

Summary of ARR & BSP Filings

Submitted by

GRIDCO

For

FY 2013 - 14

Summary of GRIDCO ARR & BSP Filings for FY 2013-14

BULK SUPPLY PRICE (BSP) PROPOSAL OF GRIDCO FOR THE FY 2013-14

1. GRIDCO Ltd. (hereinafter called GRIDCO) is a Deemed Trading Licensee under the 5th Proviso to Section 14 of the Electricity Act, 2003 and carries out the business of Bulk Supply of electricity to the four Electricity Supply Companies (hereinafter called DISCOMs) by utilizing the transmission network of OPTCL, the State Transmission Utility & CTU / others. GRIDCO continues to procure power from various generators for supply the same to the DISCOMs. GRIDCO also supplies emergency power to Captive Generating Plants (CGPs) and trades the surplus power available, if any, from time to time. Under the existing Bulk Supply Agreements between the DISCOMs and GRIDCO, the DISCOMs are to purchase power from GRIDCO at a regulated price to be determined by the Commission. This Price incidentally happens to be the Bulk Supply Price at which GRIDCO supplies power to the DISCOMs. Thus, as a statutory requirement, GRIDCO is required to submit its Annual Revenue Requirement (ARR) before OERC for determination of the procurement price of the DISCOMs. Further, as provided in the OERC (Conduct of Business) Regulations, 2004, OERC (Terms and Conditions for Determination of Tariff) Regulations, 2004 as amended upto May 2011 and other related Regulations and as per Section 86 (1) (a) & (b) and other applicable provisions of the Electricity Act, 2003, GRIDCO is required to submit its Annual Revenue Requirement (ARR) and Bulk Supply Price (BSP) proposal to the Commission for approval, before 30th November of each year for the ensuing year. Accordingly, GRIDCO has filed an application for approval of its proposed Annual Revenue Requirement and revision of Bulk Supply Price for the FY 2013-14 to enable it to carry out its functions of bulk supply to DISCOMs and emergency supply to CGPs.

Projection of Demand and Energy

2. The Simultaneous Maximum Demand (SMD) of DISCOMs for the FY 2013-14 has been projected at **3749.02** MVA per month based on the monthly highest SMD of each DISCOM during first 6 months of FY 2012-13. The average of actual SMD for first six months of 2012-13 and projection for 2013-14 as submitted by GRIDCO in the BSP and ARR application are given in Table below.

Table – 1
Projection of Simultaneous Maximum Demand (SMD) for FY 2013-14
(Figures in MVA per Month)

DISCOMs	OERC approval for FY 2012-13	Average SMD of first Six months of FY 2012-13	Highest SMD of first Six months of FY 2012-13	SMD projection of GRIDCO for FY 2013 – 14 considering the 5% increase over highest SMD of each DISCOM during first Six months of FY 2012-13
CESU	1271	1183.83	1226.07	1287.37
NESCO	851	798.64	826.96	871.46
WESCO	1100	998.48	1039.89	1091.88
SOUTHCO	475	457.06	474.57	498.30
TOTAL	3697	3438.00	3570.50	3749.02

3. GRIDCO has projected 25125 MU as the energy consumption of DISCOMs for FY 2013-14 based on the projections submitted by DISCOMs. Emergency Power Supply to Captive Generating Plants (CGPs) like NALCO and IMFA for FY 2013-14 has been projected at 100 MU. The actual for first six months of FY 2012-13, projection for FY 2012-13 on pro-rata basis and projection for FY 2013-14 as submitted by GRIDCO in its BSP application are indicated in Table below.

Table - 2
Projection of Energy Sale for FY 2013-14

(Figures in MU)

AGENCY	Actual drawal from April, 2012 to Sept,2012	Projection for 2012-13 on pro-rata basing on first six months drawal	OERC Approval for FY 2012-13	GRIDCO's Projection for FY 2013-14
CESU	3860.34	7720.68	8236	8854
NESCO	2574.20	5148.40	5306	6100
WESCO	3321.69	6643.38	6496	6821
SOUTHCO	1464.82	2929.64	3047	3350
TOTAL DISCOMS	11221.05	22442.10	23085	25125
NALCO & IMFA	166.00	332.00	100	100
TOTAL SALE	11387.05	22774.10	23185	25225

Energy Availability to GRIDCO for FY 2013-14

4. GRIDCO has projected energy availability of 26,221.41 MU during FY 2013-14 from different generating stations. The estimation for drawal of **hydel power** from OHPC is 5843.36 MU including 262.50 MU from Machkund and 1948.32 MU from Upper Indravati; and **thermal power** of 2668.40 MU from OPGC, 3210 MU from TTPS, 1092.04 MU from State captive generating plants (CGPs) and 7039.33 MU of Odisha share of power from Eastern Regional thermal power stations. GRIDCO has proposed to purchase 921.42 MU towards Odisha share from Eastern Regional hydro power stations like Tala, Chukha and Teesta hydel plants. Further, GRIDCO has proposed to procure 3859.11 MU from existing two IPPs namely M/s Sterlite Energy Ltd. and M/s Arati Steels and upcoming IPP M/s GMR Kamalanga Energy Ltd during FY 2013-14. GRIDCO has also proposed to procure 1102 MU from Co-generation plants inside the state. Further, GRIDCO has proposed to procure 485.76 MU from Renewable Energy sources during FY 2013-14 (300 MU from small hydro, 120 MU from biomass, and 65.76 MU from solar projects). The station-wise details in respect of availability of power is given in the Table below.

Table-3
Summary of Proposed Energy Availability to GRIDCO for FY 2013-14

Stations	Availability (After Transformation loss and Auxiliary Consumption) (MU)	Odisha Share %	Projection for FY 2013-14 (MU)	Approved for FY 2012-13
HHEP	666.50	100	666.50	
CHEP	325.71	100	325.71	
Rengali	636.57	100	636.57	
Upper Kolab	831.60	100	831.60	
Balimela	1172.16	100	1172.16	
OHPC (Old)	3632.54	100	3632.54	3676.86
Indravati	1948.32	100	1948.32	1942.38
Sub-Total OHPC	5580.86	100	5580.86	5619.24
Machhkund	262.50	100	262.50	262.50
Total State hydro availability	5843.36	100	5843.36	5881.74
OPGC	2668.40	100	2668.40	2890.82
TTPS	3210.00	100	3210.00	2957.32
Small Hydro Renewable Energy	300.00		300.00	300.00
Biomass Energy	120.00		120.00	122.00
Solar Energy	65.76		65.76	46.00
Co-generation Plants	1102.00		1102.00	665.76
CGPs	1092.04		1092.04	696.10
IPPs	3859.11		3859.11	3556.92
Total State availability	18260.67		18260.67	17116.66
TSTPS Stg.-I	2154.56	31.80	2154.56	2161.45
TSTPS Stg.-II	1342.41	10.00	1342.41	1359.40
FSTPS-I&II	1470.75	13.63	1470.75	1475.36
FSTPS-III	1022.35	23.74	1022.35	
KhSTPS Stg.-I	841.56	15.24	841.56	846.86
KhSTPS Stg.-II	207.70	2.05	207.70	209.01
Total Central Thermal Availability	7039.33		7039.33	6052.08
Chukha	268.11	15.19	268.11	272.90
TALA	145.50	4.25	145.50	144.29
Teesta	507.81	23.40	507.81	510.95
Total Central Hydro Availability	921.42		921.42	928.14
Total EREB	7960.75		7960.75	6980.22
Total Availability	26221.41		26221.41	24096.88

Power Procurement Projected by GRIDCO

5. GRIDCO has projected the total energy sale of 25225 MU including 100 MU sale towards the emergency power of the CGPs. Considering OPTCL transmission loss of 996.41 MU @ 3.80% for the year 2013-14, GRIDCO has estimated the total energy requirement of 26221.41 MU. The proposed energy available to GRIDCO is also 26221.41 MU. Thus, no shortfall of power as per projection given by GRIDCO.

Table – 4
Demand and Energy Projection for FY 2013-14

ITEMS	Projection for FY 2013-14
SMD for DISCOMs (MVA per month)	3749.02
Energy Demand of DISCOMs (MU)	25125
Emergency Power to CGPs (MU)	100
Transmission Loss @ 3.80% in OPTCL system (MU)	996.41
Total Energy Requirement (MU)	26221.41
Total Energy Availability (MU)	26221.41
Shortfall of power	0.00

Power Purchase Cost Projected for 2013-14

6. In its application for FY 2013-14, GRIDCO has projected to procure hydel power of 5580.86 MU from OHPC and 262.50 MU from Machkund. GRIDCO has provisionally assumed the OERC approved rates of different OHPC Power Stations for FY 2012-13 towards procurement of such energy along with Electricity Duty (ED) and Water Cess payment. But the rate of energy from Machkund Joint Project has been calculated at 30.60 P/U considering Odisha share at 50%. Accordingly **GRIDCO has proposed to procure the total hydel energy of 5843.36 MU at a cost of Rs.412.93 crore with an average rate of 70.67 P/U against average rate of 68.83 P/U approved for FY 2012-13.**
7. **The power purchase cost of 2668.40 MU from OPGC @ 220.77 P/U comes to Rs. 589.11 crore for FY 2013-14.** The proposed power purchase cost is based on the statement of tariff calculation furnished by OPGC to GRIDCO considering 100% domestic coal use, which is subject to the approval of the Commission. The power purchase cost of 2890.82 MU from OPGC @ 195.15 P/U approved by the Commission for FY 2012-13 was Rs.564.14 crore.
8. Based on the latest NTPC petitions filed before CERC in respect of Talcher Thermal Power Station (TTPS), **GRIDCO has projected to procure 3210 MU from TTPS with the procurement cost of Rs. 801.25 crore @ 249.61 P/U** against 179.87 P/U approved for FY 2012-13.
9. The Commission vide its Order dated 23.11.2010 in Case No. 117 & 118 of 2010 has approved the procurement rate of Rs. 2.75/3.10/3.25 per unit for procurement of power from CGPs and Co-generation Plants not availing any open access and Rs.2.75/3.00/3.20 per unit for CGPs and Co-generation Plants who have opted for supply 60% and above of their surplus power to GRIDCO after availing Open Access upto 40% of their surplus power. The Commission in its various orders has clarified that the rate of surplus power fixed by the Commission is an indicative upper limit and GRIDCO has to negotiate an appropriate rate within/below that limit considering the Commission's directives. As such, GRIDCO had been procuring power @ Rs.2.75 (Flat)/ unit from the CGPs/ Co-generation Plants from the month of November 2010 and onwards on the basis of Letter of Intent (LoI) to that effect issued by GRIDCO to the CGPs/ Co-generation Plants. However, to maximize the generation from the CGPs/ Co-generation Plants so as to supply their surplus power to GRIDCO, GRIDCO has offered to pay at the rate of the aforesaid slab price fixed by the

Commission to all CGPs/ Co-generation Plants with effect from 16.11.2011. Subsequently, from 15.09.2012 and onwards GRIDCO has been considering payments to the CGPs and Co-Generation Plants at the flat rate of Rs. 2.75 per unit on the basis of fresh Letter of Intent (LoI) issued by GRIDCO keeping in view of the good hydrology condition of the State. Considering the above rates, **GRIDCO has estimated to procure 1092.04 MU from CGPs at a cost of Rs. 300.31 crore during FY 2013-14 with an average rate of 275 P/U. Similarly, GRIDCO proposes to procure 1102 MU from Co-generating Plants at a cost of Rs.303.05 crore during FY 2013-14 with an average price of 275 P/U.**

10. GRIDCO has proposed to procure **1587.76 MU of renewable energy including co-generation** at a cost of **Rs.545.11 crore @ 343.32 P/U** on an average. It includes **300 MU from small hydro** sources (105 MU from M/s. Orissa Power Consortium Limited (M/s. OPCL) and 195 MU from M/s. Meenakshi Power Limited (M/s. MPL)) at a price of 368 P/U, **120 MU from biomass energy** from M/s. Shalivahan Green Energy Ltd @ 516 P/U and **65.76 MU from solar energy** (13 MU from 8 Nos. of Solar PV projects of 1MW each under RPSSGP, 33 MU from NVVN through 20 MW of 'New Projects' scheme under JNNSM, 17 MU from NTPC's Solar PV power plants at Dadri and Faridabad, and 2.76 MU from Alex Green Energy Ltd through OREDA State scheme) at an average rate of 1060.45 P/U.
11. Due to pending approval of the power procurement price, GRIDCO has proposed to procure **3132.90 MU from M/s. Sterlite Energy Ltd** at a cost of **Rs.861.55 crore at a provisional rate of 275 P/U**. However, a rate of **175 P/U as variable cost** is proposed for procurement of **30 MU from M/s. Arati Steels Ltd** towards State share of 12% energy which will entail a cost of **Rs.5.25 crore** to GRIDCO. Similarly for upcoming IPP of M/s GMR Kamalanga Energy Ltd, GRIDCO has proposed a provisional rate of 275 P/U and will purchase 696.20 MU at the total cost of Rs.191.46 crore.
12. Hon'ble CERC has issued final tariff orders of the NTPC's thermal power plants for the period 2009-14 except FSTPS-III and TSTPS-II. For those two stations, provisional tariff orders have been issued by CERC. Accordingly, GRIDCO considers the Fixed Cost for FY 2013-14 as approved by Hon'ble CERC. Energy Charge Rate (ECR) for FY 2013-14 has been taken as 30% increase over first six month actual ECR data of FY 2012-13. Accordingly, **GRIDCO has estimated to procure 7039.33 MU from Central Sector Thermal Power Stations with a total cost of Rs.2907.78 crore at an average rate of 413.08 P/U. GRIDCO has also projected to procure 921.42 MU from Chukha, Tala, Teesta-V hydro power stations with the procurement cost of Rs.219.18 crore at average rate of 237.88 P/U.**
13. The detailed cost of power purchase as furnished by GRIDCO for FY 2013-14 is reproduced hereunder in Table below.

Table – 5
Summary of Proposed Power Procurement Cost during FY 2013-14

Stations	Availability (After Transformation Loss and Auxiliary Consumption deduction) (MU)	Rate (P/U)	Total Cost (Rs. Crore)	Approved rate for FY 2012-13 (P/U)
HHEP	666.50	95.88	63.90	

Stations	Availability (After Transformation Loss and Auxiliary Consumption deduction) (MU)	Rate (P/U)	Total Cost (Rs. Crore)	Approved rate for FY 2012-13 (P/U)
CHEP	325.71	79.44	25.87	
Rengali	636.57	60.89	38.76	
Upper Kolab	831.60	37.83	31.46	
Balimela	1172.16	75.26	88.22	
OHPC(Old)	3632.54	68.33	248.22	66.05
Indravati	1948.32	80.42	156.68	79.26
Sub-Total OHPC	5580.86	72.55	404.89	
Machhkund	262.50	30.60	8.03	30.51
Total State Hydro	5843.36	70.67	412.93	68.83
OPGC	2668.40	220.77	589.11	195.15
TTPS	3210.00	249.61	801.25	179.87
Small Hydro	300.00	368.00	110.40	368.00
Biomass Energy	120.00	516.00	61.92	501.00
Solar Energy	65.76	1060.45	69.74	517.52
Co-generation Plants	1102.00	275.00	303.05	283.02
CGPs	1092.04	275.00	300.31	286.21
IPPs	3859.11	274.22	1058.25	278.91
Total State	18260.67	203.00	3706.95	179.71
TSTPS Stg.-I	2154.56	320.28	690.06	328.53
TSTPS Stg.-II	1342.41	315.28	423.24	328.10
FSTPS- I & II	1470.75	507.11	745.83	467.33
FSTPS- III	1022.35	575.98	588.85	
KhSTPS Stg.-I	841.56	436.48	367.33	407.96
KhSTPS Stg.-II	207.70	445.27	92.48	413.59
Total Central Thermal	7039.33	413.08	2907.78	376.32
Chukha	268.11	194.64	52.18	162.86
TALA	145.50	238.96	34.77	206.90
Teesta - V	507.82	260.40	132.23	214.44
Total Central Hydro	921.42	237.88	219.18	198.10
ERLDC Fees and Charges (SOC & MOC)			3.75	0.45
Total EREB	7960.75	393.27	3130.72	352.63
Total Availability	26221.42	260.77	6837.67	236.17

Pass through of arrear dues paid / to be paid during FY 2012-13

14. GRIDCO proposes to consider pass through of expenses, already incurred or to be incurred till FY 2012-13, in the ARR for the FY 2013-14. This expenses amount to **Rs.321.49 crore** consisting of outstanding Govt. Guarantee Commission (Rs.34.34 crore), one-third of total Arrear Estimation of NTPC-TTPS till FY 2012-13 as per its filing before the Hon'ble CERC (Rs.227.62 crore), and Arrear Estimation of NTPC's thermal power stations for the period of April,2012 to Sept,2012 (Rs.59.53 crore) .

Special Appropriation of repayment of principal for FY 2013-14

15. GRIDCO has proposed a sum of **Rs.1768.51 crore** on account of repayment of principal of all loans to be recovered through tariff of the FY 2013-14 as detailed in Table below.

Table – 6
Proposed Special Appropriation in the ARR & BSP for FY 2013-14
(Rs. Crore)

State Govt. Loans	320.41
NTPC-GoO Special Bonds (Rs.1102.87 Crore)	551.44
Pension Trust Bond	32.63
Bank Loans	864.03
Total	1768.51

Interest, Financing & Other expenses

16. GRIDCO has proposed to recover Rs.580.17 crore during the FY 2013-14 towards interest on loans and financial charges related to Power Purchase. Based on the present manpower and salary structure and actual expenses of Rs.3.91 crore towards employees cost during FY 2011-12, GRIDCO has considered an amount of Rs.5.22 crore towards Employees Cost for the FY 2013-14. The interest, financing and other charges including administrative and general expenses cost, repair & maintenance expenses etc. as proposed by GRIDCO is presented in Table below.

Table – 7
Interest, Financing & Other expenses for FY 2013-14 (Rs. Crore)

Particulars	GRIDCO proposal for FY 2013-14
1. Interest & Financial Charges	580.17
2. Other Costs:	
a. Employee Cost	5.22
b. A&G Cost	3.77
c. Repair & Maintenance Cost	0.50
Sub-Total - Other Costs	9.49
3. Depreciation	0.35
Total (1+2+3)	590.01

Return on Equity

17. GRIDCO has proposed RoE of Rs.67.11 crore @ 15.50 % on its equity capital of Rs. 432.98 crore.

Other Income / Miscellaneous Receipts

18. GRIDCO expects to earn an amount of Rs. 69 crore (at existing approved tariff) from proposed sale of 100 MU emergency power to NALCO and IMFA.

Receivable from DISCOMs and other parties

19. DISCOMs have defaulted in payment of Rs.1248.34 crore towards securitized dues, Rs.60 crore towards NTPC Bonds and Rs.988.83 crore towards Year-end-Adjustment (YEA) Bills etc. Further, GRIDCO has outstanding dues of Rs.296.53 crore from parties other than DISCOMs (Govt. Departments, PSUs etc). However, GRIDCO has indicated that this receivable from the parties including DISCOMs may not be considered in the ARR of GRIDCO for FY 2013-14. Further, GRIDCO has submitted that the DISCOMs have defaulting in payment of BSP bills. The current outstanding BSP and UI dues payable by DISCOMs for FY 2011-12 and FY 2012-13 (upto September 2012) are Rs.971.32 crore.

Annual Revenue Requirement

20. The proposal for Annual Revenue Requirement of GRIDCO for FY 2013-14 is summarised in the Table below.

Table - 8
Annual Revenue Requirement of GRIDCO for FY 2013-14

(Rs. Crore)			
	Item	OERC approval for 2012-13	GRIDCO's Proposal for 2013-14
a)	Power Purchase Cost	5691.02	6837.67
b)	Pass through expenses and Special Appropriation	904.69	2090.00
c)	Interest, Financing and other expenses	423.93	590.01
d)	Return on Equity	0.00	67.11
e)	Revenue Requirement (a+b+c+d)	7019.64	9584.79
f)	(-) Misc. Receipts	69.00	69.00
g)	Net Revenue Requirement (e-f)	6950.64	9515.79

Proposed Revenue Earning at Existing BSP Rates

21. GRIDCO proposes to earn revenue of Rs 6802.99 crore during 2013-14 from the anticipated sale of 25125 MU to DISCOMs at the existing BSP rates for 2012-13, the details of which is given in Table below.

Table – 9
Expected Revenue for FY 2013-14 with anticipated sale to DISCOMs at Existing BSP Rates

	Energy (MU)	Existing BSP Rate (P/U)	Amount (Rs. Cr.)
CESU	8854	261	2310.89
NESCO	6100	301	1836.10
WESCO	6821	300	2046.30
SOUTHCO	3350	182	609.70
TOTAL	25125		6802.99

Excess / Deficit in the ARR for 2013-14

22. GRIDCO has proposed that it would suffer revenue deficit of Rs.2712.80 crore considering the proposed ARR and the revenue to be earned from sale of the proposed energy of 25125 MU to DISCOMs during FY 2013-14 at the existing BSP Rate for FY 2012-13, the details of which are shown in the Table below.

Table - 10
Excess / Deficit on Revenue Requirement for FY 2013-14
(Rs. Crore)

	Item	GRIDCO's Proposal for 2013-14
a)	Total Revenue Requirement	9584.79
b)	Less: Misc. Receipts	69.00
c)	Net Revenue Requirement	9515.79
d)	Revenue Receipt from DISCOMs (at existing BSP)	6802.99
e)	Excess(+) or Deficit(-)	-2712.80

Recovery of Proposed Cost in the ARR through Energy Charge during FY 2013-14

23. In order to meet the estimated deficit of Rs. 2712.80 crore, GRIDCO has submitted the application before the Commission for revision of Bulk Supply Price for the FY 2013-14. The licensee proposes to recover the Net Revenue Requirement of Rs.9515.79 crore from the Distribution Licensees through rise in BSP from the existing average energy charge of 270.74 P/U to 378.74 P/U during FY 2013-14 indicating a hike of 39.89% over the previous year.

Demand Charge

24. GRIDCO proposes that the Demand Charges may be levied @ Rs.200/KVA/Month from DISCOMs, when the actual SMDs of DISCOMs in a month exceed the permitted monthly SMDs (110% of the approved SMD). The monthly bills raised by GRIDCO in this regard may be paid by DISCOMs on provisional basis towards excess SMD to take care of monthly variations, subject to adjustment at the end of the year.

Other Allied Submissions to Facilitate GRIDCO for Recovery of its Expenses

Over Drawl and Year End Charges

25. GRIDCO proposes that any excess drawal of energy by DISCOMs during a month over and above the approved energy quantum would be payable on provisional basis at the highest OERC approved Power Purchases Rate fixed for a Station for FY 2013-14 (which includes transmission charges and transmission loss) on a monthly basis instead of the normal differential BSP applicable to the respective DISCOMs subject to final Year End Adjustment (YEA) considering the highest Power Purchases rate/cost including the rate/s of energy drawn through U.I. Route of the month plus transmission charges and transmission loss.

Fuel Price Adjustment (FPA)

26. Any excess payment made by GRIDCO towards FPA for a particular / relevant month will be levied on DISCOMs in the succeeding month in proportion to their actual drawl during the preceding month along with the BSP bills if the Fuel Surcharge Price of the particular month paid by GRIDCO exceeds by more than 5% of the approved Average Bulk Supply Price subject to maximum of 25% of the approved Average Bulk Supply Price which will be passed on to consumers in the same month along with their normal energy bills served to the consumers at a rate which will be arrived at by considering their approved monthly sale quantum to the consumers.

Rebate

27. A rebate of 2% on monthly energy bill may be allowed in case of full payment against monthly energy bill of GRIDCO including over drawal and FPA charges, by remitting funds to the account of GRIDCO in Union Bank, Main Branch, Bhubaneswar, within two working days (except holidays under NI Act) of submission of the bill by GRIDCO. In case DISCOMs make payment for the full bill amount including over drawal and FPA charges through LC or upfront on any day within a period of 30 days of the presentation of the bill, a rebate of 1% shall be allowed. However, The DISCOMs will be entitled to the rebate of 1% as mentioned above provided the LC is established in favour of GRIDCO as per the terms and conditions of the Escrow Agreement entered between GRIDCO and the DISCOMs.

Delayed Payment Surcharge

28. For payment after the periods of 30 days from the date of submission of bills, delayed payment surcharge @ 1.25% per month may be levied pro-rata for the period of delay from the due date on the amount remain unpaid (excluding arrears on account of delayed payment surcharge).

Escrow Arrangement

29. GRIDCO has entered into escrow agreements with the DISCOMs which are operative due to the default in payment by DISCOMs to GRIDCO towards energy dues and loan dues. GRIDCO has been directed to allow escrow relaxation to DISCOMs and priority of release of funds from the escrow account has been fixed by the Commission. In order to ensure the escrow arrangement, GRIDCO has requested the Commission to give a direction along with priority for escrow relaxation to be allowed for FY 2013-14.

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

30. The **actual aggregate Revenue Gap of GRIDCO (FY 2008-09 to FY 2011-12) is Rs. 4002.62 crore against Rs.2845.10 crore as approved by OERC**. After considering the arrear dues from DISCOMs on account of Year-end Adjustment (YEA) bills and BSP bills, the actual aggregate revenue gap becomes Rs.5062.12 crore. Non-availability of surplus power due to increase in demand of the State because of massive rural electrification and rapid industrialization coupled with hydrology failure during last few years along with increase in the cost of power, have made GRIDCO cash-strapped. During the last four financial years, actual average power purchase cost of GRIDCO was 24 P/U higher than approved cost by the Commission. In its mandated to ensure un-interrupted power supply to the State and to avoid imminent Power Regulation, **GRIDCO borrowed Rs.4017.87 crore from Banks mainly with the Govt. Guarantee Support** in order to pay to the generators. Out of the total borrowings, **Rs. 1289.87 crore** was utilized towards repayment of past loans resulting in net availability of loan of **Rs.2728 crore**. The cash deficit from non-recovery of costs has been managed by GRIDCO through availing loans, deferring payments to Govt. towards loans, and deferring payment of Power Purchase Dues etc.
31. The OERC approved revenue gap, the actual revenue gap from FY 2008-09 onwards are given in the table below.

Table 11
Financial Status of GRIDCO (Rs crore)

Financial Year	OERC Approved Gap	Actual Gap in P&L Account	Repayment of Loan	Year-end-Adjustment and BSP Bills Considered in accounts but not paid by DISCOMs	Actual Gap without considering Year-end-Adjustment Bills
1	2	3	4	5	6=3-4-5
2008-09	(410.05)	98.14	374.26	163.94	(440.06)
2009-10	(882.85)	(1560.84)	205.06	164.22	(1930.12)
2010-11	(806.15)	(487.85)	328.15	297.01	(1113.09)
2011-12	(746.05)	(762.12)	382.40	434.33	(1578.85)
Total	(2845.10)	(2712.75)	1289.87	1059.50	(5062.12)

Carry forward of Revenue gap

32. GRIDCO prays that in case of a gap between the approved revenue requirements for FY 2013-14 and the revenue realized, the Hon'ble Commission may kindly approve to carry forward the gap for adjustment during the future years.

Summary of Tariff Filing for FY 2013-14

33. GRIDCO has prayed the Commission to approve the following for FY 2013-14 and make the same effective from 1st April, 2013.
- i) Energy charges @ 378.74 paise/unit on energy supplied to DISCOMs.
 - ii) Demand charges @ Rs.200 /KVA/month, when actual SMD exceeds the permitted monthly SMD.
 - iii) Charges for over drawl of energy at a cost of highest OERC approved power purchase rate fixed for a station for FY 2013-14 to be recovered on monthly basis subject to final adjustment at the end of the year .
 - iv) Any excess payment made by GRIDCO towards FPA for a particular / relevant month will be levied on DISCOMs in the succeeding month in proportion to their actual drawl during the preceding month along with the BSP bills if the Fuel Surcharge Price of the particular month paid by GRIDCO exceeds by more than 5% of the approved Average Bulk Supply Price subject to maximum of 25% of the approved Average Bulk Supply Price.
 - v) Rebate @ 2% / 1% as proposed above.
 - vi) Delayed Payment Surcharge @1.25% per month for the period of delay beyond 30 days from date of submission of bills.
 - vii) The Electricity Duty levied by the Government of Odisha and any other Statutory levy/ Duty/ Tax/ Cess / Toll etc. imposed under any law from time to time shall be charged over and above the Bulk Supply Price.
