

# **Summary of ARR & Tariff Filings**

Submitted by

**CESU, NESCO, SOUTHCO and WESCO**

For

**FY 2014-15**

**Summary of Annual Revenue Requirement (ARR) & Retail Supply Tariff (RST) Proposal of Electricity Distribution Companies of Odisha for FY 2014-15**

1. A statement of Energy Sale, Purchase and Overall Distribution loss from FYs 2010-11 to 2014-15 as submitted by DISCOMs of Odisha namely Central Electricity Supply Utility of Odisha (CESU), North Eastern Electricity Supply Company of Odisha Ltd (NESCO), Southern Electricity Supply Company of Odisha Ltd (SOUTHCO) and Western Electricity Supply Company of Odisha Ltd (WESCO) is given below in Table 1 below:

**Table - 1**  
**Energy Purchase, Sales and Loss**

DISCOMs	Particulars	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Estt)	2014-15 (Esst)
CESU	Energy Sale (MU)	4361.48	4491.63	4658.34	5423.75	6251.06
	Energy Purchased (MU)	7069.34	7232.91	7398.92	8344.24	9100.39
	Overall Distribution Loss %	41.00	37.96	37.04	35.00	31.31
NESCO	Energy Sale (MU)	3435.59	3301.53	3282.86	3581.74	3765.25
	Energy Purchased (MU)	5067.403	5023.40	5045.35	5309.43	5414.51
	Overall Distribution Loss %	32.20	34.28	34.93	32.54	30.46
SOUTHCO	Energy Sale (MU)	1323.466	1507.53	1660.67	1787.10	2158.31
	Energy Purchased (MU)	2555.64	2814.13	2929.88	2980.00	3400.00
	Overall Distribution Loss %	48.21	46.43	43.32	40.03	36.52
WESCO	Energy Sale (MU)	3978.711	3775.042	3945.343	4325.30	4870.00
	Energy Purchased(MU)	6510.88	6177.74	6391.257	6655.00	7165.00
	Overall Distribution Loss %	38.89	38.89	38.27	35.01	32.03

**AT&C Loss**

2. The System Loss, Collection Efficiency and target fixed by OERC in reference to AT&C Loss for the four DISCOMs since FY 2010-11 onwards are given hereunder :-

**Table - 2**  
**AT&C Loss**

DISCOMs	Particulars	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Estt)	2014-15 (Estt)
CESU	Dist. Loss (%)	38	37.96	37.04	35.00	31.31
	Collection Efficiency (%)	96	97	89.8	99	99
	AT&C Loss (%)	41	39.99	43.46	35.98	31.9
	OERC Target (AT&C Loss %) (As per Business Plan)	26.86	24.76	23.77	--	--
NESCO	Dist. Loss (%)	32.20	34.28	34.93	32.54	30.46
	Collection Efficiency (%)	94.34	100.57	92	99	99
	AT&C Loss (%)	36.04	33.91	40.38	33.21	31.16
	OERC Target (AT&C Loss %) (As per Business Plan)	20.09	19.22	19.17	--	--

<b>SOUTHCO</b>	Dist. Loss (%)	48.21	46.43	43.32	40.03	36.52
	Collection Efficiency (%)	92.40	97.80	94.48	94.00	96.00
	AT&C Loss (%)	52.15	47.61	46.45	43.63	39.06
	OERC Target (AT&C Loss %) (As per Business Plan)	29.26	27.24	26.25	--	--
<b>WESCO</b>	Dist. Loss (%)	38.89	38.89	38.27	35.01	32.03
	Collection Efficiency (%)	91.32	95.37	91.91	97	98
	AT&C Loss (%)	44.20	41.72	43.26	36.96	33.39
	OERC Target (AT&C Loss %) (As per Business Plan)	21.53	20.50	20.40	--	--

The licensees have proposed above AT&C losses their licensee area the licensees have submitted the Hon. OERC to consider re-determine opening loss level on realistic basis in the ARR for the FY 2014-15. The licensees have planned following activities for reduction of loss for the ensuring financial year.

#### **Automated Meter Reading System**

- The NESCO, WESCO and SOUTHCO have submitted that they have initiated a drive for installation of AMR system for all consumers above 10 kW/20 kW load by the end of FY 2014-15. The plan for installation of AMR for the FY 2014-15 is as follows:

**Table – 3**

<b>Name of DISCOMs</b>	<b>No. of Consumers proposed to be covered in FY 14-15</b>	<b>Cost including installation</b>	<b>One time set up cost</b>	<b>Total cost</b>	<b>Recurring cost per annum communication + manpower</b>	<b>Unit</b>
NESCO	5156	268.11	41.24	399.06	89.70	Rs Lakh
WESCO	5544	332.64	100.00	432.64	110.85	Rs Lakh
SOUTCO	4967	298.02	100.00	398.02	93.97	Rs Lakh

#### **IT / automation module implementation**

- Licensee proposed to implement different IT/automation modules for improvement in the operational efficiencies such as establishment of Customer Service Centre etc.. The expenses under one time hardware and software costs and recurring costs proposed by licensees for ensuring FY 2014-15 is as follows:

**Table – 4**

<b>Name of DISCOMs</b>	<b>Hardware and Software Cost (Rs lakh)</b>	<b>Recurring cost (Rs lakh)</b>
NESCO	99.75	32.08
WESCO	99.75	32.08
SOUTHCO	96.24	64.08

### **Consumer Indexing**

5. The licensees have proposed following activities under Consumer Indexing plan:-
- Consumer and network survey: (Door to door survey, electrical addressing through pole scheduling, Preparation of LT network details viz.11 kV feeder, DTR, LT circuit, Pole type and no of services from each pole. etc)
  - Building database and Indexing of Consumer: (Development of consumer database as back up to GIS, development of software tools for consumer/network/DTP details etc)
  - Painting of Electrical address on Poles, DTR and at consumers premises

The licensees have considered the cost of consumer indexing as part of A&G expenses for FY 2014-15.

### **Energy Police Stations & Special Courts**

6. CESU has estimated an expenditure of Rs.0.88 Crore for FY 2014-15 towards eight energy police stations in various districts under its jurisdictions.

NESCO, WESCO, and SOUTHCO have submitted that till date adequate manpower has not been provided and the police stations are severely constrained by the lack of personnel of appropriate grades, particularly those who are authorized to register complaints. Further SOUTHCO had submitted that with theft being a widespread phenomenon, the special courts is limited to only one in the area of operational districts of SOUTHCO. WESCO submitted that special courts have not been functionally in its area.

The comparative table of sanctioned and actual no of police stations and the expenses proposed by the licensees under the A&G towards operation of energy police stations is as follows:

**Table – 5**

<b>DISCOMS</b>	<b>No of Police stations sanctioned</b>	<b>No of Police stations established</b>	<b>Proposed Expenses for FY 2014-15 (Rs Cr)</b>
NESCO	6	5	2.27
WESCO	10	10	1.98
SOUTHCO	10	10	5.76

Following are the constraints faced by the licensees in effective operation of the Energy Police Stations:

- Inadequate Staff
- Refusal and reluctance to accept FIR's
- Non participation of polices in enforcement drives conducted by staff of licensee
- Absence of administrative support

In this regard licenses have submitted

- To widen the jurisdiction of operation and polices be made responsible to associate the staff of licensee during the detection of thefts and raids.
- Joint review by MD and SP
- Conducting joint workshops at district level

#### Data Sources

7. NESCO, WESCO, SOUTHCO and CESU have scrupulously complied with the information requested by the Commission for submitting the ARR and tariff for the year 2014-15. The accounts upto March, 2013 have been duly audited as per Companies Act for all the Reliance managed DISCOMs. While compilation of data and preparation of ARR the licensee relied upon the audited data. However, actual bills received from the bulk supplier, GRIDCO (for input/electricity cost) and other data has been used for compilation of data and for preparation of ARR.

#### Revenue Requirement for FY 2014-15

##### Sales Forecast

8. For projecting the energy sale to different consumer categories, the Licensee had analysed the past trends of consumption pattern for last ten y ears i.e. FY 2001-2002 to FY 2012-13. In addition, the Licensee has relied on the audited accounts for FY 2012-13 and actual sales data for the first six months of FY 2013-14. With this, the four distribution utilities have forecasted their sales figures for the year 2014-15 as detailed below with reasons for sales growth.

Table – 6

Licensee/ Utility	LT Sales for 2014-15 (Estt)		HT Sales for 2014-15 (Estt)		EHT Sales for 2014-15 (Estt)		Total Sales 2014-15 (Estt) MU
	(MU)	% Rise over FY 13	(MU)	% Rise over FY 13	(MU)	% Rise over FY 13	
<b>CESU</b>	3256.91	20.24%	1238.18	16.75%	1755.96	6.11%	<b>6251.06</b>
<b>Remarks</b>							
<b>NESCO</b>	1789.09	13.41%	433.32	(3.32%)	1542.83	(0.844%)	<b>3765.25</b>
<b>Remarks</b>	Impact of electrification of new villages under RGGVY & Biju gram jyoti yojana and growth from existing & new consumers		Decline in sales due to recession in steel & mining sector, temporary closure/ disconnection of steel mfg industries		Reduction in EHT sales because industries are setting their own CPP and some have opted for open access		
<b>WESCO</b>	2067.00	32.73%	1313.00	3.55%	1490	(0.66%)	<b>4870.00</b>
<b>Remarks</b>	Impact of electrification of new villages under RGGVY & Biju gram jyoti yojana and growth in domestic category		Marginal increase /lower growth because of recession in steel & mining sector,		Reduction in EHT sales because industries are setting their own CPP		
<b>SOUTHCO</b>	1552.79	33.09%	191.681	7.902%	413.846	2.75%	<b>2158.32</b>
<b>Remarks</b>	Impact of BPL & APL consumers from RGGVY, BGJ program, Increase in		nominal addition in consumption considered based on earlier trend and		Slight growth in consumption than that of earlier year is considered		

	agriculture and Irrigation consumption from Mega Lift Irrigation project of GoO	with addition of one HT consumer of CD of 8 MW		
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### Inputs in Revenue Requirement

#### Power Purchase Expenses

9. The Licensees have proposed the power purchase costs based on their current BSP, transmission charges and SLDC charges. They have also projected their SMD considering the actual SMD during FY 2013-14 and additional coming in the FY 2014-15 which is as shown in table given below.

**Table - 7**

DISCOMs	Estimated Power Purchase in MU	Estimated Sales MU	Distribution Loss in %	Current BSP Paise/Unit	Estimated Power Purchase Cost Rs Cr.	SMD proposed MVA
CESU	9100.39	6251.06	31.31	284	2584.51	1611.47
NESCO	5414.51	3765.25	30.46	290	1706.41	1000
WESCO	7164.00	4870.00	32.03	294	2406.22	1100
SOUTHCO	3400	2158	36.52	180	697.51	650

#### Employees' Expenses

10. CESU, NESCO, WESCO and SOUTHCO have projected the employee expenses of Rs. 235.64 Cr. Rs.285.79 Cr., Rs.254.11 Cr. and Rs.207.08 Cr respectively for FY 2014-15. Out of these employee expenses proposed, the expenses of Rs 42.07 Cr, Rs 126.53 Cr, Rs 109.07 Cr and Rs 77.72 Cr are towards employee terminal benefit trust requirement respectively for FY 2014-15.

#### Administrative & General Expenses

11. CESU has proposed Rs 58.44 Cr. as A & G expenses for FY 2014-15 against Rs 54.68 Cr. for the current year 2013-14. CESU has estimated the A&G cost by considering 7% increase from FY 2013-14 towards expenses due to sharp increase growth of consumers and exponential growth of consumer service activity. Also addition of new activities has increased proposed expenditures.

CESU, NESCO, WESCO, SOUTHCO have submitted A & G expense of Rs. 58.44 Cr., Rs. 55.00 Cr., Rs. 54.01 Cr. and Rs. 28.93 Cr. for FY 2014-15 against approved A & G expense of Rs 41.13, Rs 18.99 Cr, Rs 27.41 Cr and 16.63 Cr. for the FY 2013-14 respectively. While calculating the A&G expenses the licensee have projected the same by considering 7% increase over the approved A&G for FY 2013-14 along with additional A&G expenses.

#### Proposed meter rent for installation of prepaid meters and smart meters

12. As per the Govt of Odisha notification dated 04.02.2013 the licensees were directed to install prepaid meters to all the Govt. establishments including public undertakings,

autonomous bodies, urban local bodies, Goct Societies etc. by 31.03.2013. The Hon. Commission had also directed the licensees to install such prepaid meters to govt. establishments, to temporary connections and to the consumers who default in payment thrice during the respective financial year vide the RST order for FY 2013-14. The licensees have given various reasons for the delay in installations of such prepaid meters which includes the technical limitations, procedural delays in procurement through tendering, calamities etc. For installation of such meters and related measuring instruments the SOUTHCO had proposed to charge the monthly rent of Rs 300/- to single phase consumers and Rs 500/- to three phase consumers. NESCO, WESCO and SOUTHCO had completed the tendering process for installation of prepaid meters and had proposed following expenses to be allowed in the ARR for the year 2014-15.

**Table – 8**

(in Rs Cr)

<b>Licensee</b>	<b>1 ph meters to be installed</b>	<b>3ph meters to be installed</b>	<b>Meter cost including installation to be paid as lease on monthly basis for 4 years @ Rs 241 PM for 1ph and Rs 403 PM for 3 ph</b>	<b>Vending service charges to be paid on monthly basis for 4 years @ Rs 68 PM for 1ph and Rs 96 PM for 3 ph</b>	<b>Total expenses to be incurred in 4 years</b>	<b>Expenses for FY 2014-15</b>
NESCO	3728	2037	8.25	2.16	10.41	2.60
WESCO	2718	2307	7.61	1.95	9.56	2.39
SOUTCO	2329	4726	11.84	2.94	14.78	3.70

### **Repair & Maintenance (R&M) Expenses**

13. All the DISCOMs have calculated R&M expenses as 5.4% of GFA including the RGGVY and BGJY assets at the beginning of the year. They have also prayed to allow the R&M on the RGGVY & BGJY assets so that they can maintain the assets. If State Government provides revenue subsidy for R&M of RGGVY & BGJY assets then the R&M for corresponding year may be reduced by the Hon. Commission. The details of proposal under R&M expenses for ensuing financial year 2014-15 are given below:

**Table – 9 R&M Cost**

(Rs. Cr.)

<b>DISCOMs</b>	<b>GFA including RGGVY and BGJY assets</b>	<b>R&amp;M as 5.4% of GFA</b>
<b>CESU</b>	1831.10	98.88
<b>NESCO</b>	1609.45	86.91
<b>WESCO</b>	1037.87	56.05
<b>SOUTHCO</b>	979.66	52.90

### **Provision for Bad & Doubtful Debts**

14. Considering the collection efficiency of 99% for the year 2014-15, one percent of net revenue has been taken as bad debt. CESU has made provision towards bad and doubtful debts to the tune of Rs.29.71 Cr.

NESCO, WESCO and SOUTHCO submitted that due to past losses due to collection inefficiency and huge regulatory gaps, it would be difficult for them to arrange working capital and the situation would worsen if the Commission does not recognise the short-fall in collection efficiency. In order to make the loss or short-fall in collection efficiency, the licensees have considered the amount equivalent to the collection inefficiency as bad and doubtful debts while estimating the ARR for FY 2014-15. Considering the proposed collection efficiency of 99 % for NESCO and 96 % for SOUTHCO for FY 2014-15, they have considered for bad and doubtful debts to the extent of Rs.17.83 Cr., and Rs.34.14 Cr towards collection inefficiency as bad and doubtful debt as part of ARR for FY 2014-15. However, considering the proposed collection efficiency 98%, WESCO has considered the amount equivalent to collection inefficiency along with additional amount of Rs 16 Cr towards LD/PLD consumers under bad and doubtful debts totalling to Rs 63.75 Cr.

#### **Depreciation**

15. All the four DISCOMs have adopted straight-line method for computation of depreciation at pre-92 rate. No depreciation has been provided for the asset created during ensuing year. Depreciation for FY 2014-15 is projected at Rs.58.10 Cr. for NESCO, Rs.37.19 Cr. for WESCO, Rs 21.98 Cr. for SOUTHCO, and Rs.118.57 Cr. for CESU.

#### **Interest Expenses**

16. CESU, NESCO, WESCO & SOUTHCO have submitted the interest expenses and the interest income for the FY 2014-15. The net interest expenses proposed by these licensees are Rs191.52 Cr, Rs 84.06 Cr, Rs 89.04 Cr and Rs 46.87 Cr respectively. The major components of the interest expenses of these licensees are as follows:

##### **A. Interest on Capex Loan from Govt. Of Odisha**

17. NESCO, WESCO & SOUTHCO have estimated the interest at the rate of 4% p.a. on the Capex loan issued by the GoO which amounts to Rs 3.60 Cr, Rs. 3.68 Cr. and Rs. 3.86 Cr. respectively for the ensuing year.

##### **B. World Bank Loan Liabilities**

18. REL managed licensee NESCO, WESCO & SOUTHCO has calculated the interest liability of Rs. 10.38 Crore, Rs. 11.82 Crore and Rs 8.57 Crore respectively against the loan amount at an interest rate of 13% and repayment liability of Rs. 9.13 Crore, Rs 9.10 Crore and Rs. 7.26 Crore respectively.

##### **C. Interest on APDRP loan assistance**

19. About loan from Govt, CESU has submitted that they have availed APDRP assistance of Rs 37.09 Cr. from GOI through Govt of Odisha and borrowed counter funding from



PFC amounting Rs 35.52 Cr. The loan component of the APDRP fund received from GoO carries an interest rate of 12 % per annum.

In the ensuing year, NESCO, WESCO & SOUTHCO have estimated nothing to be expended under APDRP Scheme. For the assistance already availed by the licensees previously interest @ 12% per annum has been considered for the ensuing year on the existing loan. NESCO, WESCO and SOUTHCO have estimated an interest of Rs.0.7638 Crore, Rs.0.657Crore and Rs.0.72 Crore, respectively on this account.

#### **D. Interest on SI scheme counterpart funding from REC/IDBI for Capex plan**

20. NESCO, WESCO & SOUTHCO have estimated the interest at the rate of 13.5% p.a. on counterpart funding for SI Capex scheme which amounts to Rs. 4.43 Cr., Rs. 4.60 Cr. and Rs. 5.30 Cr. respectively for the ensuing year.

#### **E. Interest Capitalized**

21. NESCO, WESCO and SOUTHCO have shown the interest on loan outstanding at the beginning of the year as revenue expenses as a part of ARR. The interest on loan to be drawn during the ensuing year for capital works has been capitalized. The total interest estimated for financial year 2014-15 for NESCO, WESCO and SOUTHCO are Rs.4.01 Crore, Rs.0.96 Crore and Rs.1.06 Crore, respectively.

#### **F. Interest on Security Deposit**

22. NESCO, WESCO and SOUTHCO have submitted that the interest on security deposits @ 8.75 percent per annum for FY 2014-15 have been worked out to be Rs.34.01 Crore (NESCO), Rs.43.18 Crore (WESCO) and Rs.11.62 Crore (SOUTHCO).

#### **Non-Tariff Income**

23. NESCO, WESCO and SOUTHCO have proposed non-tariff income for FY 2014-15 to the tune of Rs. 44.00 Crore, Rs.83.91 Crore and Rs.6.98 Crore, respectively. However, they have proposed to abolish meter rent for all categories and hence not considered any income from meter rent.

#### **Provision for contingency**

24. NESCO, WESCO and SOUTHCO have proposed provision for contingency at 0.375% of Gross Fixed Assets at the beginning of the year for FY 2014-15. The expenses towards contingency provisions are to the tune of Rs.6.04 Crore, Rs.3.89 Crore and Rs.2.25 Crore, respectively.

#### **Amortisation of Regulatory Assets**

25. NESCO, WESCO and SOUTHCO have included the total amortization of Regulatory assets as Rs 1089.73 Cr, Rs 1077.39 Cr and Rs. 639.99 Cr respectively for the FY 2014-15. Out of the total regulatory assets projected as above, licensees have requested the Hon'ble Commission to allow part of the Regulatory asset for amortization during the year 2014-15 which are to the tune of Rs 189.98 Crore (includes true up of past

losses of Rs. 115.72 Cr), Rs. 184.65 Crore (includes true up of past losses of Rs.109.88 Cr), Rs 117.23 Crore respectively.

#### **Return on Equity/Reasonable Return**

26. CESU has claimed Rs.11.64 Crore as ROE calculated @16% on equity capital. NESCO, WESCO and SOUTHCO have submitted that due to negative returns (gaps) in the ARR and carry forward of huge regulatory assets in previous years the licensees could not avail the ROE. They have prayed for ROE on the equity and the accrued ROE for the previous years to be allowed in ARR of FY 2014-15. This would increase the availability of additional funds for the consumer services. Therefore, NESCO, WESCO and SOUTHCO have assumed a reasonable return of Rs.10.55 Crore, Rs.7.78 Crore and Rs.6.03 Crore respectively calculated at 16% on equity capital including the accrued RoE.

#### **Truing up of Revenue Gap for FY 2012-13 and FY 2013-14**

27. The Reliance managed DISCOMs NESCO, WESCO and SOUTHCO have requested the Commission to allow truing up of uncovered gap of Rs.384.93 Crore (NESCO), Rs.286.38 Crore (WESCO) and Rs.157.81 Crore (SOUTHCO) to be considered as estimated revenue gap based on the audited statement for year ending 31<sup>st</sup> March 2013 for FY 2012-13 to be trued up in the ARR of FY 2014-15.

Further, NESCO, WESCO and SOUTHCO have estimated the revenue gap of Rs.332.71 Crore (NESCO), Rs.332.31Crore (WESCO) and Rs.246.86 Crore (SOUTHCO) for the current financial year FY 2013-14 to be trued up in the financial year FY 2014-15.

CESU has not submitted any details about past losses/regulatory assets to be set off in future year.

#### **Revenue at existing tariffs**

28. The Licensee has estimated the revenue from sale of power by considering the sales projected for FY 2014-15 and by applying the various components of existing tariffs. The total revenue based on the existing tariffs applicable for the projected sales is estimated at Rs 2971.43 Crore, Rs 1783 Crore, Rs 2387.61 Crore and Rs 853.47 Crore by CESU, NESCO, WESCO and SOUTHCO respectively.

#### **Summary of ARR and Revenue Gap**

29. The proposed revenue requirement of DISCOMs have been summarised as below:

Table – 10

**PROPOSED REVENUE REQUIREMENT OF DISTCOS FOR THE FY.2014-15 (Rs. Crore)**

<b>REVENUE REQUIREMENT OF DISCOMs FOR THE FY 2014-15 (Proposed)</b>					
	<b>CESU</b>	<b>NESCO</b>	<b>WESCO</b>	<b>SOUTHCO</b>	<b>TOTAL DISCOMs</b>
<b>Expenditure</b>					
Cost of Power Purchase	2356.59				
Transmission Cost	226.11				
SLDC Cost	1.81				
<b>Total Power Purchase, Transmission &amp; SLDC Cost(A)</b>	<b>2,584.51</b>	<b>1,706.41</b>	<b>2,406.22</b>	<b>697.51</b>	<b>7,394.65</b>
Employee costs	235.64	285.79	254.11	207.7	983.24
Repair & Maintenance	98.88	86.91	56.05	52.9	294.74
A and G Expenses	58.44	55	54.01	58.93	226.38
Bad & Doubtful Debts (Provision)	29.71	17.83	63.75	34.14	145.43
Depreciation	118.57	58.9	37.19	21.98	236.64
Interest Chargeable (including SD)	191.52	80.05	89.04	46.87	407.48
<b>Sub-Total</b>	<b>732.76</b>	<b>584.48</b>	<b>554.15</b>	<b>422.52</b>	<b>2,293.91</b>
Less: Expenses capitalised				0.62	0.62
<b>Total O &amp; M and Other Cost</b>	<b>732.76</b>	<b>584.48</b>	<b>554.15</b>	<b>421.9</b>	<b>2,293.29</b>
Return on Equity	11.64	10.55	7.78	6.03	36
<b>Total Distribution Cost (B)</b>	<b>744.4</b>	<b>595.03</b>	<b>561.93</b>	<b>427.93</b>	<b>2,329.29</b>
Amortisation of Regulatory Asset		74.26	74.77	117.23	266.26
True up of Past Losses	2,012.92	115.72	109.88		2,238.52
Contingency Reserve		6.04	3.89	2.25	12.18
<b>Total Special Appropriation (C)</b>		<b>196.02</b>	<b>188.54</b>	<b>119.48</b>	<b>504.04</b>
<b>Total Cost (A+B+C)</b>	<b>3,328.91</b>	<b>2,497.46</b>	<b>3,156.69</b>	<b>1,244.92</b>	<b>10,227.98</b>
Less: Miscellaneous Receipt	72.02	44	83.91	6.98	206.91
<b>Total Revenue Requirement</b>	<b>3,256.89</b>	<b>2,453.46</b>	<b>3,072.78</b>	<b>1,237.94</b>	<b>10,021.07</b>
<b>Expected Revenue(Full year )</b>	<b>2,971.43</b>	<b>1,782.55</b>	<b>2,387.61</b>	<b>853.47</b>	<b>7,995.06</b>
<b>GAP at existing(+/-)</b>	<b>-285.46</b>	<b>-670.91</b>	<b>-685.17</b>	<b>-384.47</b>	<b>-2026.01</b>

**Tariff Proposal**

30. CESU, NESCO, WESCO and SOUTHCO have proposed to reduce the revenue gap through revision in Retail Tariff and/or Govt subsidy as the Commission may deem fit or combination of all above as the commission may deem fit to the extent as given below.

**Table – 11**

	<b>CESU</b>	<b>NESCO</b>	<b>WESCO</b>	<b>SOUTHCO</b>
Revenue Gap with existing Tariff	285.46	670.91	685.17	384.44
Excess Revenue with Proposed Tariff	0	0	0	0
Proposed Revenue Gap	285.46	670.91	685.17	384.44

Apart from the following tariff rationalizing measures, all the utilities have proposed additional charge per unit of electricity sold for undertaking measures for execution of disaster mitigation plan.

31. **Disaster Mitigation Plan:** All the utilities proposed some measures for execution of disaster mitigation plan. For execution of this Disaster Mitigation Plan (DMP), the utilities requires a huge investment. Hence, utilities has planned to execute the DMP in a phased manner and to execute this first phase plan as per the following

**Table – 12**

	Disaster Mitigation Plan allocation in Rs Crore	Proposed additional charge per unit on the electricity sold to customers (Paise/kWh)
CESU	30 *	05
NESCO	36.95**	05
WESCO	36.95**	05
SOUTHCO	39.85**	05

(\* for FY 2014-15, \*\* for next two years)

**The tariff rationalization measures as proposed by the licensees are as follows:**

#### **Proposal of CESU**

32. CESU proposed to meet the revenue gap of Rs 253.28 Cr. by the way of revision of retail tariff as per the proposed tariff schedule and/or Government subsidy as the Commission may deem fit or a combination of proposals suggested on RST as follows:
33. **MMFC/Demand charges for consumers having contract demand 70 kVA and above but less than 110 kVA:** The licensee proposed to charge MMFC/Demand charges on the basis of the maximum demand recorded or 80% of the contract demand, whichever is higher for the consumer having CD 70 kVA and above but less than 110 kVA on the principle adopted for the consumer having CD 110 kVA and above as per RST order of 372 of 2013-14. Also overdrawal and Power Factor penalty may also be considered for this category of consumers. Further, the MMFC/Demand Charges for the consumer having CD 20 kW and above and upto 70 kVA shall be levied as per the CD

of the consumer or MD recorded in the static meter installed for the consumer which is higher.

34. **Emergency power supply to CGP/IPP:** The licensee submitted that auxiliary demand/start-up demand of CGP/IPP is generally in the range of 10% of the unit capacity of the plant. At the time of application the CPP/IPP shall declare its emergency requirement. The tariff applicable to such power requirement shall be as per the provision of Para-345 of RST Order for FY 2013-14 for the agreed load. However, when the demand exceeds the CD the consumer shall pay two-part tariff applicable to normal industrial category as per Para-557 of RST for FY 2011-12. Further, CESU has submitted that the over drawl penalty shall be levied if it exceeds the agreed CD as in case of industrial consumer. The licensee further submitted to share the monthly SMD, average SDM and year-end charges attributed to the consumers own consumption, if SMD crossed due to the consumer's contribution. The consumer shall also contribute the applicable UI charges for his own share.
35. **Over-drawl penalty in energy charges and demand charges for customers who are not included in the ARR application:** Over-drawl penalty in Energy charges & Demand charges may be charged to HT and EHT consumers who are not included in the ARR application, but they desire to come up during FY 2013-2014. CESU prayed to consider this proposal of charging over drawl penalty in energy charges and demand charges to new HT and EHT customer, who are not included in the ARR application including the existing HT & EHT comes who exceeds their schedule of energy drawn proposed in the ARR.
36. **Own-Your-Transformers (OYT) scheme:** To improve the voltage & stability, CESU proposed to extend the system the OYT scheme LT Domestic/GPS consumers who would like to avail single point HT Supply. They also proposed not extend this scheme to individual telephone tower owners availing GPS tariff.
37. **Allowing of rebate to the consumers for prompt payment of full bill by due date:** CESU submitted that the consumers who do not pay the arrears and just pay the current bill are availing the rebate on current bill. However, as per Regulation 95 of OERC distribution code 2004 states that the consumers availing instalment facility are not eligible to avail rebate. Hence, CESU proposed not to allow rebate on part payments. Further, CESU proposed to allow special rebate to consumers who avail normal rebate continuously for a period of two years.
38. **Facility of agro base tariff as per para-258 of RST-2012-13:** CESU submitted that in the Hon. Commissions in its RST order for FY 2012-13 had allowed the food processing unit attached with cold storage to avail Agro Industrial Tariff. However, an Ice-cream manufacturer which is a product of allied milk powder having cold storage for its preservation activity started demanding Agro base tariff for their units which has resulted loss to the utilities. Hence, CESU proposed to exclude the food processing units from Agro base tariff.

39. **Power supply against indemnity bond:** CESU prays the Hon. Commission to enhance security deposit amount from present practice of 2 months to 6 months for supplying power against the indemnity bond.
40. **UI Charges:** CESU submitted that Open Access regulations specified by the commission stipulates that “the application tariff of that consumer category shall be allowed as grid support charges till ABT regime is implemented and as and when ABT regime is implemented the grid availability charges shall be UI charges or the tariff applicable for that particular category whichever is higher.”

They proposed that the UI Charges shall be applicable to HT and EHT consumers.

41. **Temporary service connections:** As per para-363 of RST-2013-14 “The tariff for the period of temporary connection shall be at the rate applicable to the relevant consumer category. Connection temporary in nature shall be provided as far as possible with pre-paid meters to avoid accumulation of arrears in the event of dismantling of the temporary connection etc.” CESU submitted that the temporary supply is required at a short notice and for a short period and in such event the MMFC/ Demand Charge are prorated for no. of Days which is not sufficient to meet the expenditure i.e preparation of estimate, connection charge, disconnection charge incurred by the DISCOM.

42. **Solar Power transaction:**

A) **Captive Solar Generation :** CESU proposed that in case its existing customers propose to install captive solar power project then CESU may be allowed to charge the consumer as per the prevailing RST and the CESU will pay the generator the APPC after deducting the standard transmission losses and in addition will issue REC to the generator.

B) **Roof top solar PV:** SESU proposed to pay the net generation from the roof top solar PV project as per the APPC rate. Further, they stated the need to promote the roof top solar PV projects by the consumers to meet their own captive requirement.

C) **Disaster Mitigation Plan:** CESU proposed some measures for execution of disaster mitigation plan. For execution of this Disaster Mitigation Plan (DMP), CESU requires a huge investment. Hence, CESU has planned to execute the DMP in a phased manner and to execute this first phase plan, CESU is proposing to raise additional revenue of Rs.30 crores during FY 2014-15 by charging additional Paise 05 (Five Paise) per unit sold to customers.

43. **Meter Rent:** CESU has planned to install smart meters in the premises of consumers, so that meter reading, disconnection, reconnection and load management can be carried out remotely. However, as the cost of those meters are around Rs.8000 to Rs.10,000 in case of single phase meters and around Rs.12000 to Rs.15000/- in case of three phase meters (inclusive of installation, maintenance , operations costs), the meter rent cost needs to be increased. Accordingly, CESU proposed to enhance the meter rent to Rs.100/month for LT single phase AMR/AMI Compliant Meter/Smart Meter and

Rs.200/month for LT three phase AMR/AMI Compliant Meter/Smart Meter from the present rent of Rs.50.00/month and Rs.150/- month respectively. In case of Smart Meters, Rs.150/month in case of single phase and Rs.250/month in case of three phase has been proposed.

### **Proposal of NESCO, WESCO and SOUTHCO:**

The licensees have proposed to bridge the revenue gap through combination of increase in Retail Supply Tariff, reduction in Bulk Supply Tariff and grant/subsidy from State Government in an appropriate manner.

### **Tariff Rationalisation Measures and proposals of NESCO, WESCO and SOUTHCO**

#### **i. Introduction of kVAh billing**

44. The Licensees have proposed kVAh billing in place of kWh Billing for computation of energy charges and remove the present applicable power factor penalty clauses for FY 2014-15. The power factor penalty/ Incentive is limited to only large consumers having contract demand of more than 110 kVA while medium and other three phase consumers are exempted. The objective of introduction of kVAh billing is to ensure reduction in line losses which occurs due to low power factor. The line losses will be high in the case of leading and lagging power factor than in the case of unity power factor. The objective of kVAh based billing is for encouraging the consumers to maintain near unity power factor to achieve loss reduction. The licensees have further proposed to replace present three part tariff structure for large consumers with two part tariff for all the three phase industrial consumers availing power supply in LT and HT and for which presently no Power Factor Penalty is provided in the tariff and whose meter is capable of reading kVAh component of energy. The licensees have also submitted the actual status of the kVAh and kWh readings of different HT and EHT consumer categories.

#### **ii. Applicability of power factor penalty**

45. The licensees have proposed that, the Hon'ble Commission in its RST order for FY 2012-13 orders allowed power factor penalty as a % of monthly Demand Charge and Energy Charges to some category of consumers. Hence, to bring more efficiency in Power System Operation and till such time the kVAh billing approach is adopted, the licensees have proposed Power Factor Penalty and Incentive structure to following additional category of consumers in order to bring more efficiency in Power System Operation.

LT Category: (LT industries Medium Supply, PWW and Sewage Pumping > 22 kVA)

HT Category: (Specified Public Purpose, General Purpose < 110 kVA, HT Industries (M) Supply).

#### **iii. Emergency power supply to captive power plants (CPPs)**

46. A large number of industries have already opted for their own captive generating plants

and few others are under pipe line. Normally the Emergency/Start-up power requirement of Captive generators is very less, but as per OERC Distribution (Condition of Supply) Code regulations-2004 Chapter–VIII, Para-15 the emergency assistance shall be limited to 100% of the rated capacity of the largest unit in the Captive power plant of Generating Stations. As per retail supply tariff for FY-2013-14, no demand charges are payable by industrial consumers availing Emergency power supply having contract demand of 100% of the rated capacity of largest Unit. In case of failure of the captive units, those industries draw power from the grid for their industrial consumption in the name of start-up/Emergency power requirement of their CGP. There is hardly any spinning reserve available with the licensee to manage such huge industrial requirement of the Industries. As a result Licensees are drawing more than their schedule during certain periods in a day resulting over drawl from State/Central grid with financial burden to the Licensee in Intra-state ABT mode of Operation. Licensee has proposed for amendment of Para-15 of OERC Distribution (condition of supply) Code.

47. The quantum of energy to be used for emergency supply for start up loads should be scientifically determined based on the age of the industrial plant, size of the industrial plant, technology of the unit. It has been estimated that the start-up power required for CPPs is around 10 to 12% of the rated capacity of highest unit and the licensee has requested to frame norms/guidelines for estimation of such requirement.

Further, the licensees have suggested that, if the consumption excess 10% load factor, the demand charge should be charged at double the normal rate and that the Industries should execute agreement with Distribution Licensees. In light with the ‘emergency’ nature of the supply it is suggested that there should be provisions for disconnection of supply in case the consumption is in excess of 10% of the load factor for two consecutive months. The licensee suggests the introduction of Demand Charges of Rs 250/kVA in addition to Energy Charges for Start-up power.

48. The Licensee have submitted that the Hon’ble Commission to consider Tariff for start-up power for IPP/CGPs proposed for state of Odisha as follows:

**Table – 13**

Category of Consumers	Demand Charges Rs/kVA/Month	Energy Charges (Rs per kWh)
EHT Consumers	250	6.95
HT Consumers	250	7.00

Licensees have proposed following conditions for start-up power supply to CGP:

- Industries having CGPs to avail Start-Up power their Contract Demand should not exceed 12% of the capacity of the highest capacity Generating units of the



CGP. Consumers have to enter into an agreement with the concerned DISCOMs subject to technical feasibility and availability of required quantum of power/energy.

- A drawl of power shall be restricted to within 10 % of load factor based on the contract demand and actual power factor in each month. If the load factor in a month is recorded beyond 10 % the demand charge shall be charged at double the normal rate. Supply can also be disconnected if the monthly load factor exceeds 10% in any two consecutive month.
- This tariff shall also be applicable to such generator(s) for start up purpose prior to their COD.
- Start-up power shall also be made available to the generator connected to CTU grid with proper accounting done in monthly Regional Energy Accounting prepared by ERPC. (New IPPS are coming in future, which may also be connected to CTU grid directly.

**iv. Exclusion of meter rent as misc revenue in discoms ARR**

49. The discoms have submitted that inclusion of meter rent as miscellaneous income/revenue receipts in the ARR of the discoms ought to be discontinued as expenditure on purchase of meters is treated as a capital expenditure. Further, the cost of the meter has not been included as a cost to the Annual Revenue Requirement on the basis of the State Commission's policy. Therefore, the meter rent ought not to be treated as revenue in the Annual Revenue Requirement." To support this, the licensee have referred to the judgement of the APTEL under Appeal No 52, 53 and 54 of 2007-Clause 27.

**v. MMFC for Consumers with Contract Demand <110 kVA**

50. The Monthly Minimum Fixed Charges for the consumers with contract demand less than 110 kVA are levied as per the recorded demand rounded to nearest 0.5 kW requiring no verification irrespective of the agreement. This adversely affects the licensee in case of the recorded demand is lower than the contract demand/connected load. The Licensee proposed that the Monthly Minimum Fixed Charges for such consumers shall be levied at Contract Demand or Maximum Demand whichever is higher.

**vi. Demand Charges for General purpose >70 kVA<110 kVA and HT Industrial (M) Supply**

51. As per current tariff structures the consumers in the above category who are availing power supply in HT are required to pay demand charges of Rs.250 and Rs.150 per kVA. In Para 341 of RST order (FY 2013-14) Demand charges are meant for consumers with contract demand of 110 kVA and above. In absence of clear cut guidelines for billing of demand charges to the above two category availing power supply in HT supply are raising disputes in various forums and demanding that they are required to be billed as per para 344 of RST order FY 13-14 which says that the highest

demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification. The highest demand recorded should continue from the month it occurs till the end of the financial year for the billing purpose. However, in case of consumers having CD of more than 110 kVA are paying Demand charges on the basis Para 342 of RST order FY 13-14, as the licensee is reserving capacity for them to the extent of their CD. In similar line consumers with CD of <110 kVA are also liable to pay the Demand charges on the basis of CD or MD whichever is higher. Therefore, the licensee submitted that these two categories of consumers availing power supply in HT category and liable to pay Demand charges in kVA should also be billed on the basis of CD or MD whichever is higher irrespective of their connected load which may kindly be considered.

**vii. Demand Charges and Monthly Minimum Fixed Charges**

52. The Licensee submits that 90% of the Distribution costs are fixed cost in nature. The distribution cost of the License which is a fixed cost has increased many folds during the recent years, the said cost normally required to be recovered from the Demand Charges. The fixed cost of the power procurement by way of payment towards capacity charges has also increased during last few years. The revenue recovery on account of the demand charges and monthly minimum fixed charges is less than 50 % of the fixed distribution cost of the licensees. In view of this, the Licensees have proposes to recover the full fixed distribution costs by suitably revising the Demand charges and monthly minimum fixed charges during the ensuing year.

## Tariff Schedule

53. CESU and the three Reliance managed DISCOMs have proposed separate tariff schedule as given bellow.

**Table - 14**

### RETAIL SUPPLY TARIFF PROPOSED BY CESU FOR FY 2014-15

PROPOSED RETAIL TARIFF EFFECTIVE FROM 1<sup>st</sup> APRIL -2014

Sl. No.	Category of Consumers	Voltage of Supply	Demand Charge (Rs./KW/ Month)/ (Rs./kVA/ Month)	Energy Charge (P/kWh)	Customer Service Charge (Rs./Month)	Monthly Minimum Fixed Charge for first KW or part (Rs.)	Monthly Fixed Charge for any additional KW or part (Rs.)	Rebate (P/kWh)/ DPS
<b>LT Category</b>								
1	Domestic							
1.a	Kutir Jyoti < 30U/month	LT	FIXED MONTHLY CHARGE ---->			75		
1.b	Others							10
	(Consumption <=50 units/month)	LT		250		25	25	
	(Consumption >50, <=200 units/month)	LT		440		25	25	
	(Consumption >200, <=400 units/month)	LT		530		25	25	
	(Consumption >400 units/month)	LT		580		25	25	
2	General Purpose < 110 kVA							10
	(Consumption <=100 units/month)	LT		560		50	50	
	(Consumption >100, <=300 units/month)	LT		670		50	50	
	(Consumption >300 units/month)	LT		740		50	50	
3	Irrigation Pumping and Agriculture	LT	0	210		20	20	10
4	Allied Agricultural Activities	LT	0	220		25	15	10
5	Allied Agro-Industrial Activities	LT	0	460		80	70	DPS/Rebate
6	Public Lighting	LT	0	585		30	30	DPS/Rebate
7	L.T. Industrial (S) Supply	LT	0	585		80	80	DPS/Rebate
8	L.T. Industrial (M) Supply	LT	0	585		100	100	DPS/Rebate
9	Specified Public Purpose	LT	0	585		80	80	DPS/Rebate
10	Public Water Works and Swerage Pumping <110 kVA	LT	0	585		80	80	DPS/Rebate
11	Public Water Works and Swerage Pumping >=110 kVA	LT	225	585	200			DPS/Rebate
12	General Purpose >= 110 kVA	LT	225	585	200			DPS/Rebate
13	Large Industry	LT	225	585	200			DPS/Rebate
<b>HT Category</b>								
14	Bulk Supply - Domestic	HT	30	460	500			DPS/Rebate
15	Irrigation Pumping and Agriculture	HT	40	200	500			DPS/Rebate
16	Allied Agricultural Activities	HT	50	210	500			DPS/Rebate
17	Allied Agro-Industrial Activities	HT	70	450	500			DPS/Rebate
18	Specified Public Purpose	HT	275		500			DPS/Rebate
19	General Purpose >70 < 110 kVA	HT	275		500			DPS/Rebate
20	H.T. Industrial (M) Supply	HT	175		500			DPS/Rebate
21	General Purpose >70kVA < 110 kVA	HT	275		500			DPS/Rebate
22	Public Water Works & Swerage Pumping	HT	275		500			DPS/Rebate
23	Large Industry	HT	275		500			DPS/Rebate
24	Power Intensive Industry	HT	275		500			DPS/Rebate

25	Ministeel Plant	HT	275		500			DPS/Rebate
26	Railway Traction	HT	275		500			DPS/Rebate
27	Emergency Supply to CPP	HT	0	800	500			DPS/Rebate
28	Colony Consumption	HT		500				DPS/Rebate
<b>EHT Category</b>								
29	General Purpose	EHT	275	As indicated in the notes below	1000			DPS/Rebate
30	Large Industry	EHT	275		1000			DPS/Rebate
31	Railway Traction	EHT	275		1000			DPS/Rebate
32	Heavy Industry	EHT	275		1000			DPS/Rebate
33	Power Intensive Industry	EHT	275		1000			DPS/Rebate
34	Ministeel Plant	EHT	275		1000			DPS/Rebate
35	Emergency Supply to CPP	EHT	0	790.00	1000			DPS/Rebate
36	Colony Consumption	EHT		500.00				DPS/Rebate

**Note: Energy Charges for HT & EHT Consumers**

Load Factor (%)	HT (Paisa/ Unit)	EHT(Paisa/Unit)
Upto 60%	570.00	565.00
>60%	430.00	425.00

Table - 15

## RETAIL SUPPLY TARIFF PROPOSED BY NESCO, WESCO AND SOUTHCO FOR FY 2014-

15

## RETAIL SUPPLY TARIFF EFFECTIVE FROM 1st APRIL, 2014

Sl. No.	Category of Consumers	Voltage of Supply	Demand Charge (Rs./kW/Month)/(Rs./kVA/Month)	Energy Charge (P/kWh)	Customer Service Charge (Rs./Month)	Monthly Minimum Fixed Charge for first kW or part (Rs.)	Monthly Fixed Charge for any additional kW or part (Rs.)	Rebate (P/kWh)/DPS
<b>LT Category</b>								
1	Domestic							
1.a	Kutir Jyoti < 30U/month	LT	FIXED MONTHLY CHARGE---->			65		
1.b	Others							10
	(Consumption <= 50 units/month)	LT		230		20	20	
	(Consumption >100, <=200 units/month)	LT		400		20	20	
	(Consumption >200, <=400 units/month)	LT		500		20	20	
	(Consumption >400 units/month)	LT		540		20	20	
2	General Purpose < 110 kVA							10
	(Consumption <=100 units/month)	LT		510		30	30	
	(Consumption >100, <=300 units/month)	LT		620		30	30	
	(Consumption >300 units/month)	LT		690		30	30	
3	Irrigation Pumping and Agriculture	LT		110		20	10	10
4	Allied Agricultural Activities	LT		120		20	10	10
5	Allied Agro Industrial Activities	LT		400		80	50	DPS/Rebate
6	Public Lighting	LT		540		20	15	DPS/Rebate
7	L.T. Industrial (S) Supply	LT		540		80	35	10
8	L.T. Industrial (M) Supply	LT		540		100	50	DPS/Rebate
9	Specified Public Purpose	LT		540		50	50	DPS/Rebate
10	Public Water Works and Swerage Pumping <110 kVA	LT		540		50	50	10
11	Public Water Works and Swerage Pumping >=110 kVA	LT	200	540	30			10
12	General Purpose >= 110 kVA	LT	200	540	30			DPS/Rebate
13	Large Industry	LT	200	540	30			DPS/Rebate
<b>HT Category</b>								
14	Bulk Supply - Domestic	HT	20	410	250			10
15	Irrigation Pumping and Agriculture	HT	30	100	250			10
16	Allied Agricultural Activities	HT	30	110	250			10
17	Allied Agro Industrial Activities	HT	50	390	250			DPS/Rebate
18	Specified Public Purpose	HT	250		250			DPS/Rebate
19	General Purpose >70 kVA < 110 kVA	HT	250		250			10
20	H.T. Industrial (M) Supply	HT	150		250			DPS/Rebate
21	General Purpose >= 110 kVA	HT	250		250			DPS/Rebate
22	Public Water Works & Swerage Pumping	HT	250		250			10

23	Large Industry	HT	250		250			DPS/R ebate
24	Power Intensive Industry	HT	250		250			DPS/R ebate
25	Ministeel Plant	HT	250		250			DPS/R ebate
26	Railway Traction	HT	250		250			DPS/R ebate
27	Emergency Supply to CGP	HT	0	700	250			DPS/R ebate
28	Colony Consumption	HT	0	450	0			DPS/R ebate
<b>EHT Category</b>								
29	General Purpose	EHT	250		700			DPS/R ebate
30	Large Industry	EHT	250	As indicated in the notes below.	700			DPS/R ebate
31	Railway Traction	EHT	250		700			DPS/R ebate
32	Heavy Industry	EHT	250		700			DPS/R ebate
33	Power Intensive Industry	EHT	250		700			DPS/R ebate
34	Ministeel Plant	EHT	250		700			DPS/R ebate
35	Emergency Supply to CGP	EHT	0		695	700		
36	Colony Consumption	EHT	0	440	0			DPS/R ebate
<b>Note: Energy Charges for HT &amp; EHT Consumers</b>								
	Load Factor (%)	<b>HT</b>	<b>EHT</b>					
	up to 60%	505 p/u	500 p/u					
	>60%	400 p/u	395 p/u					
( i )	A Reliability surcharge has been introduced for such HT and EHT consumers availing power through dedicated / shared feeder from grid/primary sub-station. Reliability surcharge @ 20 paise per unit shall be charged if reliability index is more than 99% and above and voltage profile at consumer end remains within the stipulated limit.							
( ii )	Reconnection charges for the defaulting consumers who don't pay electricity bill within due date and also not required to pay DPS. This charge is leviable to those consumers who don't pay electricity bills in time and have not been disconnected.							
( iii )	Prospective small consumers requiring new LT single phase connection upto and including 5 KW load shall only pay a flat charge of Rs.1500/- as service connection charges towards new connection excluding security deposit as applicable as well as processing fee of Rs.25/-. The service connection charges include the cost of material and supervision charges.							
( iv )	Existing "Tatkal Scheme" for new connections, applicable to LT Domestic, Agricultural and General Purpose consumers.							
( v )	In case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the contract demand requiring no verification irrespective of the agreement. Therefore, for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 kVA, the above shall form the basis.							
( vi )	The billing demand in respect of consumer with Contract Demand of less than 110 kVA should be the highest demand recorded in the meter during the Financial Year irrespective of the Connected Load, which shall require no verification. For billing purposes CD or MD which ever is higher shall be considered.							
( vii )	Three phase consumers with static meters are allowed to avail TOD rebate excluding Public Lighting and emergency supply to CGP @10 paise/unit for energy consumed during off peak hours. Off peak hours has been defined as 12 Midnight to 6 AM of next day.							
( viii )	Hostels attached to the Schools recognised and run by SC/ST Dept., Govt of Odisha shall get a rebate of Rs.2.40 paise per unit in energy charge under Specified Public Purpose category (LT / HT) which shall be over and above the normal rebate for which they are eligible.							
( ix )	Swajala Dhara consumers under Public Water Works and Sewerage Pumping Installation category shall get special 10% rebate if electricity bills are paid within due date over and above normal rebate.							

- Drawal by the industries during off-peak hours upto 120% of Contract Demand without levy of any penalty has been allowed. "Off-peak hours" for the purpose of tariff is defined as from 12 Midnight to 6.00 A.M. of the next day. The consumers who draw beyond their contract demand during hours other than the off-peak hours shall not be eligible for this benefit. If the drawal in the off peak hours exceeds 120% of the contract demand, overdrawal penalty shall be charged over and above the 120% of contract demand. When Statutory Load Regulation is imposed then restricted demand shall be treated as contract demand.
- ( x )
- General purpose consumers with Contract Demand (CD) < 70 kVA shall be treated as LT consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 76 (1) (c) of OERC Distribution (Conditions of Supply) Code, 2004 the supply for load above 5 KW upto and including 70 kVA shall be in 2-phase, 3-wires or 3-phase, 3 or 4 wires at 400 volts between phases.
- ( xi )
- Own Your Transformer – "OYT Scheme" is intended for the existing individual LT domestic, individual / Group General Purpose consumers who would like to avail single point supply by owning their distribution transformer. In such a case licensee would extend a special concession of 5% rebate on the total electricity bill (except electricity duty and meter rent) of the respective category apart from the normal rebate on the payment of the bill by the due date. If the payment is not made within due date no rebate, either normal or special is payable. The maintenance of the 'OYT' transformer shall be made by DISCOMs. For removal of doubt it is clarified that the "OYT Scheme" is not applicable to any existing or new HT/EHT consumer.
- (xii)
- Power factor penalty shall be
- i) 0.5% for every 1% fall from 92% upto and including 70% plus
- ii) 1% for every 1% fall below 70% upto and including 30% plus
- (xiii) iii) 2% for every 1% fall below 30%
- The penalty shall be on the monthly demand charges and energy charges
- There shall not be any power factor penalty for leading power factor. WESCO proposes KVah billing, the above power factor penalty shall not be applicable if KVAH billing is approved by Hon,ble Commission.
- (xiv) The printout of the record of the static meter relating to MD, PF, number and period of interruption shall be supplied to the consumer wherever possible with a payment of Rs.500/- by the consumer for monthly record.

### Prayer:

#### 54. CESU has following prayers to the Commission

- Admit the accompanying Annual Revenue Requirement & Tariff Application of FY 2014-15
- Approve the Annual Revenue Requirement (ARR) of the Utility for the Financial Year 2014-15 as proposed by the Utility.
- To provide all necessary support for the successful operation of Input Based Franchisee Model with Incremental Revenue Sharing (IBF-IRS) basis in 15 divisions to achieve CESU for a commercially viable organization.
- To consider the tariff related proposals submitted along with the application and approve the same.
- To consider actual distribution and AT&C loss while approving the ARR application for FY 2014-15.
- To direct Government to provide subsidy because of lower tariff in case of BPL customers, as nos. of BPL customer will be very high during FY 2013-14
- Consider the projected T&D loss of 31.31% in FY 2014-15.
- Direct/order that, the revenue gap shall be bridged by revision of retail tariff and/or Government subsidy as the Hon'ble Commission may deem fit.

- Grant any other relief as deemed fit & proper in the facts and circumstances of the case.

**55. NESCO, WESCO and SOUTHCO have the following prayers to the Commission.**

- Take the ARR application and Tariff Petition on record.
- Approve the Annual Revenue Requirement for FY 2014-15 including amortisation of Regulatory Asset on account of uncovered gap upto 2012-13
- Approving the Truing up impact for FY 2012-13 & FY2013-14
- Bridge the Revenue Gap for the FY 2014-15 through increase in Retail Supply Tariff, reduction in Bulk Supply Tariff (BST), grant/ subsidy from the Government of Odisha etc.
- To give effects to the ATE order dated 03.07.2013 on different issues such as fixation of Distribution loss target and truing up of previous years accordingly etc.
- GRIDCO and GoO may kindly be advised to implement the earlier Order of Hon. Commission cede the SOUTHCO, WESCO, NESCO assets for raising loan.
- GRIDCO may be suitably directed to adhere to the direction of the Hon. Commission in allowing the monthly escrow relaxation for payment of Salary and R&M expenses. During Current year GRIDCO has not relaxed escrow for salary till Sep-13. Only for Oct-13, escrow relaxation for salary was made.
- Allow the following Tariff rationalisation measures as proposed
  - ✓ Introduction of kVAh Billing
  - ✓ Applicability of PF Penalty (Only SOUTHCO)
  - ✓ Two part tariff for Emergency power supply to Captive Power Plants (CPP)
  - ✓ Exclusion of Meter Rent as Misc Revenue
  - ✓ MMFC for Consumers with Contract Demand <110 kVA
  - ✓ Demand Charges for GP > 70 kVA and < 110 kVA and HT Industrial (M) supply
  - ✓ Demand Charges and MMFC (Only SOUTHCO)
  - ✓ 2% Rebate on payment of BST bills within 3 days time instead of 2 working days (only WESCO)
  - ✓ Subsidy to meet cost of supply for dedicated agriculture and fishery feeders(only WESCO, NESCO)
  - ✓ Addressing of Negative cash flow of WESCO.



- ✓ Considering the cost of working capital to meet the cash flow requirement of NESCO. (Only NESCO)
- ✓ Issue of Guidelines for replacement of burnt transformers
- ✓ Creation of dedicated feeders for agriculture and irrigation purposes
- ✓ Rebate on Prompt Payment
- ✓ Other Tariff rationalization measures as proposed in this application
- Allowing recovery of 5paise/unit towards Organisational Set up Cost for Disaster Management.
- Allow the licensee to submit additional documents, modify the present petition, if so required, during the proceeding of this application.
- Any other relief, order or direction which the Hon. Commission deems fit.

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