

***Summary of Aggregate Revenue Requirement (ARR) and
Determination of Bulk Supply Price (BSP) Filings***

Submitted by

GRIDCO

For

FY-2023-24

Summary of GRIDCO ARR & BSP Filings for FY 2023-24

BULK SUPPLY PRICE (BSP) PROPOSAL OF GRIDCO FOR THE FY 2023-24

1. GRIDCO Limited (hereinafter called as 'GRIDCO') is a Deemed Trading Licensee under the 5th Proviso to Section 14 of the Electricity Act, 2003. GRIDCO, a wholly State owned Company, is engaged in the business of purchase of electricity in bulk from various generators located in & outside Odisha and the State share of power from the Central Generators for supply in bulk to the four Electricity Distribution and Supply Companies (hereinafter called as 'DISCOMs') and also performs trading of surplus power through traders. As the 'State Designated Entity on behalf of Govt. of Odisha, GRIDCO has statutory obligation to procure power and act as a bulk supplier to supply power to DISCOMs for meeting the electricity demand in the State.
2. The Commission is empowered under section 86 (1) (a) and (b) of the Electricity Act, 2003 to determine the power purchase cost for the DISCOMs. 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 procurement price of DISCOMs happens to be the Bulk Supply Price at which GRIDCO supplies power in bulk to the DISCOMs.
3. Under Sub Section 5 (k) of Section 15 of the Orissa Electricity Reform Act, 1995 GRIDCO requires to file tariff/ Annual Revenue Requirement petition in accordance with the requirements of the Commission. Further, as provided in the OERC (Conduct of Business) Regulations, 2004 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 before 30th November of each year for the ensuing year for approval,. Therefore, it is a statutory requirement for GRIDCO to submit its ARR&BSP Application before the Commission for determination of the procurement price of the DISCOMs. In this above backdrop, GRIDCO has filed an application for approval of its proposed Annual Revenue Requirement (ARR) and revision of Bulk Supply Price (BSP) for the FY 2023-24 to enable it to carry out its functions of bulk supply to DISCOMs.

Projection of Demand and Energy

4. The Simultaneous Maximum Demand (SMD) of DISCOMs for the FY 2023-24 has been projected at 6017 MVA per month based on the additional load growth as estimated for the FY 2023-24 over FY 2022-23 for each DISCOM. The projected SMD has been derived by adding the additional SMD in terms of MVA (539 MVA, derived based on projected

additional sales during FY 2023-24) to the maximum SMD (5478 MVA) that occurred during the period from April 22 to October 22. The maximum SMD recorded during first six months of 2022-23 and projection for 2023-24 as submitted by GRIDCO in the BSP and ARR application are given in Table -1.

Table 1

Projection of Simultaneous Maximum Demand (SMD) for FY 2023-24 (MVA/Month)

DISCOM	OERC Approval for 2022-23	DISCOMs' Projection of SMD for FY 2023-24	Highest SMD recorded during FY 2022-23 (Apr'22 to Sept'22)	Additional load growth estimated for FY 2023-24	GRIDCO's Projection of SMD of DISCOMs for FY 2023-24
	A	B	C	D	E = C+D
TPCODL	1740	2192	1892	112	2004
TPNODL	1150	1396	1155	163	1318
TPWODL	1650	1850	1710	238	1948
TPSODL	720	800	721	26	747
State SMD	5260	6238	5478	539	6017

5. GRIDCO has projected 36358 MU as the energy consumption of DISCOMs for FY 2023-24 based on the projections submitted by DISCOMs. Emergency Power Supply to Captive Generating Plants (CGPs) like NALCO and IMFA for FY 2023-24 has been projected at 70 MU. The energy sales for FY 2023-24 have been forecasted to grow at the rate of 13% over FY 2022-23 sales projection. The actual historical sales, actual for first six months of FY 2022-23, projection for FY 2022-23 and projection for FY 2023-24 as submitted by GRIDCO are indicated in Table -2.

Table 2

Historical actual sales to DISCOMs Vs. Projection for FY 2023-24 (MU)

DISCOM	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (April – Sept 22)	2022-23	2023-24
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Projected)	(Projected)
TPCODL (CESU)	8,465	8,781	8,160	8,370	8,814	5609	10,113	10,999

TPNODL (NESCO)	5,464	5,576	5,439	4,941	5,327	3338	6,463	7,750
TPSODL (SOUTHCO)	3,488	3,654	3,504	3,616	3,942	2279	4,401	4,609
TPWODL (WESCO)	7,163	7,455	7,512	7,619	8,967	5531	11,122	13,000
TOTAL	24,580	25,466	24,615	24,545	27,050	16,757	32,099	36,358
IMFA	8	8	9	16	34	39	50	22
NALCO	26	54	36	66	39	26	40	48
Total including Emergency Sale	24,614	25,528	24,660	24,627	27,123	16,822	32,189	36,428
YoY Sales growth	5%	4%	-3%	0%	10%		19%	13%

Projected Energy Requirement

6. The total Projected Energy Requirement of GRIDCO has been taken as **36,428** MU for FY 2023-24 consisting of the estimated energy requirement for sale to DISCOMs as 36,358 MU and Emergency sales to CGPs as 70 MU. Considering 1,126 MU towards Transmission Loss @ 3.0%, procurement of energy to the tune of **37,554** MU (36,428 MU + 1,126 MU) will be required. The energy requirement vis-a-vis the availability to GRIDCO for supply to the State for FY 2023-24 is estimated below in the following Table- 3. GRIDCO plans to sell the surplus power in the short-term market etc.

Table 3
Projected Energy Requirement of GRIDCO for FY 2023-24

Sl. No.	Particulars	Projection for FY 2023-24 (MU)
1	Energy Demand of DISCOMs and emergency sales	36,428
2	Transmission Loss @ 3% as approved for FY 2022-23	1,126
3	Energy Required to be purchased by GRIDCO to meet the power demand of Discoms & CGPs	37,554
4	Available Energy	38453.07
5	Surplus Energy	899.07

Energy Availability to GRIDCO for FY 2023-24

7. GRIDCO has projected energy availability of 38453.07 MU during FY 2023-24 from different generating stations considering the Generation plan shared by respective stations, PLF, Synchronization issues etc. The estimation for drawal of **hydel power** from OHPC is 5825.89 MU including 260MU from Machhkund and 1930.50 MU from Indravati; and thermal power of 11804.42 MU from OPGC (Units 1, 2,3 and 4), 5262.14 MU from thermal IPPs (M/s Vedanta Ltd and M/s GMR Kamalanga Energy Ltd, NBVL, JITPL) and 10568.17 MU of Odisha share of power from central thermal power stations. GRIDCO has proposed to purchase 1208.68 MU towards Odisha share from central hydro power stations like Tala, Chukha, Teesta, and Mangdechhu hydel plants. Further, GRIDCO has proposed to procure 3783.78 MU from Renewable Energy sources during FY 2023-24 (483.35 MU from small hydro, 80 MU from biomass, 1060.43 MU from wind, and 606 MU from State solar and 1554 MU from Central Solar projects). The station-wise details in respect of availability of power are given in the Table below.

Table 4
Summary of Proposed Energy Availability to GRIDCO for FY 2023-24

Stations	Projection for FY 2023-24 (MU)
HHEP	664.52
CHEP	344.52
Rengali	749.43
Upper Kolab	700.92
Balimela	1,176.12
Sub-Total	3635.51
Upper Indravati	1930.50
Sub-Total	5566.01
Machhkund	259.88
Total State hydro availability	5825.89
OPGC (1& 2)	2509.73
OPGC (3& 4)	9294.69
Small Hydro	483.35
Biomass	80.00
Wind Energy	1060.43
State Solar	606.00

Stations	Projection for FY 2023-24 (MU)
Central Solar	1554.00
CGPs and Co-generation Plants	0.00
IPPs	5261.94
Total State (including central RE also)	26676.03
Darlipalli STPS-I	5503.70
Talcher STPS-II	1548.52
Talcher STPS-I	1974.31
Barh	940.20
Kahalgaon STPS-II	205.05
Kahalgaon STPS-I(Bundled power)	24.97
Farakka STPS-III	321.72
Farakka STPS-I & II(Bundled power)	49.70
Total Central Thermal	10568.17
Chukha	267.68
TALA	122.20
Mangdechhu	313.04
Teesta	505.76
Total Central Hydro Availability	1208.68
Total Central Sector Generation Availability	11776.85
Total Availability	38453.07

Power Purchase Cost Projected for 2023-24

8. GRIDCO has proposed to procure the entire estimated energy available to it during FY 2023-24. The detailed cost of power purchase as furnished by GRIDCO for FY 2023-24 is reproduced hereunder in Table -5 below.

Table 5
Summary of Proposed Power Procurement Cost during FY 2023-24

Station Name	Energy Available (MU)	Per unit rate (P/U)	Total Cost (Rs Crore)
HHEP	664.52	119.27	79.26

Station Name	Energy Available (MU)	Per unit rate (P/U)	Total Cost (Rs Crore)
CHEP	344.52	120.78	41.61
Rengali	749.43	107.25	80.38
Upper Kolab	700.92	90.32	63.31
Balimela	1,176.12	68.60	80.68
Sub-Total	3635.51	94.96	345.24
Upper Indravati	1930.50	88.33	170.52
Total	5566.01	92.66	515.77
Machkund	259.88	116.98	30.40
Total	5825.89	93.75	546.16
OPGC (1& 2)	2509.73	287.33	721.12
OPGC (3& 4)	9294.69	334.27	3106.90
Small Hydro	483.35	437.12	211.28
Biomass	80.00	760.00	60.80
Wind Energy	1060.43	279.94	296.86
State Solar	606.00	777.36	471.08
Central Solar	1554.00	177.23	275.41
CGPs and Co-generation Plants	0.00		
IPPs	5261.94	318.41	1675.43
Total State availability			
Darlipalli STPS-I	5503.70	358.95	1975.53
Talcher STPS-II	1548.52	328.94	509.37
Talcher STPS-I	1974.31	355.80	702.45
Barh	940.20	542.66	510.21
Kahalgaon STPS-II	205.05	536.94	110.10
Kahalgaon STPS-I(Bundled power)	24.97	719.26	17.96
Farakka STPS-III	321.72	787.08	253.22
Farakka STPS-I & II(Bundled power)	49.70	760.76	37.81
Total Central Thermal Availability	898.67	577.48	518.96

Station Name	Energy Available (MU)	Per unit rate (P/U)	Total Cost (Rs Crore)
Chukha	267.68	248.43	66.50
TALA	122.20	234.78	28.69
Mangdechhu	313.04	433.43	135.68
Teesta	505.76	202.55	102.44
Total Central Hydro Availability	1208.68	275.77	333.32
Total Power Purchase	38453.07	307.26	11,815.02
PGCIL Transmission Charges	-		774.71
ERLDC Charges	-		2.81
SLDC Charges	-		1.28
Total	38453.07	327.51	12,593.82

9. GRIDCO prays that the Commission may pass suitable orders related to sale of surplus power to industrial/large consumers considering recovery of cost to GRIDCO, margins for DISCOMs and applicable transmission charges etc. as specified in the petition.

Additional Power Purchase Cost

10. GRIDCO requests to consider the claim of Rs.1072.41 Crore as additional power purchase cost for payment to be made to OPGC due to year end charges and Secondary fuel oil cost; differential amount payment to NTPC, one time settlement payment to KBUNL, ash transportation charges to NTPC; additional payment towards various renewable projects; and payment towards wage revision with respect to TEESTA-V power project.

Special Appropriation for Loan Repayment Liabilities

11. GRIDCO has outstanding loan balance of Rs 6563.86 Cr as on 31st March 2022 with repayment liability of Rs 1592.54 Cr due in FY 2023-24. Due to non-cost reflective BSP, disallowance of Carrying cost on Regulatory assets and huge receivables, the loan liability has increased over the year. GRIDCO proposes to first meet such loan liability from Margin from sale of surplus power as directed by the Commission in its previous orders. As the trading margin will be very low due to present market condition, GRIDCO requests create a Separate Mechanism to meet Net Repayment liability post adjustment of Margin.

12. GRIDCO has proposed the Special Appropriation of Rs.1592.54 Crore as detailed in Table - 6. There is no mechanism for recovery of past dues given in the order of the Commission in Case no. 27 of 2021 related to consolidated true up for FY 2015-16 to 2019-20. Any default in repayment will severely impact credit rating of GRIDCO.

Table 6
Proposed Special Appropriation claimed by GRIDCO for FY 2023-24
(Rs. Crore)

Particulars	Loan Repayment Dues
Bank Loans	1477.34
STL from REC	83.33
8.79% GRIDCO Power Bond	31.87
Total	1592.54

13. Considering the insufficient trading margin to meet huge repayment liability in FY 2023-24, GRIDCO proposes to deduct margin earned from sale of surplus power (sale price minus variable charges) from the repayment liability for the year and allow the balance repayment amount in the following manner:
- a. Allow as a part of the annual revenue requirement,
 - b. Allow a regulatory surcharge recovery as a percentage of bulk supply tariff, or
 - c. Allow as a regulatory asset with an amortisation in a defined period of 3 to 5 years, as the Commission deems fit.
14. Further, GRIDCO requests that the following mechanisms may be approved by the Commission for settlement of past dues of GRIDCO:
- a. The vesting orders for TPCODL, TPNODL, TPWODL and TPSODL stated that the depreciation on assets of erstwhile utilities transferred to the successor entities shall be utilised to meet the additional serviceable liabilities. From the orders of the Hon'ble Commission regarding finalization of opening balance sheet of TPCODL and TPWODL, it is evident that these entities do not have to service any additional serviceable liabilities. Therefore, the depreciation on assets transferred to all the four new DISCOMs may be utilised for payment of past dues of GRIDCO.
 - b. The DISCOMs have reported a regulatory liability of Rs. 464 crore in H1 FY 2022-23. This amount may be utilised to settle GRIDCO's dues.

Interest, Financing and Other expenses

15. GRIDCO has proposed to incur about Rs.936.49 Crore during the FY 2023-24 towards expenses on account of interest and financial charges, depreciation, Employees Cost, A&G Expenses etc as given in the Table-7.

Table 7
Interest, Financing & Other expenses for FY 2023-24 (Rs. Crore)

Particulars	GRIDCO proposal for FY 2023-24
1. Interest & Financial Charges	543.46
2. Other Costs:	
a. Employee Cost	23.52
b. A&G Cost	13.07
c. Repair & Maintenance Cost	0.81
3. Depreciation	1.31
4. Return on equity (@ 16%)	354.32
Total (1+2+3+4)	936.49

16. GRIDCO proposes Rs.23.52 Cr towards employee cost for FY 2023-24. Further Rs.0.81 Cr and 13.07 Cr has been proposed as repair and maintenance cost and administrative and general expenses, respectively.
17. GRIDCO submits that total interest and finance charges for FY 2023-24 is estimated to be Rs. 543.46 crore based on existing loan liabilities along with the proposed working capital loan to be availed during FY 2022-23 & FY 2023-24 including securitized dues to be paid to OHPC.
18. Further GRIDCO submits that the reasons to borrow working capital loans are predominantly due to non-cost reflective BSP, non-allowance of carrying cost on regulatory assets, huge outstanding receivables from DISCOMs, mandate to supply power to DISCOMs as “State Designated entity”. GRIDCO submits that the Commission has neither allowed carrying cost on Regulatory assets approved by the Commission and subsequent True Up gap as per audited accounts nor the actual interest cost incurred by GRIDCO. The above disallowances have compelled GRIDCO to resort to debt for the years which resulted in financing costs as well as repayment obligations. GRIDCO submits that non-allowance of carrying cost has resulted in huge financial strain on the company.
19. **OHPC securitized dues:** DoE, Govt. of Odisha vide its letter dated 26.10.2021 has communicated the issues regarding settlement of dues to GRIDCO with a request to move a

proposal to OHPC. The BoDs of GRIDCO in their 199th meeting held on 10.11.2021 has noted the broad agreements arrived at Govt. level for settlement of outstanding dues of OHPC and approved the proposal for requesting OHPC to charge interest on outstanding amount at SBI FD rate. In response to GRIDCO's letter, OHPC vide its letter dated 12.01.2022 declined the request of GRIDCO for charging interest at SBI FD and also furnished a fresh proposal for settlement of interest (current as well as arrear), which were not in line with decisions taken at Govt. level. In response to OHPC's letter, GRIDCO again requested OHPC vide its letter dated 19.01.2022 to consider GRIDCO's request for charging of interest at SBI FD rate and other agreements as agreed upon. Further, GRIDCO had requested OHPC for onetime settlement of outstanding interest up to 31.03.2021 for Rs.152.93 crore paying a lump sum of Rs.100 crore vide letter dated 15.03.2022 .

20. OHPC in its letter dated 25.08.2022 communicated that the Board of OHPC has not accepted the proposal of GRIDCO and proposed to have a meeting to settle the issues. Accordingly, a meeting was held between GRIDCO and OHPC on 28.10.2022 wherein it was deliberated that unless and until the interest cost is not passed on by Hon'ble OERC in the ARR of GRIDCO it may not be possible to pay interest on Securitised Dues. In view of above, GRIDCO has requested to allow the interest cost on OHPC Securitised Dues payable up to 31.03.2024 amounting to Rs.264.25 crore as detailed below:

A: Additional Finance Cost payable up-to FY 2022-23

➤ Outstanding Interest dues up to 31.03.2021	:	Rs.152.93 crore
➤ Outstanding Interest dues for FY 2021-22	:	Rs. 25.13 crore
➤ Outstanding Interest dues for FY 2022-23	:	<u>Rs. 39.77 crore</u>
SUB-TOTAL		Rs. 217.83 crore

B: Claim for FY 2023-24 : **Rs. 46.42 crore**

Total : **Rs. 264.25 crore**

21. The Commission is requested to kindly allow the Interest dues of Rs. 46.42 Crore against OHPC Securitise Dues for the FY 2023-24 in the ARR for FY 2023-24 under Interest & Finance Charges. Further, the Commission may also consider to allow the interest dues up to FY 2022-23 to the tune of Rs. 217.83 crore after settlement of the same in the subsequent ARR & BSP Order.

Other Income / Miscellaneous Receipts

22. GRIDCO expects to earn an amount of Rs. 51.94 Crore during FY 2023-24 (at approved BSP @ Rs 7.42 /Unit towards Emergency Sale) from proposed emergency sale of 70 MU to long term customers like NALCO (48 MU) and IMFA (22MU).

Receivable from DISCOMs and other parties

23. GRIDCO has outstanding securitized dues payable by DISCOMs of Rs.1863.81 Crore (as on 30.11.2022) including DPS of Rs.700.85 Crore , due of Rs.958.80 Crore towards BSP bills (31.10 2022), due of Rs. 174 Crore for deferred credit, due of Rs.167.60 Crore for transfer scheme receivable, and due of Rs.195.36 Crore towards Bonds from DISCOMs.
24. GRIDCO submits that with the sale of licenses, there is uncertainty in realisation of past dues from DISCOMs. Prior to sale of licenses, GRIDCO had escrow mechanism for recovery of dues. Post the sale of licenses, the past dues of GRIDCO have been retained in the erstwhile utilities which are non-functional and do not have any revenue stream to repay GRIDCO's past dues. Thus, at present, GRIDCO does not have any mechanism at its disposal to recover the dues from Discoms. This will negatively impact the capabilities of GRIDCO to meet the debt service obligation for the short term/ working capital loans.
25. In view of this, GRIDCO submitted that a mechanism be put in place for principal and interest repayment of short term loans availed to bridge the working capital gap arising due to concerns on non-realization of BSP dues from Discoms during the past years.

Annual Revenue Requirement

26. The proposal for Annual Revenue Requirement of GRIDCO for FY 2023-24 is summarized in the Table 8 below.

Table 8

Proposed Aggregate Revenue Requirement of GRIDCO for FY 2023-24(Rs Crore)

Particulars	Amount
Power purchase cost	13,309.16
Interest cost	543.46
Employee cost	23.52
Repair & Maintenance	0.81
Administrative and General Expenses	13.07
Depreciation	1.31
Return on Equity	354.32
ARR	14,245.65
Less: Revenue from Emergency sales	51.94
Net ARR	14,193.71
Units to be sold to Discoms Utilities (MU)	36,358
Revenue from Discoms at existing BSP of respective Discoms	11,513.63
Deficit Revenue at existing BSP of respective Discoms	2,680.08

Proposed ARR & BSP for the FY 2023-24

27. GRIDCO has proposed that it would suffer revenue deficit of Rs. 2680.08 Crore considering the proposed ARR of Rs. 14,193.71 Crore and the revenue of Rs. 11513.63 Crore to be earned from sale of the proposed energy of 36358 MU to DISCOMs during FY 2023-24 at the existing BSP Rate for FY 2022-23. In order to meet the entire revenue deficit GRIDCO shall request the state government for waiver of Return on Equity for FY 2023-24. Further, GRIDCO request the commission to create a separate mechanism to repay loan liability under special appropriation of Rs. 1592.54 Crore.
28. In order to meet the estimated deficit, GRIDCO has submitted before the Commission for upward revision of Bulk Supply Price for the FY 2023-24. GRIDCO proposes to recover the Net Revenue Requirement of Rs. 13839.39 Crore (ARR of Rs. 14,193.71 Crore - Rs. 354.32 Crore of Return on Equity) through Bulk Supply Price (BSP) as per the Table given below.

Table 9
Proposed ARR & BSP for FY 2023-24

SL. NO.	COMPONENTS	Proposed ARR and BSP for FY 2023-24
1	Net ARR to be recovered through BSP(Rs Crore)	13839.39
2	Units to be sold to DISCOMs Utilities (MU)	36,358
3	Proposed Average BSP to recover the Net Total Aggregate Revenue i.e. (ENERGY CHARGE ONLY) (P/U) [A*1000/B]	380.64

Other Allied Submissions to Facilitate GRIDCO for Recovery of its Expenses

Demand Charges for excess SMD

29. GRIDCO proposes that the Demand Charges may be levied @ Rs.250/kVA/Month from DISCOM Utilities on the excess SMD based on the following condition: when the actual SMDs of DISCOMs in a month exceeds the permitted Monthly SMDs (105% of the approved SMD). Such Charges shall not be adjusted at the end of the year even if the actual Annual SMD remains within the Permitted Annual SMD i.e. 105% of the approved Annual SMD.

Over Drawl Charges

30. GRIDCO submits that it presently bills the DISCOMs at the corresponding OERC approved BSP Rate(s) in terms of the Hon'ble APTEL Judgement dated 07.05.2018 in Appeal No. 55 of 2015 till Deviation Settlement Mechanism (DSM) Regulation by the Commission (OERC) is pronounced and implemented in the State of Odisha.

31. GRIDCO proposes for recovery of charges on account of any excess drawl of energy by a Distribution and Retail Supply Licensee (DISCOM) during a month over and above the monthly approved energy quantum at actual power purchase cost incurred for excess drawl (including transmission, deviation charges, transmission loss and etc.) or at approved BSP rate for each Discom whichever is higher on a monthly basis applicable to the respective Discoms.

Fuel Price Adjustment (FPA)

32. GRIDCO submits that Fuel Price Adjustment (FPA) mechanism needs to ensure timely recovery of changes on account of fuel cost which is an uncontrollable expense. Certain states such as Maharashtra, allow monthly adjustment of tariff to account for FPA. Ex-post facto approval is provided on quarterly basis by the Maharashtra Electricity Regulatory Commission (MERC). Some other States determine the fuel price adjustment on quarterly basis. In Gujarat, FPA upto 10 paise/unit is allowed to be levied without any prior approval of GERC.
33. In this regard, it may be noted that the draft OERC Retail Tariff Regulations, 2022 has been published in which there is provision of pass through of monthly power purchase cost under Fuel and Power Purchase Cost Adjustment Surcharge (FPPAS). However, till the time such mechanism has been put into practice GRIDCO prays before the Commission to kindly formulate a mechanism for monthly or quarterly determination of FPA component.

Rebate

34. The BSP bill of GRIDCO needs to be settled by the end of the month of billing itself. As such, due date of bill may be kept at 25 days from the date of presentation of bill. Currently, CERC allows maximum rebate of 1.50% for making payment to the generators and transmission licensee within a period of 5 days. The rebate policy must be consistent with the rebate mechanism between GRIDCO and generators (including NTPC and NHPC stations). Following graded rebate is proposed:
- a. For crediting the BSP bill of the DISCOM to GRIDCO's designated current bank account through Letter of Credit on presentation or through NEFT/RTGS within a period of five (5) working days, a rebate of 1.5 % shall be allowed.
 - b. Where the amount is credited on any day after five (5) working days and within a period of twenty-five (25) days of presentation of bill, a rebate of 1.00% shall be allowed.
 - c. The DISCOMs may pay their BSP dues in staggered manner under different rebate option, but for eligibility of rebate, total current BSP dues needs to be settled by the DISCOM within 25th day of presentation of BSP bill.

Special concessional tariff under Regulation 139 of OERC Distribution (Conditions of Supply) Code, 2019

35. The Commission vide its Order dated 23.05.2022 has accorded approval to the interim arrangement agreed between GRIDCO and DISCOMs for sale of surplus power to the interested industries having CGP with CD of more than 20 MW at a fixed price of Rs.4.75/kVAh (beyond 80% LF) through a Tripartite Agreement among GRIDCO, DISCOMs and the Consumer.
36. GRIDCO proposes to continue the same arrangement with a revised tariff of Rs. 5.25/kVAh (beyond 70% LF) for FY 2023-24.

Commitment Charges for new and additional Load

37. GRIDCO submits that, during the course of a year, the DISCOMs approach GRIDCO with applications of new and additional load from industries / institutions. GRIDCO accordingly plans for additional power procurement depending on the expected date of load addition. However, it has been observed that the requested load is either not availed or there is a delay in availing the load by the industries. GRIDCO, which plans in advance for such additional load, has to bear the fixed charges corresponding to the additional capacity contracted to honour the requested load.
38. This situation leads to additional burden of fixed charges on GRIDCO which ultimately puts burden on consumers of the State. However, the industries / institutions do not face any penalty for not availing or delaying load. In view of the same, GRIDCO requests the Commission to impose commitment charges @ Rs.250/KVA/Month on industries which apply for new or additional load. Such commitment charges may be in form of a lump-sum deposit with the respective DISCOMs which GRIDCO shall be allowed to forfeit from the DISCOM if the consumer does not avail the load as per the commitment.

Disparity in recovery of Fixed Charge and Variable Charge between DISCOMs and GRIDCO

39. GRIDCO submits that it has to recover the ARR through a BSP which is 100% variable charge whereas GRIDCO makes payment to the generators and transmission utilities in terms of fixed as well as variable component. The DISCOMs, on the other hand, have a revenue which has both fixed and variable component but makes payment to GRIDCO at the BSP which is variable in nature.

40. It is important for the Bulk Supplier (GRIDCO) to recover its expenses in the ratio of variability of its cost to ensure financial sustainability. In view of this, GRIDCO requests the Commission to allow part of its ARR to be recovered as fixed charge from the fixed charges recovered by the DISCOMs from its consumers.

Duty and Taxes

41. 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.

Prayer

Summary of Tariff Filing for FY 2023-24

42. GRIDCO has prayed the Commission to approve the following for FY 2023-24 and make the same effective from 1st April, 2023.
- a. Consider allowing all the reasonable costs as proposed in the petition and accordingly, approve the ARR and Bulk Supply Price (BSP) for FY 2023-24 and make the same effective from 1st April 2023;
 - b. Approve the capacity charges as payable by GRIDCO to the generating stations for all existing and new stations to be recovered, through BSP, wherever PPA is tied up on overall long term energy planning of the state even if energy is not fully scheduled from stations based on MoD principles and change in demand trend of the state;
 - c. Allow the carrying cost on Regulatory Assets and amortisation of the Regulatory assets through BSP.
 - d. Allow recovery of the additional cost/s due to over-drawal of energy, fuel price adjustment / fuel surcharge adjustment etc. or on account of any other statutory increase/s, significant rise in the fuel cost, Electricity Duty/ Water Cess levied by the Government of Odisha and any other Statutory levy/ Duty/ Tax etc. if any, be passed on to GRIDCO on account of the OERC / CERC / Tribunal / Court Orders / Impact due to any change in law etc. or the like, as surcharge during the year on quarterly basis;
 - e. Approve monthly SMD and monthly quantum of energy for sale to each of the DISCOMs.
 - f. Allow GRIDCO for recovery of charges on account of any excess drawl of energy by a Distribution and retail Supply Licensee (DISCOM) during a month over and above the monthly approved energy quantum at actual power

- purchase cost incurred for excess drawl (including transmission, deviation charges, transmission loss and etc) or at approved BSP rate for each DISCOM, whichever is higher on a monthly basis applicable to the respective DISCOMs.
- g. Allow GRIDCO for recovery of Fuel and Power Purchase Price Adjustment in the tariff order and to create a mechanism for monthly basis.
 - h. Pass suitable orders related to sale of surplus power to industrial/large consumers considering recovery of cost to GRIDCO, margins for DISCOMs and applicable transmission charges etc. as specified in this petition.
 - i. Approve the proposed rebate mechanism as specified in this petition.
 - j. Direct the DISCOMs to pay GRIDCO's share of past arrear collection on monthly basis and also submit monthly MIS reports as specified in this petition
 - k. The Petitioner respectfully prays the Commission to allow a suitable mechanism to recover the shortfall towards DISCOMs' receivable of Rs. 7128.60 Crore, as on 31.10.2022, arising out of sale of utilities of CESU, WESCO, NESCO and SOUTHCO through regulatory process preferably in the next five years.
 - l. Allow the petitioner to make additional submissions pertaining to this petition
 - m. To pass such Order which are necessary to meet the above prayers and allow GRIDCO to amend / modify the application as necessary and further submissions if any, during the course of hearing;
 - n. Condone any inadvertent omissions/ errors/ shortcomings/ delays and permit to make further submissions as may be required at a future date to support this Petition in terms of modification / clarification; and
 - o. Pass such further orders, as the Hon'ble Commission may deem fit and proper, keeping in view of the facts and circumstances of the case.

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