

Summary of ARR & Tariff Filings

Submitted by

CESU, NESCO, SOUTHCO and WESCO

For

FY 2013-14

Summary of Annual Revenue Requirement (ARR) & Retail Supply Tariff (RST) Proposal of Electricity Distribution Companies of Orissa for FY 2013-14

1. A statement of Energy Sale, Purchase and Overall Distribution loss from FYs 2008-09 to 2013-14 as submitted by DISCOMs of Orissa namely Central Electricity Supply Utility of Orissa (CESU), North Eastern Electricity Supply Company of Orissa Ltd (NESCO), Southern Electricity Supply Company of Orissa Ltd (SOUTHCO) and Western Electricity Supply Company of Orissa Ltd (WESCO) is given below in Table 1 below:

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

DISCOMs	Particulars	2008-09 (Actual)	2009-10 (Actual)	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Estt)	2013-14 (Estt)
CESU	Energy Sale (MU)	3387.07	3775.03	4372.65	4491.63	4836.77	5583.12
	Energy Purchased (MU)	5672.61	6232.68	7069.34	7232.91	7738.84	8210.47
	Overall Distribution Loss %	40.29	39.43	38.15	37.96	37.50	32.00
NESCO	Energy Sale (MU)	2973.71	3175.14	3435.59	3301.53	3786.98	4142.81
	Energy Purchased (MU)	4544.97	4705.45	5067.403	5023.40	5690.43	6140.23
	Overall Distribution Loss %	34.57	32.52	32.20	34.28	33.45	32.53
SOUTHCO	Energy Sale (MU)	1136.21	1187.82	1323.466	1507.53	1722.33	2159.06
	Energy Purchased (MU)	2175.93	2285.32	2555.64	2814.13	3047.00	3600
	Overall Distribution Loss %	47.78	48.02	48.21	46.43	43.47	40.03
WESCO	Energy Sale (MU)	4238.24	4089.90	3978.711	3775.042	4027.52	4433.00
	Energy Purchased(MU)	6378.43	6301	6510.88	6177.74	6496.00	6821.00
	Overall Distribution Loss %	33.55	35.09	38.89	38.89	38.00	35.01

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 2008-09 onwards are given hereunder :-

**Table - 2
AT&C Loss**

DISCOMs	Particulars	2008-09 (Actual)	2009-10 (Actual)	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Estt)	2013-14 (Estt)
CESU	Dist. Loss (%)	40	39	38	37.96	37.50	32.00
	Collection Efficiency (%)	91.81	93.19	96	97	99	99
	AT&C Loss (%)	45.23	43.56	41	39.99	38.13	32.68
	OERC Target (AT&C Loss %) (As per Business Plan)	32.84	27.77	26.86	24.76	23.77	--
NESCO	Dist. Loss (%)	34.57	32.52	32.20	34.28	33.45	32.53
	Collection Efficiency (%)	92.50	95.53	94.34	100.57	99.66	99.17
	AT&C Loss (%)	39.48	35.54	36.04	33.91	33.67	33.08
	OERC Target (AT&C Loss %) (As per Business Plan)	29.23	24.54	20.09	19.22	19.17	--
SOUTHCO	Dist. Loss (%)	47.78	48.02	48.21	46.43	43.47	40.03
	Collection Efficiency (%)	94.21	95.98	92.40	97.80	97.00	97.00
	AT&C Loss (%)	50.80	50.16	52.15	47.61	45.17	41.83
	OERC Target (AT&C Loss %) (As per Business Plan)	34.59	29.36	29.26	27.24	26.25	--
WESCO	Dist. Loss (%)	33.55	35.09	38.89	38.89	38.00	35.01
	Collection Efficiency (%)	93.86	96.03	91.32	95.37	97	98

DISCOMs	Particulars	2008-09 (Actual)	2009-10 (Actual)	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Estt)	2013-14 (Estt)
	AT&C Loss (%)	37.63	37.67	44.20	41.72	39.86	36.31
	OERC Target (AT&C Loss %) (As per Business Plan)	27.55	24.05	21.53	20.50	20.40	--

The licensees have proposed above AT&C losses their licensee area and Reliance managed DISCOMS have further submitted to re-determine opening loss levels on realistic basis for sustainability of distribution business. The utilities have planned the following measures along with CAPEX programme for distribution loss reduction and to achieve these targets:

- Spot billing roll out plan
- Automated Meter Reading system
- IT / automation module implementation
- Consumer Indexing
- Energy Audit
- Franchisee etc.,

In view of above, the Licensee requested the Hon'ble Commission to consider the estimated AT&C loss for FY 2013-14 as proposed by them.

Spot Billing Roll out Plan

3. The Reliance managed DISCOMs NESCO, WESCO, SOUTHCO have submitted that they have covered 100% consumers under spot billing. The details of consumers and relative cost per annum for spot billing is as detailed below.

Table -3

Name of DISCOM	Total No of Consumers covered under Spot Billing	Total Cost Involved (Rs.) per annum
NESCO	5,97,654	3,96,00,000
WESCO	5,82,922	5,34,42,288
SOUTHCO	12,49,986	8,39,60,784

Automated Meter Reading System

4. 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 2013-14. The plan for installation of AMR for the FY 2013-14 is as follows:

Table - 4

Name of DISCOMs	No. of Consumers	Cost including installation	One time set up cost	Total cost	Recurring cost per month communication + manpower	Unit
NESCO	5000	3.49	0.60	4.09	0.02	Rs Cr
WESCO	936	109.44	46	155.44	39.84	Rs Lakh
SOUTCO	3596	318.86	46.00	374.86	4.51	Rs Lakh

IT / automation module implementation

5. 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 2013-14 is as follows:

Table – 5

Name of DISCOMs	Hardware and Software Cost (Rs lakh)	Recurring cost (Rs lakh)
NESCO	35.56	5.00
WESCO	99.75	32.08
SOUTHCO	27.00	37.80
TOTAL	162.31	74.88

Consumer Indexing

6. 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 2013-14.

Franchisee Operation

7. CESU has planned to engage franchisees in its supply area to minimise AT&C loss, to improve arrears recovery and to enhance customer satisfaction. The franchisee expenses proposed by CESU is Rs 9.61 Cr for FY 2013-14.

Serious efforts are being made by the Licensee (NESCO/WESCO/SOUTHCO) in the direction of introduction of Franchisees in the Power Distribution Sector as per the directions of Hon'ble Commission and RGGVY scheme requirements. The status of number of franchisee, models, no of consumers under the franchisee, no of villages covered under franchisee operation and the expenses proposed by the licensee for franchisee operation in the FY 2013-14 is as follows:

Table – 6

Licensee	No of Franchises	Input based franchisee	Collection /Revenue based franchisee	No of consumers covered	No of Villages Covered	Franchisee Expenses proposed in FY 2013-14 in Rs Lakh
NESCO	49	2	47	1,72,061	3,327	913.24
WESCO	188	6	182	1,77,504	2,713	237.88
SOUTHCO	378	1	377	2,24,375	2,256	600.00

Energy Police Stations & Special Courts

8. CESU has estimated an expenditure of Rs.21.51 Crore for FY 2013-14 towards energy police stations in various districts under its jurisdictions.

NESCO, WESCO, and SOUTHCO have submitted that the support from the State Govt. on anti theft initiatives like setting up of Special Police Stations and Special Courts have not been materialised to that extent. Further licensees have submitted that the special courts have not been functional.

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 – 7

DISCOMS	No of Police stations sanctioned	No of Police stations established	Proposed Expenses for FY 2013-14 (Rs Cr)
NESCO	6	5	2.27
WESCO	10	10	0.9
SOUTHCO	10	8	5.36

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

System Improvement Scheme/Capex Plan

9. NESCO, WESCO, SOUTHCO and CESU has submitted that their Capex plan amounting with GoO funding and counterpart funding for FY 2013-14 as follows:

Table - 8

Capex Programme of DISCOMs (Rs. Crore)

Name of the Programme	CESU	NESCO	WESCO	SOUTHCO
Capex Plan- GoO	97.50	52.50	48.75	51.25
Counterpart funding- Licensee	263.11	126	117	123
Total	360.61	178.5	165.75	174.25

Data Sources

10. NESCO, WESCO, SOUTHCO and CESU have scrupulously complied with the information requested by the Commission for submitting the ARR and tariff for the year 2013-14. The accounts upto March, 2012 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 up to September 2011 has been used for compilation of data and for preparation of ARR.

Revenue Requirement

Sales Forecast

11. For projecting the energy sale to different consumer categories, the Licensee had analysed the past trends of consumption pattern for last nine years i.e. FY 2001-2002 to FY 2010-11. In addition, the Licensee has relied on the audited accounts for FY 2011-12 and actual sales data for the first six months of FY 2012-13. With this, the four distribution utilities have forecasted their sales figures for the year 2013-14 as detailed below with reasons for sales growth.

Table – 9

Licensee/ Utility	LT Sales for 2013-14 (Estt.)		HT Sales for 2013-14 (Estt)		EHT Sales for 2013-14 (Estt)		Total Sales 2013-14 (Estt) MU
	(MU)	% Rise over FY 13	(MU)	% Rise over FY 13	(MU)	% Rise over FY 13	
CESU	2900.26	16.6	1181.94	16.9	1682.81	12.14	5583.12
Remarks							
NESCO	2103	29.9%	464.52	1.002%	1575.01	(7.58%)	4142.81
Remarks	Impact of electrification of new villages under RGGVY & Biju Gram Jyoti Yojana and growth from existing & new consumers		Marginal increase due to decline in sales due to recession in steel & mining sector, temporary closure/ disconnection of steel mfg industries		decline in sale in comparison to FY 2012-13		
WESCO	1715.00	21.94%	1268.00	4.77%	1450	2.76%	4433.00
Remarks	Impact of electrification of new villages under RGGVY & Biju gram jyoti yojana and growth in domestic category		Marginal increase due to decline in sales due to recession in steel & mining sector,		Same growth pattern as of the earlier year proposed for this year.		
SOUTHCO	1533.30	35.52%	199.73	4.6%	426.02	6.49%	2159.066
Remarks	Impact of BPL & APL consumers from RGGVY, BGY program, Increase in agriculture and Irrigation consumption from Mega Lift Irrigation project of GoO		nominal addition in consumption considered based on earlier trend		Expecting two EHT consumers will avail power		

Inputs in Revenue Requirement

Power Purchase Expenses

12. 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 2012-13 and additional coming in the FY 2013-14 which is as shown in table given below.

Table - 10

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	8210.47	5583.12	32.00	292	2398.28	1415
NESCO	6140.23	4142.81	32.53	301	2002.67	900
WESCO	6821.00	4433.00	35.01	300	2217.99	1100
SOUTHCO	3600	2159	40.03	182	745.74	610

Employees' Expenses

13. CESU, NESCO, WESCO and SOUTHCO have projected the employee expenses of Rs. 298.59 Cr. Rs.354 Cr., Rs.328.32 Cr. and Rs.250.58 Cr respectively for FY 2013-14. The total employee expense submitted by these DISCOMs namely CESU, NESCO, WESCO and SOUTHCO are Rs 268.44 Rs. 228 Cr., Rs.279.20 Cr. and Rs.226.86 Cr. respectively against approved employee expense of Rs. 339.39 Cr. 180.02 Cr., Rs.206.82 Cr. and Rs.186.17 Cr. respectively for the FY 2012-13.

Administrative & General Expenses

14. CESU has proposed Rs 50.66 Cr. as A & G expenses for FY 2013-14 against Rs 47.28 Cr. for the current year 2012-13. CESU has estimated the A&G cost by considering 7% increase from FY 2012-13 towards expenses due to sharp increase growth of consumers and exponential growth of consumer service activity. Also addition of new activities have increased proposed expenditures.

CESU, NESCO, WESCO, SOUTHCO have submitted A & G expense of Rs. 50.66 Cr., Rs. 53.57 Cr., Rs. 47.16 Cr. and Rs. 46.16 Cr. for FY 2013-14 against approved A & G expense of Rs 39.73, Rs 21.38 Cr Rs 29.25 Cr and 19.17 Cr. for the FY 2012-13 respectively and the additional expenditure. While calculating the A&G expenses the licensee have projected by considering 7% increase over the approved A&G for FY 2012-13 along with additional A&G expenses of Rs. 14.16 Cr., Rs. 15.86 Cr. and Rs. 30.40 Cr. in case of NESCO, WESCO and SOUTHCO.

Repair & Maintenance (R&M) Expenses

15. 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 2013-14 are given below:

Table - 11
R&M Cost (Rs. Cr.)

DISCOMs	GFA including RGGVY and BGJY assets	R&M as 5.4% of GFA
CESU	1437.89	77.65
NESCO	1557.07	84.08
WESCO	1013.86	54.74
SOUTHCO	1202.99	64.96

Provision for Bad & Doubtful Debts

16. Considering the collection efficiency of 99% for the year 2013-14, two percent of net revenue has been taken as bad debt. CESU has made provision towards bad and doubtful debts to the tune of Rs.26.84 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 2013-14. Considering the proposed collection efficiency of 99 % for NESCO and 97 % for SOUTHCO for FY 2013-14, they have considered for bad and doubtful debts to the extent of Rs.15.15 Cr., and Rs.24.92 Cr towards collection inefficiency as bad and doubtful debt as part of ARR for FY 2013-14. 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 57.983 Cr.

Depreciation

17. 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 2013-14 is projected at Rs.56.20 Cr. for NESCO, Rs.36.33 Cr. for WESCO Rs 43.99 Cr. for SOUTHCO, and Rs.78.72 Cr. for CESU.

Interest Expenses

18. CESU, NESCO, WESCO & SOUTHCO have submitted the interest expenses and the interest income for the FY 2013-14. The net interest expenses proposed by these licensees are Rs147.24 Cr, Rs 66.05 Cr, Rs 64.59 Cr and Rs 66.37 Cr respectively. The major components of the interest expenses of these licensees are as follows:

A. Loan from GRIDCO and others with Interest

19. CESU has submitted that no interest has been calculated on GRIDCO loan including Rs.174 Crore cash support as per the Order of the Commission. About loan from Govt. CESU submits that they have availed APDRP assistance amounting to Rs.37.09 Cr. from GoI through Govt. of Orissa and borrowed counter part funding from PFC amounting to Rs.35.52 Cr. The loan under APDRP and PFC carries an interest of 12% per annum. The interest on World Bank loan has been calculated @ 13% per annum.

B. NTPC Power Bond

20. As per the Hon'ble Commissions Order dated 29.03.2012, NESCO, WESCO & SOUTHCO have made agreed payment and have fully complied the settlement order and are waiting for the ceding of charges by GRIDCO to approach the Banks/ FIs to avail loan for Capex. The Licensees have considered the approved interest rate of 8.5%. NESCO, and SOUTHCO have considered the interest on the revised loan after the settlement as Rs 3.69 Cr, and Rs 14.51 Cr respectively.

C. Interest on Capex Loan from Govt. Of Orissa

21. 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 3.08 Cr, Rs. 2.85 Cr. and Rs. 13.99 Cr. respectively for the ensuring year.

D. World Bank Loan Liabilities

22. REL managed licensee NESCO, WESCO & SOUTHCO has calculated the interest liability of Rs. 10.38 Crore, Rs. 11.82 Crore and Rs 7.79 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.

E. Interest on APDRP loan assistance

23. About loan from Govt, CESU has submitted that they have availed APDRP assistance of Rs 37.09 Cr. from GOI through Govt of Orissa 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.1.2203 Crore and Rs.0.6829 Crore, respectively on this account.

F. Interest on SI scheme counterpart funding from REC/IDBI for Capex plan

24. 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. 10.40 Cr., Rs. 5.22 Cr. and Rs. 14.46 Cr. respectively for the ensuring year.

G. Interest Capitalized

25. 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 2013-14 for NESCO, WESCO and SOUTHCO are Rs.6.74 Crore, Rs.3.83 Crore and Rs.5.69 Crore, respectively.

H. Interest on Security Deposit

26. NESCO, WESCO and SOUTHCO have submitted that the interest on security deposits @ 6 percent per annum for FY 2013-14 have been worked out to be Rs.19.89 Crore (NESCO), Rs.26.17 Crore (WESCO) and Rs.6.62 Crore (SOUTHCO).

Non-Tariff Income

27. NESCO, WESCO and SOUTHCO have proposed non-tariff income for FY 2013-14 to the tune of Rs. 26.87 Crore, Rs.51.24 Crore and Rs.7.45 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

28. NESCO, WESCO and SOUTHCO have proposed provision for contingency at 0.375% of Gross Fixed Assets at the beginning of the year for FY 2013-14. The exposures towards contingency provisions are to the tune of Rs.5.84 Crore, Rs.3.80 Crore and Rs.4.52 Crore, respectively

Amortisation of Regulatory Assets

29. NESCO, WESCO and SOUTHCO have included the total amortization of Regulatory assets as Rs 336.16 Cr, Rs 1063.14 Cr and Rs. 1288.05 Cr respectively for the FY 2013-14. 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 2013-14 which are to the tune of Rs 35.77 Crore, Rs. 396.82 Crore, Rs 257.61 Crore respectively.

Return on Equity/Reasonable Return

30. 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 2013-14. 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 2011-12 and FY 2012-13

31. The Reliance managed DISCOMs NESCO, WESCO and SOUTHCO have requested the Commission to allow truing up of uncovered gap of Rs.105.96 Crore (NESCO), Rs.347 Crore (WESCO) and Rs.129.75 Crore (SOUTHCO) to be considered as estimated revenue gap based on the audited statement for year ending 31st March 2013 for FY 2011-12 to be trued up in the ARR of FY 2013-14.

Further, NESCO, WESCO and SOUTHCO have estimated the revenue gap of Rs.547.28 Crore (NESCO), Rs.596.39 Crore (WESCO) and Rs.259.44 Crore (SOUTHCO) for the current financial year FY 2012-13 to be trued up in the financial year FY 2013-14.

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

Revenue at existing tariffs

32. The Licensee has estimated the revenue from sale of power by considering the sales projected for FY 2013-14 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 2785.98 Crore, Rs 1826.43 Crore, Rs 2098.81 Crore and Rs 825.50 Crore by CESU, NESCO, WESCO and SOUTHCO respectively.

Summary of ARR and Revenue Gap

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

Table – 12
Proposed Revenue Requirement Of DISCOMs For The FY 2013-14 (Rs. Crore)

	CESU	NESCO	WESCO	SOUTHCO	Total DISCOMs
Total Power Purchase, Transmission & SLDC Cost(A)	2,398.27	2002.67	2,217.99	745.74	7,364.67
Total Operation & Maintenance and Other Cost	722.66	628.77	668.98	493.86	2514.27
Return on equity	11.63	10.54	7.78	6.03	35.98
Total Distribution Cost (B)	3,132.56	2641.98	2,894.75	1245.63	9914.92
Total Special Appropriation (C)	0	342.05	318.41	521.57	1182.02
Total Cost (A+B+C)	3,132.56	2,984.03	3,213.16	1767.20	11096.94
Less: Miscellaneous Receipt	102.25	26.87	51.23	7.46	187.81
Total Revenue Requirement	3,030.31	2,957.16	3,161.93	1759.74	10909.13
Expected Revenue(Full year)	2,684.13	1822.53	2,098.80	825.50	7430.96
GAP at existing(+/-)	346.18	1,134.63	1,063.13	934.24	3478.17

Tariff Proposal

34. 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 – 13

	CESU	NESCO	WESCO	SOUTHCO
Revenue Gap with existing Tariff	346.60	1134.63	1063.14	934.24
Excess Revenue with Proposed Tariff	0	0	0	0
Proposed Revenue Gap	346.60	1134.63	1063.14	934.24

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

Proposal of CESU

35. CESU proposed to meet the revenue gap of Rs 346.60 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:
- Withdrawal of “take & pay” tariff
 - MMFC charges having consumer contract demand less than 110 kVA
 - Emergency power supply to CGP / IPP
 - Over-drawl penalty in energy charges and demand charges for consumers who are not included in the ARR application
 - Conversion from Kutir-Jyoti / BPL consumers to domestic Consumers
 - Own-Your –Transformer (OYT) Scheme
 - Introduction of System Loading Charges

- Introduction of loss surcharge
- Application of M/s. Power Grid Corporation of India Ltd. New Delhi for grant of Distribution Licence for grant of Distribution License for carrying out “Wires Business”
- Charging of delay payment surcharge (DPS) in all category of consumers
- Allowing of rebate to the consumers for prompt payment by due date
- Facility of Agro based tariff as per para 258 of RST – 2012-13
- Power supply against indemnity bond

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. Minimum charges in case of LT (SI), LT(MI) category of consumers

36. As per the OERC Dist.(Conditions of Supply) Code,2004 , the normative Load Factor for SI and MI is 20% and 30% respectively. It is observed that the LF of SI and MI is lower than that specified in the regulation which means consumers are underutilizing their load or involved in unauthorized use of electricity. Further, scattered nature of consumer base is making surveillance difficult which is further aggravated by the lack of local administrative support. In view of this the Licensees have proposed the following:

- The MMFC charged to consumers should be factored in such a way that minimum consumption of 20 % Load factor for Small Industry and 30 % Load Factor for Medium Industry and the consumer will be tempted to consume the minimum energy and in turn billing efficiency will improve.
- Small Industry for 1 KW load: The consumer shall Pay Rs. 880 and free units of is 150 i.e no energy charge up to 150 units. Beyond consumption of 150 units , the consumer shall pay the energy charge as well as MMFC of Rs.930/-
- Medium Industry for 1 KW load: The consumer shall Pay Rs. 1300 and free units is 230 i.e no energy charge up to 230 units. Beyond consumption of 230 units , the consumer shall pay the energy charge as well as MMFC of Rs.1350/-

ii. Delayed Payment Surcharge

37. The DPS is the instrument to encourage the consumers for payment of the electricity dues in time. If the DPS shall not be applicable to the consumers who are defaulting or deliberately not making payment, shall not yield the anticipated collection efficiency. Hon’ble Commission in the RST Order allowed licensee to levy Delayed Payment Surcharge (DPS) to some category of consumers. However, licensee submitted that they are required to pay the Delayed payment Surcharge to GRIDCO for all the units which may or may not draw for the given categories. Mostly the bills which are not paid relate to the LT consumers and the aforementioned consumers for whom the DPS is applicable. Therefore, the Licensee requests the Hon’ble

Commission to order for applicability of DPS be levied on all the category of Consumers without any discrimination.

iii. Introduction of kVAh billing

38. 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 2012-13. 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 unit 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.

iv. Applicability of power factor penalty

39. 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.

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).

v. Emergency power supply to captive power plants (CPPs)

40. A large number of industries have already opted for their own captive generating plants and few others are under pipe line. Normally the Emergency/Startup 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-2012-13, 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 Overdrawal 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.

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.

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 – 14

Category of Consumers	Demand Charges Rs / KVA/ Month	Energy Charges (Rs per kWh)
EHT Consumers	250	6.90
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 drawal 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 months.
- 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 IPSS are coming in future, which may also be connected to CTU grid directly.)

vi. Discontinuation of load factor incentive and take or pay tariff

41. All the Reliance managed DISCOMs have strongly pleaded for discontinuance of Load Factor incentive as the state is facing acute power shortage. They argue that Load factor incentive and 120% overdrawal benefit during off peak hour were allowed in a power surplus scenario. However, the present state average demand deficit is to the tune of 400 MW and peak demand deficit of 900 MW, which necessitated the Hon’ble Commission to issue the Order (Protocol) dated 14.01.2010 on Load Regulation vide Section 23 of the Electricity Act. The order called for restricted use of electricity by all consumers. Although these restrictions stand rescinded, the massive addition of consumers which is literally going to be two times or more is unlikely to lead to a surplus generation scenario as in the past and continue the power shortages. Under such circumstances, it is the submission of the licensee

that the graded tariff provided to industries wherein consumption in excess of 50% of load factor was incentivised should be discontinued. Further the drawl up to 120 % of contract demand without penalty should also be withdrawn. The licensee proposes that a flat rate for industries in its tariff proposal for FY 14 and permission of drawl up to 120% of the Contract Demand during Off Peak Hours should be withdrawn. Licensees further proposed to compute the Load Factor on the basis of Contract Demand or MD or CD whichever is higher, in line with FOR recommendations.

42. Hon'ble Commission has introduced 'Take or Pay' Tariff, for all HT & EHT consumers having CD 110KVA or more, vide Para-262 of the RST order for FY 2012-13. By introducing the scheme the Hon'ble Commission gave an opportunity to the consumers to increase/ maintain their minimum load factor of 70% and avail the special rebate of 50 p/u on the energy consumption over and above normal rebate and graded slab incentive. The DISCOMS had earlier prayed for revision of the 'Take or Pay' tariff. Considering the prayer of DISCOMS, the commission directed them to implement the scheme first and desired to review the scheme after three month with due consideration of feedback of all the stakeholders. On hearing to the stakeholder and seeing the facts Hon. Commission had revised the 'Take or Pay' tariff and in place of guaranteed load factor of 70% has introduced the concept of Assured Energy off take applicable from 01.07.2012. Based on the actual data from Apr-12 to Oct-12, NESCO has submitted that Rs.25.80 Cr. realized towards take or pay and is expected to realize Rs.40.18 Cr less by the end of FY 2012-13. Moreover, the idea of introduction of 'Take or Pay' tariff was to encourage the consumers with low load factor to draw power at higher load factor and thereby avail special rebate. This would have been win-win situation for both the consumers and NESCO. Whereas in actual none of the consumer enhanced their consumption to avail the said benefit, instead the consumers who were already drawing power at load factor more than 80% in the FY 2011-12 got this benefit in addition to graded slab benefit without any increase in their load factor. Even after getting the benefits, some of these consumers have moved to ATE & High Court of Odisha against the final order of Hon'ble Commission in the matter of C.C. no. 48 of 2012. In view of this the DISCOMS have prayed for removal of the 'Take or Pay' scheme for FY 2013-14.

vii. Exclusion of meter rent as misc revenue in discoms ARR

43. 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."

viii. Billing of lift irrigation points

44. The DISCOMS have submitted that the usage of electricity through LI points is largely seasonal in nature and restricted to period starting from October to April of the next year. The drawal of during the period of October to April is high as compared to the period of May to September. The licensees submitted that during the periods of April to September, electricity consumption by LI points is drastically reduced and monthly energy bills are mostly towards payment of fixed charges only. With large scale tampering of meters at the start of the season, the consumption during the "off-season" forms the basis for billing during "on-season period" and actual consumption stands unreported. The problem is accentuated further, with LI points being situated in

remote areas thereby making metering of these points a long drawn process.

45. In view of this, the licensee submitted that the LI point consumers should undertake to safeguard the meter from damage and that in the event of their malfunctioning there should be a levy of a flat rate. Taking into consideration, the number of working hours (generally the running of LI points is 12 hours/day i.e. L.F. at 50%) it is proposed that in case of defective meters/no meters, LI point consumers are required to pay a flat rate of Rs 400 per month per HP for the “on season” period, starting from October to April of the next year. Further to improve the power factor for such LI points the installation of capacitor should be made mandatory for existing and new connections.

ix. MMFC for Consumers with Contract Demand <110 KVA

46. 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.

x. Demand Charges and Monthly Minimum Fixed Charges

47. 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 proposed to recover the full fixed distribution costs by suitably revising the Demand charges and monthly minimum fixed charges during the ensuing year.

xi. Introduction of reliability surcharge for HT & EHT consumers > 110 KVA

48. The tariff design, based on the surplus power scenario in previous years, which encouraged consumers to avail more power by incentivising graded tariff based on load factor in HT and EHT categories. In light of the changed scenario of power shortage and expected load growth in ensuing year after implementation of RGGVY and BGJ Scheme, SOUTHCO proposed to levy reliability surcharge for HT and EHT consumers having CD more than 110 KVA or proposed to bring such consumers under UI regime.

xii. Time of Season (ToS) Tariff

49. In order to shift from peak demand to off peak demand/reduce its demand, SOUTHCO submitted that Time of Season (TOS) tariff for all category of consumers may be considered. The Peak season may be considered February to May & Festive season (Dushera) and accordingly higher tariff may be designed for the consumption made during the Peak Season. SOUTHCO proposed Rs. 0.50 per KWH for LT category and Rs.0.75 per KWH for HT and EHT Category of consumers in addition to the normal tariff applicable for respective consumer categories. This may help Bulk Supply agencies to book own corridor. The Licensee has quoted the DERCs order in support of this proposal.

xiii. Re-emphasis of Telescopic slabs under Domestic Category

50. SOUTHCO submitted that, in view of increase in states per capita electricity consumption for last couple of years, there is requirement to revisit / restructure the existing telescopic slab for domestic tariff by converting into broadly three categories such as Economic Class, Comfort Class and Luxury Class. In order to reduce the practice of unfair restriction on actual consumption and to reduce unfair cross subsidies, SOUTHCO proposed following slabs:

Particulars	Slab	Fixed Charges (MMFC)	Energy Charges
Economic Class	0-150	Distribution Cost + Transmission Charges +SLDC Charges	Cost of Hydro Power
Comfort Class	151-300	Distribution Cost + Transmission Charges +SLDC charges	Total Cost i.e Cost of Central Hydro
Luxury Class	> 300 and above	Distribution Cost + Transmission Charges +SLDC charges	Opportunity Cost/UI Cost

Tariff Schedule

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

**Table - 15
RETAIL SUPPLY TARIFF PROPOSED BY CESU FOR FY 2013-14
PROPOSED RETAIL TARIFF EFFECTIVE FROM 1st APRIL -2013**

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
	LT Category							
1	Domestic							
1.a	Kutir Jyoti < 30U/month	LT	FIXED MONTHLY CHARGE ---->			80		
1.b	Others							10
	(Consumption <=50 units/month)	LT		250		30	20	
	(Consumption >50, <=200 units/month)	LT		420		30	20	
	(Consumption >200, <=400 units/month)	LT		490		30	20	
	(Consumption >400 units/month)	LT		530		30	20	
2	General Purpose < 110 KVA							10
	(Consumption <=100 units/month)	LT		560		45	40	
	(Consumption >100, <=300 units/month)	LT		660		45	40	
	(Consumption >300 units/month)	LT		710		45	40	
3	Irrigation Pumping and Agriculture	LT		0		30	20	10
4	Allied Agricultural Activities	LT		170		30	20	10
5	Allied Agro-Industrial Activities	LT		170		80	60	DPS/Rebate
6	Public Lighting	LT		420		20	60	DPS/Rebate
7	L.T. Industrial (S) Supply	LT		580		80	60	DPS/Rebate
8	L.T. Industrial (M) Supply	LT		580		100	80	DPS/Rebate
9	Specified Public Purpose	LT		580		80	80	DPS/Rebate
10	Public Water Works and Swerage Pumping<110 KVA	LT		580		80	80	DPS/Rebate
11	Public Water Works and Swerage Pumping >=110 KVA	LT	250	580	100			DPS/Rebate
12	General Purpose >= 110 KVA	LT	250	580	100			DPS/Rebate

13	Large Industry	LT	250	580	100			DPS/ Rebate
HT Category								
14	Bulk Supply - Domestic	HT	30	420	500			DPS/ Rebate
15	Irrigation Pumping and Agriculture	HT	50	160	500			DPS/ Rebate
16	Allied Agricultural Activities	HT	50	160	500			DPS/ Rebate
17	Allied Agro-Industrial Activities	HT	80	410	500			DPS/ Rebate
18	Specified Public Purpose	HT	300	As indicat ed in the notes below.	500			DPS/ Rebate
19	General Purpose >70< 110 KVA	HT	300		500			DPS/ Rebate
20	H.T .Industrial (M) Supply	HT	300		500			DPS/ Rebate
21	General Purpose >70KVA < 110 KVA	HT	300		500			DPS/ Rebate
22	Public Water Works & Swerage Pumping	HT	300		500			DPS/ Rebate
23	Large Industry	HT	300		500			DPS/ Rebate
24	Power Intensive Industry	HT	300		500			DPS/ Rebate
25	Ministeel Plant	HT	300		500			DPS/ Rebate
26	Railway Traction	HT	300		500			DPS/ Rebate
27	Emergency Supply to CPP	HT			710	500		
28	Colony Consumption	HT		470				DPS /Rebate
EHT Category								
29	General Purpose	EHT	300	As indicat ed in the notes below	1000			DPS/ Rebate
30	Large Industry	EHT	300		1000			DPS/ Rebate
31	Railway Traction	EHT	300		1000			DPS/ Rebate
32	Heavy Industry	EHT	300		1000			DPS/ Rebate
33	Power Intensive Industry	EHT	300		1000			DPS/ Rebate
34	Mini steel Plant	EHT	300		1000			DPS/ Rebate
35	Emergency Supply to CPP	EHT	250	700.00	1000			DPS/ Rebate
36	Colony Consumption	EHT		460.00				DPS/ Rebate

Note: Energy Charges for HT & EHT Consumers

Load Factor (%)	HT (Paisa/ Unit)	EHT(Pais a/Unit)
Upto 50%	565.00	560.00
>50% =<60%	490.00	485.00
>60%	435.00	430.00

Table - 16
RETAIL SUPPLY TARIFF PROPOSED BY NESCO, WESCO AND SOUTHCO FOR FY 2013-
14

RETAIL SUPPLY TARIFF EFFECTIVE FROM 1st APRIL, 2013

Sl. No.	Category of Consumers	Voltage of Supply	Demand Charge (Rs./KW/ Month)/ (Rs./KV A/ 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
LT Category								
1	Domestic							
1.a	Kutir Jyoti < 30U/month	LT				60		
1.b	Others							10
	(Consumption <= 50 units/month)	LT		220		20	15	
	(Consumption >100, <=200 units/month)	LT		390		20	15	
	(Consumption >200, <=400 units/month)	LT		490		20	15	
	(Consumption >400 units/month)	LT		530		20	15	
2	General Purpose < 110 KVA							10
	(Consumption <=100 units/month)	LT		500		30	25	
	(Consumption >100, <=300 units/month)	LT		610		30	25	
	(Consumption >300 units/month)	LT		680		30	25	
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		380		80	50	DPS/Rebate
6	Public Lighting	LT		530		20	15	DPS/Rebate
7	L.T. Industrial (S) Supply	LT		530		80	35	10
8	L.T. Industrial (M) Supply	LT		530		100	50	DPS/Rebate
9	Specified Public Purpose	LT		530		50	50	DPS/Rebate
10	Public Water Works and Swerage Pumping <110 KVA	LT		530		50	50	10
11	Public Water Works and Swerage Pumping >=110 KVA	LT	200	530	30			10
12	General Purpose >= 110 KVA	LT	200	530	30			DPS/Rebate
13	Large Industry	LT	200	530	30			DPS/Rebate
HT Category								
14	Bulk Supply - Domestic	HT	15	400	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	370	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	250		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/Rebate
24	Power Intensive Industry	HT	250		250			DPS/Rebate
25	Ministeel Plant	HT	250		250			DPS/Rebate
26	Railway Traction	HT	250		250			DPS/Rebate
27	Emergency Supply to CGP	HT	0	700	250			DPS/Rebate

28	Colony Consumption	HT	0	450	0			DPS/ Rebate
EHT Category								
29	General Purpose	EHT	250	As indicated in the notes below.	700			DPS /Rebate
30	Large Industry	EHT	250		700			DPS/ Rebate
31	Railway Traction	EHT	250		700			DPS/ Rebate
32	Heavy Industry	EHT	250		700			DPS /Rebate
33	Power Intensive Industry	EHT	250		700			DPS/ Rebate
34	Mini steel Plant	EHT	250		700			DPS/ Rebate
35	Emergency Supply to CGP	EHT	0	690	700			DPS/ Rebate
36	Colony Consumption	EHT	0	440	0			DPS/ Rebate
Note								
Energy Charges for HT & EHT Consumers								
Load Factor (%)								
HT								
EHT								
up to 50%								
495 p/u								
490 p/u								
>50% = <60%								
450 p/u								
445 p/u								
>60%								
395 p/u								
390 p/u								
(i)	No TOD benefit for consumption during off peak hour. (Proposed by NESCO and WESCO only)							
(ii)	Tariff as approved shall be applicable in addition to other charges as approved in the tariff order. Reconnection charges & Meter rent remains unaltered. (Proposed by NESCO and WESCO only)							
(iii)	No power factor incentive as well as power factor penalty shall be applicable. (Proposed by NESCO and WESCO only) Introduction of power factor incentive and power factor penalty for LT consumers having CD less than 110 KVA or otherwise KVAH billing shall be introduced. (Proposed by SOUTHCO only)							
(iv)	The billing demand in respect of consumers with Contract Demand of less than 110 KVA having static meters should be the highest demand recorded in the meter during the Financial Year irrespective of the Contract Load, which shall required no verification. (Proposed by NESCO and WESCO only)							
(v)	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 includes the cost of material and supervision charges.							
(vi)	A "Tatkal Scheme" for new connection has been introduced which is applicable to LT Domestic, Agricultural and General Purpose consumers.							
(vii)	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 Charges (MMFC) for the connected load below 110 KVA, the above shall form the basis.							
(viii)	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 (Condition 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.							
(ix)	Swajal 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.							
(x)	Special Tariff for industries of contract demand 100 MVA and above and guaranteed monthly off-take of 80% shall pay a consolidated energy charge of 400 paise per unit.							
(xi)	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.							
(xii)	Abolish of graded slab tariff and Special Rebate under 'Take or Pay'. (proposed by NESCO Only)							
(xiii)	Demand charges shall be applicable all category of consumers including emergency supply to industries having power (proposed by NESCO Only)							
(xiv)	The reliability surcharge may be introduced for HT & EHT consumers or otherwise the consumers may be brought under (Proposed by SOUTHCO only)							

Prayer:

52. CESU has following prayers to the Commission

- Admit the accompanying Annual Revenue Requirement & Tariff Application of FY 2013-14
- Approve the Annual Revenue Requirement (ARR) of the Utility for the Financial Year 2013-14 as proposed by the Utility.

- To provide all necessary support and guidance for the successful implementation of Input Based Franchisee Model with Incremental Revenue Sharing (IBF-IRS) basis in 15 divisions this will make CESU a commercially viable organization.
- To provide support to Input Based Franchisees in installing Smart Meters / electronic meters in customer premises.
- To consider actual distribution and AT&C loss while approving the ARR application for FY 2013-14.
- 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
- To introduce System Loading Charges for using in System Improvement Works.
- To grant any relief as deemed fit and proper in the facts and circumstances of the case.
- Consider the projected T&D loss of 32% in FY 2013-14.
- 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.

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

- Take the accompanying ARR and Tariff Petition on record.
- Approve the Annual Revenue Requirement for FY 2013-14 including amortization of regulatory assets on account of uncovered gap up to 2010-11 and truing up for FY 2011-12 and FY 2012-13.
- Bridge the Revenue Gap for the FY 2013-14 through increase in Retail Supply Tariff, reduction in Bulk Supply Tariff (BST), grant/subsidy from the State Government of Orissa etc.
- To consider the servicing of the loan liability as 1st priority on the escrow utilization.
- To give effect to the ATE order dated 8.11.2010 on different issues such as fixation of Distribution loss target, truing up of previous years accordingly.
- GRIDCO and GoO may kindly be advised to implement the earlier order of Hon'ble Commission cede the licensees assets for raising loan.
- Allow the following Tariff rationalisation measures;
 - ✓ Fixation of Minimum Charges for LT (SI), LT(MI) Category of Consumers
 - ✓ Applicability Delayed Payment Surcharge to all category consumer
 - ✓ Introduction of KVAH Billing
 - ✓ Two part tariff for Emergency power supply to Captive Power Plants (CPP)
 - ✓ Discontinuation of Load Factor Incentive and Take or Pay Tariff

- ✓ Exclusion of Meter Rent as Misc Revenue
- ✓ Revised tariff for the Lift irrigation Points.
- ✓ Issue of Guidelines for replacement of burnt transformers
- ✓ Creation of dedicated feeders for agriculture and irrigation purposes
- ✓ Determination of Minimum Fixed Tariff for rice processing units/ rice haulers
- ✓ MMFC for Consumers with Contract Demand <110 kVA
- ✓ 2% Rebate on payment of BST bills within 3 days time instead of 2 working days (For WEESCO only)
- ✓ Addressing of Negative cash flow of WESCO. (For WEESCO only)
- ✓ Introduction of reliability surcharge for HT and EHT consumers > 110 kVA or otherwise to be brought under UI regime (For SOUTHCO only)
- ✓ Reemphasis of Telescopic slabs under Domestic Category (For SOUTHCO only)
- ✓ Introduction of Time of Season (ToS) Tariff (For SOUTHCO only)
- ✓ Recovery of Fixed cost from MMFC and Demand Charges (For SOUTHCO only)
- ✓ Other Tariff rationalization measures as proposed in this application
- 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'ble Commission deems fit.
