

Summary of ARR & Tariff Filings

Submitted

by

**CESU, NESCO, SOUTHCO and
WESCO**

For

FY 2015-16

**Summary of Annual Revenue Requirement (ARR) & Retail Supply Tariff (RST) Proposal Submitted by Electricity Distribution Companies of Orissa
For the FY 2015-16**

1. A statement of Energy Purchase, Sale, and Overall Distribution Loss from FY 2010-11 to 2015-16 as submitted by DISCOMs of Orissa namely Central Electricity Supply Utility of Orissa (CESU), North Eastern Electricity Supply Company of Orissa Ltd (NESCO), Western Electricity Supply Company of Orissa Ltd (WESCO) and Southern Electricity Supply Company of Orissa Ltd (SOUTHCO) is given below:

Table 1: Energy Sale, Purchase and Loss

DISCOMs	Particulars	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (App ^d)	2014-15 (Est.)	2015-16 (Est.)
CESU	Energy Sale (MU)	4361.48	4491.63	4658.34	5212.84	6960.80	5706.99	6443.10
	Energy Purchased (MU)	7069.34	7232.91	7398.92	7973.19	9040.00	8624.29	9451.10
	Overall Dist. Loss (%)	38.31	37.96	37.04	34.63	23.00	33.83	31.83
NESCO	Energy Sale (MU)	3435.59	3301.53	3282.86	3337.83	4352.95	3606.80	3886.30
	Energy Purchased (MU)	5067.40	5023.40	5045.35	5045.29	5330.00	5296.95	5624.57
	Overall Dist. Loss (%)	32.20	34.28	34.93	33.84	18.35	31.91	30.90
WESCO	Energy Sale (MU)	3978.71	3775.04	3945.34	4201.07	5483.28	4513.00	4917.00
	Energy Purchased (MU)	6510.88	6177.74	6391.26	6634.90	6820.00	7000.00	7500.00
	Overall Dist. Loss (%)	38.89	38.89	38.27	36.68	19.60	35.53	34.44
SOUTHCO	Energy Sale (MU)	1323.47	1507.53	1660.67	1720.36	2488.30	1976.87	2259.87
	Energy Purchased (MU)	2555.64	2814.13	2929.88	2915.56	3340.00	3250.00	3630.00
	Overall Dist. Loss (%)	48.21	46.43	43.32	40.99	25.50	39.17	37.74

AT&C LOSS

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

Table 2: AT&C Losses

DISCOMs	Particulars	2010-11 (Actual)	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Est.)	2015-16 (Est.)
CESU	Dist. Loss (%)	38	37.96	37.04	34.63	33.83	31.83

	Collection Efficiency (%)	96	97	89.8	92.56	94.00	97.11
	AT&C Loss (%)	41	39.99	43.46	39.50	37.80	33.80
	OERC Target (AT&C Loss %) (As per Business Plan)	26.86	24.76	23.77	----	----	----
NESCO	Dist. Loss (%)	32.20	34.28	34.93	33.84	31.91	30.90
	Collection Efficiency (%)	94.34	100.57	92	96.85	96.85	98.00
	AT&C Loss (%)	36.04	33.91	40.38	35.93	34.05	32.29
	OERC Target (AT&C Loss %) (As per Business Plan)	20.09	19.22	19.17	----	----	----
WESCO	Dist. Loss (%)	38.89	38.89	38.27	36.68	35.53	34.44
	Collection Efficiency (%)	91.32	95.37	91.91	93.75	94.50	96.00
	AT&C Loss (%)	44.20	41.72	43.26	40.64	39.07	37.06
	OERC Target (AT&C Loss %) (As per Business Plan)	21.53	20.50	20.40	----	----	----
SOUTHCO	Dist. Loss (%)	48.21	46.43	43.32	40.99	39.17	37.74
	Collection Efficiency (%)	92.40	97.80	94.48	90.85	94.50	96.00
	AT&C Loss (%)	52.15	47.61	46.45	46.39	42.52	40.23
	OERC Target (AT&C Loss %) (As per Business Plan)	29.26	27.24	26.25	----	----	----

3. The licensees have proposed above AT&C losses in their licensee area and submitted to Hon'ble OERC to consider re-determine opening loss level on realistic basis in the ARR for the FY 2015-16. Licensees mentioned that they have planned various activities for reduction of loss for the ensuing financial year. These initiatives primarily include following activities.
- 1) CESU submitted that regarding energy police station the Hon'ble Commission has not provided any provision for the FY 2014-15. But CESU has already incurred expenditure of Rs 3.305 Cr during FY 2014-15 towards energy police station. Further it submitted that Franchisees are operating in 14 divisions of CESU area so substantial amount is spent by CESU towards Franchisees expenses.
 - 2) Reliance managed three discoms have taken following initiatives towards lowering the losses in their respective service area.
 - a) Automated Meter Reading System
 - b) Prepaid and Smart Metering Initiative
 - c) Energy Audit initiative
 - d) Mobile based billing
 - e) IT / Automation Module Implementation
 - f) Consumer Indexing
 - g) Energy Police Stations & Special Courts
4. Licensees have also asked for additional A&G cost to be approved towards implementation of these activities in their service area.

DATA SOURCES

5. NESCO, WESCO, SOUTHCO and CESU submitted that they have scrupulously complied with the information requested by the Commission for submitting the ARR and tariff for the FY 2015-16. The accounts up to March, 2014 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), transmission charges on the basis of actual energy received from OPTCL, SLDC charges and deviation / UI computed on the basis of BSP rate has been taken in to account while compilation of data and for preparation of ARR.

REVENUE REQUIREMENT FOR FY 2015-16

Sales Forecast

6. For projecting the energy sale to different consumer categories, Licensees analysed the trend of consumption pattern for last twelve years from 2001-2002 to 2013-14. In addition, the Licensees have relied on the audited accounts for FY 2013-14 and actual sales data for the first six months of FY 2014-15. With this, the four distribution utilities have forecasted their sales figure for the FY 2015-16 as detailed below with reasons for sales pattern.

Table 3: Sales Forecast

Licensee/ Utility	LT Sales for FY 2015-16 (Est.)		HT Sales for FY 2015-16 (Est.)		EHT Sales for FY 2015-16 (Est.)		Total Sales 2015-16 (Est.) MU
	(MU)	% Rise over FY 14	(MU)	% Rise over FY 14	(MU)	% Rise over FY 14	
CESU	3671	20.8%	1120	7.3%	1652	1.8%	6443
Remarks	----		----		----		---
NESCO	1960	14.7%	391	(0.8%)	1535	(1.7%)	3886
Remarks	Impact of electrification works 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.		
WESCO	2028	22.00%	1214	4.7%	1675	(0.9%)	4917
Remarks	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		
SOUTHCO	1648	18.6%	211	9.9%	401	1.8%	2260
Remarks	Impact of BPL & APL consumers from RGGVY, BGJ program, Increase in agriculture and Irrigation consumption from Mega Lift Irrigation project of GoO		Nominal addition in consumption considered based on earlier trend and with addition of one HT consumer of CD of 8 MW		Slight growth in consumption than that of earlier year is considered		

INPUTS IN REVENUE REQUIREMENT

Power Purchase Expenses

7. 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 FY 2014-15 which is as shown in table given below.

Table 4: Proposed SMD and Power Purchase Costs

DISCOMs	Est. Power Purchase in MU	Est. Sales MU	Distribution Loss	Current BSP Paisa/Unit	Est. Power Purchase Cost (Rs in Cr) (Including Transmission and SLDC charges)	SMD proposed MVA
CESU	9451	6443	31.83%	265	2742	1656
NESCO	5624	3886	30.90%	280	1716	1250
WESCO	7500	4917	34.44 %	286	2333	1250
SOUTHCO	3630	2260	37.74 %	185	762.84	600

Employees' Expenses

8. CESU, NESCO, WESCO and SOUTHCO have projected the employee expenses of Rs 358.14 Cr., Rs 254.56 Cr., Rs 287.61 Cr. and Rs 284.46 Cr respectively for FY 2015-16. Out of these proposed employee expenses, Rs 135.30 Cr, Rs 90.96 Cr, Rs 107.75 Cr and Rs 96.95 Cr respectively are proposed for employee terminal benefit trust requirement for FY 2015-16.

Administrative & General Expenses

9. On the basis of scenario of last six months, CESU estimated A&G cost of Rs 89.51 Cr for the current FY 2014-15. Further, CESU has proposed Rs 95.77 Cr towards A&G expenses for FY 2015-16 against approved cost of Rs 41.69 Cr for FY 2014-15. Hence, CESU has estimated 130% increase from approved A&G cost for FY 2014-15 due to sharp increase growth of consumers and exponential growth of consumer service activity. Also addition of new activities has increased proposed expenditures.
10. As far as NESCO, WESCO and SOUTCO are concerned, the A&G expenses for FY 2015-16 is estimated at Rs 55.18 Cr, Rs 59.39 Cr and Rs 58.28 Cr based on actual expenses till September 2014. While calculating A&G expenses, the licensees have projected the same by considering 7% increase over the estimated A&G cost of for FY 2014-15.
11. As per licensees in case of A&G expenses, additional expenses for aforesaid initiatives e.g. Annual inspection fees of lines and substations, Intra-state ABT and Energy Audit, Implementation of Right to Information Act, DSM, Implementation of Cloud Based Module and ERP have been considered while projecting the total A&G expenses for FY 2015-16. The additional amounts of A&G expenses for these three discoms are mentioned as Rs 24.21 Cr 14.67 Cr and Rs 33.32 Cr respectively.

Proposed Meter Rent for Installation of Prepaid Meters and Smart Meters

12. As per the Govt of Orissa 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, Government 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 and FY 2014-15. In compliance to the Commission's tariff orders in FY 2014-15, CESU installed 48 nos. of smart meters on pilot basis out of ordered quantity of 201 nos. These smart meters cost the licensee approximately Rs 8000 per single phase & Rs 14000 per three phase meter. CESU also submits that the cost of the meter is not fully realized through approved monthly meter rent and instalment structure.

13. As per filing of three private discoms, 4036 number of consumers (NESCO-2149, WESCO-930, SOUTHCO-957) were awarded on a pilot basis to M/s JnJ Powercom Systems Ltd. They have installed 1219 nos. (NESCO-423, WESCO-487, SOUTHCO-309) of Smart Prepaid meters in three discoms; & discoms have realized Rs 0.71 Cr (NESCO- 0.30 Cr, WESCO- 0.25Cr, SOUTHCO- 0.16 Cr) through recharge Voucher till date during the pilot Project implementation. M/s Secure Meter Ltd has given their acceptance for WESCO for 1328 nos. of consumer at Sambalpur Circle & Completed the survey & will install the meter shortly. Secure will carry out the Prepaid Metering System in NESCO & SOUTHCO after successful operation at WESCO. Hence all discoms have proposed expenses related to implementation of AMR / Smart and Prepaid Metering to be allowed in the ARR of the FY 2015-16. These proposed expenses by NESCO, WESCO, SOUTHCO are Rs 2.99 Cr, 2.56 Cr and 1.53 Cr respectively.

Table 5: Proposed Meter Rent (Rs in Cr)

Licensee	No. of Meters to be Installed	Total expenses to be incurred in 4 years including (1) Meter cost including installation to be paid as lease on monthly for 4 years @ Rs 241 PM for 1ph and Rs 403 PM for 3 ph (2) Vending service charges to be paid on monthly for 4 years @ Rs 68 PM for 1ph and Rs 96 PM for 3 ph	Expenses for FY 2015-16
NESCO	5765	10.41	2.99
WESCO	5025	9.56	2.56
SOUTCO	7055	14.77	1.53

Repair & Maintenance (R&M) Expenses

14. 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. They submit that 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'ble Commission. CESU has requested Rs 37.80 Cr towards special R&M for addition of RGGVY and BJJY assets and special R&M for Honourable Commission monitored schemes.
15. NESCO, WESCO and SOUTHCO have requested for Rs 31.52 Cr, Rs 38 Cr and Rs 15 Cr towards R&M of Smart Metering which was approved for FY 2014-15 by Hon'ble Commission but has been deferred to FY 2015-16.
16. The details of proposal under R&M expenses for ensuing financial year FY 2015-16 are given below:

Table 6: R&M Costs**(Rs in Cr)**

DISCOMs	GFA as at 31 st March of Current FY 2014-15	R&M (5.4% of GFA)	Additional R&M Requested for RGGVY and BGJY assets	Amount towards R&M of Smart Metering	Total R&M Requested
CESU	1803.63	97.67	37.80	---	135.47
NESCO	1218.70	65.81	---	31.52	97.33
WESCO	869.09	46.93	23.26	38.00	108.19
SOUTHCO	910.64	50.17	58.84	15.00	124.01

Provision for Bad & Doubtful Debts

17. CESU has, considering the collection efficiency of 99% for the year 2015-16, made provision towards bad and doubtful debts to the tune of Rs 21.43 Cr. While NESCO, WESCO and SOUTHCO stated that, it is difficult for them to arrange working capital finance due to continuance of huge accumulated Regulatory Gaps to bridge the gap of collection inefficiency, therefore they have considered the amount equivalent to the collection inefficiency as bad and doubtful debts while estimating the ARR for FY 2015-16. Moreover, NESCO has requested for bad debt including additional amount towards LD/PLD consumers.

Table 7: Provision for Bad & Doubtful Debts

Discom	Collection Efficiency (%)	Proposed Bad Debts (Rs in Cr)
CESU	99%	21.43
NESCO	98%	36.25
WESCO	98%	49.41
SOUTHCO	96%	36.88

Depreciation

18. 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 creation during ensuing year. Depreciation for FY 2015-16 is projected at Rs 128.35 Cr for CESU, Rs 44.06 Cr for NESCO, Rs 31.12 Cr for WESCO and Rs 72.5 Cr for SOUTHCO.

Interest Expenses

19. CESU, NESCO, WESCO & SOUTHCO have submitted the interest expenses and the interest income for the FY 2015-16. The net interest expenses proposed by these licensees are Rs 192.21 Cr, Rs 94.07 Cr, Rs 99.96 Cr and Rs 54.91 Cr respectively. The major components of the interest expenses of these licensees are as follows:

A. Interest on Capex Loan from Govt. of Orissa

20. 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 8.73 Cr, Rs 4.27 Cr and Rs 4.37 Cr respectively for the ensuing year.

B. World Bank Loan Liabilities

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

C. World Bank (IBRD) Loan

22. CESU submitted that the interest on World Bank Loan has been calculated as Rs 126.36 Cr @ 13% as per the subsidiary loan & project implementation agreement with Government of Orissa.

D. GRIDCO Loan

23. Commission in its Order dated 29.03.2012 and 30.03.2012 resolved the dispute on the Power Bond and the amount arrived after the settlement adjustments issued as New Loan to three discoms. NESCO and WESCO don't have any outstanding payable to GRIDCO towards New Loan while SOUTHCO has liability of Rs 2.81 Cr which is included in total interest cost.

E. Interest on APDRP Loan Assistance

24. About loan from Govt, CESU has submitted that they have availed APDRP assistance of Rs 37.09 Cr from GOI through Govt of Orissa whose interest cost works out to be Rs 16.75 Cr; and borrowed counter funding from PFC amounting Rs 35.52 Cr whose interest cost works out to be Rs 2.29 Cr.
25. 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 0.76 Cr, Rs 0.66 Cr and Rs 0.72 Cr, respectively on this account.

F. Interest on SI Scheme Counterpart Funding from REC/IDBI for Capex Plan

26. 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 3.93 Cr and Rs 20.76 Cr respectively for the ensuing year.

G. Interest Capitalized

27. CESU has proposed interest to be capitalized during ensuing year works out to be Rs 2.29 Cr. The interest on loan outstanding at the beginning of the year has been considered as revenue expense as a part of ARR. The interest on loan to be drawn during the ensuing year for capital works amounting to Rs 6.58 Cr, Rs 0.81 Cr and Rs 4.15 Cr has been capitalized by NESCO, WESCO and SOUTHCO respectively.

H. Interest on Security Deposit

28. CESU, NESCO, WESCO and SOUTHCO have submitted that the interest on security deposits for FY 2015-16 have been worked out to be Rs 49.10 Cr, Rs 39.10 Cr, Rs 44.65 Cr and Rs 8.39 Cr respectively.

Non-Tariff Income

29. NESCO, WESCO and SOUTHCO have proposed non-tariff income for FY 2015-16 to the tune of Rs 50.41 Cr, Rs 87.17 Cr and Rs 20.43 Cr respectively. However, they have proposed to abolish meter rent for all categories and hence not considered any income from meter rent.

Provision for Contingency

30. NESCO, WESCO and SOUTHCO have proposed provision for contingency at 0.375% of Gross Fixed Assets at the beginning of the year for FY 2015-16. The exposure towards contingency provisions is to the tune of Rs 3.754 Cr, Rs 3.26 Cr and Rs 3.42 Cr respectively.

Amortisation of Regulatory Assets and Truing up of Revenue Gap for FY 2013-14 and FY 2014-15

31. NESCO, WESCO and SOUTHCO have included the total amortization of Regulatory assets as Rs 1165.95 Cr, Rs 1725 Cr and Rs 1532.65 Cr respectively. Out of the total regulatory assets mentioned above, licensees have requested the Hon'ble Commission to allow part of the Regulatory asset for amortization during the FY 2015-16 which is to the tune of Rs 197.77 Cr, Rs 241 Cr, Rs 230.42 Cr respectively. This includes truing up amount for two FY 2013-14 and FY 2014-15 also.
32. CESU has not submitted any detail about past losses/regulatory assets to be set off in future year.

Table 8: Amortization of Regulatory Assets (Rs in Cr)

	Regulatory Assets		Truing Up		Request Total Amortization Amount for FY 2015-16 (A+B)
	Total Regulatory Asset till FY 2013-14	Amortization of Regulatory Asset (10%) (A)	Amount for Truing up till FY 2014-15	Truing up of Revenue Gap for FY 2014-15 (1/3 rd) (B)	
NESCO	818.06	81.81	347.89	115.96	197.77
WESCO	1430	143	295	98	241
SOUTHCO	1202	120.2	330.65	110.22	230.42

Return on Equity / Reasonable Return

33. CESU has claimed Rs 11.64 Cr as ROE calculated @16% on equity capital. Rest of three Licensees submitted that due to negative returns (Gaps) in the ARR and carry forward of huge Regulatory Assets in previous years, they could not avail the ROE over the years, which otherwise would have been invested in the Company for improvement of the infrastructure. As it is followed by various Commissions, the Licensees submit that the ROE to be allowed on the amount of the equity and the accrued ROE for the previous year. This would increase the availability of more funds for the consumer services. Therefore, NESCO, WESCO, SOUTHCO have assumed reasonable return amounting to Rs10.54 Cr, Rs 7.78 Cr and Rs 6.03 Cr as calculated @ 16% on equity capital including the accrued ROE as per the earlier Orders of the Hon'ble Commission.

Revenue at Existing Tariffs

34. The Licensees have estimated the revenue from sale of power by considering the sales projected for FY 2015-16 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 3047.39 Cr, Rs 1812.30 Cr, Rs 2470.47 Cr and Rs 921.91 Cr by CESU, NESCO, WESCO and SOUTHCO respectively.

Summary of ARR and Revenue Gap

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

Table 9: Proposed Revenue Requirement of Discoms for the FY 2014-15 (Rs in Cr)

	CESU	NESCO	WESCO	SOUTHCO
Total Power Purchase, Transmission & SLDC Cost	2742.23	1716.35	2333.43	762.84
Total O&M and Other Cost	998.01	581.46	635.68	631.04
Return on Equity	11.64	10.54	7.78	6.03
Total Distribution Cost (A)	3751.88	2308.35	2976.89	1399.91
Total Special Appropriation (B)	0.00	202.34	244.63	230.42
Total Cost (A+B)	3751.88	2510.69	3221.52	1630.33
Less: Miscellaneous Receipt	93.26	50.41	87.17	20.43
Total Revenue Requirement	3658.62	2460.28	3134.35	1609.90
Expected Revenue (Full year)	3047.39	1812.30	2470.47	921.91
GAP at Existing Tariff (+/-)	(611.24)	(647.98)	(663.88)	(687.99)

TARIFF PROPOSAL

36. 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 10: Revenue Gap for Ensuing FY 2015-16 (Rs in Cr)

	CESU	NESCO	WESCO	SOUTHCO
Revenue Gap with existing Tariff	611.24	647.98	663.88	687.99
Excess Revenue with Proposed Tariff	0	0	0	0
Proposed Revenue Gap	611.24	647.98	663.88	687.99

37. **Disaster Mitigation Plan: Utilities mention that** for execution of Disaster Mitigation Plan (DMP), they require huge investment. Apart from the tariff rationalizing measures, all the utilities have proposed additional charge per unit of electricity sold for undertaking measures for execution of disaster mitigation plan. To accomplish the said purpose, Licensee propose additional costs as estimated below, the amount may be allowed over two years in the ARR of Discoms as an surcharge of 5 paise per unit to be collected from the consumers. Hence, utilities have planned to execute the DMP in a phased manner and to execute this first phase plan as per the following measure:

Table 11: Fund Allocation for Disaster Mitigation Plan

	Disaster Mitigation Plan allocation in (Rs in Cr)	Proposed additional charge per unit on the electricity sold to customers (Paisa/ kWh)
CESU	60.00	1% surcharge on energy charges
NESCO	39.85	05
WESCO	36.95	05
SOUTHCO	39.85	05

TARIFF RATIONALIZATION MEASURES PROPOSED BY THE LICENSEES:

Proposal of CESU

38. CESU proposed to meet the revenue gap of Rs 611.24 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. Proposal on retail tariff ensuing year & issues that need to be addressed in the proceedings are discussed as under:

39. **Over Drawl by Existing HT/EHT Category Consumers:** These consumers pay over drawl penalty only for quantum of load over and above 120% of contract demand in off-peak hours and 100% of contract demand for peak hours. By such over drawl consumer load factor goes up and he gets incentive as per the graded slab structure. Over drawl also leads to Grid indiscipline warranting deviation settlement. So part of penalty is passed on to the consumer as higher load factor incentive. Utility has no control on such over drawl and in ABT environment Utility has to pay BST plus deviation settlement on implementation.

CESU proposed that over drawl penalty should be levied on both demands as well as energy charges.

40. **Steps for Flattening of Load Curve:** CESU submits that presently it witnesses a demand surge of 500MW in peak hours in comparison to off-peak period. Similarly, Orissa Grid faces peak/off-peak demand difference of 1600 MW. Industrial demand comprises 50% of total demand of the Licensee. Under such circumstances migration of industrial load only can contribute to flattening of load curve. The incentive measures so far given in the tariff orders have no compelling effect on industrial consumers. Rather they take advantage of the incentives and overload the network both in peak and off-peak hours.

Hence it is proposed that the peak hour load drawl by HT/EHT industries/ consumers may be de-incentivized by formulating higher demand as well as energy charges.

41. **Temporary Higher Demand by the HT/EHT Consumers due to Seasonal Factors:** CESU submits that from analysis of last three years demand scenario of some HT/EHT industries, it is found that reasonably some industries require temporary surge of load during the agreement period. Sales projections for these consumers are based on past year's consumption pattern. So, any sudden rise in demand puts the Utility to over drawl situation with unscheduled costing.

So, provision may be allowed in the Tariff Order for HT/EHT consumers having loads of 1 MVA & above to draw temporary excess demand by paying higher energy & demand charges for drawl of over & above estimated demand during the tariff period. This provision may also be applicable to new industries who intend to avail supply during tariff year and who are not included in the tariff proceedings.

42. Monthly Minimum Fixed Charges for Consumers of Contract Demand less than 110 KVA excluding Single-phase Consumers: CESU submits that all three-phase consumers whose contract demand is less than 110 KVA are provided with static meters having facility for record of demand during bill period. Prior to FY 2013-14 these consumers were paying MMFC based on contract demand. Hon'ble Commission vide Tariff Order for Financial Year 2013-14 allowed to levy MMFC based on recorded Maximum Demand. CESU loses substantial revenue from MMFC as these consumers generally available lower demand than their contract demand. CESU as a licensee has to keep the infrastructure ready and in healthy condition to meet their contract demand incurring fixed cost. MMFC is meant for meeting the fixed cost to make the demand available to the consumer. So, when the consumer is paying MMFC based on recorded Maximum Demand, the required fixed cost is not recovered fully.

Hence, it proposes consumers having contract demand less than 110 KVA may be charged MMFC based on contract demand.

43. Reliability Surcharge: Reliability surcharge is presently levied on HT/EHT consumers availing supply through dedicated feeders from the EHT Grid Substations or Primary Substations of the Utility. There are many other industries that also get reliable and quality power who are not connected through dedicated feeder.

So, reliability surcharge should be applicable to all HT/EHT consumers when the required reliability index is achieved by the licensee.

44. Power Factor Penalty for Three-phase Consumers having Contract Demand less than 110 KVA: CESU mentions that many three-phase consumers in this load range particularly industrial ones are availing their load at lower power factor than normal. Such behaviour puts extra burden on the distribution network and also leads to higher technical loss. This aspect has been verified from actual data also. There is no de-incentive measure in the tariff order for these consumers to enhance their average power factor by installing capacitor bank.

So, it proposed that power factor penalty may also be extended to all three-phase consumers having contract demand less than 110 KVA which will put indirect pressure on them to install capacitor banks to improve their power factor.

45. Interest on Security Deposit: From FY 2014-15, interest on Security Deposit was enhanced in the tariff order to 8.75% equalizing to RBI notified bank interest. The licensee will have to park entire Security Deposit realized in long term deposits to meet the interest burden leaving no money for working capital of the licensee. Besides when a consumer either exits or enters in agreement in a mid-year approved interest on SD is not realized during the exit or entry year.

Hence CESU proposed that interest rate should be reduced to previous level leaving working capital for the Licensee. CESU will pay proportionate rate of interest as applicable for the period of SD held by the licensee.

46. Enhancement of Meter Rent for Smart Meters: CESU submits that in compliance to the Commission's tariff orders in FY 2014-15, it has already installed 48 no of smart meters in pilot basis out of ordered quantity of 201 nos. These smart meters cost the licensee approximately Rs 8000 per single phase & Rs 14000 per three phase meter. The cost of the meter is not fully realized through approved monthly meter rent and instalment structure.

Hence CESU proposed that meter rent and instalment structure may be approved for smart meters.

47. Measure for Encouraging Prompt Payment from Singe-phase Domestic & General Purpose Consumers:

It is observed that present rebate or DPS rate applicable to single phase domestic and general purpose consumers is not encouraging for timely payment of current electricity bill particularly in rural areas. Combine benefit of rebate and DPS may be substantial and encouraging to bring more consumers to regular and timely payment fold. Most of the consumers billed in first & second slab in the above two category are found to defaulters.

So, it is proposed that rate per unit in first two slabs may be enhanced above the proposed rate by one rupee and the same amount may be allowed as rebate if the consumer pays in time. Proposed incremental tariff has nil effect on a regular payee consumer.

48. Creation of Contingency Fund to Meet Expenses arising out of Natural Disasters like Cyclone, Flood & Earthquake etc.:

CESU mentions that it very often faces natural calamities like cyclone & flood. Due poor financial health of the Utility restoration work getting delayed for want of funds. To expedite the restoration work without waiting for the Govt. assistance it is proposed to create a disaster management fund to the tune of Rs 60 Cr by levying 1% surcharge on energy charges for coming two years. Surcharge will be lifted once the requisite fund is created.

49. Supervision Charge: As per the OERC Distribution (Conditions of Supply) Code-2004 vide section 13.1) Appendix-I, when a consumer is asked to bear the capital work, the estimated cost shall be calculated on the aforesaid basis. The licensee is entitled to collect the requisite supervision charge for checking and ensuring that the capital works have been done as per the standards and in addition, the inspection fees for inspection pertaining to safety and security as notified by the Government of Orissa from time to time. The licensee should ensure inspection of works by the Electrical Inspector.

50. CESU proposes that following provisions may be mandated in the ensuing tariff order for better acceptance by the consumers and impact.

- 1) Licensee wants to roll out a KYC data build up for better communication/ service to the consumers. To roll out such provision the licensee requests commission to pass a mandate in the tariff order in the ensuing year for better impact on the consumers and compliance on KYC.
- 2) Considering the security accepts in cash handing it proposes that necessary regulatory mandate may be issued in the tariff order covering all high value consumers.
- 3) Around 40% single phase consumers are defaulter in paying their regular energy bills. Disconnection of these entire consumer following regulatory provisions is difficult process for the Licensee. This consumer enjoys the interest on security deposit without paying their energy bills. The licensee proposes to adjust their security deposit against the outstanding energy bills.

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. Levy of Meter Rent on Smart, Prepaid Meters

51. For smooth operation of prepaid metering system following suggestions are submitted by discoms to be considered by Hon'ble Commission.
- a) The Meter Rent fixed for the LT Single Phase and Three Phase AMR / AMI Compliant meters need to be reviewed by Hon'ble Commission and the Meter rent for the AMR / AMI Based Meters and Pre-paid type single Phase Meters should be Rs 300 per Month and three Phase Meters Rs 500 Month.

(Or)

- b) The existing meter rent recovered by the Licensee from the consumers are negligible and the leasing as well as vending service charges are high enough as a result, there is a huge difference. Accordingly, Hon'ble Commission may kindly allow difference in such recoveries and recurring costs.
- c) Licensees suggested that the present slab wise rate tariff is simplified for ease of consumers opting out for the same. The additional rebate of Rs 0.25 per unit allowed in smart metering scheme may be withdrawn.
- d) A principle may be approved by Commission for adjustment of outstanding arrears along with its part payment before implementation of Prepaid metering system.
- e) Further licensees submitted that the Govt. of Orissa notification, for all govt. offices to stop paying regular electricity dues beyond 1.4.2013 may also be withdrawn and it is difficult to cover all such govt. consumers with prepaid meters, within a period of 57 days , more so when the technical specifications was also not available.

ii. Introduction of KVAH Billing

52. All three discoms have requested for introduction of either kVAh billing or implementation of Power Factor penalty on consumers with contracted demand of more than 20 kW.
53. They submitted that the Commission in its RST Order dtd 22.03.2014 for FY-2014-2015 had given the following directions to the DISCOMs vide Para-246. The Commission directed the Distribution Licensees to prepare a detailed sales containing category wise and consumer wise contracted load / connected load and their month wise consumption for the latest three years ending 31st March, 2014 showing the consumer wise and month wise amount billed under Demand Charge/ MMFC, energy charge and power factor penalty of such consumers (for whom the Licensees intend to introduce kVAh billing) including information on types of meters fitted against each consumer showing the capability of each meter for kVAh billing and the software developed by the Licensees for such billing. They are required to submit the complete information in this regard latest by 30th September, 2014.

54. In compliance to the above direction of Hon'ble commission NESCO & WESCO have submitted the above required data of 20 KW and above Consumers before the Hon'ble commission during month of Oct'2014 while SOUTHCO has submitted the data in Nov'2014. They have verified that all the 3-phase meters, especially those installed for consumers having Contract Demand 20KW and above in the DISCOMs are enabled to meet the requirements of kVAh billing parameters. With the above submissions, discoms requested Hon'ble Commission to allow kVAh billing from the ensuing FY 2015-16.
55. Discoms further submitted that in case above proposal of is not considered by the Hon'ble Commission for implementation due to any reason, there should be applicability of Power Factor Penalty for the following category of Consumers in order to bring more efficiency in Power System Operation till the KVAH billing is made applicable.

HT Category

- a. Specified Public Purpose
- b. General Purpose < 110 KVA
- c. HT Industries (M) Supply

LT Category

- a. LT industries Medium Supply
- b. Public Water Works and Sewerage Pumping > 22 KVA

iii. Applicability of Power Factor Penalty

56. The licensees have proposed that, the Hon'ble Commission in its RST order for FY 2014-15 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, Public Water Works and Sewage pumping > 22 kVA)

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

iv. Verification of CGP Status of Power Plants

57. All three Licensees submitted that, as per the relevant provisions of the Electricity Act 2003 read with Indian Electricity Rules, 1956, the CGPs are mandated to maintain utilize at least 51% of power for self consumption per annum. Thus there should be annual verification of the status of the industries operating as CGPs. Because if in any year an industry having the CGP status fails to utilize minimum 51% of the power generated from the CGP, then that industry would lose the status of CGP for that particular year, thereby attracting levy of cross subsidy surcharge by the Licensee. This being the well settled principle of law, the Licensees want to draw the attention of Hon'ble Commission to the fact that till date the status of the industries owning CGP is not being verified annually, for which a reasonable apprehension would occur about the real status of the CGPs.

58. In this context they find relevant to mention that the Hon'ble Commission vide its Order dtd.03.01.2014 passed in Case No. 129 of 2010, while adjudicating upon the said issue of determination of CGP status of the industries vis-à-vis the invocation of provisions of Sec. 11 by the Govt. of Orissa, directed all the stake holders, to verify the exact status of the industries on yearly basis and subsequently a Committee was formed by the Hon'ble Commission, to implement the above direction which is however deferred due to an interim stay granted by the Hon'ble High Court of Orissa vide Order dtd. 05.09.2013, in W.P.(C) No. 18481 of 2013. Meanwhile the CCPO also filed a petition before the Hon'ble Commission for review of the said Order dtd. 03.01.2014. Recently the Hon'ble High Court vide its Order dtd. 06.08.2014 passed in the said case has made it clear that the notwithstanding the pendency of the writ petition the present review proceeding would continue. Thus the Hon'ble Commission is requested to re-constitute the Committee for verification of the CGP status of the industries by which the scenario would be clear and the Licensee would be in a position to determine and fix the liability of cross subsidy surcharge upon those industries losing the status of CGP for any particular period.

v. Emergency Power Supply to Captive Power Plants (CPPs)

59. Licensees mention that normally the Emergency/Start-up power requirement of Captive generators are 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. But 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.
60. 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. It results in to extra financial burden on Licensee in Intra-state ABT mode of Operation. Licensee also proposed for amendment of Para-15 of OERC Distribution (condition of supply) code.
61. Licensees requested Hon'ble Commission to frame norms/guidelines for estimation of such requirement. It is suggested that for consumption in excess of 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 licensees' suggested introduction of Demand Charges of Rs 250 / KVA in addition to Energy Charges for Start-up power.
62. To justify their requirement, licensees have come up with an example of such practice being adopted in the state of Chhattisgarh where, there is a two part tariff for start-up power for generators at 400/220/132/33/11 KV approved for FY 2012-13.
63. The Licensees submitted the Hon'ble Commission to consider Tariff for start-up power for IPP/CGPs proposed for state of Orissa the proposal of the Licensee is as under:

1) Proposed Tariff

Although all three discoms have asked for tariff applicable for start-up power but

SOUTHCO has not given any tariff rate; while NESCO and WESCO have proposed rate charge as under:

Table 12: Proposed Demand and Energy Charges

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

2) Proposed Condition for Start-up Power Supply to CGP

- (a) 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.
- (b) 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 months.
- (c) This tariff shall also be applicable to such generator(s) for startup purpose prior to their COD.
- (d) 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).

vi. Exclusion of Meter Rent as misc Revenue in Discoms ARR

64. The discoms have submitted that, inclusion of meter rent as miscellaneous income/ revenue receipts in the ARR ought to be discontinued as expenditure on purchase of meters is treated as a capital expenditure. On several instances, the Discoms have been asked to provide for meters in social welfare schemes such as Mega Lift Irrigation points, which taking into account the precarious financial position is difficult. The Hon'ble Commission has also suggested the utilization of meter rent for procurement of meters. Accordingly, the meter rent which is allowed to be recovered up-to the cost of the meter is proposed to be used for purchase of new meters. 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 licensees have referred to the judgement of the APTEL under Appeal No 52, 53 and 54 of 2007-Clause 27.

vii. MMFC for Consumers with Contract Demand <110 kVA

65. Licensees submitted that as per the current tariff structure, the Monthly Minimum Fixed Charges are to be levied to consumers with contract demand less than 110 KVA on the recorded demand rounded to nearest 0.5 kW requiring no verification irrespective of the agreement. For billing purposes this adversely affects the Licensee in case of the recorded demand is lower than the contract demand/ connected load. As the licensee is reserving the

contracted capacity for the consumers at the same time they are also liable to pay the MMFC/ Demand charges on the basis of CD or MD whichever is higher as like of consumers with CD of >110 KVA. The Licensee proposed that the Monthly Minimum Fixed Charges for such consumers should be levied at Contract Demand or Maximum Demand whichever is higher.

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

66. Licensees submitted that 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 2013-14.

Para 344 says -

However, 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 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.

67. Further Licensees mention here that consumers with CD of more than 110 KVA are paying Demand charges on the basis para 342 of RST order FY 2013-14, 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.

ix. Demand Charges and Monthly Minimum Fixed Charges

68. The Licensee mentioned 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. In view of the above, the Licensees request to recover the full fixed distribution costs by suitably revising the Demand charges and monthly minimum fixed charges as proposed in earlier section, as applicable to the respectively category during the ensuing year.

x. Applicability of Reconnection Fees and Reliability Surcharge

69. Licensees submitted that the reliability surcharge is applicable for HT and EHT consumers, availing power supply through dedicated feeders, with other pre-conditions. However in absence of clarity in the definition of 'dedicated feeder' the licensees are facing difficulties for proper implementation of the same. In view of the above they suggested that as the consumers those who are fulfilling other two pre-conditions for levy of reliability surcharge and also connected with dedicated shared industrial feeders should also be liable to pay reliability surcharge. Discoms request that the prevailing system of applicability of reconnection fees and reliability surcharge may be continued with the above modifications.

xi. Rebate on Prompt Payment

70. In the BSP Order for the financial year 2014-15, the Hon`ble Commission directed that the Licensee is entitled to avail a rebate of 2% for prompt payment of BST bill on payment of current BST in full within two working days of presentation of BST Bills and 1% is paid within 30 days. Further, the Hon`ble Commission had directed to pay the rebate to all consumers except domestic, general purpose, irrigation and small industry category, if payment is made within three days of presentation of bill and fifteen days in case of others.
71. With this, licensees have requested Hon`ble Commission to approve the rebate of 2% to the licensee for prompt payment towards BST bills including part payments within 3 (three) working days from the date of presentation of the BST bill and in case the BST bill is paid after 3 (three) days the rebate should be proportionately allowed to the extent of payment made within 30th day @1% akin to Rebate Policy on Rebate is provided to GRIDCO by NTPC.
72. They also submitted that when licensees are extending rebate on prompt payment to consumers on the current bill (excluding all arrears), they are not being allowed rebate on prompt payment of current BSP bill on the pretext of arrears which are disputed. The licensees urged for parity in treatment regarding rebate on prompt payment on current bill (excluding arrears).

Tariff Schedule

73. CESU; and Reliance managed three DISCOMs have proposed tariff schedule as given bellow:

Table 13: Retail Supply Tariff Proposed by CESU to be Effective from 1st APRIL, 2015

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) (OR) DPS
LT Category								
1	Domestic							
1.a	Kutir Jyoti < 30U/month	LT	FIXED MONTHLY CHARGE->			100		
1.b	Others							DPS/Rebate
	(Consumption <=50 units/month)	LT		300		50	50	
	(Consumption >50, <=200 units/month)	LT		470		50	50	
	(Consumption >200, <=400 units/month)	LT		530		50	50	
	(Consumption >400 units/month)	LT		560		50	50	
2	General Purpose < 110 KVA							DPS/Rebate
	(Consumption <=100 units/month)	LT		560		80	80	
	(Consumption >100, <=300 units/month)	LT		670		80	80	
	(Consumption >300 units/month)	LT		690		80	80	
3	Irrigation Pumping and Agriculture	LT		130		30	30	DPS/Rebate
4	Allied Agricultural Activities	LT		140		40	40	DPS/Rebate
5	Allied Agro-Industrial Activities	LT		470		100	100	DPS/Rebate
6	Public Lighting	LT		580		60	60	DPS/Rebate
7	L.T. Industrial (S) Supply	LT		580		100	100	DPS/Rebate
8	L.T. Industrial (M) Supply	LT		580		100	100	DPS/Rebate
9	Specified Public Purpose	LT		580		100	100	DPS/Rebate
10	Public Water Works and Sewerage Pumping <110 KVA	LT		580		100	100	DPS/Rebate
11	Public Water Works and Sewerage Pumping >=110 KVA	LT	200	580	30			DPS/Rebate
12	General Purpose >= 110 KVA	LT	200	580	30			DPS/Rebate
13	Large Industry	LT	200	580	30			DPS/Rebate
HT Category								
14	Bulk Supply -	HT	50	460	500			DPS/Rebate

	Domestic							
15	Irrigation Pumping and Agriculture	HT	40	120	500			DPS/Rebate
16	Allied Agricultural Activities	HT	50	130	500			DPS/Rebate
17	Allied Agro-Industrial Activities	HT	100	460	500			DPS/Rebate
18	Specified Public Purpose	HT	275	As indicated in the notes below	500			DPS/Rebate
19	General Purpose >70< 110 KVA	HT	275		500			DPS/Rebate
20	General Purpose > 110 KVA	HT	275		500			DPS/Rebate
21	H.T .Industrial (M) Supply	HT	175		500			DPS/Rebate
22	Public Water Works & Sewerage Pumping	HT	275		500			DPS/Rebate
23	Large Industry	HT	275		500			DPS/Rebate
24	Power Intensive Industry	HT	275		500			DPS/Rebate
25	Mini steel Plant	HT	275		500			DPS/Rebate
26	Railway Traction	HT	275		500			DPS/Rebate
27	Emergency Supply to CPP	HT		785	500			DPS/Rebate
28	Colony Consumption	HT		460				DPS/Rebate
EHT Category								
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	Mini steel Plant	EHT	275		1000			DPS/Rebate
35	Emergency Supply to CPP	EHT		780.00	1000			DPS/Rebate
36	Colony Consumption	EHT		450.00				DPS/Rebate
Note: Energy Charges for HT & EHT Consumers								
	Load Factor (%)	HT	EHT					
	up to 60%	565 p/u	560 p/u					
	>60%	420 p/u	415 p/u					

Table 14: Retail Supply Tariff Proposed by NESCO, WESCO and SOUTHCO to be Effective from 1st APRIL, 2015

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) (OR) DPS
LT Category								
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 Sewerage Pumping <110 KVA	LT		540		50	50	10
11	Public Water Works and Sewerage 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
HT Category								
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	As indicated in the notes below	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 & Sewerage Pumping	HT	250		250			10
23	Large Industry	HT	250		250			DPS/Rebate
24	Power Intensive Industry	HT	250		250			DPS/Rebate
25	Mini steel 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	695	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 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 paisa 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 up to 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 whichever 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 paisa/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 Orissa shall get a rebate of Rs.2.40 paisa 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.
(x)	Drawal by the industries during off-peak hours up to 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 drawl in the off peak hours exceeds 120% of the contract demand, over drawl 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.
(xi)	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 up to and including 70 KVA shall be in 2-phase, 3-wires or 3-phase, 3 or 4 wires at 400 volts between phases.
(xii)	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.
(xiii)	Power factor penalty shall be i) 0.5% for every 1% fall from 92% up to and including 70% plus ii) 1% for every 1% fall below 70% up to and including 30% plus 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:

74. CESU has following prayers to the Commission to:

- 1) Admit the accompanying Annual Revenue Requirement & Tariff Application of FY 2015-16.
- 2) Approve the Annual Revenue Requirement (ARR) of the Utility for the FY 2015-16 as proposed by the Utility.
- 3) To provide all necessary financial support for the successful operation of Input Based Franchisee Model with Incremental Revenue Sharing (IBF-IRS) basis in 14 divisions to achieve CESU for a commercially viable organization.
- 4) To consider the tariff related proposals submitted along with the application and approve the same.
- 5) To consider the actual distribution and AT&C loss, while approving the ARR application for FY 2015-16.
- 6) To direct Government to provide subsidy because of lower tariff in case of BPL customers, as nos. of BPL customer will be substantially high by the end of FY 2015-16
- 7) Consider the projected T&D loss of 31.83% in FY 2015-16.
- 8) Grant any other relief as deemed fit & proper in the facts and circumstances of the case.

75. Reliance managed three licensees request the Hon'ble Commission to:

- 1) Take the ARR application and Tariff Petition on record.
- 2) Approve the Annual Revenue Requirement for FY 2015-16 including amortisation of Regulatory Asset on account of uncovered gap up to 2013-14
- 3) Bridge the Revenue Gap for the FY 2015-16 through reduction in Bulk Supply Tariff (BST), grant of subsidy from the Government of Orissa as per Section 65 of the Electricity Act 2003 and balance, if any increase in Retail Supply Tariff.
- 4) To consider the Loss Trajectory accepted by Ministry of Power, Govt. of India.
- 5) To give effect to the ATE Order dated 13th December 2006, 8th November 2010, 3rd July 2013 and 11th February 2014 on different RST issues such as fixation of Distribution loss target and truing up etc.
- 6) To direct GRIDCO and GoO to cede assets of WESCO to raise the loans for capex activities as directed by this Ho'ble Commission in several directives, including Order 29th and 30th March 2012.
- 7) To prioritize escrow relaxation as prayed for by the Licensee by considering payment of Salary and R&M expenses on equal priority (pari passu basis) with power purchase bill.
- 8) Permit DISCOMs to consider automatic relaxation of escrow from 16th Day of payment of BST bill if GRIDCO doesn't relax the same or doesn't deny relaxation with specific reason.
- 9) During Current year GRIDCO has not relaxed escrow for salary till Nov 14 except the two

months of August 14 and September 14. This kind of situation may be avoided in future.

10) To do away with Intra state ABT till generators are involved.

Allow the following Tariff rationalisation measures as proposed:

- 1) Introduction of KVAH Billing
- 2) Two-part tariff be made applicable in respect of Emergency power supply category to Captive Power Plants (CPP).
- 3) Exclude the Meter Rent, Penalties and DPS from the computation of Miscellaneous Revenue.
- 4) Extend the levy of reliability surcharge from the consumers availing power supply through shared industrial feeders.
- 5) Introduction of MMFC for Consumers with Contract Demand <110 KVA on the basis of MD recorded or connected load whichever is higher.
- 6) Applicability of Demand Charges for GP> 70 KVA and < 110 KVA and HT Industrial (M) supply
- 7) 2% Rebate to be allowed on payment of current monthly BST bills (excluding all arrears) within 3 days time instead of 2 working days or 7th of next month whichever is later.
- 8) GoO may be directed to provide subsidy to meet cost of supply to the consumers fed from the dedicated agriculture and fishery feeders.
- 9) Addressing of negative cash flow of Licensee by giving special relief towards reduction of BST and increasing the amortization of Regulatory Assets.
- 10) Other Tariff rationalization measures and concerns viz. increase of meter rent in case of Pre-paid meters etc. as proposed in this application
- 11) Allow the recovery of 5p/u towards Organisational Setup Cost for Disaster Management.
- 12) Allow the licensee to submit additional documents, modify the present petition, if so required, during the proceedings of this application.
- 13) Any other relief, order or direction which the Hon'ble Commission deems fit.
