

OERC approves ARR and Tariff Application of different Power Utilities of the State for the FY 2015-16

As per the Electricity Act, 2003, Section 61, 62, 65, 86, National Tariff Policy, 2006 (para8.3.2), National Electricity Policy, 2005 (Para 5.5.2), the Annual Electricity Tariff for the state is determined by Odisha Electricity Regulatory Commission for generation, transmission supply and distribution utilities of the state taking into account their commercial viability & operational efficiency. The OERC balances the interest of all stake holders, while determining the tariff. The OERC, taking into account the proposal filed by the utilities, advice of the State Advisory Committee, opinion of the State govt. and conducting a Public Hearing has passed the Annual Revenue Requirement and Tariff Order for the FY 2015-16 on 23.03.15 which will be effective from 1st April, 2015.

2. Highlights of Tariff:-

- The average rise in Retail Supply Tariff for 2015-16 is 4.64 % over 2014-15. There was no tariff rise from 2001-02 to 2009-10. The tariff rise during 2010-11, 2011-12, 2012-13 and 2013-14 were 22.20%, 19.74%, 11.84% and 2.40% respectively. There was no tariff rise during 2014-15.
- There is a marginal rise of 20 paise per unit in case most of the retail consumers except agriculture. Agriculture tariff has been raised 40 paise per unit after 15 years.
- Reliability surcharge has been reduced from 20 paise per unit to 10 paise per unit.
- TOD benefit has been increased from 10 paise per unit to 20 paise per unit.
- Power factor incentive above 97% has been reintroduced.
- There is no change in Monthly Minimum Fixed Charge (MMFC) and Demand Charge.
- There is no change in meter rent.
- Kutir Jyoti (BPL consumers) will pay Rs.80/- per month for consumption of 30 units per month for the FY 2015-16 instead of Rs.65/- per month.
- The Commission has not accepted the proposed ARR of DISCOMS of Rs. 10,797 Cr. and approved an amount of Rs.9,160 Cr.
- The Commission has approved the distribution loss of 21.35 % against the proposed distribution loss 33.19% by DISCOMs. Similarly, the Commission has approved AT&C loss of 22.14 % instead of 35.29 % proposed by DISCOMs.
- While rejecting the proposal of DISCOM's proposed AT&C loss, the Commission has approved 22.14% AT&C loss taking into account all efficiency parameters and carrying out the prudent check on the data/information furnished by DISCOMs. The tariff could have been increased manifold, if the loss proposed by DISCOMs have been accepted.
- Cross subsidy has remained within $\pm 20\%$ for all categories(LT/HT/EHT)
- The average cost of supply for DISCOMs has increased from 461.07 Paise/unit in 2014-15 to 488.81 paise/unit in 2015-16.
- No change in transmission charges during 2015-16, remained same as 25 paise per unit as in 2014-15.

- The average power purchase price of GRIDCO has increased from 227.05 Paise/unit in 2014-15 to 229.97 Paise/unit in 2015-16 against the Gridco's proposal of 259.50 Paise/unit.
- Average BSP of the State has increased from 263.21 paise/unit in 2014-15 to 284.29 paise/unit in 2015-16 against the GRIDCO's proposal of 356.32 paise/unit.
- The BSP rise is primarily attribute to the pass through of past power purchase dues of NTPC as per the CERC order dated 15.05.2014. GRIDCO, as per CERC order has proposed an amount of 956.35 Cr towards payment of fixed cost component of NTPC-TTPS units for the period from 2009-2014 and FY 2014-15. The Commission has approved 740.72 Cr. for the period 2009-14. Out of 18 instalments allowed for payment of the claimed amount, GRIDCO has already paid 10 instalments during the FY 2014-15 and balance 8 instalments will be paid during 2015-16. For this reason, GRIDCO has submitted before the Commission to allow the same in the AAR and tariff for the FY 2015-16 as a pass through.
- Out of average bulk supply price of 284.29 paise /unit of GRIDCO, CESU is required to pay 285.00 paise/unit, NESCO 302.00 paise/unit, WESCO 310.00 paise/unit and SOUTHCO 200.00 paise/unit. All the distribution companies to pay 25 paise/unit as Transmission cost to OPTCL.
- While approving the average cost of supply as 488.81 paise for the FY 2015-16, the Commission has fixed 250 paise/unit upto 50 units, 420 paise/unit for the consumption above 50 units & upto 200 units, 520 paise/unit for the consumption above 200 units & upto 400 units and 560 paise/unit for the consumption above 400 units for the domestic category. The tariff approved by the Commission for the above slab in domestic category during FY 2014-15 was 230 paise/unit (upto 50 units), 400 paise/unit (above 50 units less than 200 units), 500 paise/unit (above 200 units less upto 400 units) and 540 paise/unit (above 400 units)
- Average tariff for domestic consumption of 50 units, 100 units, 200 units, 300 units, 400 units, 500 units and 600 units is Rs.2.50/ kwh, Rs.3.35/ kwh, Rs.3.78/ kwh, Rs.4.25/ kwh, Rs.4.49/ kwh and Rs.4.71/ kwh and Rs.4.86 respectively, which is around 49%, 31%, 23%, 13%, 8%, 4% and 1% **less than average** cost of supply of Rs.4.88 approved by the Commission. A consumer is required to pay an average tariff of Rs.4.96 for the consumption of 700 units which is 1.6% higher than the average cost of supply.

Table-1

Consumption in Units	2014-15				2015-16			
	Tariff Schedule		Total Billed Amount (Rs)	Avg. rate per unit in Rs.	Tariff Schedule		Total Billed Amount (Rs)	Avg. rate per unit in Rs.
	Consumption (units)/ Month	Rate per unit in Paise			Consumption (units)/ Month	Rate per unit in Paise		
50	<=50	230.00	115.0	2.30	<=50	250.00	125.0	2.50
100	>50,<=200	400.00	315.0	3.15	>50,<=200	420.00	335.0	3.35
200	>200	500.00	715.0	3.58	>200	520.00	755.0	3.78
300	>400	540.00	1,215.0	4.05	>400	560.00	1,275.0	4.25
400			1,715.0	4.29			1,795.0	4.49

500		2,255.0	4.51		2,355.0	4.71
600		2,795.0	4.66		2,915.0	4.86
700		3,335.0	4.76		3,475.0	4.96

- Section 61(g) Electricity Act, 2003 read with para 8.3.2 of Tariff Policy, 2006 stipulates that the tariff should be within $\pm 20\%$ of the average cost of supply. Hence, average tariff of any consumer should not be more than 586.57 paise and less than 391.05 paise. With this mandate, the Commission has fixed 396.53 paise in case of LT (-18.88% of average cost of supply of 488.81 paise), 575.59 paise for HT(+17.75% of average cost of supply of 488.81 paise) and 572.03 paise for EHT (+17.03% of average cost of supply of 488.81 paise).

3. **Reasons of Tariff hike:-**

- **Pass through of past power purchase cost:** The principal reason for tariff hike in 2015-16 is due to the pass through of Rs. 740.72 Cr. towards past power purchase dues of NTPC by GRIDCO as per the CERC order dated 15.05.2014.
- **Less low cost hydro Power:-** The tariff hike in 2015-16 is also due to the increase in number of electricity consumers, inadequate generation of low cost hydro power to meet growing demands & rise in cost of coal and furnace oil, which ultimately lead to increased generation cost.

(A) RETAIL SUPPLY TARIFF 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)/DPS
	LT Category							
1	Domestic							
1.a	Kutir Jyoti <= 30 Units/month	LT	FIXED MONTHLY CHARGE-->			80		
1.b	Others							10
	(Consumption <= 50 units/month)	LT		250.00		20	20	
	(Consumption >50, <=200 units/month)	LT		420.00				
	(Consumption >200, <=400 units/month)	LT		520.00				
	Consumption >400 units/month)	LT		560.00				
2	General Purpose < 110 KVA							10
	Consumption <=100 units/month	LT		530.00		30	30	
	Consumption >100, <=300 units/month	LT		640.00				
	(Consumption >300 units/month)	LT		700.00				
3	Irrigation Pumping and Agriculture	LT		150.00		20	10	10
4	Allied Agricultural Activities	LT		160.00		20	10	10
5	Allied Agro-Industrial Activities	LT		420.00		80	50	DPS/Rebate
6	Public Lighting	LT		560.00		20	15	DPS/Rebate
7	L.T. Industrial (S) Supply <22 KVA	LT		560.00		80	35	10
8	L.T. Industrial (M) Supply >=22 KVA <110 KVA	LT		560.00		100	80	DPS/Rebate
9	Specified Public Purpose	LT		560.00		50	50	DPS/Rebate
10	Public Water Works and Sewerage Pumping <110 KVA	LT		560.00		50	50	10
11	Public Water Works and Sewerage Pumping >=110 KVA	LT	200	560.00	30			10
12	General Purpose >= 110 KVA	LT	200	560.00	30			DPS/Rebate
13	Large Industry	LT	200	560.00	30			DPS/Rebate
	HT Category							
14	Bulk Supply - Domestic	HT	20	430.00	250			10
15	Irrigation Pumping and Agriculture	HT	30	140.00	250			10
16	Allied Agricultural Activities	HT	30	150.00	250			10
17	Allied Agro-Industrial Activities	HT	50	410.00	250			DPS/Rebate
18	Specified Public Purpose	HT	250		250			DPS/Rebate
19	General Purpose >70 KVA < 110 KVA	HT	250		250			10
20	H.T Industrial (M) Supply	HT	150		250			DPS/Rebate
21	General Purpose >= 110 KVA	HT	250		250			DPS/Rebate
22	Public Water Works & 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	720.00	250			DPS/Rebate
28	Colony Consumption	HT	0	470.00	0			DPS/Rebate
	EHT Category							
29	General Purpose	EHT	250		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	710.00	700			DPS/Rebate
36	Colony Consumption	EHT	0	460.00	0			DPS/Rebate

Note:

Slab rate of energy charges for HT & EHT (Paise/unit)

Load Factor (%)	HT	EHT
= < 60%	525	520
> 60%	420	415

- (i) The reconnection charges w.e.f. 01.4.2015 shall continue unaltered

Category of Consumers	Rate Applicable
LT Single Phase Domestic Consumer	Rs.150/
LT Single Phase other consumer	Rs.400/
LT 3 Phase consumers	Rs.600/
All HT & EHT consumers	Rs.3000/-

- (ii) Energy Charges shall be 10% higher in case of temporary connection compared to the regular connection in respective categories.

- (iii) The meter rent w.e.f. 01.4.2015 shall remain unaltered as follows:

Type of Meter	Monthly Meter Rent (Rs.)
1. Single phase electromagnetic Kwh meter	20
2. Three phase electromagnetic Kwh meter	40
3. Three phase electromagnetic tri-vector meter	1000
4. Tri-vector meter for Railway Traction	1000
5. Single phase Static Kwh meter	40
6. Three Phase Static Kwh meter	150
7. Three phase Static Tri-vector meter	1000
8. Three phase Static Bi-vector meter	1000
9. LT Single phase AMR/AMI Compliant meter	50
10. LT Three phase AMR/AMI compliant meter	150

Note: Meter rent for meter supplied by DISCOMs shall be collected for a period of 60 months only. Once it is collected for sixty months meter rent collection should stop.

- (iv) A Reliability surcharge @ 10 paise per unit will continue for HT and EHT consumers availing power irrespective of nature of feeder. This surcharge @ 10 paise per unit shall be charged if reliability index is more than 99% and above and voltage profile at consumer end remains within the stipulated limit. (For details see the order)

- (v) Prospective small consumers requiring new LT single phase connection upto and including 5 kW load shall only pay a flat charge of Rs.1500/- as service connection charges towards new connection excluding security deposit as applicable as well as processing fee of Rs.25/-. The service connection charges include the cost of material and supervision charges.

- (vi) A “Tatkal Scheme” for new connection is applicable to LT Domestic, Agricultural and General Purpose consumers.

- (vii) In case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the contract demand requiring no verification irrespective of the agreement. Therefore, for the purpose of calculation of Monthly Minimum Fixed Charge (MMFC) for the connected load below 110 KVA, the above shall form the basis.
- (viii) 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.
- (ix) Three phase consumers with static meters are allowed to avail TOD rebate excluding Public Lighting and emergency supply to CGP @ 20 paise/unit for energy consumed during off peak hours. Off peak hours has been defined as **12 Midnight to 6 AM** of next day.
- (x) Hostels attached to the Schools recognised and run by SC/ST Dept., Govt. of Odisha shall get a rebate of Rs.2.40 paise per unit in energy charge under Specified Public Purpose category (LT / HT) which shall be over and above the normal rebate for which they are eligible.
- (xi) 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.
- (xii) Drawal by the industries during off-peak hours upto 120% of Contract Demand without levy of any penalty has been allowed. "Off-peak hours" for the purpose of tariff is defined as from **12 Midnight to 6.00 A.M.** of the next day. The consumers who draw beyond their contract demand during hours other than the off-peak hours shall not be eligible for this benefit. If the drawal in the off peak hours exceeds 120% of the contract demand, overdrawal penalty shall be charged over and above the 120% of contract demand. When Statutory Load Regulation is imposed then restricted demand shall be treated as contract demand.
- (xiii) General purpose consumers with Contract Demand (CD) < 70 KVA shall be treated as LT consumers for tariff purposes irrespective of level of supply voltage. As per Regulation 76 (1) (c) of OERC Distribution (Conditions of Supply) Code, 2004 the supply for load above 5 KW upto and including 70 KVA shall be in 2-phase, 3-wires or 3-phase, 3 or 4 wires at 400 volts between phases.

(xiv) 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 DISCOM utilities. For removal of doubt it is clarified that the “OYT Scheme” is not applicable to any existing or new HT/EHT consumer.

(xv) Power factor penalty shall be

- i) 0.5% for every 1% fall from 92% upto and including 70% plus
- ii) 1% for every 1% fall below 70% upto and including 30% plus
- 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. (Please see the detailed order for the category of consumers on whom power factor penalty shall be levied.)

(xvi) The power factor incentive shall be applicable to the consumers who pay power factor penalty in the following rate:

The rate of power factor incentive shall be 0.5% for every 1% rise above the PF of 97% up to and including 100% on the monthly demand charges and energy charges.

(xvii) 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.

(xviii) Tariff as approved shall be applicable in addition to other charges as approved in this Tariff order w.e.f. 01.4.2015. However, for the month of April, 2015 the pre-revised tariff shall be applicable if meter reading / billing date is on or before 15.4.2015. The revised tariff shall be applicable if meter reading/billing date is on 16.4.2015 or afterwards. The billing cycle as existing shall not be violated by the DISCOM utilities.

(B) Surcharge, Wheeling Charge & Transmission Charge for Open access consumer 1MW & above w.e.f. 1st April, 2015

In exercise of the powers conferred under Sections 39,40 and 42 of the Electricity Act, 2003 read with the provisions of Chapter II of OERC (Determination of Open Access Charges) Regulations, 2006, the Odisha Electricity Regulatory Commission has passed Common order on 23.03.2015 in Case Nos.61, 62, 63 & 64 of 2014 with regard to approval of Open Access Charges (Transmission/wheeling Charges, Surcharge and Additional Surcharge applicable to open access customers for use of Intra-state transmission/ distribution system) which shall be effective from 1st April, 2015.

2. The wheeling charge and surcharge as indicated in Table below shall be applicable w.e.f. 01.04.2015.

Surcharge, Wheeling Charge & Transmission Charge for Open access consumer 1MW & above

Name of the licensee	Cross Subsidy Surcharge (P/U)		Wheeling Charge P/U applicable to HT consumers only	Transmission Charges for Short Term Open access Customer (applicable for HT & Rs.1500/MW/day or Rs.62.5/MWh)
	EHT	HT		
CESU	144.12	78.58	73.82	Rs.1500/MW/day or Rs.62.5/MWh
NESCO	132.22	58.47	84.19	Rs.1500/MW/day or Rs.62.5/MWh
WESCO	126.62	66.02	64.76	Rs.1500/MW/day or Rs.62.5/MWh
SOUTHCO	203.62	128.68	94.05	Rs.1500/MW/day or Rs.62.5/MWh

3. The normative transmission loss at EHT (3.75%) and normative wheeling loss for HT level (8%) are applicable for the year 2015-16.
4. Additional Surcharge: No additional surcharge over and above the Cross-Subsidy Surcharge needs to be given to the embedded licensee.
5. No Cross-subsidy surcharge are payable by the consumers availing Renewable power.
6. 20% wheeling charge is payable by the consumer drawing power from Renewable source excluding Co-generation & Bio mass power plant.
7. These charges as notified for the FY 2015-16 will remain in force until further order