dist-Sundargarh-770031.

Note- This is also available at the licensee's website-www.wescodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Shree Radharaman Alloys (P) Ltd., Regd. Office-P4/20, Civil Township, Rourkela, Dist-Sundargarh-769004.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Depreciation cost: Depreciation has been calculated on the opening gross block of the asset on the basis of pre-92 rates. Hence, the amount projected by the Utility amounting to Rs. 38.91 crs. may kindly be approved.

R & M Expenses: R & M expenses @ 5.4 % on opening G.F.A. has been projected in line with Hon'ble Commission's direction. The suggestion given by the objector to allow R & M after deducting depreciation is not acceptable as such repair & maintenance of depreciated asset is always more. Regarding execution of RGGVY & BGGY assets from gross block for calculation of R&M is not correct as R&M of aforesaid assets are being made by the Utility only. Therefore, R&M expenses for FY' 2016-17 as proposed amounting to Rs. 58.58 crs. may please be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be 35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Sales projection-'LT' Category: The sales projection under LT category has been made considering the actual sale of FY' 2014-15 & FY' 2015-16 till Sept' 15. The improvement shown under Domestic category is due to inclusion of consumer under RGGVY & BGGY scheme. Further, Govt. of Odisha has given more thrust towards LI points to improve agriculture sector. So the Utility has projected more consumption in this category. Accordingly, the projection made under LT category is quite justified & may please be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Power factor Incentive: Present level of Power factor Incentive is quite substantial amount for benefit of the Industries. The loss of revenue on account of same may kindly be factored in. the ARR of Utility.

TOD Benefit: The TOD Benefit was 10 paise per unit prior to order dt. 23.03.15 However, Hon'ble Commission has increased the same to 20 paise per unit in the current year. The Utility submits that, TOD benefit may please be extended to 10 paise per unit instead of 20 paise per unit to avoid revenue loss of the licensee. Further, the licensee is in the view that presently the load curve is almost here flat hence there should not be any incentive for TOD consumption.

Power factor Penalty for HT<110 KVA consumers : The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s. Shree Radharaman Alloys (P) Ltd., Regd. Office-P4/20, Civil Township, Rourkela, Dist-Sundargarh-769004.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s Top Tech Steels (P) Ltd., Regd. Office-Hati Bari Road,
Kuamunda, Vedvyas, Rourkela-770039.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Depreciation cost: Depreciation has been calculated on the opening gross block of the asset on the basis of pre-92 rates. Hence, the amount projected by the Utility amounting to Rs. 38.91 crs. may kindly be approved.

R & M Expenses: R & M expenses @ 5.4 % on opening G.F.A. has been projected in line with Hon'ble Commission's direction. The suggestion given by the objector to allow R & M after deducting depreciation is not acceptable as such repair & maintenance of depreciated asset is always more. Regarding execution of RGGVY & BGGY assets from gross block for calculation of R&M is not correct as R&M of aforesaid assets are being made by the Utility only. Therefore, R&M expenses for FY' 2016-17 as proposed amounting to Rs. 58.58 crs. may please be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be 35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Sales projection-'LT' Category: The sales projection under LT category has been made considering the actual sale of FY' 2014-15 & FY' 2015-16 till Sept' 15. The improvement shown under Domestic category is due to inclusion of consumer under RGGVY & BGGY scheme. Further, Govt. of Odisha has given more thrust towards LI points to improve agriculture sector. So the Utility has projected more consumption in this category. Accordingly, the projection made under LT category is quite justified & may please be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Power factor Incentive: Present level of Power factor Incentive is quite substantial amount for benefit of the Industries. The loss of revenue on account of same may kindly be factored in. the ARR of Utility.

TOD Benefit: The TOD Benefit was 10 paise per unit prior to order dt. 23.03.15 However, Hon'ble Commission has increased the same to 20 paise per unit in the current year. The Utility submits that, TOD benefit may please be extended to 10 paise per unit instead of 20 paise per unit to avoid revenue loss of the licensee. Further, the licensee is in the view that presently the load curve is almost here flat hence there should not be any incentive for TOD consumption.

Power factor Penalty for HT<110 KVA consumers : The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s Top Tech Steels (P) Ltd., Regd. Office-Hati Bari Road, Kuamunda,
Vedvyas, Rourkela-770039.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Vishal Ferro Alloys Limited, Regd. Office-Balanda, Po-Kalunga, Dist-Sundargarh-770031.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Depreciation cost: Depreciation has been calculated on the opening gross block of the asset on the basis of pre-92 rates. Hence, the amount projected by the Utility amounting to Rs. 38.91 crs. may kindly be approved.

R & M Expenses: R & M expenses @ 5.4 % on opening G.F.A. has been projected in line with Hon'ble Commission's direction. The suggestion given by the objector to allow R & M after deducting depreciation is not acceptable as such repair & maintenance of depreciated asset is always more. Regarding execution of RGGVY & BGGY assets from gross block for calculation of R&M is not correct as R&M of aforesaid assets are being made by the Utility only. Therefore, R&M expenses for FY' 2016-17 as proposed amounting to Rs. 58.58 crs. may please be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be 35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Sales projection-'LT' Category: The sales projection under LT category has been made considering the actual sale of FY' 2014-15 & FY' 2015-16 till Sept' 15. The improvement shown under Domestic category is due to inclusion of consumer under RGGVY & BGGY scheme. Further, Govt. of Odisha has given more thrust towards LI points to improve agriculture sector. So the Utility has projected more consumption in this category. Accordingly, the projection made under LT category is quite justified & may please be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Power factor Incentive: *Present level of* Power factor Incentive is quite substantial amount for benefit of the Industries. The loss of revenue on account of same may kindly be factored in. the ARR of Utility.

TOD Benefit: The TOD Benefit was 10 paise per unit prior to order dt. 23.03.15 However, Hon'ble Commission has increased the same to 20 paise per unit in the current year. The Utility submits that, TOD benefit may please be extended to 10 paise per unit instead of 20 paise per unit to avoid revenue loss of the licensee. Further, the licensee is in the view that presently the load curve is almost here flat hence there should not be any incentive for TOD consumption.

Power factor Penalty for HT<110 KVA consumers : The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s. Vishal Ferro Alloys Limited, Regd. Office-Balanda, Po-Kalunga, Dist-Sundargarh-770031.

Note- This is also available at the licensee's website-www.wescodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Shree Salasar Castings Pvt. Ltd., Regd. Office-Balanda, Po-Kalunga, Dist-Sundargarh-770031.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Depreciation cost: Depreciation has been calculated on the opening gross block of the asset on the basis of pre-92 rates. Hence, the amount projected by the Utility amounting to Rs. 38.91 crs. may kindly be approved.

R & M Expenses: R & M expenses @ 5.4 % on opening G.F.A. has been projected in line with Hon'ble Commission's direction. The suggestion given by the objector to allow R & M after deducting depreciation is not acceptable as such repair & maintenance of depreciated asset is always more. Regarding execution of RGGVY & BGGY assets from gross block for calculation of R&M is not correct as R&M of aforesaid assets are being made by the Utility only. Therefore, R&M expenses for FY' 2016-17 as proposed amounting to Rs. 58.58 crs. may please be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be 35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Sales projection-'LT' Category: The sales projection under LT category has been made considering the actual sale of FY' 2014-15 & FY' 2015-16 till Sept' 15. The improvement shown under Domestic category is due to inclusion of consumer under RGGVY & BGGY scheme. Further, Govt. of Odisha has given more thrust towards LI points to improve agriculture sector. So the Utility has projected more consumption in this category. Accordingly, the projection made under LT category is quite justified & may please be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Power factor Incentive: Present level of Power factor Incentive is quite substantial amount for benefit of the Industries. The loss of revenue on account of same may kindly be factored in. the ARR of Utility.

TOD Benefit: The TOD Benefit was 10 paise per unit prior to order dt. 23.03.15 However, Hon'ble Commission has increased the same to 20 paise per unit in the current year. The Utility submits that, TOD benefit may please be extended to 10 paise per unit instead of 20 paise per unit to avoid revenue loss of the licensee. Further, the licensee is in the view that presently the load curve is almost here flat hence there should not be any incentive for TOD consumption.

Power factor Penalty for HT<110 KVA consumers : The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s. Shree Salasar Castings Pvt. Ltd., Regd. Office-Balanda, Po-Kalunga, Dist-Sundargarh-770031.

Note- This is also available at the licensee's website-www.wescodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Refulgent Ispat Pvt. Ltd., Regd. Office-Chikatmati, Po-Beldihi, Kalunga, Dist-Sundargarh-770031.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Depreciation cost: Depreciation has been calculated on the opening gross block of the asset on the basis of pre-92 rates. Hence, the amount projected by the Utility amounting to Rs. 38.91 crs. may kindly be approved.

R & M Expenses: R & M expenses @ 5.4 % on opening G.F.A. has been projected in line with Hon'ble Commission's direction. The suggestion given by the objector to allow R & M after deducting depreciation is not acceptable as such repair & maintenance of depreciated asset is always more. Regarding execution of RGGVY & BGGY assets from gross block for calculation of R&M is not correct as R&M of aforesaid assets are being made by the Utility only. Therefore, R&M expenses for FY' 2016-17 as proposed amounting to Rs. 58.58 crs. may please be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be 35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Sales projection-'LT' Category: The sales projection under LT category has been made considering the actual sale of FY' 2014-15 & FY' 2015-16 till Sept' 15. The improvement shown under Domestic category is due to inclusion of consumer under RGGVY & BGGY scheme. Further, Govt. of Odisha has given more thrust towards LI points to improve agriculture sector. So the Utility has projected more consumption in this category. Accordingly, the projection made under LT category is quite justified & may please be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Power factor Incentive: *Present level of* Power factor Incentive is quite substantial amount for benefit of the Industries. The loss of revenue on account of same may kindly be factored in. the ARR of Utility.

TOD Benefit: The TOD Benefit was 10 paise per unit prior to order dt. 23.03.15 However, Hon'ble Commission has increased the same to 20 paise per unit in the current year. The Utility submits that, TOD benefit may please be extended to 10 paise per unit instead of 20 paise per unit to avoid revenue loss of the licensee. Further, the licensee is in the view that presently the load curve is almost here flat hence there should not be any incentive for TOD consumption.

Power factor Penalty for HT<110 KVA consumers : The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s. Refulgent Ispat Pvt. Ltd., Regd. Office-Chikatmati, Po-Beldihi, Kalunga,
Dist-Sundargarh-770031.

Note- This is also available at the licensee's website-www.wescodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s Bajrang Steel & Alloy Ltd., P-31, Goibhanga Kalunga, Dist-
Sundargarh-770031.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Depreciation cost: Depreciation has been calculated on the opening gross block of the asset on the basis of pre-92 rates. Hence, the amount projected by the Utility amounting to Rs. 38.91 crs. may kindly be approved.

R & M Expenses: R & M expenses @ 5.4 % on opening G.F.A. has been projected in line with Hon'ble Commission's direction. The suggestion given by the objector to allow R & M after deducting depreciation is not acceptable as such repair & maintenance of depreciated asset is always more. Regarding execution of RGGVY & BGGY assets from gross block for calculation of R&M is not correct as R&M of aforesaid assets are being made by the Utility only. Therefore, R&M expenses for FY' 2016-17 as proposed amounting to Rs. 58.58 crs. may please be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be 35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Sales projection-'LT' Category: The sales projection under LT category has been made considering the actual sale of FY' 2014-15 & FY' 2015-16 till Sept' 15. The improvement shown under Domestic category is due to inclusion of consumer under RGGVY & BGGY scheme. Further, Govt. of Odisha has given more thrust towards LI points to improve agriculture sector. So the Utility has projected more consumption in this category. Accordingly, the projection made under LT category is quite justified & may please be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Power factor Incentive: Present level of Power factor Incentive is quite substantial amount for benefit of the Industries. The loss of revenue on account of same may kindly be factored in. the ARR of Utility.

TOD Benefit: The TOD Benefit was 10 paise per unit prior to order dt. 23.03.15 However, Hon'ble Commission has increased the same to 20 paise per unit in the current year. The Utility submits that, TOD benefit may please be extended to 10 paise per unit instead of 20 paise per unit to avoid revenue loss of the licensee. Further, the licensee is in the view that presently the load curve is almost here flat hence there should not be any incentive for TOD consumption.

Power factor Penalty for HT<110 KVA consumers : The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s Bajrang Steel & Alloy Ltd., P-31, Goibhanga Kalunga, Dist-Sundargarh-770031.

Note- This is also available at the licensee's website-www.wescodisha.com

In the matter of : WESCO Utility

And

In the matter of : Sri Prabhakar Dora, Advocate, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Data Source: It is pre-thought idea of the Objector that the data submitted by the Utilities are purely fabricated and has no meaning, accordingly Hon'ble Commission should not rely upon the same. In view of the same is submitted that the ARR of the licensee for FY' 2016-17 has been filed considering actual un-audited data of FY' 2014-15 & actual till Sept' 15, subsequently updated till Dec'15. Hon'ble Commission has already reviewed the performance of the Utility till FY' 2014-15. The Utility is making projection for FY' 2016-17 based on the actual data till Sept'15. so, the verification of projection are needs to be done by the Hon'ble Commission on the basis of earlier verified data duly submitted. Hence, the contention of the objector regarding faulty & fabricated submission of ARR is not acceptable.

Distribution Loss: The actual distribution loss for FY' 2014-15 was 35.46% with all hurdles & difficulties of distribution business the Utility planned to achieve the level of 33.19% during the current financial year. However, the Utility has projected the T&D loss for FY' 2016-17 as 30.79% which may kindly be approved. The comprehensive reason of such projection has already been given in ARR application of the Utility.

Energy Audit: Hon'ble Commission has asked for road map for Energy Audit & action plan thereof. The same has already been submitted with Hon'ble Commission on 13.01.16. An abstract of the same is reproduced below.

Energy Audit:

| Voltage level | Nos. | Metered | Audit activities | Cumulative Projection of audit activity by | | |
|---------------|-------|---------|------------------|--------------------------------------------|----------|---------|
| | | | | March' 16 | Sept' 16 | Dec' 16 |
| 33 KV | 104 | 102 | 40 | 40 | 104 | 104 |
| 11 KV | 604 | 589 | 335 | 400 | 604 | 604 |
| DTRs | 27329 | 55 | Nil | 100 | 400 | 500 |

Status Report of Capex scheme:

| Sl. No. | Name of the Item | Unit | Progress of CAPEX | | | |
|----------|--------------------------------------------------|------|-------------------|-----------------------------|------------|------------|
| | | | Total | Work executed during (Nos.) | | |
| | | | | Scope | FY 2013-14 | FY 2014-15 |
| 1 | New Primary Sub-station | Nos. | 2 | 0 | 2 | 0 |
| 2 | Up-gradation of Primary Sub-station | | 0 | | | |
| a | Up-gradation to 8 MVA (Dept.) | Nos. | 17 | 0 | 16 | 1 |
| | Total | | 0 | | | |
| 3 | Breakers | | 0 | | | |
| a | 33 KV | Nos. | 11 | 0 | 8 | 1 |
| b | 11 KV | Nos. | 349 | 0 | 115 | 179 |
| | Comissioning charges | | 360 | 0 | 123 | 180 |
| | Total | | | | | |
| 4 | Distribution transformer | Nos. | 0 | | | |
| a | New Distribution S/S | | 487 | 0 | 77 | 151 |
| b | Up-gradation of Distribution Sub-station (Dept.) | | 437 | 155 | 94 | 188 |
| 5 | Re-conductoring of OH line | | 0 | | | |
| a | 34 KV | KM | 149 | | | |
| b | 11 KV (100 mm ²) | KM | 35 | 0 | 8 | 0 |
| 6 | New OH line | | 0 | | | |
| a | 33 KV | | 0 | | | |
| b | 11 KV (100 mm ²) | KM | 26 | 0 | 0 | 0 |
| 7 | Energy Accounting | | 0 | | | |
| a | Consumer metering | | 0 | | | |
| i | 1 PH | Nos. | 125632 | 0 | 12750 | 34900 |
| ii | 3 PH | Nos. | 7800 | 0 | 1475 | 1720 |
| | Total | | 0 | | | |
| b | System metering | | 0 | | | |
| i | DTR (LTCT) metering | Nos. | 3760 | 0 | 0 | 0 |
| ii | MU | Nos. | 64 | 0 | 0 | 25 |

| | | | | | | |
|-----------|------------------------------------------------------------------------------------------|------|------|---|---|----|
| | Total | | 0 | | | 25 |
| 8 | AB cable & HVDS | | 0 | | | |
| A | AB cable | KM | 0 | | | |
| | Total | | 1243 | | | 63 |
| B | HVDS | Nos. | 0 | | | |
| | Total | | 144 | | | |
| 9 | IT Implementaion | Lot | 0 | 0 | 0 | 0 |
| 10 | Special R&M of S/S | Lot | 0 | 0 | 0 | 0 |
| 11 | System Quality, Reliability and Safety | | | | | |
| 12 | Others (LTDB,AB cable assessories, control cable, PT, 33 KV MU, HTTPV meter etc.) | Lot | 0 | 0 | 0 | 0 |
| | WESCO TOTAL | | | | | |

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

c.c. : Sri Prabhakar Dora, Advocate, Vidya Nagar, 3rd Line, Co-Operative Colony, Rayagada, Dist. Rayagada-765001.

Note- This is also available at the licensee's website-www.wescodisha.com

In the matter of : WESCO Utility

And

In the matter of : Dr. Surendra Kumar Pal, Director Hope for India, Plot No. 153,
Near Revenue Colony, Po-Box No-2, Dist-Nuapada-766105.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Low tariff for low voltage consumers: Presently low voltage consumers are enjoying low tariff except General purpose category as compared to HT & EHT category. The average tariff of LT category including GP is Rs. 3.91/kwh where as the average tariff for HT & EHT are Rs. 5.76/kwh & Rs. 5.60/kwh respectively. So, suggestion of the objector is not acceptable.

Frequent power cut without prior intimation: As far as WESCO is concerned, there is no such power cut at present. Whenever load shedding is being done for preventive maintenance, day ahead public announcement is being made for awareness of the public.

Departmental/Internal Audit: Apart from the Departmental/Internal Audit, Statutory Audit is also being done through third party. Further, other special audit are also being made like Escrow Audit, Receivable Audit, standard of performance audit, physical stock verification audit etc. through third party. So the apprehension of the objector regarding absence of third party audit other than internal audit is not correct.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : Dr. Surendra Kumar Pal, Director Hope for India, Plot No. 153, Near Revenue Colony, Po-Box No-2, Dist-Nuapada-766105.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : Banshidhar Acharya, President, Upavokta Surakshya Avijan, L-41,
Housing Board Colony, Baramunda, Bhubaneswar.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Low tariff for low voltage consumers: Presently low voltage consumers are enjoying low tariff except General purpose category as compared to HT & EHT category. The average tariff of LT category including GP is Rs. 3.91/kwh where as the average tariff for HT & EHT are Rs. 5.76/kwh & Rs. 5.60/kwh respectively. So, suggestion of the objector is not acceptable.

Frequent power cut without prior intimation: As far as WESCO is concerned, there is no such power cut at present. Whenever load shedding is being done for preventive maintenance, day ahead public announcement is being made for awareness of the public.

Departmental/Internal Audit: Apart from the Departmental/Internal Audit, Statutory Audit is also being done through third party. Further, other special audit are also being made like Escrow Audit, Receivable Audit, standard of performance audit, physical stock verification audit etc. through third party. So the apprehension of the objector regarding absence of third party audit other than internal audit is not correct.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : Banshidhar Acharya, President, Upavokta Surakshya Avijan, L-41, Housing
Board Colony, Baramunda, Bhubaneswar.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Sita Cement Limited, At/Po-Rajgangpur, Dist-Sundargarh.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

AT& C Loss: Reason of achievement of projected AT& C loss has been depicted in the ARR application of the Utility in comprehensive manner. The actual AT & C loss for the year ended FY' 2014-15 was 38.45%. During the current year the licensee estimated a reduction of 2.60% over previous year. With projected collection efficiency of 98% and estimated T&D loss of 30.79% in the ensuing year the Utility has proposed to reduce the AT&C loss by another 3.70%. Accordingly, the AT& C loss projected as 32.17% for the ensuing year is genuine and achievable which may kindly be approved.

Meter Rent: Recovery of meter rent has been directed by Hon'ble Commission in 60 months. However, consumers wishing to avoid payment of meter rent are at liberty to purchase the same at their own cost with proper inspection. Further, meter is a measuring instrument through which consumption of energy are being recorded & subsequently billed. It is a part & parcel of the distribution business. Therefore, recovery of meter rent should also be continued even after recovery of cost to replace the same immediately in case of defect or burnt for which the licensee is incurring huge expenses.

KVAH Billing: The licensee is persistently submitting for introduction of KVAH billing as like of other states. Previously, Hon'ble Commission vide para-216 of RST order dt. 22.03.14 has also sought information regarding preparedness of the Utility. For implementation of same. Accordingly, a target was given in 30.09.14 to submit the details. The Utility had also submitted the details during Nov-14 before Hon'ble Commission. The idea of Kvah billing is to make the consumer discipline. If Kvah billing would be introduced then TOD incentive, PF incentive, PF

penalty would no longer required. Therefore, in line with comprehensive submission by the Utility in it's ARR for introduction of KVAH billing may kindly be considered.

Power factor Penalty for HT<110 KVA consumers: The objector has supported the submission made by the licensee for imposition of Power factor penalty & incentive thereof till kvah billing is being adopted in the following category of consumers.

LT category:

- LT industrial medium supply
- Public water works & sewerage pumping >22 KVA

HT category:

- Specified public purpose
- General purpose <110 KVA
- HT industrial (M) Supply

The above may kindly be approved.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Assessment U/S-126 of Elect. Act, 2003: The Utility has submitted before Hon'ble Commission to facilitate the levy of penalty for excess use of energy when maximum demand is more than the contract demand in line with the apex court decision in EE, SOUTHCO Vrs. M/s Sitaram Rice Mill case. It is a fact that, consumers who are drawing power more than their CD are liable for penalty for such overdrawal in shape of demand charges. However, for consequential energy on account of such overdrawal are only paying the energy charge in single rate. As like of double the rate of demand charges for such overdrawal, the Utility submits that the consequential energy consumed should also be billed at double the rate of energy charges. The above submission has been made as the licensee is making further assessment consumerwise on piece meal basis which is a separate exercise with limited resources. In view of the above it

is humbly submitted that the submission made by the licensee in its ARR application may kindly be approved.

Other Issues: That the objector has raised some other issues regarding standard of performance, functioning of GRF, Ombudsman, automatic compensation, remunerative scheme in a generalize manner. The issues raised are not relevant for proceedings for ARR application of licensee, hence the same may kindly be rejected.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s. Sita Cement Limited, At/Po-Rajgangpur, Dist-Sundargarh.

Note- This is also available at the licensee's website-www.wescodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Scan Steel Limited, Regd. Office No-104, 105, E-Square,
Subhas Road, Opp.Havmore Ice cream, Vile Parle (East), Mumbai-
400057.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Increase of average tariff of HT & EHT industries:

The comparison statement for increase of RST in last 7 years has been depicted for HT & EHT industries and consequential reduction in reliability surcharge has been explained by the objectors. From the analysis it has been concluded by the objector that, RST has been increased by 80% during FY' 2015-16 as compared to FY' 09-10. It is relevant to analyse the increase in power purchase cost apart from other increase in employee, R&M, A&G, depreciation etc. of licensee.

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|
| BST | 1.54 | 1.94 | 2.62 | 3.00 | 2.94 | 2.86 | 3.10 |
| Transmission | 0.20 | 0.2350 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| Total | 1.74 | 2.1750 | 2.87 | 3.25 | 3.19 | 3.11 | 3.35 |

From the above table it is quite clear that, the increase in BST cost of the Utility during the same period is 93%. So, increase of BST as compared to RST is more by 13% apart from other operation & maintenance expenses. In such a situation how the distribution Utility will sustain.

Reduction of Cross Subsidy: It has been suggested that Cross Subsidy may be reduced @ 5% p.a. & incase of EHT category of consumers cost to same may be taken instead of average cost of supply. The suggestion made by the objector seems to be one sided. If 5% reduction in CSS would be made at the same time there should be hike in tariff for the cross subsidized category

of consumers. That means, the intention of objector to reduce tariff for industries & increase the tariff of Kutirjyoti, domestic & irrigation category of consumers. Further, consideration of cost to serve the EHT category of consumers method of average cost of supply is also a clear suggestion for increase of LT tariff.

Distribution Loss: Projection for reduction in distribution loss has been clearly supported with reason enumerated in the ARR application of the Utility. While replying to queries of Hon'ble Commission comprehensive details has been submitted towards progress & outcome of energy audit, which may kindly be considered.

Regarding suggestion for approval of power purchase on the basis of bottom up approach it was also the submission of the licensee. While approving tuning up of the Utility based on normative loss level power purchase cost may be dis-approved instead of approval of higher normative sale which is not correct.

Reliability Surcharge: Suggestion for relinquishment of levy of surcharge is not correct as the same is being levied only when conditions prescribed are achieved. Therefore, to have extra comfort with marginal charges is also advantages to industrial consumers who can plan their production accordingly to yield high result.

Incentive for higher Power factor: PF incentive which was withdrawn previously has been reintroduced for benefit of the consumers. The present level of incentive is quite high to have impact on cost of production of the industrial units. So, any future benefit would definitely be helpful to the industries but at the same time will affect the revenue of the Utility. Hence, the suggestion may not be acceptable by the Hon'ble Commission.

Rebate for consumption in off-peak Hours: TOD benefit earlier to current financial year was 10 paise per unit. Hon'ble Commission in RST order dt. 23.03.15 has increased the same to 20 paise per unit. So, the hike of 20 paise in RST is being nullified through increase in TOD benefit, reduction in reliability surcharge, re-introduction of PF incentive etc. At the same time increase

of BST by 24 paise/kwh creates additional burden to the Utility amounting Rs. 15 crs. per month. With such disparity, financial condition of the Utility became more negative instead of matching towards recovery of approval cost. Therefore, suggestion for enhancement of TOD benefit 30 paise/kwh will definitely create additional liability for non payment of BST bills of the Utility.

Levy of Penalty on actual energy consumption in addition to penalty for overdrawl:

Observatio made by the Hon'ble Commission vide para 324 of RST order against submission of Utility's regarding seasonal overdrawal by HT/EHT industries which is in turn affecting UI bills of the Utility. However, the present submission of the Utility is quite different which is in line with Hon'ble apex court decision vide civil appeal No. 8859 of 2011 (EE, SOUTHCO vrs. Sri Sitaram Rice Mill) and subsequently refered by Hon'ble High Court of Odisha in appeal no. WP(C) No-972 of 2012 (EE, SOUTHCO vrs. Appellate Authority-cum-Dy. Electical Inspector (T&D), Balasore). Therefore, it is again humbly submitted before Hon'ble Commission to approve the same as submitted by the Utility in it's ARR.

KVAH Billing: The licensee is persistently submitting for introduction of KVAH billing as like of other states. Previously, Hon'ble Commission vide para-216 of RST order dt. 22.03.14 has also sought information regarding preparedness of the Utility. For implementation of same. Accordingly, a target was given in 30.09.14 to submit the details. The Utility had also submitted the details during Nov-14 before Hon'ble Commission. The idea of Kvah billing is to make the consumer discipline. If Kvah billing would be introduced then TOD incentive, PF incentive, PF penalty would no longer required. Therefore, in line with comprehensive submission by the Utility in it's ARR for introduction of KVAH billing may kindly be considered.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla

Authorised Officer

Dated

C.C. : M/s. Scan Steel Limited, Regd. Office No-104, 105, E-Square, Subhas Road, Opp.Havmore Ice cream, Vile Parle (East), Mumbai-400057.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : The Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village, Nayapalli, Bhubaneswar-751015.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Distribution Loss: The actual distribution loss for FY' 2014-15 was 35.46% with all hurdles & difficulties of distribution business the Utility planned to achieve the level of 33.19% during the current financial year. However, the Utility has projected the T&D loss for FY' 2016-17 as 30.79% which may kindly be approved. The comprehensive reason of such projection has already been given in ARR application of the Utility.

Tariff determination for FY' 2016-17: The licensee has not proposed any tariff hike to bridge the revenue gap. It is humble submission of the Utility before Hon'ble Commission to bridge the revenue gap through various modes like reduction of BSP, Govt. subsidy, increase of RST or combination of all. Depending upon the prudence Hon'ble Commission may decide accordingly.

Rationalisation of Tariff: The objector has suggested for special tariff of Allied agro industrial activities & cold storages to encourage allied agro-industrial based industries. In view of the same it is submitted that these category are already subsidized. Their energy & demand charges are much less as compared to other industries. Further reduction if any would again increase the difference and would create disparity with other industries & they will indulge in dishonest activity.

Energy Audit: Hon'ble Commission has asked for road map for Energy Audit & action plan thereof. The same has already been submitted with Hon'ble Commission on 13.01.16 while replying queries of the Commission. An abstract of the same is reproduced below.

| Voltage level | Nos. | Metered | Audit activities | Cumulative Projection of audit activity by | | |
|---------------|-------|---------|------------------|--------------------------------------------|----------|---------|
| | | | | March' 16 | Sept' 16 | Dec' 16 |
| 33 KV | 104 | 102 | 40 | 40 | 104 | 104 |
| 11 KV | 604 | 589 | 335 | 400 | 604 | 604 |
| DTRs | 27329 | 55 | Nil | 100 | 400 | 500 |

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : The Utkal Chamber of Commerce & Industry Ltd. (UCCI), N-6, IRC Village,
Nayapalli, Bhubaneswar-751015.

Note- This is also available at the licensee's website-www.wescodisha.com

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, Unit-VIII, BHUBANESWAR.

24

Case No.58 of 2015

In the matter of : WESCO Utility

And

In the matter of : The Odisha Retired Power Engineers' Forum, C-7640, Bhoinagar,
Bhubaneswar-751022.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

AT & C loss Reduction & quality power supply: Basically the objector has submitted certain suggestions regarding the above points which needs to be deliberated by Hon'ble Commission before implementation.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : The Odisha Retired Power Engineers' Forum, C-7640, Bhoinagar,
Bhubaneswar-751022.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. Vedanta Limited, 1st Floor, Fortune Tower,
Chandrasekharapur, Bhubaneswar-751023.

Employee Cost: Employee Cost has been projected on considering cost of existing employees, savings due to retirement & terminal dues of retired employees. No such over estimation has been made by the Utility. For FY' 2016-17 employee cost amounting to Rs. 291.39 crs. has been estimated on the basis of 3% hike on basic salary, dearness allowance of 6% in each 6 month (January & July). Terminal dues has also been considered on the basis of projection given by actuary. Hon'ble Commission has approved Rs. 275 crs. for FY' 2015-16. In line with the same projection for FY' 2016-17 amounting to Rs. 291.39 crs. is just fixed and may kindly be approved. However, in the estimate impact of 7th pay Commission has not taken into consideration since it is unlikely to be implemented during FY' 2016-17.

A&G Expenses: The Utility has projected A&G Expenses for FY' 2016-17 considering the revised estimate of Rs. 54.50 crs. for FY' 2015-16. The estimate of for FY' 2015-16 could be higher than the approved figure on account of deployment of more number of franchisee by the Utility for improvement of collection, additional coverage of billing through spot billing mechanism, increase of customer care centers, inspection fees for SI works etc. an increase of 7% has been projected on revise estimate of FY' 2015-16 and some additional expenses towards energy audit, IT automation, cess on construction works, replacement & shifting of meters, DSM operation, AMR activities have been projected. So the amount of Rs. 70.16 crs. as projected by the Utility for FY' 2016-17 is genuine and may kindly be approved.

Provision for Bad & Doubtful Debt: Provision for Bad & Doubtful Debt for FY' 2016-17 has been estimated to the tune of Rs. 26.07 crs. considering collection efficiency of 98%, which is correct in line with Hon'ble Commission order for FY' 2015-16. Accordingly, the same may kindly be approved.

Revenue Gap: The licensee has not proposed any tariff hike to bridge the revenue gap. It is humble submission of the Utility before Hon'ble Commission to bridge the revenue gap through various modes like reduction of BSP, Govt. subsidy, increase of RST or combination of all. Depending upon the prudence Hon'ble Commission may decide accordingly.

Introduction of 3 slab graded Tariff for HT & EHT Industries: The suggestion of the Objector regarding induction of 3 slab graded Tariff can only be helpful when the drawal of the consumer would be assured intake with 80% of L.F. The graded slab may be allowed to promote industrial consumption upto L.F. of 60%, 60% to 80% & > 80% L.F. Presently with 2 slab of graded tariff the differential price is almost Re 1/- which may kindly be reduced and the benefit may be given more when consumption is in > 80% L.F.

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

Reliability Surcharge: The present level of Reliability Surcharge is very negligible as compared to previous year. The same has been reduced by 50%. The Utility is suffering from heavy financial loss, needs to be compensated through other mode. Regarding supplementing of reliability index calculation along with bills, the Utility is duty bound to attach the same with the bill. There is no such complaint received by the licensee so far in this regard.

Take or Pay Benefit: When 'Take or Pay' benefit was introduced during FY' 2013-14, it was observed that the purpose of the scheme was defeated. No such significance improvement in consumption was noticed, as a result Hon'ble Commission had rightly discontinued the same

from next financial year. If at all any such scheme is reintroduced the same may be started with minimum assured energy with 80% L.F.

Cross Subsidy & its Surcharge: The submission made by the objector seems to harness the benefit of low cost power available in the market by just paying a nominal amount of CSS. The various rules & regulations cited by the objector has also to be observed in line with the existing conditions of distribution business, availability or sourcing of power by GRIDCO from the generator etc. Now, with much competition in the market it is not feasible in the part of licensee to forego the quantum of power projected to be sold to the HT & EHT consumers in lieu of mere receipt of cross subsidy amount. If consumers opting for availing power through open access let them declare the quantum of power they want to source from other, other than the licensee so that the licensee can project the quantum to be sold to such category of consumers in the ensuing year. If the industries will declare their requirement for the ensuing year then, Hon'ble Commission may reduce such sale from utility as well as GRIDCO will not require to source power from marginal source. So, the BST cost of Utility will not be increased. Further, Hon'ble Commission vide para 361 of RST order dt. 23.03.15 has observed that, the cross subsidy surcharge is different from cross subsidy. Hence, the bulky submission made by the objector to equate CSS with cross subsidy may not be accepted.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : The Odisha Retired Power Engineers' Forum, C-7640, Bhoinagar,
Bhubaneswar-751022.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : Shri R.P. Mahapatra, Retd. Chief Engineer & Member (GEN),
OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, Bhubaneswar-13.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Increase of average tariff of HT & EHT industries:

The comparison statement for increase of RST in last 7 years has been depicted for HT & EHT industries and consequential reduction in reliability surcharge has been explained by the objectors. From the analysis it has been concluded by the objector that, RST has been increased by 80% during FY' 2015-16 as compared to FY' 09-10. It is relevant to analyse the increase in power purchase cost apart from other increase in employee, R&M, A&G, depreciation etc. of licensee.

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|
| BST | 1.54 | 1.94 | 2.62 | 3.00 | 2.94 | 2.86 | 3.10 |
| Transmission | 0.20 | 0.2350 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| Total | 1.74 | 2.1750 | 2.87 | 3.25 | 3.19 | 3.11 | 3.35 |

From the above table it is quite clear that, the increase in BST cost of the Utility during the same period is 93%. So, increase of BST as compared to RST is more by 13% apart from other operation & maintenance expenses. In such a situation how the distribution Utility will sustain.

Reduction of Cross Subsidy: It has been suggested that Cross Subsidy may be reduced @ 5% p.a. & incase of EHT category of consumers cost to same may be taken instead of average cost of supply. The suggestion made by the objector seems to be one sided. If 5% reduction in CSS

would be made at the same time there should be hike in tariff for the cross subsidized category of consumers. That means, the intention of objector to reduce tariff for industries & increase the tariff of Kutirjyoti, domestic & irrigation category of consumers. Further, consideration of cost to serve the EHT category of consumers method of average cost of supply is also a clear suggestion for increase of LT tariff.

Distribution Loss: Projection for reduction in distribution loss has been clearly supported with reason enumerated in the ARR application of the Utility. While replying to queries of Hon'ble Commission comprehensive details has been submitted towards progress & outcome of energy audit, which may kindly be considered.

Regarding suggestion for approval of power purchase on the basis of bottom up approach it was also the submission of the licensee. While approving turing up of the Utility based on normative loss level power purchase cost may be dis-approved instead of approval of higher normative sale which is not correct.

Reliability Surcharge: Suggestion for relinquishment of levy of surcharge is not correct as the same is being levied only when conditions prescribed are achieved. Therefore, to have extra comfort with marginal charges is also advantages to industrial consumers who can plan their production accordingly to yield high result.

Incentive for higher Power factor: PF incentive which was withdrawn previously has been reintroduced for benefit of the consumers. The present level of incentive is quite high to have impact on cost of production of the industrial units. So, any future benefit would definitely be helpful to the industries but at the same time will affect the revenue of the Utility. Hence, the suggestion may not be acceptable by the Hon'ble Commission.

Rebate for consumption in off-peak Hours: TOD benefit earlier to current financial year was 10 paise per unit. Hon'ble Commission in RST order dt. 23.03.15 has increased the same to 20 paise per unit. So, the hike of 20 paise in RST is being nullified through increase in TOD benefit, reduction in reliability surcharge, re-introduction of PF incentive etc. At the same time increase of BST by 24 paise/kwh creates additional burden to the Utility amounting Rs. 15 crs. per month. With such disparity, financial condition of the Utility became more negative instead of matching towards recovery of approval cost. Therefore, suggestion for enhancement of TOD

benefit 30 paise/kwh will definitely create additional liability for non payment of BST bills of the Utility.

Levy of Penalty on actual energy consumption in addition to penalty for overdrawal:

Observatio made by the Hon'ble Commission vide para 324 of RST order against submission of Utility's regarding seasonal overdrawal by HT/EHT industries which is in turn affecting UI bills of the Utility. However, the present submission of the Utility is quite different which is in line with Hon'ble apex court decision vide civil appeal No. 8859 of 2011 (EE, SOUTHCO vrs. Sri Sitaram Rice Mill) and subsequently refered by Hon'ble High Court of Odisha in appeal no. WP(C) No-972 of 2012 (EE, SOUTHCO vrs. Appellate Authority-cum-Dy. Electical Inspector (T&D), Balasore). Therefore, it is again humbly submitted before Hon'ble Commission to approve the same as submitted by the Utility in it's ARR.

KVAH Billing: The licensee is persistently submitting for introduction of KVAH billing as like of other states. Previously, Hon'ble Commission vide para-216 of RST order dt. 22.03.14 has also sought information regarding preparedness of the Utility. For implementation of same. Accordingly, a target was given in 30.09.14 to submit the details. The Utility had also submitted the details during Nov-14 before Hon'ble Commission. The idea of Kvah billing is to make the consumer discipline. If Kvah billing would be introduced then TOD incentive, PF incentive, PF penalty would no longer required. Therefore, in line with comprehensive submission by the Utility in it's ARR for introduction of KVAH billing may kindly be considered.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : Shri R.P. Mahapatra, Retd. Chief Engineer & Member (GEN), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, Bhubaneswar-13.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : Sri Ananda Kumar Mohapatra, Power Analyst, S/o-Jachindranath Mohapatra, Plot No. L-II/68, SRIT Colony, Budharaja, Ps-Ainthapali, Dist-Sambalpur-768004.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

In reply to para-1 & 2 of the objector, it is submitted that the objector has attempted to justify the difference between RST & BST of Odisha vis-a-vis all over India. The analysis made has not been supported with adequate reasons & field conditions in different states. Further, the authenticity of the data source needs due diligence.

In reply to para-3 of the objection, it is submitted that, the grievance raised is seems to be purely his personal issue needs no reply.

With reference to para-4 to 15 of the objection it is found that the same is towards OPGC & OHPC hence needs no reply to be made by the Utility.

Para-16 of the objection is a bulky submission made by the objector before Hon'ble Commission on 16-10-14 for data purpose. Copy of which has not been annexed to the objection. The analysis made by the objector with reference to CEA report and tariff of different states consumer category wise. The purpose of analysis is to establish higher tariff of Odisha & low tariff in other states. However, adequate reason has not been mentioned. The Utility is in the view that the submission made by the objector has no bearing on present ARR.

Para-17 of the objector depicts the method & quantum of subsidy extended by Govt. of other states & Union territories of India, as a result RST is lower as compared to Odisha. So, Hon'ble

Commission may kindly make due diligence of the submission and necessary recommendation in this regard if required.

Para-18 & 19 dealt with free power to agricultural sector & review of RST order 2015-16, specifically agricultural tariff. The suggestion & recommendation given by the objector needs deliberation before implementation.

With reference to para-20 & 21 where level of cross subsidy has been analysed, in view of same it is stated that the objector is in view of decrease in Domestic & Irrigation tariff and increase of industrial tariff by fixing level of cross subsidy within $\pm 35\%$. Hon'ble Commission is fixing the same within $\pm 20\%$. The reason of fixing such level by Commission in past tariff orders with adequate reason.

Para-22 to 26 is being placed for analysis of last 16 years AT & C loss levels in various states vis-a-vis state of Odisha. It is once again submitted that the reason & relevancy of the same with reference to various states has not been given. Moreover, the objector is relying on the submission made before Hon'ble Commission on 16.10.14. The Utility no way concerned with, the suggestion/recommendation made by the objector before OERC, hence no need to be commented upon.

That, in para-27 to 32 reference made by the objector by highlighting the National Tariff policy-2005, MYT principles, National Electricity Policy-2005 & section-61 of Electricity Act, 2003. In view of the same, it is submitted that Hon'ble Commission is following the above while determining tariff in each & every year. More particularly in para-31, while analyzing Sec-61(d) & (g) of Electricity Act-2003, the objector has misrepresented the provision.

Regarding infusion of Rs. 10,000 crs. in Odisha power sector as per para-33, the objector has not given the source. Who are the investor of such huge fund, needs more explanation. Submission made by the objector vide para-34 is baseless has no bearing.

The objection raised in para-35 to 41 pertains to GRIDCO & OPTCL hence no needs to be replied.

That, with reference to para 42 to 45 needs no reply as it has no bearing on ARR of the Utility for FY' 2016-17.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : Sri Ananda Kumar Mohapatra, Power Analyst, S/o-Jachindranath Mohapatra,
Plot No. L-II/68, SRIT Colony, Budharaja, Ps-Ainthapali, Dist-Sambalpur-
768004.

Note- This is also available at the licensee's website-www.wescoodisha.com

In the matter of : WESCO Utility

And

In the matter of : M/s. OCL India Limited, Rajgangpur-770017, Dist-Sundargarh.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Increase of average tariff of HT & EHT industries:

The comparison statement for increase of RST in last 7 years has been depicted for HT & EHT industries and consequential reduction in reliability surcharge has been explained by the objectors. From the analysis it has been concluded by the objector that, RST has been increased by 80% during FY' 2015-16 as compared to FY' 09-10. It is relevant to analyse the increase in power purchase cost apart from other increase in employee, R&M, A&G, depreciation etc. of licensee.

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|
| BST | 1.54 | 1.94 | 2.62 | 3.00 | 2.94 | 2.86 | 3.10 |
| Transmission | 0.20 | 0.2350 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| Total | 1.74 | 2.1750 | 2.87 | 3.25 | 3.19 | 3.11 | 3.35 |

From the above table it is quite clear that, the increase in BST cost of the Utility during the same period is 93%. So, increase of BST as compared to RST is more by 13% apart from other operation & maintenance expenses. In such a situation how the distribution Utility will sustain.

Reduction of Cross Subsidy: It has been suggested that Cross Subsidy may be reduced @ 5% p.a. & incase of EHT category of consumers cost to same may be taken instead of average cost of supply. The suggestion made by the objector seems to be one sided. If 5% reduction in CSS would be made at the same time there should be hike in tariff for the cross subsidized category

of consumers. That means, the intention of objector to reduce tariff for industries & increase the tariff of Kutirjyoti, domestic & irrigation category of consumers. Further, consideration of cost to serve the EHT category of consumers method of average cost of supply is also a clear suggestion for increase of LT tariff.

Distribution Loss: Projection for reduction in distribution loss has been clearly supported with reason enumerated in the ARR application of the Utility. While replying to queries of Hon'ble Commission comprehensive details has been submitted towards progress & outcome of energy audit, which may kindly be considered.

Regarding suggestion for approval of power purchase on the basis of bottom up approach it was also the submission of the licensee. While approving tuning up of the Utility based on normative loss level power purchase cost may be dis-approved instead of approval of higher normative sale which is not correct.

Reliability Surcharge: Suggestion for relinquishment of levy of surcharge is not correct as the same is being levied only when conditions prescribed are achieved. Therefore, to have extra comfort with marginal charges is also advantages to industrial consumers who can plan their production accordingly to yield high result.

Incentive for higher Power factor: PF incentive which was withdrawn previously has been reintroduced for benefit of the consumers. The present level of incentive is quite high to have impact on cost of production of the industrial units. So, any future benefit would definitely be helpful to the industries but at the same time will affect the revenue of the Utility. Hence, the suggestion may not be acceptable by the Hon'ble Commission.

Rebate for consumption in off-peak Hours: TOD benefit earlier to current financial year was 10 paise per unit. Hon'ble Commission in RST order dt. 23.03.15 has increased the same to 20 paise per unit. So, the hike of 20 paise in RST is being nullified through increase in TOD benefit, reduction in reliability surcharge, re-introduction of PF incentive etc. At the same time increase of BST by 24 paise/kwh creates additional burden to the Utility amounting Rs. 15 crs. per month. With such disparity, financial condition of the Utility became more negative instead of

matching towards recovery of approval cost. Therefore, suggestion for enhancement of TOD benefit 30 paise/kwh will definitely create additional liability for non payment of BST bills of the Utility.

Levy of Penalty on actual energy consumption in addition to penalty for overdrawal:

Observatio made by the Hon'ble Commission vide para 324 of RST order against submission of Utility's regarding seasonal overdrawal by HT/EHT industries which is in turn affecting UI bills of the Utility. However, the present submission of the Utility is quite different which is in line with Hon'ble apex court decision vide civil appeal No. 8859 of 2011 (EE, SOUTHCO vrs. Sri Sitaram Rice Mill) and subsequently refered by Hon'ble High Court of Odisha in appeal no. WP(C) No-972 of 2012 (EE, SOUTHCO vrs. Appellate Authority-cum-Dy. Electical Inspector (T&D), Balasore). Therefore, it is again humbly submitted before Hon'ble Commission to approve the same as submitted by the Utility in it's ARR.

KVAH Billing: The licensee is persistently submitting for introduction of KVAH billing as like of other states. Previously, Hon'ble Commission vide para-216 of RST order dt. 22.03.14 has also sought information regarding preparedness of the Utility. For implementation of same. Accordingly, a target was given in 30.09.14 to submit the details. The Utility had also submitted the details during Nov-14 before Hon'ble Commission. The idea of Kvah billing is to make the consumer discipline. If Kvah billing would be introduced then TOD incentive, PF incentive, PF penalty would no longer required. Therefore, in line with comprehensive submission by the Utility in it's ARR for introduction of KVAH billing may kindly be considered.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : M/s. OCL India Limited, Rajgangpur-770017, Dist-Sundargarh.

Note- This is also available at the licensee's website-www.wescoodisha.com

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, Unit-VIII, BHUBANESWAR.**

29

Case No.58 of 2015

In the matter of : WESCO Utility

And

In the matter of : Gobind Narayan Agrawal, Advocate, Convener-cum-General Secretary, Sambalpur District Consumers Federation, Balaji Mandir Bhawan, Khetrajpur, Sambalpur-768003, Member, State Advisory Committee, OERC, BBSR.

Rejoinder to objections received by the Secretary, Odisha Electricity Regulatory Commission against the Retail supply Tariff Application by WESCO for the year 2016-17.

Status Report of Capex scheme:

| Sl. No. | Name of the Item | Unit | Progress of CAPEX | | | |
|----------|--------------------------------------------------|------|-------------------|-----------------------------|------------|----------------------------|
| | | | Total | Work executed during (Nos.) | | |
| | | | Scope | FY 2013-14 | FY 2014-15 | FY 2015-16 till (30-11-15) |
| 1 | New Primary Sub-station | Nos. | 2 | 0 | 2 | 0 |
| 2 | Up-gradation of Primary Sub-station | | 0 | | | |
| a | Up-gradation to 8 MVA (Dept.) | Nos. | 17 | 0 | 16 | 1 |
| | Total | | 0 | | | |
| 3 | Breakers | | 0 | | | |
| a | 33 KV | Nos. | 11 | 0 | 8 | 1 |
| b | 11 KV | Nos. | 349 | 0 | 115 | 179 |
| | Comissioning charges | | 360 | 0 | 123 | 180 |
| | Total | | | | | |
| 4 | Distribution transformer | Nos. | 0 | | | |
| a | New Distribution S/S | | 487 | 0 | 77 | 151 |
| b | Up-gradation of Distribution Sub-station (Dept.) | | 437 | 155 | 94 | 188 |
| 5 | Re-conductoring of OH line | | 0 | | | |
| a | 34 KV | KM | 149 | | | |
| b | 11 KV (100 mm2) | KM | 35 | 0 | 8 | 0 |
| 6 | New OH line | | 0 | | | |
| a | 33 KV | | 0 | | | |
| b | 11 KV (100 mm2) | KM | 26 | 0 | 0 | 0 |

| | | | | | | |
|-----------|-----------------------------------------------------------------------------------------|------|--------|---|-------|-------|
| 7 | Energy Accounting | | 0 | | | |
| a | Consumer metering | | 0 | | | |
| i | 1 PH | Nos. | 125632 | 0 | 12750 | 34900 |
| ii | 3 PH | Nos. | 7800 | 0 | 1475 | 1720 |
| | Total | | 0 | | | |
| b | System metering | | 0 | | | |
| i | DTR (LTCT) metering | Nos. | 3760 | 0 | 0 | 0 |
| ii | MU | Nos. | 64 | 0 | 0 | 25 |
| | Total | | 0 | | | 25 |
| 8 | AB cable & HVDS | | 0 | | | |
| A | AB cable | KM | 0 | | | |
| | Total | | 1243 | | | 63 |
| B | HVDS | Nos. | 0 | | | |
| | Total | | 144 | | | |
| 9 | IT Implementaion | Lot | 0 | 0 | 0 | 0 |
| 10 | Special R&M of S/S | Lot | 0 | 0 | 0 | 0 |
| 11 | System Quality, Reliability and Safety | | | | | |
| 12 | Others (LTDB,AB cable assessories, control cable, PT, 33 KV MU, HTTV meter etc.) | Lot | 0 | 0 | 0 | 0 |
| | WESCO TOTAL | | | | | |

Distribution Loss: The distribution Loss for the year ended FY13-14 was 35.01% and the same has been reduced to 33.55% during FY' 14-15. Though, there is no substantial reduction, reduction of 1.5% is with all hardship and saves input of 105 MU. T&D loss has been estimated to be 30.79% for ensuing year which is with loss reduction of 2.5% over current year's estimation. By this the Utility will save in input cost for 175 MU. The real benefit of Capex scheme will also be materialised in the ensuing year.

Regarding non-submission of Business plan, the allegation made by the Objectors is not correct, as the Business plan for 3rd control period ended with FY' 2017-18 was submitted with Hon'ble commission in case no.-7 of 2013. Hon'ble Commission has approved the same till FY' 2014-15. After the pronouncement of new regulation regarding separation of wheeling & Retail supply business, the ARR of the Utility for FY' 2016-17 has been filed with Hon'ble Commission for approval.

AT & C Loss: The actual AT & C loss for FY' 2014-15 was 38.45% where collection efficiency was 95.37%. considering the various revenue improvement programme like deployment of Franchisee, Disconnection squad, vigilance team etc. the same has been estimated to be

35.86% for the current year. For the ensuing year with collection efficiency of 98%, AT&C loss has been estimated to be 32.17% which may kindly be approved.

Copy of letter filed with Hon'ble commission regarding filing of amendment application is enclosed.

For and on behalf of WESCO Utility

Burla
Dated

Authorised Officer

C.C. : Gobind Narayan Agrawal, Advocate, Convener-cum-General Secretary,
Sambalpur District Consumers Federation, Balaji Mandir Bhawan, Khetrajpur,
Sambalpur-768003, Member, State Advisory Committee, OERC, BBSR.

Note- This is also available at the licensee's website-www.wescodisha.com