

**ODISHA ELECTRICITY REGULATORY COMMISSION  
BIDYUT NIYAMAK BHAWAN,  
UNIT – VIII, BHUBANESWAR – 751 012**

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**Present: Shri S. P. Nanda, Chairperson  
Shri B. K. Misra, Member  
Shri S. P. Swain, Member**

**CASE NOS. 104, 105, 106 & 107 OF 2012**

**DATE OF HEARING : 07.02.2013, 12.02.2013,  
20.02.2013 & 23.02.2013**

**DATE OF ORDER : 20.03.2013**

**IN THE MATTER OF: Applications of Distribution Licensees (WESCO, NESCO, SOUTHCO & CESU) for approval of their Annual Revenue Requirement and Retail Supply Tariff for the FY 2013-14 under Section 62 & 64 and other applied provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for determination of Tariff) Regulations, 2004 and OERC (Conduct of Business) Regulations, 2004 and other Tariff related matters.**

**ORDER**

The Distribution Licensees in Odisha namely, WESCO, NESCO, SOUTHCO and CESU are carrying out the business of distribution and retail supply of electricity in their licensed areas as detailed below:

**Table – 1**

| <b>Sl. No.</b>      | <b>Name of DISCOMs</b> | <b>Licensed Areas (Districts)</b>  | <b>%age area of the State</b> |
|---------------------|------------------------|--|-------------------------------|
| 1.                  | CESU                   | Puri, Khurda, Nayagarh, Cuttack, Denkanal, Jagatsinghpur, Angul, Kendrapara and some part of Jajpur. | 18.9                          |
| 2.                  | NESCO                  | Mayurbhanj, Keonjhar, Bhadrak, Balasore and major part of Jajpur.                                    | 18.0                          |
| 3.                  | WESCO                  | Sambalpur, Sundargarh, Bolangir, Bargarh, Deogarh, Nuapara, Kalahandi, Sonapur and Jharsuguda.       | 32.3                          |
| 4.                  | SOUTHCO                | Ganjam, Gajapati, Kandhamal, Boudh, Rayagada, Koraput, Nawarangpur and Malkanagiri.                  | 30.8                          |
| <b>Odisha Total</b> |                        |  | <b>100.0</b>                  |

The Commission initiated proceedings on the filing of Annual Revenue Requirement (ARR) and Retail Supply Tariff Applications (RST) of these Distribution Licensees under relevant provisions of the Electricity Act, 2003. By this common Order, the Commission disposes of the aforesaid ARR and RST applications of the above mentioned Distribution Licensees and other related tariff matters.

### **PROCEDURAL HISTORY (PARA 1 TO 13)**

1. All the distribution licensees of Odisha (WESCO, NESCO, SOUTHCO & CESU) have filed their Annual Revenue Requirement (ARR) and revision of Retail Supply Tariff (RST) Applications for FY 2013-14 on 30.11.2012 as per OERC (Conduct of Business) Regulations, 2004 and OERC (Terms & Conditions for Determination of Tariff) Regulations, 2004. The ARR and tariff applications of DISCOMs are coming within the prescribed period of limitation.
2. The said ARR & RST applications were duly scrutinized, admitted and registered as Case Nos.104/2012 (WESCO), 105/2012 (NESCO), 106/2012 (SOUTHCO), and 107/2012 (CESU) respectively.
3. As per the direction of the Commission applicants published the ARR & Tariff Applications in the prescribed formats in leading and widely circulated Odia and English newspapers in order to invite objections/suggestions from the general public. The said public notices were also posted in the Commission's website [www.orierc.org](http://www.orierc.org). The Commission had also directed the applicants to file their respective rejoinder to the objections filed by the several objectors.
4. In response to the said public notices, the Commission received objections/suggestions from the following persons/ associations/ institutions/ organizations as mentioned below against each of the respective distribution licensees:

#### **On WESCO's application:**

5. 1) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour, Plot No. 302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (2) Shri Arun Kumar Sahu, Assistant Secretary, Orissa Consumers' Association, Devajyoti Upabhokta Kalyan Bhawan, Biswanath Lane, Dist-Cuttack-2, (3) Shri Arun Kumar Sahu, General Secretary, Federation of Consumers Organization, (FOCO), Odisha, Biswanath Lane, Dist-Cuttack-2, (4) Shri Dillip Kumar Mohapatra, Secretary, Keonjhar Navanirman Parisad, Chandin Chowk, Cuttack, (5) Shri G. N. Agrawal, Sambapur District Consumers Federation, Balaji Mandir Bhawan, Khetrajpur, Sambalpur. 9438334049, (6) M/s Power Tech Consultants, 1-A/6, Swati Villa, Surya Vihar, Link Road, Cuttack-753012, (7) Shri Prabhakar Dora, Consumer Counsel, At-Vidya Nagar, Co-Operative Colony, 3rd line, Rayagada, Po/Ps/Dist- Rayagada, (8) Shri Akshya Kumar Sahani, M/s Sahani Energy Consultancy, B/L-108, VSS Nagar, Bhubaneswar, (9) Shri R. K. Jain, Chief Electrical Distribution Engineer, East Coast Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar-751017, (10) Shri Ananta Bihari Routray, Secretary, Orissa Electrical Consumers' Association, Sibasaki Medicine Complex, B.K. Road, Cuttack-753001, (11) Shri Rajkishore Singh, At-Gopal Jiew Lane, P.O: Buxi Bazar, P.S: Purighat, Dist. Cuttack-753001, (12) Shri Kamalakanta Sahoo, At-Charchika Bazar, P.O/Dist.-Jagatsinghpur, (13) Shri R.P. Mohapatra, Plot No.775(P), Lane-3, Jayadev Vihar, Bhubaneswar-751013,(14) Shri Ramesh Mohapatra, President, M/s. Utkal Chamber of Commerce & Industry, N1/6, IRC Village, Nayapalli, Bhubaneswar751015,(15) Shri Jaychand Shiv, Programme Officer, The Climate Group, Room No.604, Level-6, Incube Business Center,18, Nehru Palace,

New Delhi- 110019,(16) Shri Lalita Mohan Pattnaik, M/s. Shiba Sankar Rice Mill, Kundraguda, Borigumma, P.S: Borigumma, Dist.-Koraput, (17) Smt. P. Sujana, M/s. Seetal Rice Mill, Gandhi Chowk, Hatapoda, Po/Ps. Jeypore, Dist. Koraput, (18) Shri Prakash Chandra Padhi, M/s Bhagabati Rice Mill, Digapur, Po. Jayanagar, Ps. Jeypore, Dist. Koraput, (19) Shri Girija Shankar Dash, M/s Laxmi Priya Enterprise, At/Po/Ps. Jeypore, Dist. Koraput, (20) Smt. Damayanti Mohapatra, M/s Damayanti Rice Mill, At. Naugam, Po. Sosahandi, Ps. Kotpad, Dist. Koraput, (21) Shri B. Kanta Rao, M/s Shri Laxmi Kanta Rice Mill, At. Main Road, Borigumma, Ps. Borigumma, Dist. Koraput, (22) Shri Bhagaban Bissoi, M/s. Majhi Gouri Rice & Chuda Mill, Jhilimili, At. Konagam, Ps. Borigumma, Dist. Koraput, (23) Shri A. Chandra Mouli, M/s Ananda Rice Mill, C/o. M/s A. Venkata Rao Sons Bye Pass Road, Po/Ps. Jeypore, Dist. Koraput, (24) Shri Bala Krushna Panda, M/s Arnapurna Rice Mill, At. Hatapada M. G. Road, Po/Ps. Jeypore, Dist.-Koraput, (25) Smt. Labanya Padhi, M/s Bhagawati Industries, At. Polkaput, Po. Jayanagar, Ps. Jeypore, Dist. Koraput, (26) Shri P Bhaskar Rao, M/s Shri Sai Durga Modern Rice Mill, At/Po. Porli, Ps. Borigumma, Dist. Koraput, (27) Shri G. Ananda Rao, M/s Laxmi Ganesh Rice Mill, At. Nadiabad Street, Po/Ps. Jeypore, Dist. Koraput, (28) Smt. B Krishna Veni, M/s Meenakshi Rice & Flour Mill, At. Kumuliput, Po. Haradapur, Ps. Jeypore, Dist. Koraput, (29) Shri P. Ananda Rao, M/s Sree Lakshmi Venkata Narasimha Modern Rice Mill, At. Perahandi, Po. Jayantagiri, Ps. Borigumma, Dist. Koraput, (30) Shri Gokul Chandra Panda, M/s Jagannath Rice Mill, At. Main Road, Po/Ps. Borigumma, Dist. Koraput, (31) Shri Tarini Patro, M/s Sri Durga Rice Mill, At. M. G. Road, Po/Ps. Jeypore, Dist. Koraput, (32) Shri M. Laxman Murty, M/s Padma Krishna Modern Rice Mill, At/Po. Hatapada, Ps. Jeypur, Dist. Koraput, (33) Shri Subrat Kumar Satpathy, M/s Ganesh Rice Flour Mill, Dullaguda, At. Main Road, Borigumma, Ps. Borigumma, Dist. Koraput, (34) Shri P Narayan Rao, M/s. Nagabhusana Rice Mill, Kundraguda, At. Main Road, Borigumma, Ps. Borigumma, Dist. Koraput, (35) Shri J Venket Rabana, M/s Sai Ganesh Boiler Rice & Chuda Mill, At/Po. Sosahandi, Ps. Kotpad, Dist. Koraput, (36) Shri Raghunath Satpathy, M/s Laxman Rice Mill, At/Po. Kumuli, Ps. B. Singhpur, Dist. Koraput, (37) Shri Manmatha Kumar Bhatta, M/s Kanakeswari Rice Mill, At/Po/Ps. B. Singhpur, Dist. Koraput, (38) Shri Satyanarayan Subudhi, M/s Ayappa Industries, Kelaguda, At. Bhagdevi Street, Ps. Jeypore, Dist. Koraput, (39) Shri Moheswar Bisoyi, M/s Sabita Rice Industries, Kundraguda, At. Main Road, Po/Ps. Borigumma, Dist. Koraput, (40) Shri A Chandra Rao, M/s Tirumala Rice Mill, At/Po. Park Street, Ps. Jeypore, Dist. Koraput, (41) Shri K Govenda Rao, M/s Jagdish Rice and Flour Mill, Borigumma, At. At. Santosh Nagar, Borigumma, Ps. Borigumma, Dist. Koraput, (42) Shri P Janardan Rao, M/s Satyabhima Rice Mill, Borigumma, At. Main Road, Borigumma, Ps. Borigumma, Dist. Koraput, (43) Shri Jagannath Patnaik, M/s Neeltara Stone Crusher, At. Patraput, Po. Dangarchinchi, Ps. Jeypore, Dist. Koraput, (44) Shri Purna Chandra Patnaik, M/s Neeltara Fabrication, At. Dongaguda, Po/Ps. Jeypore, Dist. Koraput, (45) Shri Purna Chandra Patnaik, M/s Neeltara Transformer, At. Dongaguda, Po/Ps. Jeypore, Dist. Koraput, (46) Shri Gopal Krushna Panda, M/s Syabar Shrikhetra Rice Mill, At. M. G. Road, Po/Ps. Jeypore, Dist. Koraput, (47) Shri M. Rushikesh, M/s Syamala Modern Rice Mill, Mill Street, Po/Ps. Jeypore, Dist. Koraput, (48) Shri S. Prakash Rao, M/s Jyoti Modern Rice & Floor Mill, At. Canal Road, Gandhi Chowk, Jeypore, Po/Ps. Jeypore, Dist. Koraput, (49) Smt. S. Hemabati, M/s Sai Balaji Modern Rice Mill, At. M. G. Road, Po/Ps. Jeypore, Dist. Koraput, (50) M. Anita, M/s Om Sri Maa Tarini Modern Rice Mill, At/Po. Thuridiput, Ps. Jeypore, Dist. Koraput, (51) Shri R. Venkata Rao, M/s Ratnala Appala Swamy Sons, At. Mill Street, Po/Ps.

Jeypore, Dist. Koraput, (52) Smt. G. Banjalat Choudhary, M/s Sriya Modern Rice Mill, At. Parajaguda Jayantigiri, Po/Ps. Borigumma, Dist. Koraput, (53) Shri G. Venkata Rao, M/s Modern Rice Mill, At- M. G. Road, Po/Ps- Jeypore, Dist. Koraput, (54) Shri G. Ananda Rao, M/s. Ganesh Rice Mill, At- Nadiabad Street, Po/Ps: Jeypore, Dist.- Koraput. (55) Smt. Sibani Patnaik, M/s. Neelatarra Rice Mill, At/Po-Dangarachichi, P.S: Jeypore, Dist.-Koraput. (56) Shri A. Bhaskar Rao, M/s. Sri Sai Venkata Enterprises, At- Bodapada, P.O: Haradaput, PS: Borigumma, Dist.- Koraput, (57) Shri P. Manmada Rao, M/s. Rama Krishan R & F Mill, Khudiguda, At-Main Road, Borigumma, Ps: Borigumma, Dist.\_ Koraput, (58) Smt. Promodini Pradhan, M/s. Sri Ram Rice Mill, Purna Borigumma, At- Meria Margo, Borigumma, PS: Borigumma, Dist.- Koraput, (59) Shri G. V. Ravana, M/s. S.D.L.N. Rice Mill, Kundraguda, At- Bhupati Street, Jeypore, Po/Ps: Jeypore, Dist.- Koraput, (60) Shri B. Govinda Rao, M/s. Sri Sai Balaji Modern Rice Mill, Nuagam, At-Nuagam, Po: Sosahandi, Ps. Kotpad, Dist. Koraput. (61) Smt. P. Sukanya, M/s. Surya Teja Modern Rice Mill, Kundraguda, At- Neelakantheswar Margo, Borigumma, PS: Borigumma, Dist. Koraput, (62) Shri S. Malikarjuna Rao, M/s. Sri Ram Rice Mill, Nuagam, At-Bail Road, Jeypore, PS: Jeypore, Dist. Koraput, (63) Shri Narendra Kumar Agrawal, M/s. Bajarang Rice Mill, Nabarangpur, At-New Bus Stand, PS/Po/Dist. Nabarangpur, (64) Shri K. Laxman Rao, M/s. Bairagi Rice Mill, Nabarangpur, At- Turunjiaguda, P.S/Dist.-Nabarangpur, (65) Shri P. Nagaraju, M/s. Sri kanaka Durga Industries, At-Gabrieguda, Samantray Street, Nabarangpur, Dist.-Nabarangpur, (66) Shri M. Manikeswar Rao, M/s Rama Rice Mill, Nabarangpur, At-Granary Street, Po/PS/Dist. Nabarangpur, (67) Shri P. Nagaraju, M/s. Sri kanaka Durga Rice Mill, At-Gadabaguda, Nabarangpur, Dist.-Nabarangpur,(68) Shri Prama Rao, M/s. Utkal Modern Rice Mill, At- Butipadar, P.O: Pujariguda, P.S: Nabarangpur, Dist.-Nabarangpur, (69) Shri K. Krishna Rao, M/s. Sri Venkateswar Rice & Floor Mill, At./Po/Ps- Tentulikhunti, Dist. Nabarangpur, (70) Shri Rabindra Kumar Swain, M/s. Maa Mangala Traders, At-Bhatisalguda, Nabarangpur, Po/Ps: Nabarangpur, Dist. Nabarangpur, (71) Smt. B. Kumari, M/s. Vijaya Laxmi Rice Mill, At- Kurmakote, Po/Ps: Tentulikhunti, Dist. Nabarangpur, (72) Shri B. Suryanarayan, M/s. Mahalaxmi Rice & Flour Mill, At. Kurmakote, Po/Ps: Tentulikhunti, Dist. Nabarangpur, (73) Shri S. Suryanarayan, M/s. Siva Shankar Rice & Flour Mill, Nabarangpur, At-Granary Street, Nabarangpur, Dist. Nabarangpur, (74) Shri Tripati Pattnaik, M/s. Mahalaxmi Rice Mill, Taragam, At/Po-Taragam, PS: Nabarangpur, Dist. Nabarangpur, (75) Smt. Pramila Kumari Mishra, M/s. Sri Satya Sai Rice Mill, At. Beheraguda, Nabarangpur Main Road, Po/Ps/Dist. Nabarangpur, (76) Smt. K. Ravi Kumar, M/s. Ratna Rice Mill, Near New Bus Stand (Old Weekly Market), Nabarangpur, Dist. Nabarangpur, (77) Shri Ch. Adi Murty Reddy, M/s. Santoshi Rice Mill, At. Gandhinagar, Nabarangpur, Telgu Street, Po/Ps/Dist.-Nabarangpur, (78) Shri P. Mohan Rao, M/s. Sri Sambha Shiva Modern Rice Mill, Hirli, Nabarangpur, Po/Ps/At. Nabarangpur, Dist. Nabarangpur, (79) Shri B. Ravana Rao, M/s. Om Sri Balaji Rice Mill, Kodinga, At./Po/Ps. Kodinga, Dist. Nabarangpur (80) Shri Mayur Patodia, Managing Director, M/s. Ashoka Multiyarn Mills Ltd., 6A, NICCO House, 2 Hare Street, Kiolkata-700001, (81) Shri B Gouri, M/s Chouveswari Cashew Industries, At- Majurmunda, B.J.II, Ambaguda, Post. Ambaguda, Ps-Jeypore, Dist. Koraput (82) Shri V Prabhakar, Director, M/s Gupteswar Flour Mills (P) Ltd., At. N K T Road, Randapalli, Jeypore, Koraput, (83) Shri G. Jagan Mohan Rao, Managing Director, M/s. Mahalakshmi Cashew Industries, At/Po. Rondapalli, Jeypore, Koraput, (84) Shri A Chandra Mauli, M/s Sree Ananda Rice Mill, At. Baipass Road, Po/Ps. Jeypore, Dist. Koraput, (85) Shri Varanasi Mohan Rao, M/s. Omm Sri Sai Tirumaleswar Oils, At/Po-Teliguda, Ps-

Jeypore, Dist. Koraput, (86) Shri B Rama Raju, M/s. Sree Sai Balaji Cashew Industries, At-Tudusapalla, Po/Ps-Sasahandi, Via. Borigumma, Dist. Koraput, (87) Shri G Ravi Kumar, M/s Ravi Enterprises, Near Congress Bhawan Main Road, Po/Ps. Jeypore, Dist.- Koraput, (88) Smt. S Chamanti, M/s. Laxmi Ganesh Cashew Industries, At-Railway Junction, Po: Umri, Ps: Jeypore, Koraput, (89) Shri G. Ravi Kumar, M/s. Omm Sri Laxmi Ganesh Cashew Oil Mill, At/Po-Rondapalli, Jeypore, Koraput, (90) Varansi Srinivas, M/s. Janaki Krishna Industries, At/Po-Perahandi (Baliguda), Ps-Borigumma, Dist. Koraput, (91) Shri M. Mohan Rao, M/s. Sree Bhagawan Industries, At-Ratnakarguda, Po./Ps: Jeypore, Dist. Koraput, (92) Shri Varanasi Sai Kumar, M/s. Sree Satya Sai Industries, At/Po-Rondapalli, Ps: Jeypore, Dist. Koraput, (93) Shri A. Ramakrishan Murty, M/s. Sree Kanak Mahalaxmi Cashew Industries, At-Bankabija, Po/Ps. Jeypore, Dist. Koraput, (94) M Sunita Lakshmi, M/s. Sree Tejshakti Food Industries, At-Ratnakarguda, Po/Ps- Jeypore, Dist. Koraput, (95) Vanarasi Gopi Kumar, M/s. Sree Sitaram Industries, At/Po-Telliguda, Ps: Jeypore, Dist. Koraput, (96) Shri A Venkatswar Rao, M/s. Sree Lakshmi Industries, At/Po-Rondapalli, Ps-Jeypore, Koraput, (97) Shri Srikant Kumar Sabat, M/s. Sai Annapurna Cashew Industries, At/Po-Haradaput, Ps- Borigumma, Dist. Koraput, (98) Varanasi Venket Rao, M/s. Sri Janakirama Cashew Industries, At/Po-Telliguda, Ps-Jeypore, Dist. Koraput, (99) Jami Ramesh, M/s. Sai Rameswara Solvent Pvt. Ltd., At/Po/Ps-Ambaguda, Dist. Koraput, (100) Shri M Mohan Rao, M/s. Shiv Shakati Oils Pvt. Ltd., At-Majurmunda, Po-Ambaguda, Ps-Jeypore, Dist. Koraput, (101) Shri Kanhu Charan Samantara, M/s. Subhalaxmi Cashew Industries, At/Po- Ambaguda, Ps-Jeypore, Dist. Koraput, (102) Shri Sanjay Kumar Samantara, M/s. Mukteswara Oil, At/Po-Ambaguda, Ps-Jeypore, Dist, Koraput, (103) Jami Ramesh, M/s. Sai Cashews, At-Telliguda, Po/Ps-Jeypore, Dist. Koraput, (104) J Ravi Kumar, M/s. Kalyani Cashew & Tin Industries, At/Po-Telliguda, Ps- Jeypore, Dist. Koraput, (105) Secretary, PRAYAS Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004. (Consumer Counsel), (106) Commissioner-cum-Secretary to Govt., Department of Energy, Govt. of Odisha, Bhubaneswar.

**On NESCO's application:**

6. (1) Shri Ramesh Ch. Satapathy, Plot No. 302(B), Beherasahi, Nayapalli, BBSR-12., Dist-Khurda, (2) Shri Arun Kumar Sahu, Assistant Secretary, Orissa Consumers' Association, Devajyoti Upabhokta Kalyan Bhawan, Biswanath Lane, Dist-Cuttack-2, (3) Federation of Consumers Organization, (FOCO), Odisha, Biswanath Lane, Dist-Cuttack-2, (4) Keonjhar Navanirman Parishad, Devajyoti Upabhokta Kalyan Bhawan, Biswanath Lane, Dist-Cuttack-2, (5) Shri Devashis Mahanti, At-Kalidaspur, Po-Haripur, Ps- Sahadevkhunta, Dist. Balasore, (6) M/s. Emami Paper Mills Ltd., At-Balgopalpur, P.O-Rasulpur, Dist.-Balasore-756020, (7) M/s. Visa Steel Ltd., At. 1-A/6, Swativilla, Surya Vihar, Link Road, Cuttack-753012, (8) M/s. Power Tech Consultants, 1-A /6, Swati Villa, Surya Vihar, Link Road, Cuttack-753012, (9) M/s. Facor Power Limited, 1-A /6, Swati Villa, Surya Vihar, Link Road, Cuttack-753012 (10) Shri Prabhakar Dora, Advocate, At-Vidya Nagar, Co-Operative Colony, 3rd Lane, Po/Ps/Dist- Rayagada, (11) Shri A. K. Sahani, M/s. Sahani Energy Consultancy, B/L 108, VSS Nagar, Bhubaneswar-07, (12) Shri Manmath Behera, Secretary, M/s Balaramgadi Ice Factory Association, Balaramgadi, Balasore, (13) M/s Idcol Ferro Chrome & Alloys Ltd., IFCAL Colony, Po. Ferro Chrome Project, Jajpur Road, Dist. Jajpur-755020, (14) Sri R. K. Jain, Chief Electrical Distribution Engineer, East Coast Railway, Rail Sadan, Chandrasekharapur, Bhubaneswar-751017, (15) Shri Ananta Bihari Routray, Secretary, Orissa Electrical Consumers' Association,

Sibasakti Medicine Complex, B.K. Road, Cuttack-753001, (16) Shri Rajkishore Singh, At-Gopaljew Lane, Po. Buxi Bazar, Ps-Purighat, Dist. Cuttack-1, (17) Sri Kamalakanta Sahoo, At-Charchika Bazar, Po/Dist.-Jagatsinghpur, (18) Shri R. P. Mohapatra, Former Chief Engineer & Member (generation) OSEB, Plot No. 775 (P), Lane-3, Jayadev Vihar, Bhubaneswar-751013, (19) Shri Rajesh Chintak, M/s. Tata Steel Limited, Plot No. 273, Bhouma Nagar, Unit-IV, Bhubaneswar, Dist-Khurda, (20) M/s. Ferro Alloys Corporation Ltd., GD.2/10, Chandrasekharapur, Bhubaneswar-751023, (21) Sri M. V. Rao, Convenor-Energy Panel, 102-B, Kalinga Enclave, Nayapalli, Bhubaneswar-751012, Dist. Khurda, (22) Sri Ramesh Mohapatra, President, The Utkal Chamber of Commerce & Industry, N/6, IRC Village, Nayapalli, Bhubaneswar-751015, (23) Shri B N Panda, Director (Operation), 2/27, Gagotri VIP Enclave, Chandrasekharapur, Bhubaneswar-751016, (24) Shri Ch. Adi Murty Reddy, M/s. Santoshi Rice Mill, At- Gandhinagar, Nabarangpur, Telgu Street, Po/Ps/Dist.- Nabarangpur, (25) Shri Jaychand Shiv, Programme Officer, The Climate Group, Room No. 604, Level-6, Incube Business Center, 18, Nehru Palace, New Delhi-110019, (26) Sri Sunil Kumar Pattanaik, At-Kalikapur, W.No.-24,P.O: Takatpur, Via-Baripada, Dist.-Mayurbhanj-751012, (27) Shri Lalita Mohan Pattnaik, M/s. Shiba Sankar Rice Mill, Kundraguda, Borigumma, Ps- Borigumma, Dist. Koraput, (28) Smt. P. Sujana, M/s. Seetal Rice Mill, Gandhi Chowk, Hatapoda, Po/Ps. Jeypore, Dist. Koraput, (29) Shri Prakash Chandra Padhi, M/s. Bhagabati Rice Mill, Digapur, Po. Jayanagar, Ps-Jeypore, Dist. Koraput, (30) Shri Girija Shankar Dash, M/s. Laxmi Priya Enterprise, At/Po/Ps-Jeypore, Dist. Koraput, (31) Smt. Damayanti Mohapatra, M/s. Damayanti Rice Mill, At. Naugam, Po- Sosahandi, PS- Kotpad, Dist. Koraput, (32) Shri. B. Kanta Rao, M/s. Sri Laxmi Kanta Rice Mill, At- Main Road, Borigumma, Ps. Borigumma, Dist. Koraput, (33) Shri Bhagaban Bissoi, M/s. Majhi Gouri Rice & Chuda Mill, Jhilimili, At-Konagam, Ps-Borigumma, Dist.- Koraput, (34) A. Chandra Mouli, M/s. Ananda Rice Mill, Bye Pass Road, Po/Ps-Jeypore, Dist. Koraput, (35) Bala Krushna Panda, M/s. Arnapurna Rice Mill, At-Hatapada M. G. Road, Po/Ps-Jeypore, Dist.Koraput, (36) Smt. Labanya Padhi, M/s. Bhagawati Industries, At-Polkapur, Po-Jayanagar, Ps-Jeypore, Dist. Koraput, (37) Shri P Bhaskar Rao, M/s. Sri Sai Durga Modern Rice Mill, At/Po. Porli, Ps. Borigumma, Dist. Koraput, (38) G. Ananda Rao, M/s. Laxmi Ganesh Rice Mill, At-Nadiabad Street, Po/Ps-Jeypore, Dist. Koraput, (39) Smt. B Krishna Veni, M/s. Meenakshi Rice & Flour Mill, At-Kumuliput, Po- Haradapur, Ps-Jeypore, Dist. Koraput, (40) Shri P. Ananda Rao, M/s. Sree Lakshmi Venkata Narasimha Modern Rice Mill, At-Perahandi, Po-Jayantagiri, Ps-Borigumma, Dist. Koraput, (41) Shri Gokul Chandra Panda, M/s. Jagannath Rice Mill, At-Main Road, Po/Ps-Borigumma, Dist. Koraput, (42) Shri Tarini Patro, M/s. Sri Durga Rice Mill, At-M. G. Road, Po/Ps- Jeypore, Dist. Koraput, (43) M. Laxman Murty, M/s. Padma Krishna Modern Rice Mill, At/Po-Hatapada, Ps-Jeypur, Dist. Koraput, (44) Shri Subrat Kumar Satpathy, M/s. Ganesh Rice Flour Mill, Dullaguda, At-Main Road, Borigumma, Ps- Borigumma, Dist. Koraput, (45) P Narayan Rao, M/s. Nagabhusana Rice Mill, Kundraguda, At. Main Road, Borigumma, Ps. Borigumma, Dist. Koraput, (46) Shri J Venket Rabana, M/s. Sai Ganesh Boiler Rice & Chuda Mill, At/Po-Sosahandi, Ps- Kotpad, Dist. Koraput, (47) Shri Raghunath Satpathy, M/s. Laxman Rice Mill, At/Po- Kumuli, Ps. B. Singhpur, Dist. Koraput, (48) Shri Manmatha Kumar Bhatta, M/s. Kanakeswari Rice Mill, At/Po/Ps-B. Singhpur, Dist. Koraput, (49) Sri Satyanarayan Subudhi, M/s. Ayappa Industries, Kelaguda, At-Bhagdevi Street, Ps-Jeypore, Dist. Koraput, (50) Sri Moheswar Bisoyi, M/s. Sabita Rice Industries, Kundraguda, At-Main Road, Po/Ps-Borigumma, Dist. Koraput, (51) A Chandra Rao, M/s. Tirumala Rice Mill, At/Po-

Park Street, PS-Jeypore, Dist. Koraput, (52) K Govenda Rao, M/s. Jagdish Rice and Flour Mill, Borigumma, At-Santosh Nagar, Borigumma, Ps-Borigumma, Dist. Koraput, (53) Shri P Janardan Rao, M/s. Satyabhima Rice Mill, Borigumma, At-Main Road, Borigumma, Ps-Borigumma, Dist. Koraput, (54) Shri Jagannath Patnaik, M/s. Neeltara Stone Crusher, At-Patraput, Po-Dangarchinchi, Ps-Jeypore, Dist. Koraput, (55) Shri Purna Chandra Patnaik, M/s. Neeltara Fabrication, At-Dongaguda, Po/Ps-Jeypore, Dist. Koraput, (56) M/s Neeltara Transformer, At-Dongaguda, Po/Ps-Jeypore, Dist. Koraput, (57) Shri Gopal Krushna Panda, M/s. Syabar Shrikhetra Rice Mill, At. M.G. Road, Po/Ps-Jeypore, Dist. Koraput, (58) M. Rushikesh, M/s. Syamala Modern Rice Mill, Mill Street, Po/Ps-Jeypore, Dist. Koraput, (59) S. Prakash Rao, M/s. Jyoti Modern Rice & Floor Mill, At-Canal Road, Gandhi Chowk, Jeypore, Po/Ps. Jeypore, Dist. Koraput, (60) Smt. S. Hemabati, M/s. Sai Balaji Modern Rice Mill, At-M. G. Road, Po/Ps-Jeypore, Dist. Koraput, (61) M. Anita, M/s. Om Sri Maa Tarini Modern Rice Mill, At/Po-Thuridiput, Ps-Jeypore, Dist. Koraput, (62) Shri R. Venkata Rao, M/s. Ratnala Appla Swamy Sons, At-Mill Street, Po/Ps-Jeypore, Dist. Koraput, (63) Smt. G. Banjalat Choudhary, M/s. Sriya Modern Rice Mill, At-Parajaguda Jayantigiri, Po/Ps-Borigumma, Dist. Koraput, (64) Shri G. Venkata Rao, M/s. Modern Rice Mill, At-M. G. Road, Po/Ps-Jeypore, Dist. Koraput, (65) Shri G. Ananda Rao, M/s. Ganesh Rice Mill, At-Nadiabad Street, Po/Ps-Jeypore, Dist. Koraput, (66) Smt. Sibani Patnaik, M/s. Neelatara Rice Mill, At./Po- Dangarachichi, Ps-Jeypore, Dist. Koraput, (67) A. Bhaskar Rao, M/s. Sri Sai Venkata Enterprises, At-Bodapada, Po-Haradaput, Ps-Borigumma, Dist. Koraput, (68) Shri P. Manmada Rao, M/s. Rama Krishan R & F Mill, Khudiguda, At-Main Road, Borigumma, Ps-Borigumma, Dist. Koraput, (69) Smt. Promodini Pradhan, M/s. Sri Ram Rice Mill, Purna Borigumma, At-Meria Margo, Borigumma, Ps-Borigumma, Dist. Koraput, (70) Shri G. V. Ravana, M/s. S.D.L.N. Rice Mill, Kundraguda, At-Bhupati Street, Jeypore, Po/Ps-Jeypore, Dist. Koraput, (71) Shri B. Govinda Rao, M/s. Sri Sai Balaji Modern Rice Mill, Nuagam, At-Nuagam, Po- Sosahandi, Ps- Kotpad, Dist. Koraput, (72) Smt. P. Sukanya, M/s. Surya Teja Modern Rice Mill, Kundraguda, At-Neelakantheswar Margo, Ps-Borigumma, Dist. Koraput, (73) M/s. Sri Ram Rice Mill, Nuagam, At-Bail Road, Jeypore, Ps-Jeypore, Dist. Koraput, (74) Shri Narendra Kumar Agrawal, M/s. Bajarang Rice Mill, Nabarangpur, At-New Bus Stand, Ps/Po/Dist. Nabarangpur, (75) Shri M. Manikeswar Rao, M/s. Rama Rice Mill, Nabarangpur, At-Granary Street, Po/Ps/Dist. Nabarangpur, (76) Shri K. Laxman Rao, M/s. Bairagi Rice Mill, Nabarangpur, At-Turunjiaguda, P.S/Dist.- Nabarangpur, (77) Shri P. Nagaraju, M/s. Sri kanaka Durga Industries, At-Gabrieguda, Samantray Street, Nabarangpur, Dist.- Nabarangpur, (78) Shri Prama Rao, M/s. Utkal Modern Rice Mill, At- Butipadar, P.O: Pujariguda, P.S: Nabarangpur, Dist.-Nabarangpur, (79) Shri P. Nagaraju, M/s. Sri kanaka Durga Rice Mill, At-Gadabaguda, Nabarangpur, Dist.-Nabarangpur, (80) Sri. K. Krishna Rao, M/s. Sri Venkateswar Rice & Flour Mill, At/PO/Ps-Tentulikhunti, Dist. Nabarangpur, (81) Shri Rabindra Kumar Swain, M/s. Maa Mangala Traders, At. Bhatialguda, Nabarangpur, Po/Ps-Nabarangpur, Dist. Nabarangpur, (82) Smt. B. Kumari, M/s. Vijaya Laxmi Rice Mill, At-Kurmakote, Po/Ps-Tentulikhunti, Dist. Nabarangpur, (83) Shri B. Suryanarayan, M/s. Mahalaxmi Rice & Flour Mill, At-Kurmakote, Po/Ps-Tentulikhunti, Dist. Nabarangpur, (84) Shri S. Suryanarayan, M/s. Siva Shankar Rice & Flour Mill, Nabarangpur, At-Granary Street, Nabarangpur, Dist. Nabarangpur, (85) Shri Tripati Pattnaik, M/s. Mahalaxmi Rice Mill, Taragam, At/Po-Taragam, Ps-Nabarangpur, Dist. Nabarangpur, (86) Smt Pramila Kumari Mishra, M/s. Sri Satya Sai Rice Mill , At- Beheraguda, Nabarangpur Main Road, Po/Ps/Dist. Nabarangpur, (87) Smt. K. Ravi Kumar, M/s. Ratna Rice Mill, Near New Bus Stand

(Old Weekly Market), Nabarangpur, Dist. Nabarangpur, (88) Shri Ch. Adi Murty Reddy, M/s. Santoshi Rice Mill, At- Gandhinagar, Nabarangpur, Telgu Street, Po/Ps/Dist. Nabarangpur, (89) Sri P. Mohan Rao, M/s. Sri Sambha Shiva Modern Rice Mill, Hirli, Nabarangpur, At/Po/Ps- Nabarangpur, Dist. Nabarangpur, (90) Sri B. Ravana Rao, M/s. Om Sri Balaji Rice Mill, Kodinga, At./Po/Ps-Kodinga, Dist. Nabarangpur, (91) Shri B Gouri, M/s. Chouveswari Cashew Industries, At-Majurmunda, B.J.II, Ambaguda, Post-Ambaguda, Ps-Jeypore, Dist. Koraput, (92) V Prabhakar, Director, M/s Gupteswar Flour Mills (P) Ltd., At. N K T Road, Randapalli, Jeypore, Koraput, (93) Shri G. Jagan Mohan Rao, Managing Director, M/s. Mahalakshmi Cashew Industries, At/Po-Rondapalli, Jeypore, Koraput, (94) A Chandra Mauli, M/s. Sree Ananda Rice Mill, At-Baipass Road, Po/Ps-Jeypore, Dist. Koraput, (95) Varanasi Mohan Rao, M/s. Omm Sri Sai Tirumaleswar Oils, At/Po-Telliguda, Ps. Jeypore, Dist. Koraput, (96) B Rama Raju, M/s. Sree Sai Balaji Cashew Industries, At-Tudusapalla, Po/Ps-Sasahandi, Via-Borigumma, Dist. Koraput, (97) G Ravi Kumar, M/s. Ravi Enterprises, Near Congress Bhawan Main Road, Po/Ps-Jeypore, Dist. Koraput, (98) Smt. S Chamanti, M/s. Laxmi Ganesh Cashew Industries, At- Railway Junction, Po-Umri, Ps. Jeypore, Koraput, (99) G Ravi Kumar, M/s. Omm Sri Laxmi Ganesh Cashew Oil Mill, At/Po-Rondapalli, Jeypore, Koraput, (100) Varansi Srinivas, M/s. Janaki Krishna Industries, At/Po-Perahandi (Baliguda), Ps-Borigumma, Dist. Koraput, (101) M. Mohan Rao, M/s. Sree Bhagawan Industries, At-Ratnakarguda, Po./Ps-Jeypore, Dist. Koraput, (102) Varanasi Sai Kumar, M/s. Sree Satya Sai Industries, At/Po-Rondapalli, Ps-Jeypore, Dist. Koraput, (103) A Ramakrishan Murty, M/s. Sree Kanak Mahalaxmi Cashew Industries, At-Bankabija, Po/Ps-Jeypore, Dist. Koraput, (104) M Sunita Lakshmi, M/s. Sree Tejshakti Food Industries, At-Ratnakarguda, Po/Ps-Jeypore, Dist. Koraput, (105) Vanarasi Gopi Kumar, M/s. Sree Sitaram Industries, At/Po- Telliguda, Ps-Jeypore, Dist. Koraput, (106) Shri A Venkatswar Rao, M/s. Sree Lakshmi Industries, At/Po- Rondapalli, Ps-Jeypore, Koraput, (107) Srikant Kumar Sabat, M/s. Sai Annapurna Cashew Industries, At/Po-Haradaput, Ps- Borigumma, Dist. Koraput, (108) Varanasi Venket Rao, M/s. Sri Janakirama Cashew Industries, At/Po-Telliguda, Ps-Jeypore, Dist. Koraput, (109) Jami Ramesh, M/s. Sai Rameswara Solvent Pvt. Ltd., At/Po/Ps-Ambaguda, Dist. Koraput, (110) M Mohan Rao, M/s. Shiv Shakati Oils Pvt. Ltd., At-Majurmunda, Po-Ambaguda, Ps-Jeypore, Dist. Koraput, (111) Kanhu Charan Samantara, M/s. Subhalaxmi Cashew Industries, At/Po-Ambaguda, Ps-Jeypore, Dist. Koraput, (112) Sanjay Kumar Samantara, M/s. Mukteswara Oil, At/Po-Ambaguda, Ps- Jeypore, Dist. Koraput, (113) M/s Sai Cashews, At. Telliguda, Po/Ps-Jeypore, Dist. Koraput, (114) J Ravi Kumar, M/s Kalyani Cashew & Tin Industries, At/Po-Telliguda, Ps. Jeypore, Dist. Koraput, (115) Secretary, PRAYAS Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, (116) Orissa Consumers Association, Balasore Chapter, C/o. Shri Nilambar Mishra, At/Po- Rudhungaon, Simulia, Balasore, (117) Commissioner-cum-Secretary to Govt., Department of Energy, Govt. of Odisha, Bhubaneswar.

**On SOUTHCO's application:**

7. (1) Shri Ramesh Ch. Satpathy, Plot No.302 (B), Beherasahi, Nayapalli, Bhubaneswar-751012, Dist-Khurda, (2) Shri. Arun Kumar Sahu, Assistant Secretary, Orissa Consumers' Association, Devajyoti Upabhokta Kalyan Bhawan, Biswanath Lane, Dist-Cuttack-2, (3) Federation of Consumers Organization, (FOCO), Odisha, Biswanath Lane, Dist-Cuttack-2, (4) Keonjhar Navanirman Parishad, Devajyoti Upabhokta Kalyan Bhawan, Biswanath Lane, Dist-Cuttack-2, (5) Shri Santosh Kumar

Sahoo, Secretary, Ganjam District Rice Mill Owners Association, Hillpatna, Gopabandhu Nagar, Po- Berhampur, Dist. Ganjam, (6) Shri Bibhu Charan Swain, M/s. Power Tech Consultants, 1-A /6, Swati Villa, Surya Vihar, Link Road, Cuttack-753012, (7) Shri M. P. Goyal, Vice President, Jayhreee Chemicals Ltd., JCL Colony, PO:Jayshree-761025. Dist- Ganjam, (8) Shri Prabhakar Dora, Advocate, At-Vidya Nagar, 3rd Lane, Rayagada, Po/Ps/Dist- Rayagada, (9) Shri Lalita Mohan Pattnaik, M/s. Shiba Sankar Rice Mill, Kundraguda, Borigumma, Ps. Borigumma, Dist. Koraput, (10) Smt. P. Sujana, M/s. Seetal Rice Mill, Gandhi Chowk, Hatapoda, Po/Ps. Jeypore, Dist. Koraput, (11) Shri Prakash Chandra Padhi, M/s. Bhagabati Rice Mill, Digapur, Po. Jayanagar, Ps. Jeypore, Dist. Koraput, (12) Shri Girija Shankar Dash, M/s. Laxmi Priya Enterprise, At/Po/Ps. Jeypore, Dist. Koraput, (13) Smt. Damayanti Mohapatra, M/s. Damayanti Rice Mill, At-Naugam, Po-Sosahandi, Ps- Kotpad, Dist. Koraput, (14) Shri. B. Kanta Rao, M/s. Sri Laxmi Kanta Rice Mill, At- Main Road, Borigumma, Ps-Borigumma, Dist. Koraput, (15) Sri Bhagaban Bissoi, M/s. Majhi Gouri Rice & Chuda Mill, Jhilimili, At-Konagam, Ps-Borigumma, Dist. Koraput, (16) A. Chandra Mouli, M/s. Ananda Rice Mill, Bye Pass Road, Po/Ps-Jeypore, Dist. Koraput, (17) Shri Bala Krushna Panda, M/s. Arnapura Rice Mill, At-Hatapada M. G. Road, Po/Ps-Jeypore, Dist.Koraput, (18) Smt. Labanya Padhi, M/s. Bhagawati Industries, At-Polkapur, Po-Jayanagar, Ps-Jeypore, Dist. Koraput, (19) Shri P Bhaskar Rao, M/s. Sri Sai Durga Modern Rice Mill, At/Po-Porli, Ps-Borigumma, Dist. Koraput, (20) Shri G. Ananda Rao, M/s. Laxmi Ganesh Rice Mill, At-Nadiabad Street, Po/Ps-Jeypore, Dist. Koraput, (21) Smt. B Krishna Veni, M/s. Meenakshi Rice & Flour Mill, At-Kumuliput, Po- Haradapur, Ps-Jeypore, Dist. Koraput, (22) Shri P. Ananda Rao, M/s. Sree Lakshi Venkata Narasimha Modern Rice Mill, At-Perahandi, Po-Jayantagiri, Ps-Borigumma, Dist. Koraput, (23) Sri. Gokul Chandra Panda, M/s. Jagannath Rice Mill, At-Main Road, Po/Ps-Borigumma, Dist. Koraput, (24) Sri Tarini Patro, M/s. Sri Durga Rice Mill, At- M. G. Road, Po/Ps-Jeypore, Dist. Koraput, (25) M. Laxman Murty, M/s. Padma Krishna Modern Rice Mill, At/Po-Hatapada, Ps. Jeypur, Dist. Koraput, (26) Sri Subrat Kumar Satpathy, M/s. Ganesh Rice Flour Mill, Dullaguda, At-Main Road, Borigumma, Ps- Borigumma, Dist. Koraput, (27) Shri P Narayan Rao, M/s. Nagabhusana Rice Mill, Kundraguda, At-Main Road, Borigumma, Ps-Borigumma, Dist. Koraput, (28) Shri J Venket Rabana, M/s. Sai Ganesh Boiler Rice & Chuda Mill, At/Po-Sosahandi, Ps- Kotpad, Dist. Koraput, (29) Sri Raghunath Satpathy, M/s. Laxman Rice Mill, At/Po-Kumuli, Ps. B. Singhpur, Dist. Koraput, (30) Sri Manmatha Kumar Bhatta, M/s. Kanakeswari Rice Mill, At/Po/Ps-B. Singhpur, Dist. Koraput, (31) Shri Satyanarayan Subudhi, M/s. Ayappa Industries, Kelaguda, At-Bhagdevi Street, Ps-Jeypore, Dist. Koraput, (32) Sri Moheswar Bisoyi, M/s. Sabita Rice Industries, Kundraguda, At-Main Road, Po/Ps-Borigumma, Dist. Koraput, (33) Shri A Chandra Rao, M/s. Tirumala Rice Mill, At/Po- Park Street, Ps- Jeypore, Dist. Koraput, (34) K Govenda Rao, M/s. Jagdish Rice and Flour Mill, Borigumma, At-Santosh Nagar, Borigumma, Ps-Borigumma, Dist. Koraput, (35) Sri. P Janardan Rao, M/s. Satyabhima Rice Mill, Borigumma, At-Main Road, Borigumma, Ps-Borigumma, Dist. Koraput, (36) Shri Jagannath Patnaik, M/s. Neeltara Stone Crusher, At-Patraput, Po-Dangarchinchi, Ps-Jeypore, Dist. Koraput, (37) Shri Purna Chandra Patnaik, M/s. Neeltara Fabrication, At. Dongaguda, Po/Ps-Jeypore, Dist. Koraput, (38) Sri Purna Chandra Patnaik, M/s. Neeltara Transformer, At- Dongaguda, Po/Ps- Jeypore, Dist. Koraput, (39) Shri Gopal Krushna Panda, M/s. Syabar Shrikhetra Rice Mill, At-M.G. Road, Po/Ps- Jeypore, Dist. Koraput, (40) Shri M. Rushikesh, M/s. Syamala Modern Rice Mill, Mill Street, Po/Ps-Jeypore, Dist. Koraput, (41) Shri S. Prakash Rao, M/s. Jyoti Modern Rice & Flour Mill, At-Canal Road, Gandhi Chowk, Jeypore, Po/Ps-

Jeypore, Dist. Koraput, (42) Smt. S. Hemabati, M/s. Sai Balaji Modern Rice Mill, At-M. G. Road, Po/Ps-Jeypore, Dist. Koraput, (43) M. Anita, M/s. Om Sri Maa Tarini Modern Rice Mill, At/Po-Thuridiput, Ps-Jeypore, Dist. Koraput, (44) Shri R. Venkata Rao, M/s. Ratnala Appla Swamy Sons, At-Mill Street, Po/Ps-Jeypore, Dist. Koraput, (45) Smt. G. Banjalat Choudhary, M/s. Sriya Modern Rice Mill, At- Parajaguda Jayantigiri, Po/Ps-Borigumma, Dist. Koraput, (46) Shri. G. Venkata Rao, M/s. Modern Rice Mill, At-M. G. Road, Po/Ps-Jeypore, Dist. Koraput, (47) Shri. G. Ananda Rao, M/s. Ganesh Rice Mill, At-Nadiabad Street, Po/Ps-Jeypore, Dist. Koraput, (48) Smt. Sibani Patnaik, M/s. Neelatara Rice Mill, At./Po-Dangarachichi, Ps-Jeypore, Dist. Koraput, (49) Shri A. Bhaskar Rao, M/s. Sri Sai Venkata Enterprises, At-Bodapada, Po-Haradaput, Ps- Borigumma, Dist. Koraput, (50) Shri P. Manmada Rao, M/s Rama Krishan R & F Mill, Khudiguda, At-Main Road, Borigumma, Ps-Borigumma, Dist. Koraput, (51) Smt. Promodini Pradhan, M/s. Sri Ram Rice Mill, Purna Borigumma, At-Meria Margo, Borigumma, Ps-Borigumma, Dist. Koraput, (52) Shri G. V. Ravana, M/s. S.D.L.N. Rice Mill, Kundraguda, At-Bhupati Street, Jeypore, Po/Ps- Jeypore, Dist. Koraput, (53) Shri B. Govinda Rao, M/s. Sri Sai Balaji Modern Rice Mill, Nuagam, At-Nuagam, Po- Sosahandi, Ps-Kotpad, Dist. Koraput, (54) Smt. P. Sukanya, M/s. Surya Teja Modern Rice Mill, Kundraguda, At-Neelakantheswar Margo, Borigumma, Ps-Borigumma, Dist. Koraput, (55) Shri S. Malikarjuna Rao, M/s. Shri Ram Rice Mill, Nuagam, At-Bail Road, Jeypore, Ps-Jeypore, Dist. Koraput, (56) Shri A. K. Sahani, M/s. Sahani Energy Consultancy, B/L-108, VSS Nagar, BBSR, (57) Shri Narendra Kumar Agrawal, M/s. Bajarang Rice Mill, Nabarangpur, At-New Bus Stand, Ps/Po/Dist.- Nabarangpur, (58) Shri M. Manikeswar Rao, M/s. Rama Rice Mill, Nabarangpur, At-Granary Street, Po/Ps/Dist.- Nabarangpur, (59) Shri K. Laxman Rao, M/s. Bairagi Rice Mill, Nabarangpur, At-Turunjiaguda, P.S/Dist.-Nabarangpur, (60) Shri P. Nagaraju, M/s. Sri kanaka Durga Industries, At-Gabrieguda, Samantray Street, Nabarangpur, Dist.- Nabarangpur, (61) Shri Prama Rao, M/s. Utkal Modern Rice Mill, At- Butipadar, P.O: Pujariguda, P.S: Nabarangpur, Dist.-Nabarangpur, (62) Shri P. Nagaraju, M/s. Sri kanaka Durga Rice Mill, At-Gadabaguda, Nabarangpur, Dist.-Nabarangpur, (63) Shri K. Krishna Rao, M/s. Sri Venkateswar Rice & Flour Mill, At/Po/Ps-Tentulikhunti, Dist. Nabarangpur, (64) Shri Rabindra Kumar Swain, M/s. Maa Mangala Traders, At-Bhatisalguda, Nabarangpur, Po/Ps-Nabarangpur, Dist. Nabarangpur, (65) Smt. B. Kumari, M/s. Vijaya Laxmi Rice Mill, At- Kurmakote, Po/Ps-Tentulikhunti, Dist. Nabarangpur, (66) Shri B. Suryanarayan, M/s. Mahalaxmi Rice & Flour Mill, At-Kurmakote, Po/Ps-Tentulikhunti, Dist. Nabarangpur, (67) Shri S. Suryanarayan, M/s. Siva Shankar Rice & Flour Mill, Nabarangpur, At-Granary Street, Nabarangpur, Dist. Nabarangpur, (68) Shri Tripati Pattnaik, M/s. Mahalaxmi Rice Mill, Taragam, At/Po-Taragam, Ps-Nabarangpur, Dist. Nabarangpur, (69) Smt. Pramila Kumari Mishra, M/s. Sri Satya Sai Rice Mill, At- Beheraguda, Nabarangpur Main Road, Po/Ps/Dist.- Nabarangpur, (70) Smt. K. Ravi Kumar, M/s. Ratna Rice Mill, Near New Bus Stand (Old Weekly Market), Nabarangpur, Dist. Nabarangpur, (71) Shri Ch. Adi Murty Reddy, M/s. Santoshi Rice Mill, At- Gandhinagar, Nabarangpur, Telgu Street, Po/Ps/Dist. Nabarangpur, (72) Shri P. Mohan Rao, M/s. Sri Sambha Shiva Modern Rice Mill, Hirli, Nabarangpur, At/Po/Ps-Nabarangpur, Dist. Nabarangpur, (73) Shri B. Ravana Rao, M/s. Om Sri Balaji Rice Mill, Kodinga, At./Po/Ps-Kodinga, Dist. Nabarangpur, (74) Sri R. K. Jain, Chief Electrical Distribution Engineer, East Coast Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar-751017, (75) Shri Ananta Bihari Routray, Orissa Electrical Consumer's Association, Shiv Shakti Medicine Complex, B. K. Road, Cuttack-1, (76) Shri Rajkishore Singh, At. Gopaljew Lane, PO.

Buxi Bazar, Ps-Purighat, Dist. Cuttack-1, (77) Shri Kamalakanta Sahoo, At-Charchika Bazar, Po/Dist. Jagatsinghpur, (78) Shri R. P. Mohapatra, Plot No. 775 (P), Lane-3, Jayadev Vihar, Bhubaneswar-751013, (79) Shri Pramod Kumar Panda, Jt. Secretary Ganjam Bar Association, Berhampur, Ganjam, (80) Shri Ashok Kumar Sukla, Advocate & Corporater, BMC, Berhampur, (81) Shri Jaychand Shiv, Programme Officer, The Climate Group, Room No. 604, Level-6, Incube Business Center, 18, Nehru Palace, New Delhi-110019, (82) hSri B Gouri, M/s. Chouveswari Cashew Industries, At-Majurmunda, B.J.II, Ambaguda, Post- Ambaguda, Ps-Jeypore, Dist. Koraput, (83) Shri V Prabhakar, Director, M/s. Gupteswar Flour Mills (P) Ltd., At. N K T Road, Randapalli, Jeypore, Koraput, (84) Shri G. Jagan Mohan Rao, Managing Director, M/s. Mahalakshmi Cashew Industries, At/Po- Rondapalli, Jeypore, Koraput, (85) Shri A Chandra Mauli, M/s. Sree Ananda Rice Mill, At-Baipass Road, Po/Ps. Jeypore, Dist. Koraput, (86) Shri Varanasi Mohan Rao, M/s. Omm Sri Sai Tirumaleswar Oils, At/Po-Teliguda, Ps-Jeypore, Dist. Koraput, (87) Shri B Rama Raju, M/s. Sree Sai Balaji Cashew Industries, At-Tudusapalla, Po/Ps-Sasahandi, Via-Borigumma, Dist. Koraput, (88) Shri G Ravi Kumar, M/s. Ravi Enterprises, Near Congress Bhawan Main Road, Po/Ps-Jeypore, Dist. Koraput, (89) Smt. S Chamanti, M/s. Laxmi Ganesh Cashew Industries, At-Railway Junction, Po-Umri, Ps-Jeypore, Koraput, (90) Shri G Ravi Kumar, M/s. Omm Sri Laxmi Ganesh Cashew Oil Mill, At/Po-Rondapalli, Jeypore, Koraput, (91) Varansi Srinivas, M/s. Janaki Krishna Industries, At/Po-Perahandi (Baliguda), Ps-Borigumma, Dist. Koraput, (92) Shri M. Mohan Rao, M/s. Sree Bhagawan Industries, At-Ratnakarguda, Po./Ps-Jeypore, Dist. Koraput, (93) Shri Varanasi Sai Kumar, M/s. Sree Satya Sai Industries, At/Po-Rondapalli, Ps-Jeypore, Dist. Koraput, (94) Shri A Ramakrishan Murty, M/s. Sree Kanak Mahalaxmi Cashew Industries, At-Bankabija, Po/Ps-Jeypore, Dist. Koraput, (95) M Sunita Lakshmi, M/s. Sree Tejshakti Food Industries, At-Ratnakarguda, Po/Ps-Jeypore, Dist. Koraput, (96) Shri Vanarasi Gopi Kumar, M/s. Sree Sitaram Industries, At/Po-Telliguda, Ps-Jeypore, Dist. Koraput, (97) Shri A Venkatswar Rao, M/s. Sree Lakshmi Industries, At/Po- Rondapalli, Ps-Jeypore, Koraput, (98) Shri Srikant Kumar Sabat, M/s. Sai Annapurna Cashew Industries, At/Po- Haradaput, Ps-Borigumma, Dist. Koraput, (99) Shri Varanasi Venket Rao, M/s. Sri Janakirama Cashew Industries, At/Po-Telliguda, Ps- Jeypore, Dist. Koraput, (100) Shri Jami Ramesh, M/s. Sai Rameswara Solvent Pvt. Ltd., At/Po/Ps-Ambaguda, Dist. Koraput, (101) Shri M Mohan Rao, M/s. Shiv Shakati Oils Pvt. Ltd., At-Majurmunda, Po-Ambaguda, Ps-Jeypore, Dist. Koraput, (102) Shri Kanhu Charan Samantara, M/s. Subhalaxmi Cashew Industries, At/Po- Ambaguda, Ps-Jeypore, Dist. Koraput, (103) Shri Sanjay Kumar Samantara, M/s. Mukteswara Oil, At/Po-Ambaguda, Ps- Jeypore, Dist. Koraput, (104) M/s Sai Cashews, At- Telliguda, Po/Ps-Jeypore, Dist. Koraput, (105) J Ravi Kumar, M/s. Kalyani Cashew & Tin Industries, At/Po-Telliguda, Ps-Jeypore, Dist. Koraput, (106) Sri Srinivas Patnaik, Advocate, At. Umerkote, Po/Ps/Tahasil-Umerkote, Dist. Nabarangpur, (107) Shri Jhadeswar Mohanty, Chairman, NAC Umerkote, At-Umerkote, Po/Ps- Umerkote, Dist. Nabarangpur, (108) Shri Dwarika Nath Panigrahi, President, Chamber of Commerce, Umerkote, Dist. Nabarangpur, (109) Secretary, PRAYAS Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004, (110) Grhak Panchayat, Friends Colony, Paralakhemundi, Dist. Gajapati-761200, (111) Commissioner-cum-Secretary to Govt., Department of Energy, Govt. of Odisha, Bhubaneswar.

**On CESU's application: -**

8. (1) Shri Akshya Kumar Sahani, M/s Sahani Energy Consultancy, B/L-108, VSS Nagar, Bhubaneswar, (2) Shri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour, Plot No. 302(B), Beherasahi, Nayapalli, Bhubaneswar-751012, (3) Shri Arun Kumar Sahu, Assistant Secretary, Orissa Consumers' Association, Devajyoti Upabhokta Kalyan Bhawan, Biswanath Lane, Dist-Cuttack-2, (4) Shri Arun Kumar Sahu, General Secretary, Federation of Consumers Organization, (FOCO), Odisha, Biswanath Lane, Dist-Cuttack-2, (5) Shri Arun Kumar Sahu, Keonjhar Navanirman Parishad, At- Chanidinichowk, Cuttack, (6) M/s Power Tech Consultants, 1-A /6, Swati Villa, Surya Vihar, Link Road, Cuttack-753012, (6) Shri Prasanta Kumar Das, President, State Public Interest Protection Council, Tala Telenga Bazar, Cuttack-753009, (7) Shri Prabhakar Dora, Advocate, Vidya Nagar, 3rd Lane, Rayagada, Dist. Rayagada, (8) Shri Babaji Charan Sahoo, M/s IDCOL Ferro Chrome & Alloys Ltd., IFCAL Colony, Po. Ferro Chrome Project, Jajpur Road, Dist. Jajpur, (9) Shri R. K. Jain, Chief Electrical Distribution Engineer, East Coast Railway, Rail Sadan, Chandrasekharpur, Bhubaneswar-751017, (10) Shri Ananta Bihari Routray, Secretary, Orissa Electrical Consumers' Association, Sibasaki Medicine Complex, B.K. Road, Cuttack-753001, (11) Shri Rajkishore Singh, At- Gopal Jiew Lane, Po-Buxi Bazar, Ps-Purighat, Dist. Cuttack-753001,(12) Shri Kamalkanta Sahoo, At-Charchika Bazar, Po/Dist-Jagatsinghpur, (13) Shri Durga Prasad Das, M/s. Prasad Chuda Mill, At. Badabag, Po.-Punanga, Dist.-Jagatsinghpur, (14) Shri R. P. Mahapatra, Retd. Chief Engineer & Member (Gen., OSEB, Plot No.775(Pt.), Lane-3, Jayadev Vihar, Bhubaneswar-751013, (15) Shri Ramesh Mohapatra, President, The Utkal Chamber of Commerce & Industry, N1/6, IRC Village, Nayapalli, Bhubaneswar-751015, (16) Shri Ch. Adi Murty Reddy, M/s. Santoshi Rice Mill, At-Gandhinagar, Telgustreet, Po/Ps/Dist-Nabarangpur, (17) Shri Jaychand Shiv, Programme Officer, The Climate Group, Room No. 604, Level-6, Incube Business Center, 18, Nehru Palace, New Delhi-110019, (18) Shri Lalita Mohan Pattnaik, M/s. Shiba Sankar Rice Mill, Kundraguda, Borigumma, Ps. Borigumma, Dist. Koraput, (19) Smt. P. Sujana, M/s. Seetal Rice Mill, Gandhi Chowk, Hatapoda, Po/Ps. Jeypore, Dist. Koraput, (20) Shri Prakash Chandra Padhi, M/s. Bhagabati Rice Mill, Digapur, Po. Jayanagar, Ps. Jeypore, Dist. Koraput, (21) Shri Girija Shankar Dash, M/s. Laxmi Priya Enterprise, At/Po/Ps-Jeypore, Dist. Koraput, (22) Smt. Damayanti Mohapatra, M/s. Damayanti Rice Mill, At. Naugam, Po. Sosahandi, Ps. Kotpad, Dist. Koraput, (23) Shri B. Kanta Rao, M/s. Sri Laxmi Kanta Rice Mill, At-Main Road, Borigumma, Ps. Borigumma, Dist. Koraput, (24) Shri Bhagaban Bissoi, M/s. Majhi Gouri Rice & Chuda Mill, Jhilimili, At-Konagam, Ps. Borigumma, Dist. Koraput, (25) Shri A. Chandra Mouli, M/s. Ananda Rice Mill, Bye Pass Road, Po/Ps. Jeypore, Dist. Koraput, (26) Shri Bala Krushna Panda, M/s. Arnapurna Rice Mill, At-Hatapada M. G. Road, Po/Ps-Jeypore, Dist. Koraput, (27) Smt. Labanya Padhi, M/s. Bhagawati Industries, At-Polkaput, Po. Jayanagar, Ps. Jeypore, Dist. Koraput, (28) Shri P Bhaskar Rao, M/s. Sri Sai Durga Modern Rice Mill, At/Po-Porli, Ps. Borigumma, Dist. Koraput, (29) G. Ananda Rao, M/s. Laxmi Ganesh Rice Mill, At-Nadiabad Street, Po/Ps- Jeypore, Dist. Koraput, (30) Smt. B Krishna Veni, M/s. Meenakshi Rice & Flour Mill, At-Kumuliput, Po. Haradapur, Ps. Jeypore, Dist. Koraput, (31) Shri P. Ananda Rao, M/s. Sree Lakshi Venkata Narasimha Modern Rice Mill, At-Perahandi, Po-Jayantagiri, Ps- Borigumma, Dist. Koraput, (32) Shri Gokul Chandra Panda, M/s. Jagannath Rice Mill, At-Main Road, Po/Ps-Borigumma, Dist. Koraput, (33) Sri Tarini Patro, M/s. Sri Durga Rice Mill, At- M. G. Road, Po/Ps. Jeypore, Dist. Koraput, (33) M. Laxman Murty, M/s. Padma Krishna Modern Rice Mill, At/Po-Hatapada, Ps.

Jeypur, Dist. Koraput, (34) Shri Subrat Kumar Satpathy, M/s. Ganesh Rice Flour Mill, Dullaguda, At-Main Road, Borigumma, Ps- Borigumma, Dist. Koraput, (35) Shri P Narayan Rao, M/s. Nagabhusana Rice Mill, Kundraguda, At-Main Road, Borigumma, Ps-Borigumma, Dist. Koraput, (36) Shri J Venket Rabana, M/s. Sai Ganesh Boiler Rice & Chuda Mill, At/Po-Sosahandi, Ps. Kotpad, Dist. Koraput, (37) Sri Raghunath Satpathy, M/s. Laxman Rice Mill, At/Po- Kumuli, Ps. B. Singhpur, Dist. Koraput, (38) Shri Manmatha Kumar Bhatta, M/s Kanakeswari Rice Mill, At/Po/Ps-B. Singhpur, Dist. Koraput, (39) Shri Satyanarayan Subudhi, M/s. Ayappa Industries, Kelaguda, At-Bhagdevi Street, Ps- Jeypore, Dist. Koraput, (40) Shri Moheswar Bisoyi, M/s. Sabita Rice Industries, Kundraguda, At-Main Road, Po/Ps-Borigumma, Dist. Koraput, (41) Shri A Chandra Rao, M/s. Tirumala Rice Mill, At/Po- Park Street, Ps-Jeypore, Dist. Koraput, (42) Shri K Govenda Rao, M/s. Jagdish Rice and Flour Mill, Borigumma, At-Santosh Nagar, Borigumma, Ps-Borigumma, Dist. Koraput, (43) Shri P Janardan Rao, M/s. Satyabhima Rice Mill, Borigumma, At- Main Road, Borigumma, Ps-Borigumma, Dist. Koraput, (44) Shri Jagannath Patnaik, M/s. Neeltara Stone Crusher, At. Patraput, Po. Dangarchinchi, Ps-Jeypore, Dist. Koraput, (45) Shri Purna Chandra Patnaik, M/s. Neeltara Fabrication, At-Dongaguda, Po/Ps- Jeypore, Dist. Koraput, (46) M/s. Neeltara Transformer, At. Dongaguda, Po/Ps. Jeypore, Dist. Koraput, (47) Shri Gopal Krushna Panda, M/s. Syabar Shrikhetra Rice Mill, At-M.G. Road, Po/Ps- Jeypore, Dist. Koraput, (48) M. Rushikesh, M/s. Syamala Modern Rice Mill, Mill Street, Po/Ps-Jeypore, Dist. Koraput, (49) Shri S. Prakash Rao, M/s. Jyoti Modern Rice & Floor Mill, At- Canal Road, Gandhi Chowk, Jeypore, Po/Ps- Jeypore, Dist. Koraput, (50) Smt. S. Hemabati, M/s. Sai Balaji Modern Rice Mill, At- M. G. Road, Po/Ps- Jeypore, Dist. Koraput, (51) M. Anita, M/s. Om Sri Maa Tarini Modern Rice Mill, At/Po-Thuridiput, Ps-Jeypore, Dist. Koraput, (52) Shri R. Venkata Rao, M/s. Ratnala Appla Swamy Sons, At- Mill Street, Po/Ps- Jeypore, Dist. Koraput, (53) Smt. G. Banjalat Choudhary, M/s. Sriya Modern Rice Mill, At. Parajaguda Jayantigiri, Po/Ps-Borigumma, Dist. Koraput, (54) Shri G. Venkata Rao, M/s. Modern Rice Mill, At- M. G. Road, Po/Ps- Jeypore, Dist. Koraput, (55) Shri. G. Ananda Rao, M/s. Ganesh Rice Mill, At-Nadiabad Street, Po/Ps- Jeypore, Dist. Koraput, (56) Smt. Sibani Patnaik, M/s. Neelatarata Rice Mill, At./Po-Dangarachichi, Ps-Jeypore, Dist. Koraput, (57) Shri A. Bhaskar Rao, M/s. Sri Sai Venkata Enterprises, At- Bodapada, Po- Haradaput, Ps- Borigumma, Dist. Koraput, (58) Shri P. Manmada Rao, M/s. Rama Krishan R & F Mill, Khudiguda, At-Main Road, Borigumma, Ps- Borigumma, Dist. Koraput, (59) Smt. Promodini Pradhan, M/s. Sri Ram Rice Mill, Purna Borigumma, At-Meria Margo, Borigumma, Ps-Borigumma, Dist. Koraput, (60) Shri G. V. Ravana, M/s. S.D.L.N. Rice Mill, Kundraguda, At-Bhupati Street, Jeypore, Po/Ps-Jeypore, Dist. Koraput, (61) Shri B. Govinda Rao, M/s. Sri Sai Balaji Modern Rice Mill, Nuagam, At-Nuagam, Po-Sosahandi, Ps. Kotpad, Dist. Koraput, (62) Smt. P. Sukanya, M/s. Surya Teja Modern Rice Mill, Kundraguda, At-Neelakantheswar Margo, Borigumma, Ps-Borigumma, Dist. Koraput, (63) Shri S. Malikarjuna Rao, M/s. Sri Ram Rice Mill, Nuagam, At-Bail Road, Jeypore, Ps-Jeypore, Dist. Koraput, (64) Shri Narendra Kumar Agrawal, M/s. Bajarang Rice Mill, Nabarangpur, At- New Bus Stand, Ps/Po/Dist. Nabarangpur, (65) Shri M. Manikeswar Rao, M/s. Rama Rice Mill, Nabarangpur, At-Granary Street, Po/Ps/Dist. Nabarangpur, (66) Shri K. Laxman Rao, M/s. Bairagi Rice Mill, Nabarangpur, At-Turunjiaguda, P.S/Dist.-Nabarangpur, (67) Shri P. Nagaraju, M/s. Sri kanaka Durga Industries, At- Gabrieguda, Samantray Street, Nabarangpur, Dist.-Nabarangpur, (68) Shri Prama Rao, M/s. Utkal Modern Rice Mill, At- Butipadar, P.O: Pujariguda, P.S: Nabarangpur, Dist.-Nabarangpur, (69) Shri P. Nagaraju, M/s. Sri

kanaka Durga Rice Mill, At- Gadabaguda, Nabarangpur, Dist.-Nabarangpur, (70) Shri K. Krishna Rao, M/s. Sri Venkateswar Rice & Flour Mill, At./Po/Ps-Tentulikhunti, Dist. Nabarangpur, (71) Shri Rabindra Kumar Swain, M/s. Maa Mangala Traders, At-Bhatisalguda, Nabarangpur, Po/Ps-Nabarangpur, Dist. Nabarangpur, (72) Smt. B. Kumari, M/s. Vijaya Laxmi Rice Mill, At-Kurmakote, Po/Ps- Tentulikhunti, Dist. Nabarangpur, (73) Shri B. Suryanarayan, M/s Mahalaxmi Rice & Flour Mill, At-Kurmakote, Po/Ps-Tentulikhunti, Dist. Nabarangpur, (74) Shri S. Suryanarayan, M/s. Siva Shankar Rice & Flour Mill, Nabarangpur, At- Granary Street, Nabarangpur, Dist. Nabarangpur, (75) Shri Tripati Pattnaik, M/s. Mahalaxmi Rice Mill, Taragam, At/Po-Taragam, Ps-Nabarangpur, Dist. Nabarangpur, (76) Smt Pramila Kumari Mishra, M/s. Sri Satya Sai Rice Mill, At-Beheraguda, Nabarangpur Main Road, Po/Ps/Dist. Nabarangpur, (77) Smt. K. Ravi Kumar, M/s. Ratna Rice Mill, Near New Bus Stand (Old Weekly Market), Nabarangpur, Dist. Nabarangpur, (78) Shri P. Mohan Rao, M/s. Sri Sambha Shiva Modern Rice Mill, Hirli, Nabarangpur, At/Po/Ps- Nabarangpur, Dist. Nabarangpur, (79) Shri B. Ravana Rao, M/s. Om Sri Balaji Rice Mill, Kodinga, At./Po/Ps-Kodinga, Dist. Nabarangpur, (80) Shri B Gouri, M/s. Chouveswari Cashew Industries, At-Majurmunda, B.J.II, Ambaguda, Post. Ambaguda, Ps-Jeypore, Dist. Koraput, (81) V Prabhakar, Director, M/s. Gupteswar Flour Mills (P) Ltd., At- N K T Road, Randapalli, Jeypore, Koraput, (82) G. Jagan Mohan Rao, Managing Director, M/s. Mahalakshmi Cashew Industries, At/Po-Rondapalli, Jeypore, Koraput, (83) A Chandra Mauli, M/s. Sree Ananda Rice Mill, At. Baipass Road, Po/Ps. Jeypore, Dist. Koraput, (84) Shri Varanasi Mohan Rao, M/s. Omm Sri Sai Tirumaleswar Oils, At/Po-Teliguda, Ps-Jeypore, Dist. Koraput (85) B Rama Raju, M/s. Sree Sai Balaji Cashew Industries, At- Tudusapalla, Po/Ps-Sasahandi, Via. Borigumma, Dist. Koraput, (86) Shri G Ravi Kumar, M/s. Ravi Enterprises, Near Congress Bhawan Main Road, Po/Ps-Jeypore, Dist. Koraput, (87) Smt. S Chamanti, M/s. Laxmi Ganesh Cashew Industries, At-Railway Junction, Po-Umri, Ps. Jeypore, Koraput, (88) Shri G Ravi Kumar, M/s. Omm Sri Laxmi Ganesh Cashew Oil Mill, At/Po-Rondapalli, Jeypore, Koraput, (89) Varansi Srinivas, M/s. Janaki Krishna Industries, At/Po-Perahandi (Baliguda), Ps- Borigumma, Dist. Koraput, (90) Shri M. Mohan Rao, M/s. Sree Bhagawan Industries, At-Ratnakarguda, Po./Ps-Jeypore, Dist. Koraput, (91) Varanasi Sai Kumar, M/s. Sree Satya Sai Industries, At/Po-Rondapalli, Ps- Jeypore, Dist. Koraput, (92) A Ramakrishan Murty, M/s. Sree Kanak Mahalaxmi Cashew Industries, At-Bankabija, Po/Ps-Jeypore, Dist. Koraput, (93) M Sunita Lakshmi, M/s. Sree Tejshakti Food Industries, At-Ratnakarguda, Po/Ps-Jeypore, Dist. Koraput, (94) Varanasi Gopi Kumar, M/s. Sree Sitaram Industries, At/Po-Telliguda, Ps-Jeypore, Dist. Koraput, (95) Shri A Venkatswar Rao, M/s. Sree Lakshmi Industries, At/Po-Rondapalli, Ps-Jeypore, Koraput, (96) Srikant Kumar Sabat, M/s. Sai Annapurna Cashew Industries, At/Po-Haradaput, Ps-Borigumma, Dist. Koraput, (97) Varanasi Venket Rao, M/s. Sri Janakirama Cashew Industries, At/Po-Telliguda, Ps. Jeypore, Dist. Koraput, (98) M/s. Sai Rameswara Solvent Pvt. Ltd., At/Po/Ps-Ambaguda, Dist. Koraput, (99) M Mohan Rao, M/s. Shiv Shakati Oils Pvt. Ltd., At-Majurmunda, Po-Ambaguda, Ps-Jeypore, Dist. Koraput, (100) Kanhu Charan Samantara, M/s Subhalaxmi Cashew Industries, At/Po-Ambaguda, Ps-Jeypore, Dist. Koraput, (101) Shri Sanjay Kumar Samantara, M/s. Mukteswara Oil, At/Po- Ambaguda, Ps-Jeypore, Dist, Koraput, (102) Jami Ramesh, M/s. Sai Cashews, At-Telliguda, Po/Ps- Jeypore, Dist. Koraput, (103) J Ravi Kumar, M/s. Kalyani Cashew & Tin Industries, At/Po-Telliguda, Ps-Jeypore, Dist. Koraput, (104) Secretary, Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar, (105) Secretary, PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Crave Road, Pune-411004, India, (106) Commissioner-cum-Secretary to Govt., Department of Energy, Govt. of Odisha, Bhubaneswar.

**Table – 2**

| <b>Sl. No.</b> | <b>Name of the Organisations /persons with address</b>  | <b>Name of the DISCOMs' from where the Consumer Counsel to represent</b> |
|----------------|---|--|
| 1              | Grahak Panchayat, Friends Colony, Parlakhemundi, Dist : Gajapati                                  | SOUTHCO  |
| 2              | Orissa Consumers' Association, Balasore Chapter, Balasore   | NESCO  |
| 3              | Sambalpur District Consumers' Federation, Balaji Mandir Bhavan, Khetrajpur, Sambalpur             | WESCO  |
| 4              | Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela                           | WESCO  |
| 5              | Orissa Electrical Consumers' Association, Sibasaki Medicine Complex, Bazrakabati Road, Cuttack-01 | CESU   |
| 6              | Secretary, Confederation of Citizen Association, 12/A, Forest Park, BBSR-9.                       | CESU   |
| 7              | The Secretary, PRAYAS Energy Group, Pune  | CESU, WESCO, NESCO & SOUTHCO   |

All of the above mentioned Consumer Counsels, have furnished their written submission and also participated in the hearing except PRAYAS Energy Group, Pune whose written submissions were considered by the Commission.

9. The dates for hearing were fixed and it was duly notified in the leading English and Odia daily newspapers mentioning the date, place and time of hearing along with the names of the objectors. The Commission issued notice to the Govt. of Odisha represented by the Department of Energy to send their authorised representative to take part in the hearing of the ensuing tariff proceedings.
10. In its consultative process, the Commission conducted public hearings at NIT, Pranakrushna Parija Auditorium, Rourkela on 07.02.2013 for WESCO, at Collector Conference Hall, Baripada on 12.02.2013 for NESCO, at Sadbhavana Sabha (DRDA Conference Hall), Koraput on 20.02.2013 for SOUTHCO and at Collector Conference Hall, Puri on 23.02.2013 for CESU.
11. Out of the objectors who filed their written objections/suggestions for WESCO as mentioned in objector list of WESCO Objector No. 5, 9, 10 and 106 were present during tariff hearing held at NIT, Pranakrushna Parija Auditorium, Rourkela. All the written submissions filed by the objectors were taken on record and also considered by the Commission. The Applicants, Consumer Counsel, World Institute of Sustainable Energy, Pune and Consumer Counsels from licensee's area of supply & the Objectors presented their views in the hearing. The Commission heard the Applicants, Objectors, Consumer Counsels and the representative of the DoE, Government of Odisha at length.
12. Out of the objectors who filed their written objections/suggestions for NESCO as mentioned in the objector list of NESCO Objector No. 5, 6, 7, 8, 9, 12, 13, 14, 18, 19, 20, 21, 22, 23, 116 and the following persons namely Shri P. K. Pradhan, Dir (Commerce), GRIDCO, Shri Jogesh Kumar Agrawal, Secretary, District Youth Congress, Mayurbhanj, Shri Krushna Nanda Mahant, Ex-Chairman, Baripada Municipality, Shri Srinibash Pradhan, Advocate, President, District Bar association, Baripada, Shri Bibhu Prasad Das, General secretary, District bar Association,

Baripada, Bhadav Hansdah, Ex-Zilla Parisad President, Mayurbhanj, Shri Monoj Kumar Sahu, Vice President, O.P.V.C, Baliapal, Shri G. K. Goswami, Advocate, Baripada and the representative of DoE, GoO were present during tariff hearing held at Collector Conference Hall, Baripada, Mayurbhanj. All the written submissions filed by the objectors and the visitors who were present during hearing were taken on record and also considered by the Commission.

13. Out of the objectors who filed their written objections/suggestions for SOUTHCO as mentioned in objector list of SOUTHCO objector Nos.5, 7, 8, 11, 20, 23, 74, 75, 78, 79, 80, 81, 83, 85, 88, 90, 91, 104, 106, 107, 108, 110 and the following persons namely Shri Nihar Ranjan Pattnaik, Advocate, President, Bar Association of Koraput, Shri Gopal Krushna Panda, Advocate, Secretary, Jeypore, Bar Association, Jeypore, Shri Sasi Pattanaik, Jeypore, Shri V. Pravakar, Jeypore, Shri Aswani Kumar Sahu, Aska, Shri Askhay Kumar Sahu, Umarkote, Shri B. C. Jena, Jeypore, Md. Yunus, Umarkote, Shri K. Monohar, Gunupur, Shri L. RaghunathRao, Gunupur, Shri Askhay Kumar Sahu, Jeypore, Shri L. Murali, Gunupur, Shri L. Murali, Gunupur, Shri Pradeep Kumar Panda, Gunupur, Shri Rajendra Dalai, Berhampur, Shri Ajit Kumar Patra, Koraput, Shri Monosis Panda, Jeypore and the representative of the DoE, GoO were present during tariff hearing held at Sadbhabana Sabha (DRDA Conference Hall),Koraput. All the written submissions filed by the objectors and the visitors who were present during hearing were taken on record and also considered by the Commission.
14. Out of all the above named objectors who filed their written objections/suggestions for CESU as mentioned in objector list of CESU Objectors No. 1, 2, 6, 7, 9, 10, 11, 12, 13, 14, 15, 17 and the following persons namely Shri Sukant Kumar Pradhan, Advocate, Shri Lalit Kumar Mishra, Chief Executive, Odisha People's Vigilance Council, 303, Bharatia Tower, Badambari, Cuttack-9, Shri H. P. Mohapatra, N-1/1, IRC Village, Bhubaneswar-15, Smt. Minakshi Mohapatra, Temple Road, Puri, Shri Birendra Bhusan Hota, Puri, Manju Mohanty, Ex-Zilla Parisad, Puri, Purna Chandra Nanda, Puri, Manasi Harichandan, president, Mahila Congress, Puri, Shri Umakanta Behera, Puri, Shri Braja Kishore Routray, Puri, Manjulata Bariki, Puri, Shri Puskar Mohapatra, Puri, Shrihar Mishra, Puri, Shri Ashok Mishra, Puri, Debishree Pradhan, Puri, Shri Madhabananda Sethy, Puri, Shri Sarat Rath, President, City Congress, Puri, Shri Binayak Das Mohapatra, President, City Congress-1, Puri, Shri Bibhudatta Mishra, President, City Congress-2, Puri, Shri Sourav Pattanaik, Secretary, City Congress, Puri, Shri Premananda Das Mohapatra, Treasurer, City Congress, Puri, Shri Niranjana Rath, General Secretary and Shri Premananda Mohanty, General secretary, City Congress, Puri, Shri Sujit Mohanty, General Secretary, Youth Congress, Puri, Shri Upendra Nath Mohapatra, Member, DCC, Puri, Bidyut Lata Acharya, Shri Pitambar Mishra, Shri Bibhudata Parida, Shri Amiya Kumar Mohapatra, Shri Prakash Chandra Mohanty, Shri Laxmidhar Sahu, Shri Jayanarayan Pattanayak, Shri Biswajit Mishra, Shri Chhabindra Pathihari, Shri Santosh Kumar Routray, Shri Manash Ranjan Sahu, Shri Premananda Mohanty, Shri Amerandra Paikray and Shri Subrat Kumar Panda, OAS(SB), Dy. Secretary to Govt. DoE, GoO were present during tariff hearing held at Collector Conference Hall, Puri. All the written submissions filed by the objectors and the visitors who were present during hearing were taken on record and also considered by the Commission.
15. The Commission convened the State Advisory Committee (SAC) meeting on 28.02.2013 at 3.30 PM at its premises to discuss about the ARR applications and tariff proposals of licensees. The Members of SAC, Special Invitees, the Representative of

DoE, Govt. of Odisha actively participated in the discussion and offered their valuable suggestions and views on the matter for consideration of the Commission.

**ARR&RETAIL SUPPLY TARIFF PROPOSAL FOR 2013-14 (Para 16 to 47)**

16. A statement of Energy Sale, Purchase and Overall Distribution loss from FYs 2009-10 to 2013-14 as submitted by DISCOMs of Odisha namely Central Electricity Supply Utility of Odisha (CESU), North Eastern Electricity Supply Company of Odisha Ltd (NESCO), Southern Electricity Supply Company of Odisha Ltd (SOUTHCO) and Western Electricity Supply Company of Odisha Ltd (WESCO) are given below

**Table - 3**  
**Energy Purchase, Sales and Loss**

| DISCOMs | Particulars                 | 2009-10<br>(Actual) | 2010-11<br>(Actual) | 2011-12<br>(Actual) | 2012-13<br>(Estd) | 2013-14<br>(Projected) |
|---------|-----------------------------|---------------------|---------------------|---------------------|-------------------|------------------------|
| CESU    | Energy Sale (MU)            | 3775.03             | 4372.65             | 4787.43             | 4836.77           | 5583.12                |
|         | Energy Purchased (MU)       | 6232.68             | 7069.34             | 7791.00             | 7738.84           | 8210.47                |
|         | Overall Distribution Loss % | 39.43               | 38.15               | 39.00               | 37.50             | 32.00                  |
| NESCO   | Energy Sale (MU)            | 3175.14             | 3435.59             | 3301.53             | 3786.98           | 4142.81                |
|         | Energy Purchased (MU)       | 4705.45             | 5067.403            | 5023.40             | 5690.43           | 6140.23                |
|         | Overall Distribution Loss % | 32.52               | 32.20               | 34.28               | 33.45             | 32.53                  |
| WESCO   | Energy Sale (MU)            | 4089.90             | 3978.711            | 3775.042            | 4027.52           | 4433.00                |
|         | Energy Purchased(MU)        | 6301                | 6510.88             | 6177.74             | 6496.00           | 6821.00                |
|         | Overall Distribution Loss % | 35.09               | 38.89               | 38.89               | 38.00             | 35.01                  |
| SOUTHCO | Energy Sale (MU)            | 1187.82             | 1323.466            | 1507.53             | 1722.33           | 2159.06                |
|         | Energy Purchased (MU)       | 2285.32             | 2555.64             | 2814.13             | 3047.00           | 3600                   |
|         | Overall Distribution Loss % | 48.02               | 48.21               | 46.43               | 43.47             | 40.03                  |

**AT&C Loss**

17. The distribution Loss, Collection Efficiency and target fixed by OERC with reference to AT&C Loss for the four DISCOMs since FY 2009-10 onwards are given hereunder

**Table - 4**

| DISCOMs | Particulars   | 2009-10<br>(Actual) | 2010-11<br>(Actual) | 2011-12<br>(Actual) | 2012-13<br>(Estt) | 2013-14<br>(Propos) |
|---------|---|---------------------|---------------------|---------------------|-------------------|---------------------|
| CESU    | Dist. Loss (%)                                      | 39                  | 38                  | 37.96               | 37.50             | 32.00               |
|         | Collection Efficiency (%)                           | 93.19               | 96                  | 97                  | 99                | 99                  |
|         | AT&C Loss (%)                                       | 43.56               | 41                  | 39.99               | 38.13             | 32.68               |
|         | OERC Target (AT&C Loss %)<br>(As per Business Plan) | 27.77               | 26.86               | 24.76               | 23.77             | *                   |
| NESCO   | Dist. Loss (%)                                      | 32.52               | 32.20               | 34.28               | 33.45             | 32.53               |
|         | Collection Efficiency (%)                           | 95.53               | 94.34               | 100.57              | 99.66             | 99.17               |
|         | AT&C Loss (%)                                       | 35.54               | 36.04               | 33.91               | 33.67             | 33.08               |
|         | OERC Target (AT&C Loss %)<br>(As per Business Plan) | 24.54               | 20.09               | 19.22               | 19.17             | *                   |
| WESCO   | Dist. Loss (%)                                      | 35.09               | 38.89               | 38.89               | 38.00             | 35.01               |
|         | Collection Efficiency (%)                           | 96.03               | 91.32               | 95.37               | 97                | 98                  |
|         | AT&C Loss (%)                                       | 37.67               | 44.20               | 41.72               | 39.86             | 36.31               |
|         | OERC Target (AT&C Loss %)<br>(As per Business Plan) | 24.05               | 21.53               | 20.50               | 20.40             | *                   |
| SOUTHCO | Dist. Loss (%)                                      | 48.02               | 48.21               | 46.43               | 43.47             | 40.03               |
|         | Collection Efficiency (%)                           | 95.98               | 92.40               | 97.80               | 97.00             | 97.00               |
|         | AT&C Loss (%)                                       | 50.16               | 52.15               | 47.61               | 45.17             | 41.83               |
|         | OERC Target (AT&C Loss %)<br>(As per Business Plan) | 29.36               | 29.26               | 27.24               | 26.25             | *                   |

- \* Due to failure of DISCOMs to submit their Business Plan for 3<sup>rd</sup> Control Period in time the Commission have accepted the Business Plan target for FY 2012-13 as target for 2013-14 provisionally.

The licensees have proposed above AT&C losses in their license area and NESCO, WESCO and SOUTHCO have further submitted to re-determine the target for distribution loss basing on actual level of loss for sustainability of distribution business. The utilities have planned the following measures along with CAPEX programme for distribution loss reduction and to achieve targets:

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

The DISCOMs such as NESCO, WESCO and SOUTHCO have proposed to make an expenditure of Rs.15.78 Crs., Rs.10.33 Cr. and Rs.20.44 Cr. respectively in this regard. In view of above, the Licensees requested the Commission to consider the proposed AT&C loss by them for FY 2013-14.

#### System Improvement Scheme/ Capex Plan

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

**Table - 5**  
**Capex Programme of DISCOMs (Rs. Crore)**

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

#### Revenue Requirement

##### Sales Forecast

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

**Table – 6**

| Licensee/<br>Utility | LT Sales for 2013-14<br>(Estt) |                      | HT Sales for 2013-14<br>(Estt) |                      | EHT Sales for 2013-14<br>(Estt) |                      | Total<br>Sales<br>2013-14<br>(Estt) MU |
|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|---------------------------------|----------------------|--|
|                      | (MU)                           | % Rise over<br>FY 13 | (MU)                           | % Rise over<br>FY 13 | (MU)                            | % Rise<br>over FY 13 |  |
| <b>CESU</b>          | 2900.26                        | 16.6                 | 1181.94                        | 16.9                 | 1682.81                         | 12.14                | <b>5583.12</b>                         |
| <b>NESCO</b>         | 2103                           | 29.9%                | 464.52                         | 1.002%               | 1575.01                         | (7.58%)              | <b>4142.81</b>                         |
| <b>WESCO</b>         | 1715.00                        | 21.94%               | 1268.00                        | 4.77%                | 1450                            | 2.76%                | <b>4433.00</b>                         |
| <b>SOUTHCO</b>       | 1533.30                        | 35.52%               | 199.73                         | 4.6%                 | 426.02                          | 6.49%                | <b>2159.066</b>                        |

### Power Purchase Expenses

20. The Licensees have proposed the power purchase costs based on their current BSP, transmission charges and SLDC charges. They have also projected their SMD considering the actual SMD during FY 2012-13 and additional load coming in the FY 2013-14 which is as shown in table given below.

**Table - 7**

| DISCOMs | Estimated Power Purchase in MU | Estimated Sales MU | Distribution Loss in % | Current BSP Paise/Unit | Estimated Power Purchase Cost Rs Cr. for 2013-14 | SMD proposed MVA for 2013-14 |
|---------|--------------------------------|--------------------|------------------------|------------------------|--|------------------------------|
| CESU    | 8210.47                        | 5583.12            | 32.00                  | 292                    | 2398.28  | 1415                         |
| NESCO   | 6140.23                        | 4142.81            | 32.53                  | 301                    | 2002.67  | 900                          |
| WESCO   | 6821.00                        | 4433.00            | 35.01                  | 300                    | 2217.99  | 1100                         |
| SOUTHCO | 3600                           | 2159               | 40.03                  | 182                    | 745.74   | 610                          |

### Employees' Expenses

21. CESU, NESCO, WESCO and SOUTHCO have projected the employee expenses of Rs. 303.84 Cr. Rs.354 Cr., Rs.328.32 Cr. and Rs.250.58 Cr respectively for FY 2013-14 against approved employee expense of Rs. 339.39 Cr. 180.02 Cr., Rs.206.82 Cr. and Rs.186.17 Cr. respectively for the FY 2012-13.

### Administrative & General Expenses

22. CESU, NESCO, WESCO, SOUTHCO have submitted A & G expense of Rs.50.66 Cr., Rs.53.57 Cr., Rs.47.16 Cr. and Rs.46.16 Cr. for FY 2013-14 against approved A & G expense of Rs.39.73, Rs 21.38 Cr Rs.29.25 Cr and Rs.19.17 Cr. for the FY 2012-13 respectively. While calculating the A&G expenses the licensees have projected the expenditure by considering 7% increase over the approved A&G for FY 2012-13 along with additional A&G expenses for new activities to be undertaken by them

### Repair & Maintenance (R&M) Expenses

23. All the DISCOMs have calculated R&M expenses as 5.4% of GFA including the RGGVY and BGJY assets at the beginning of the year. They have also prayed to allow the R&M on the RGGVY &BGJY assets so that they can maintain the assets. If State Government provides revenue subsidy for R&M of RGGVY & BGJY assets then the R&M for corresponding year may be reduced by the Commission. The details of proposal under R&M expenses for ensuing financial year 2013-14 are given below:

**Table - 8**  
**R&M Cost (Rs. Cr.)**

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

### Provision for Bad & Doubtful Debts

24. Considering the collection efficiency of 99% for the year 2013-14, two percent of net revenue has been taken as bad debt. CESU has made provision towards bad and doubtful debts to the tune of Rs.26.84 Cr.

NESCO, WESCO and SOUTHCO submitted that due to past losses arising out of collection inefficiency and huge regulatory gaps, it would be difficult for them to arrange working capital and the situation would worsen if the Commission donot recognise the short-fall in collection efficiency. In order to make good the loss or short-fall in collection efficiency, the licensees have considered the amount equivalent to the collection inefficiency as bad and doubtful debts while estimating the ARR for FY 2013-14. Considering the proposed collection efficiency of 99 % for NESCO and 97 % for SOUTHCO for FY 2013-14, they have considered for bad and doubtful debts to the extent of Rs.15.15 Cr., and Rs.24.92 Cr towards collection inefficiency as bad and doubtful debt as part of ARR for FY 2013-14. However, considering the proposed collection efficiency 98%, WESCO has considered the amount equivalent to collection inefficiency along with additional amount of Rs 16 Cr towards LD/PLD consumers under bad and doubtful debts totaling to Rs 57.983 Cr.

### **Depreciation**

25. All the four DISCOMs have adopted straight-line method for computation of depreciation at pre-92 rate. No depreciation has been provided for the asset created during ensuing year. Depreciation for FY 2013-14 is projected at Rs.56.20 Cr. for NESCO, Rs.36.33 Cr. for WESCO Rs 43.99 Cr. for SOUTHCO and Rs.78.72 Cr. for CESU.

### **Interest Expenses**

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

#### **(a) Loan from GRIDCO and others with Interest**

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

#### **(b) NTPC Power Bond**

28. As per the Commission's Order dated 12.05.2011, NESCO, WESCO & SOUTHCO have made payment and claim to have fully complied with the settlement order and are waiting for the ceding of charges by GRIDCO to approach the Banks/ FIs to avail loan for Capex. The Licensees have considered the approved interest rate of 8.5% p.a. NESCO, and SOUTHCO have considered the interest on the revised loan after the settlement as Rs 3.69 Cr, and Rs 14.51 Cr respectively.

#### **(c) Interest on Capex Loan from Govt. Of Odisha**

29. NESCO, WESCO & SOUTHCO have estimated the interest at the rate of 4% p.a. on the Capex loan issued by the GoO which amounts to Rs 3.08 Cr, Rs. 2.85 Cr. and Rs. 13.99 Cr. respectively for the ensuring year.

#### **(d) World Bank Loan Liabilities**

30. NESCO, WESCO & SOUTHCO have calculated the interest liability of Rs. 10.38 Crore, Rs. 11.82 Crore and Rs 7.79 Crore respectively against the loan amount at an

interest rate of 13% and repayment liability of Rs.9.13 Crore, Rs 9.10 Crore and Rs. 7.26 Crore respectively.

**(e) Interest on APDRP loan assistance**

31. About loan from Govt, CESU has submitted that they have availed APDRP assistance of Rs 37.09 Cr. from GOI through Govt of Odisha and borrowed counter funding from PFC amounting Rs 35.52 Cr. The loan component of the APDRP fund received from GoO carries an interest rate of 12 % per annum.

In the ensuing year, NESCO, WESCO & SOUTHCO have estimated nothing to be expended under APDRP Scheme. For the assistance already availed by the licensees previously interest @ 12% per annum has been considered for the ensuing year on the existing loan. NESCO, WESCO and SOUTHCO have estimated an interest of Rs.0.7638 Crore, Rs.1.2203 Crore and Rs.0.6829 Crore, respectively on this account.

**(f) Interest on SI scheme counterpart funding from REC/IDBI for Capex plan**

32. NESCO, WESCO & SOUTHCO have estimated the interest at the rate of 13.5% p.a. on counterpart funding for SI Capex scheme which amounts to Rs. 10.40 Cr., Rs. 5.22 Cr. and Rs. 14.46 Cr. respectively for the ensuring year.

**(g) Interest Capitalized**

33. NESCO, WESCO and SOUTHCO have shown the interest on loan outstanding at the beginning of the year as revenue expenses as a part of ARR. The interest on loan to be drawn during the ensuing year for capital works has been capitalized. The total interest estimated for financial year 2013-14 for NESCO, WESCO and SOUTHCO are Rs.6.74 Crore, Rs.3.83 Crore and Rs.5.69 Crore, respectively.

**(h) Interest on Security Deposit**

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

**Non-Tariff Income**

35. NESCO, WESCO and SOUTHCO have proposed non-tariff income for FY 2013-14 to the tune of Rs. 26.87 Crore, Rs.51.24 Crore and Rs.7.45 Crore, respectively. However, they have proposed to abolish meter rent for all categories and hence not considered any income from meter rent.

**Provision for contingency**

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

**Amortisation of Regulatory Assets**

37. NESCO, WESCO and SOUTHCO have included the total amortization of Regulatory assets as Rs 336.16 Cr, Rs 1063.14 Cr and Rs. 1288.05 Cr respectively for the FY 2013-14. Out of the total regulatory assets projected as above, licensees have requested the Commission to allow part of the Regulatory asset for amortization during the year 2013-14 which are to the tune of Rs 35.77 Crore, Rs. 396.82 Crore, Rs 257.61 Crore respectively.

### Return on Equity/Reasonable Return

38. CESU has claimed Rs.11.64 Cr. as ROE calculated @16% on equity capital. NESCO, WESCO and SOUTHCO have submitted that due to negative returns (gaps) in the ARR and carry forward of huge regulatory assets in previous years the licensees could not avail the ROE. They have prayed for ROE on the equity and the accrued ROE for the previous years to be allowed in ARR of FY 2013-14. This would increase the availability of additional funds for the consumer services. Therefore, NESCO, WESCO and SOUTHCO have assumed a reasonable return of Rs.10.55 Cr., Rs.7.78 Cr. and Rs.6.03 Crore respectively calculated at 16% on equity capital including the accrued RoE.

### Truing up of Revenue Gap for FY 2011-12 and FY 2012-13

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

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

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

### Revenue at existing tariffs

40. The Licensees have estimated the revenue from sale of power by considering the sales projected for FY 2013-14 and by applying the various components of existing tariffs. The total revenue based on the existing tariffs applicable for the projected sales is estimated at Rs 2785.98 Crore, Rs 1826.43 Crore, Rs 2098.81 Crore and Rs 825.50 Crore by CESU, NESCO, WESCO and SOUTHCO respectively.

### Summary of ARR and Revenue Gap

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

**Table – 9**  
**Proposed Revenue Requirement of DISCOMs for the FY 2013-14 (Rs. Crore)**

|  | CESU     | NESCO     | WESCO     | SOUTHCO  | Total DISCOMs |
|--|----------|-----------|-----------|----------|---------------|
| <b>Total Power Purchase, Transmission &amp; SLDC Cost(A)</b> | 2,398.27 | 2,002.67  | 2,217.99  | 745.74   | 7,364.67      |
| <b>Total Operation &amp; Maintenance and Other Cost</b>      | 722.66   | 628.77    | 668.98    | 493.86   | 2,479.38      |
| <b>Return on equity</b>                                      | 11.63    | 10.54     | 7.78      | 6.03     | 35.98         |
| <b>Total Distribution Cost (B)</b>                           | 3,132.56 | 2,641.98  | 2,894.75  | 1,245.63 | 9,880.03      |
| <b>Total Special Appropriation (C)</b>                       | 0        | 342.05    | 318.41    | 521.56   | 1,182.02      |
| <b>Total Cost (A+B+C)</b>                                    | 3,132.56 | 2,984.03  | 3,213.16  | 1,767.20 | 11,062.05     |
| Less: Miscellaneous Receipt                                  | 102.25   | 26.87     | 51.23     | 7.46     | 187.81        |
| <b>Total Revenue Requirement</b>                             | 3,030.31 | 2,957.16  | 3,161.93  | 1759.74  | 10,874.24     |
| <b>Expected Revenue(Full year )</b>                          | 2,684.13 | 1,822.53  | 2,098.80  | 825.5    | 7,430.96      |
| <b>GAP at existing tariff (+/-)</b>                          | -346.18  | -1,134.63 | -1,063.13 | -934.24  | -3,443.28     |

### Proposed Revenue Gap

42. 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**

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

### Proposal of CESU

43. CESU proposed to meet the revenue gap of Rs 346.60 Cr. by the way of revision of retail tariff as per the proposed tariff schedule and/or Government subsidy as the Commission may deem fit or a combination of proposals suggested on RST as follows:

- Withdrawal of “take & pay” tariff
- MMFC charges having consumer contract demand less 110 kVA
- Emergency power supply to CGP / IPP
- Over-drawl penalty in energy charges and demand charges for consumers who are not included in the ARR application
- Conversion from Kutir-Jyoti / BPL consumers to domestic Consumers
- Introduction Own-Your –Transformer (OYT) Scheme
- Introduction of System Loading Charges
- Introduction of loss surcharge
- Application of M/s. Power Grid Corporation of India Ltd. New Delhi for grant of Distribution License for grant of Distribution License for carrying out “Wires Business”
- Charging of delayed payment surcharge (DPS) in all category of consumers
- Allowing of rebate to the consumers for prompt payment by due date
- Facility of Agro based tariff as per Para 258 of RST – 2012-13
- Power supply against indemnity bond

44. CESU has also proposed following Tariff Schedule:

**Table - 11**  
**PROPOSED RETAIL TARIFF EFFECTIVE FROM 1<sup>st</sup> APRIL -2013**

| Sl. No.            | Category of Consumers   | Voltage of Supply | Demand Charge (Rs./KW/Month)/ (Rs./kVA/Month) | Energy Charge (P/kWh) | Customer Service Charge (Rs./Month) | Monthly Minimum Fixed Charge for first kW or part (Rs.) | Monthly Fixed Charge for any additional kW or part (Rs.) | Rebate (P/kWh)/ DPS |
|--------------------|-------------------------|-------------------|---|-----------------------|-------------------------------------|---|--|---------------------|
| <b>LT Category</b> |                         |                   |   |                       |                                     |   |  |                     |
| 1                  | Domestic                |                   |   |                       |                                     |   |  |                     |
| 1.a                | Kutir Jyoti < 30U/month | LT                | FIXED MONTHLY CHARGE ---->                    |                       |                                     | 80  |  |                     |
| 1.b                | Others                  |                   |   |                       |                                     |   |  | 10                  |

|                     |   |     |     |        |      |     |    |            |
|---------------------|---|-----|-----|--------|------|-----|----|------------|
|                     | (Consumption <=50 units/month)                    | LT  |     | 250    |      | 30  | 20 |            |
|                     | (Consumption >50, <=200 units/month)              | LT  |     | 420    |      | 30  | 20 |            |
|                     | (Consumption >200, <=400 units/month)             | LT  |     | 490    |      | 30  | 20 |            |
|                     | (Consumption >400 units/month)                    | LT  |     | 530    |      | 30  | 20 |            |
| 2                   | General Purpose < 110 KVA                         |     |     |        |      |     |    | 10         |
|                     | (Consumption <=100 units/month)                   | LT  |     | 560    |      | 45  | 40 |            |
|                     | (Consumption >100, <=300 units/month)             | LT  |     | 660    |      | 45  | 40 |            |
|                     | (Consumption >300 units/month)                    | LT  |     | 710    |      | 45  | 40 |            |
| 3                   | Irrigation Pumping and Agriculture                | LT  |     | 0      |      | 30  | 20 | 10         |
| 4                   | Allied Agricultural Activities                    | LT  |     | 170    |      | 30  | 20 | 10         |
| 5                   | Allied Agro-Industrial Activities                 | LT  |     | 170    |      | 80  | 60 | DPS/Rebate |
| 6                   | Public Lighting                                   | LT  |     | 420    |      | 20  | 60 | DPS/Rebate |
| 7                   | L.T. Industrial (S) Supply                        | LT  |     | 580    |      | 80  | 60 | DPS/Rebate |
| 8                   | L.T. Industrial (M) Supply                        | LT  |     | 580    |      | 100 | 80 | DPS/Rebate |
| 9                   | Specified Public Purpose                          | LT  |     | 580    |      | 80  | 80 | DPS/Rebate |
| 10                  | Public Water Works and Sewerage Pumping<110 KVA   | LT  |     | 580    |      | 80  | 80 | DPS/Rebate |
| 11                  | Public Water Works and Sewerage Pumping >=110 KVA | LT  | 250 | 580    | 100  |     |    | DPS/Rebate |
| 12                  | General Purpose >= 110 KVA                        | LT  | 250 | 580    | 100  |     |    | DPS/Rebate |
| 13                  | Large Industry                                    | LT  | 250 | 580    | 100  |     |    | DPS/Rebate |
| <b>HT Category</b>  |   |     |     |        |      |     |    |            |
| 14                  | Bulk Supply - Domestic                            | HT  | 30  | 420    | 500  |     |    | DPS/Rebate |
| 15                  | Irrigation Pumping and Agriculture                | HT  | 50  | 160    | 500  |     |    | DPS/Rebate |
| 16                  | Allied Agricultural Activities                    | HT  | 50  | 160    | 500  |     |    | DPS/Rebate |
| 17                  | Allied Agro-Industrial Activities                 | HT  | 80  | 410    | 500  |     |    | DPS/Rebate |
| 18                  | Specified Public Purpose                          | HT  | 300 |        | 500  |     |    | DPS/Rebate |
| 19                  | General Purpose >70< 110 KVA                      | HT  | 300 |        | 500  |     |    | DPS/Rebate |
| 20                  | H.T .Industrial (M) Supply                        | HT  | 300 |        | 500  |     |    | DPS/Rebate |
| 21                  | General Purpose >70KVA < 110 KVA                  | HT  | 300 |        | 500  |     |    | DPS/Rebate |
| 22                  | Public Water Works & Sewerage Pumping             | HT  | 300 |        | 500  |     |    | DPS/Rebate |
| 23                  | Large Industry                                    | HT  | 300 |        | 500  |     |    | DPS/Rebate |
| 24                  | Power Intensive Industry                          | HT  | 300 |        | 500  |     |    | DPS/Rebate |
| 25                  | Mini steel Plant                                  | HT  | 300 |        | 500  |     |    | DPS/Rebate |
| 26                  | Railway Traction                                  | HT  | 300 |        | 500  |     |    | DPS/Rebate |
| 27                  | Emergency Supply to CPP                           | HT  |     | 710    | 500  |     |    | DPS/Rebate |
| 28                  | Colony Consumption                                | HT  |     | 470    |      |     |    | DPS/Rebate |
| <b>EHT Category</b> |   |     |     |        |      |     |    |            |
| 29                  | General Purpose                                   | EHT | 300 |        | 1000 |     |    | DPS/Rebate |
| 30                  | Large Industry                                    | EHT | 300 |        | 1000 |     |    | DPS/Rebate |
| 31                  | Railway Traction                                  | EHT | 300 |        | 1000 |     |    | DPS/Rebate |
| 32                  | Heavy Industry                                    | EHT | 300 |        | 1000 |     |    | DPS/Rebate |
| 33                  | Power Intensive Industry                          | EHT | 300 |        | 1000 |     |    | DPS/Rebate |
| 34                  | Mini steel Plant                                  | EHT | 300 |        | 1000 |     |    | DPS/Rebate |
| 35                  | Emergency Supply to CPP                           | EHT | 250 | 700.00 | 1000 |     |    | DPS/Rebate |
| 36                  | Colony Consumption                                | EHT |     | 460.00 |      |     |    | DPS/Rebate |

**Note: Energy Charges for HT & EHT Consumers**

| Load Factor (%) | HT (Paisa/ Unit) | EHT(Paisa/Unit) |
|-----------------|------------------|-----------------|
| Upto 50%        | 565.00           | 560.00          |
| >50% =<60%      | 490.00           | 485.00          |

|      |        |        |
|------|--------|--------|
| >60% | 435.00 | 430.00 |
|------|--------|--------|

45. **CESU has made following prayers to the Commission**

- Admit the accompanying Annual Revenue Requirement & Tariff Application of FY 2013-14
- To provide all necessary support and guidance for the successful implementation of Input Based Franchisee Model with Incremental Revenue Sharing (IBF-IRS) basis in 15 divisions which will make CESU a commercially viable organization.
- To provide support to Input Based Franchisees in installing Smart Meters / electronic meters in customer premises.
- To consider actual distribution and AT&C loss while approving the ARR application for FY 2013-14.
- To direct Government to provide subsidy because of lower tariff in case of BPL customers, as nos. of BPL customer will be very high during FY 2013-14
- To introduce System Loading Charges for use in System Improvement Works.
- To grant any relief as deemed fit and proper in the facts and circumstances of the case.
- Consider the projected T&D loss of 32% in FY 2013-14.
- Direct/order that, the revenue gap shall be bridged by revision of retail tariff and/or Government subsidy as the Commission may deem fit.

**Tariff Proposal of NESCO, WESCO and SOUTHCO:**

46. The Licensees have not proposed any new tariff schedule though they 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.

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

- Take the accompanying ARR and Tariff Petition on record.
- Approve the Annual Revenue Requirement for FY 2013-14 including amortization of regulatory assets on account of uncovered gap up to 2010-11 and truing up for FY 2011-12 and FY 2012-13.
- Bridge the Revenue Gap for the FY 2013-14 through increase in Retail Supply Tariff, reduction in Bulk Supply Tariff (BST), grant/subsidy from the State Government of Orissa etc.
- To consider the servicing of the loan liability as 1st priority on the escrow utilization.
- To give effect to the ATE order dated 8.11.2010 on different issues such as fixation of Distribution loss target, truing up of previous years accordingly.
- GRIDCO and GoO may kindly be advised to implement the earlier order of the Commission to release the licensees assets for raising loan.
- Allow the following Tariff rationalization measures;

- ✓ Fixation of Minimum Charges for LT (SI), LT(MI) Category of Consumers
- ✓ Extended Delayed Payment Surcharge to all category consumer
- ✓ Introduction of kVAh Billing
- ✓ Two part tariff for Emergency power supply to Captive Power Plants (CPP)
- ✓ Discontinuation of Load Factor Incentive and Take or Pay Tariff
- ✓ Exclusion of Meter Rent as Misc Revenue
- ✓ Revised tariff for the Lift irrigation Points.
- ✓ Issue of Guidelines for replacement of burnt transformers
- ✓ Creation of dedicated feeders for agriculture and irrigation purposes
- ✓ Determination of Minimum Fixed Tariff for rice processing units/ rice haulers
- ✓ MMFC for Consumers with Contract Demand <110 kVA
- ✓ 2% Rebate on payment of BST bills within 3 days time instead of 2 working days (For WEESCO only)
- ✓ Addressing of Negative cash flow of WESCO. (For WEESCO only)
- ✓ Introduction of reliability surcharge for HT and EHT consumers > 110 kVA or otherwise to be brought under UI regime (For SOUTHCO only)
- ✓ Reemphasis of Telescopic slabs under Domestic Category (For SOUTHCO only)
- ✓ Introduction of Time of Season (ToS) Tariff (For SOUTHCO only)
- ✓ Recovery of Fixed cost from MMFC and Demand Charges (For SOUTHCO only)
- ✓ Other Tariff rationalization measures as proposed in this application
- Allow the licensee to submit additional documents, modify the present petition, if so required, during the proceeding of this application.
- Any other relief, order or direction which the Commission deems fit.

#### **OBJECTIONS & QUERIES RAISED DURING THE HEARING (Para 48 to108)**

48. Hearing of ARR and Tariff application of all the DISCOMs for the FY 2013-14 started with a Power Point Presentation of ARR submission by the applicant to the Commission. This was followed by a presentation by representative of World Institute of Sustainable Energy, Pune who had been appointed as consumer counsel. They presented the gist of the submissions made by the licensee, analysis of the ARR and made certain observations and submissions on ARR. Then the objectors who were present during the hearing made their observations and submissions on ARR.

**Comments of Consumer Counsel World Institute of Sustainable Energy (WISE), Pune on Tariff Application**

49. World Institute of Sustainable Energy, Pune presented an analysis of the ARR applications and some of the important observations which are as follows:

- i. All the utilities have projected the power purchase cost at the present BSP which may not be the case as GRIDCO has proposed hike in BSP for the ensuring year. Further the projections of power purchase of all the utilities were based on the six months actual purchased energy and six months projections. These projections were further added with the demand escalations across the category of consumers for the ensuring financial year.
- ii. All the utilities have different consumer base and hence different energy utilization pattern. The utilization of energy purchased by all the utilities in percentage for the ensuring year is as tabulated below:

**Table - 12**

|                       | <b>CESU</b> | <b>NESCO</b> | <b>WESCO</b> | <b>SOUTHCO</b> |
|-----------------------|-------------|--------------|--------------|----------------|
| EHT sales (%)         | 18          | 26           | 21           | 12             |
| HT sales (%)          | 15          | 8            | 19           | 5              |
| LT sales (%)          | 35          | 34           | 25           | 43             |
| Overall Dist Loss (%) | 32          | 32           | 35           | 40             |

- iii. It has been observed that the licensees usually project high energy demand forecast in case of LT and BPL category consumers initially while filing the ARR application but subsequently end up with a figures of low consumption than the projected. The Consumer counsel has substantiated this fact with the demand projection and audited actual energy consumption data available with regard to LT/BPL category under ARR 12-13 (projections) and ARR 11-12 (audited) respectively. The consumer counsel requested the Commission to scrutinize the data before approving energy demand projections of DISCOMs.

The analysis of the projected overall distribution loss versus the Commission's approval in the business plan for FY 12-13 is as follows:

**Table - 13**

|   | <b>CESU</b> | <b>NESCO</b> | <b>WESCO</b> | <b>SOUTHCO</b> |
|---|-------------|--------------|--------------|----------------|
| OERC Approved Dist. Loss (%)                        | 23          | 18.35        | 19.6         | 25.5           |
| Projected Overall Distribution Loss (%)             | 32          | 32.53        | 35.01        | 40.03          |
| Difference (Higher Distribution loss proposed) (%)  | 9           | 14.18        | 15.41        | 14.53          |
| Distribution loss excluding EHT /HT Consumption (%) | 41.88       | 43.70        | 53.31        | 43.64          |

- iv. It has been observed that licensees are lagging behind in achieving the set targets of distribution loss reduction. Further, the distribution loss excluding the EHT sales are much higher than the overall distribution loss. Consumer counsel submitted before the Commission that the higher distribution loss due to licensee's inefficiency should not be allowed to pass on to the end consumers. Hence the revenue required to purchase higher energy because of

higher loss levels should not be approved. The Commission may direct the licensees to explore various measures to reduce LT and HT distribution loss.

The analysis of the projected collection efficiency as against the Commission's approval in the business plan is as follows:

**Table - 14**

|  | <b>CESU</b> | <b>NESCO</b> | <b>WESCO</b> | <b>SOUTHCO</b> |
|--|-------------|--------------|--------------|----------------|
| OERC Approval                            | 99          | 99           | 99           | 99             |
| Proposed Collection Efficiency           | 99          | 99.69        | 98           | 97             |
| Difference (Lower collection efficiency) | 0           | +0.69        | - 1          | -2             |

WESCO and SOUTHCO have proposed lower collection efficiency than the Commission's approval in the business plan. Hence the proposed higher provision for bad and doubtful debt may not be allowed to pass on to the consumers.

- v. Administration and General (A&G) cost is controllable cost parameter. LTTS order has approved 7% escalation in A&G cost over the earlier financial years A&G cost. However all the utilities have proposed higher increase in A&G cost than that of earlier approval of the Commission. Hence it was submitted that the Commission may review the proposal of utility along with the earlier audited expenditures.
- vi. As per LTTS order the licensees are allowed to claim 5.40% of opening Gross Fixed Assets (GFA) towards Repair and Maintenance (R&M) expenses for the ensuing year. It has been noticed while scrutinizing the ARR that the utilities have been adding the assets created under RGGVY and BGJY schemes of Government while arriving at opening GFA. The Commission shall not consider the cost of assets created / proposed to be created under the GFA as the assets are not transferred to the utility.
- vii. It has been observed that there has been substantial increase in the BPL/Kutir Jyoti category of consumers the data submitted by the licensee is as follows:

**Table - 15**

|                    | <b>CESU</b> | <b>NESCO</b> | <b>WESCO</b> | <b>SOUTHCO</b> |
|--------------------|-------------|--------------|--------------|----------------|
| Total LT Consumers | 1698758     | 1627491      | 1233174      | 1298077        |
| BPL Consumers      | 214154      | 637677       | 540696       | 503813         |
| % BPL consumers    | 13%         | 39 %         | 43%          | 38%            |

On an average 33% of the LT consumers in Odisha will be from BPL category which is getting subsidized tariff. This will inflict huge pressure of cross subsidy on other category of consumers. Hence, the benefits of lower tariff to BPL consumers should be strictly restricted to consumers having monthly consumption of 30 kWh or 360 kWh of annual consumption. Further, the Commission may issue clear guidelines for conversion of BPL category consumers to general LT category consumers to avoid further implementation issues. Also, as per National Electricity Policy the tariff to this category of consumers should be at least 50% of the average cost of supply. Hence, upfront subsidy equivalent to difference between the average cost of supply and the proposed applicable tariff to this category may be sought from Government of Odisha.

- viii. With regard to the tariff rationalization measures proposed by NESCO, WESCO and SOUTHCO, the Consumer counsel opined that the tariff rationalization measures are not supported with the reasoned analysis and are not consistent with the EA 2003 as well as OERC distribution Code 2004 as well as OERC MYT Regulation. With regard to the tariff rationalization measure proposed by CESU, the consumer counsel opined that the Take and Pay tariff should not continue with present form so as to avoid multiple benefits to same consumer. The consumer counsel mentioned that the present practice followed in case of (a) setting tariff to LT consumer having contract demand less than 110 kVA, (b) charging flat tariff to CGPs (c) treatment for over drawl by CGPs (d) allowing rebate to consumer for prompt payment (e) charging DPS to specific categories of consumers etc may be continued in the ensuing year RST order. Whereas the consumer counsel has strongly objected the proposal of CESU to levy a System loading charge and Loss surcharge on the consumer as it is against the provision under Electricity Act 2003.

#### **Comments of other Consumer Counsels**

50. The Commission had also appointed different consumer organizations as Consumer Counsels for different distribution licensee's area. They are as follows:

**CESU:-** (i) Shri A. B. Routray, Orissa Electrical Consumer Association, Siva Sakti Medicine Complex, Cuttack-753001 & (ii) Secretary, Confederation of Citizen Association, 12/A, Forest Park, Bhubaneswar-751009.

**NESCO:-** (i) Orissa Consumers Association, Balasore Chapter, Balasore

**WESCO:-** (i) Sambalpur District Consumers Federation, Balaji Mandir Bhavan, Kheterajpur, Sambalpur (ii) Sundargarh District Employee Association, AL-1, Basanti Nagar, Rourkela

**SOUTHCO:-** (i) Grahak Panchayat, Friends Colony, Paralakhemundi, Dist-Gajapati.

**For all distribution licensee's area:-** (i) PRAYAS, Energy Group, Amrita Clinic, Athawale Corner, Carve Road, Pune-411004.

All of the above mentioned Consumer Counsels, have furnished their written submissions and also participated in the hearing except PRAYAS Energy Group, Pune and their written submissions were considered by the Commission.

The observations of the Consumer Counsels, who were present during the hearing and written submissions filed by them are summarized along with the issues raised by the objectors.

#### **Issues raised by objectors during hearing and through written submission**

51. The Commission has considered all the issues raised by the participants in their written as well as oral submissions during the public hearing. Some of the objections were found to be of general nature whereas others were specific to the proposed Revenue Requirement and Tariff filing for the financial year 2013-14. Based on their nature and type, these objections have been categorized broadly as below:

### **Legal Issues**

52. One of the consumer association submitted that the application filed by the licensee is not in accordance with law and also not tenable under law, so the same is liable to be rejected.

### **Review of Past Operations in General**

53. One of the objectors submitted that, DISCOM are not serious about the Standard of Performance (SoP). Data of consumer satisfaction is not real and is fabricated. Further, Licensee has failed in every front, be it reduction of distribution losses or collection of revenue or adhering to the SoP and in liquidating the arrears dues. WESCO is operating since last 14 years and its continuance will make the system deteriorate further and will cause harm to power sector. Only solution is to revoke the license and make interim arrangement for operation of the distribution system.
54. One of the objectors submitted the statement of distribution loss since past 14 years and stated that if the licensee had seriously pursued to reduce the distribution loss then actual distribution loss would not have been more than 15% at present. However, the Commission may determine the ARR by considering the distribution loss of 18% or less.
55. One of the objectors submitted the DISCOM should submit the category-wise statement on the status of compliance of directives of the Commission in its last tariff order.

### **Audited Result**

56. Some of the objectors objected on the data submitted by the licensee as the same is not audited. Also, the objector did not find the audited statements on the company's website. On this, one objector suggested to add audited statements as a part of the ARR and it may be included in the ARR document so that it will be accessible to everyone and thereafter people will be able to submit the comments after studying the audited information of the licensee.

### **Quality of Supply/Service**

Many objectors raised the issues of poor quality of supply in rural areas. Rural consumers are suffering due to low voltage and blackouts most of the time. Further there are many cases of power cuts without notice.

57. One of the objectors submitted that, all the DISCOMs are involved in executing organized power cuts apart from the normal disruptions and the complaints have been lodged at various levels including OERC in past.
58. One of the objector submitted that the performance of DISCOM in billing and collection is disappointing. Consumers have to visit the office repeatedly to address the issues. Despite repeated complaints to DISCOM there is little progress to check power theft in both urban and rural area.
59. One of the objectors submitted that due to lack of additional staff, distribution lines and substations are not maintained properly and additional man power needs to be engaged immediately.
60. Because of little investment in distribution network, the old and obsolete infrastructure is responsible for increase in accidents, loss of power and breakdowns.

### **Consumer Grievance**

61. Another objector submitted that under RTI Act, DISCOMs are not providing the information particularly at sub division and section office level.

### **Distribution Loss**

62. One of the objector submitted that, licensee has not improved the standard of service, efficiency and has not reduced T&D losses as per the direction of the Commission through the RST for FY 2008-09 to FY 2012-13. Hence, consumers should not be penalized by accepting the heavy expenses of the licensee due to its inefficient and corrupt operations.
63. One of the objector submitted that, distribution loss is required to be considered as controllable parameter based on the metered and un-metered sales as per regulations. Circle-wise distribution loss reduction targets may be fixed by the Commission. Circle-wise different tariffs be set by the Commission.

### **Billing and Collection**

64. Licensee should indicate the collections from the past arrears and current demands, separately. Licensee should indicate the arrears collected from consumers out of the amount written off by State Govt. prior to 1999 without deleting the amounts from the consumer ledgers. The Commission may stipulate the level of collection to be made from the current dues and from the arrear dues.
65. One of the objector submitted that licensee should produce the list of outstanding dues with the Govt. depts. and the PSUs till 11.1.2013.
66. One of the objector submitted that licensee has not given details of energy billed and revenue collected. Further licensee should disclose the security deposit collected from the consumers. Licensee has not paid the interest on security deposit.
67. One of the objector submitted that the norms for determining the energy billing to un-metered consumers should be specified with reason. This also should be allowed for a specific period only for two categories i.e. agriculture and BPL consumers and further be refined on the basis of independent study.

### **Security Deposit (SD)**

68. Some of the objectors objected that the licensee should disclose the data related to the security deposit collected by them from consumers. Further some argued that the licensees are holding much higher security deposits than that of the equity infusion by the private investors. Hence, on this basis the licensees are owned by the consumers of the company.
69. One of the objector objected that the NESCO pays interest on SD at 6% p.a. where as in case of delay in payment of SD the consumers are being charged the surcharge at 15% p.a. seems to be harsh on consumers. He requested the Commission to consider the payment of surcharge at 1% per month for delay in refund of SD.

### **Metering**

70. One of the objector submitted that the Metering condition declared by DISCOM is not satisfactory. The declared figures of meters are fabricated and are far from ground reality.

71. One of the objectors submitted to direct the CESU for installation of Smart Meters and pre-paid meters.
72. One of the objector submitted that CESU is not replacing the defective meters within 30 days. In some cases the meters are replaced after months or even years after the defect is noticed. Billing is done on average basis and when the meter is replaced the billing is done for the entire period and not for 3/6 months as per the regulation.

#### **Energy Audit & Demand Side Management**

73. One of the objector objected that the licensees are not properly undertaking energy audits. Further, one of the objector objected to the distribution loss projections of the licensee without having the proper energy audit data. Also the licensee is not submitting regular energy audit data to the Commission.
74. One of the objector submitted that the licensee should submit the actual energy audit data of each feeder. In the case of non availability of such data the actual or projected distribution loss figures cannot be accepted.
75. One of the objectors submitted that by adoption of LED lighting for public lighting, lot of energy can be saved and requested the Commission to adopt friendly policies for LED adoption viz reduced tariff, rebates and directions etc to ULBs for adopting LED street lights.

#### **Energy Police Station**

76. One of the objector submitted that the licensee should produce the list of cases, FIRs filed in different courts and police stations since 2009-10 to 2012-13.

#### **Energy Sales Forecast**

77. One of the objector submitted that the sales projections made by the licensee are not realistic and are overestimated and submitted that DISCOM needs to project the power purchase requirement after considering the effect of energy efficiency and DSM on energy sales. Further, DISCOM needs to prepare the short term and medium term plan for procurement of peak and off-peak power purchase.

#### **BPL/RGGVY Category Consumers**

78. One of the objectors submitted that, in case of BPL consumers CESU should check the wiring of the consumer so that such consumers should have only two light point and one fan point. The consumption of BPL consumer if crosses beyond 30 kWh, then such consumers be converted to domestic consumer category.

#### **Cross-Subsidy**

79. Some of the HT and EHT consumers had objected to the increasing HT and EHT tariffs and submitted that the cross subsidies should progressively be reduced. State Government should give tariff subsidies to BPL/domestic consumers and the cross subsidy burden on HT and EHT consumers be reduced. Some of the consumers have also objected on the cross subsidy calculation methodology adopted by the Commission.

#### **Issues of Industries**

80. One of the objectors submitted that, the MSME sector plays a vital role in economy and had been feeling greatly harassed as it has faced phenomenal increase in the tariffs in past and requested the Commission to reject the proposal of NESCO.

81. One of the objectors submitted that, present rates available to Ferro Alloys Industries in Odisha higher than the rates in neighboring states and that of the prevailing competing countries. Hence, the power may be made available at reasonable rates with the help of state resources.
82. One of the industry association submitted that due to steep increase in tariff from 1 April 2010 for LT/HT GP, Industrial (S) supply, LT/HT Industrial (M) supply, adverse impact on operations is felt on these industries.

#### **Captive Generating Plants**

83. One of the objector objected on the licensees proposal to charge demand charges for CPP and to restrict the quantum of power supply to 12% and agreement be executed for this contract demand. Regulation 80(15) of Distribution Code 2004 does not provide any limitations in drawl except restricting the drawl to 100% of the max capacity of the largest unit. Further submitted that, the Commission had allowed single part tariff to CPPs. This tariff is applicable for consumption up to 100% of the largest unit of CPP. Also, in majority of the instances CPP consumes only up to 25% of the largest capacity and hence there should be separate tariff for such CPPs. Also submitted that, in case if the drawl by CPP is higher and the utilities SMD has crossed then the CPP will have to bear the demand charges levied by the GRIDCO.

#### **East Coast Railways**

84. Railways submitted that, railways being a public utility will get affected due to increase in tariff hike. The financial burden of this tariff hike will acts as deterrent in its ability to discharge the important functions. Hence, requested the Commission to consider railways as separate consumer category for tariff determination and the same should not to be clubbed with the other EHT consumers while determination of tariff.
85. Railways further submitted that, railway traction tariff has been reduced by many states to reduce the cross subsidy but no such reduction is implemented in Odisha. Railways had done huge investment to maintain p.f. above 90%, hence p.f. incentive should be allowed above 90% PF. Further if the kVAh billing method is used then the tariff may be reduced for Railways. They requested not to withdraw the facility of availing 120% overdrawal of CD during the off peak period.
86. The Off peak energy discount is available to three phase consumers as per clauses 325 of OERC tariff order for FY 2010-11 and 559 of OERC tariff order for FY 2011-12. Railways is not getting this facility as it is not a three phase supply. Railwaysr requested the Commission to omit the word three phase consumers and it may be written as HT/EHT consumers.
87. Railways raised concerns over the quality of supply to railways and requested the Commission to issue guidelines to GRIDCO/OPTCL/DISCOM to make availability of required quality of supply to Railways.

#### **Separate Licensee for Supply of power to EHT consumers**

88. One of the objector objected that, after 10 years of operations of the utility, the utility is not able to reduce the overall distribution losses. The overall distribution losses are dependent on the quantum of consumption by the industries at EHT level. Therefore, the licensees do not have any compulsion to reduce the HT & LT losses as the EHT tariffs have been increased year after year. Further, licensees don't have any obligation for maintenance of EHT system and licensee does not take any corrective

measures for co-ordination with the transmission licensee. Hence the time taken for restoration of system is more.

#### **Bulk supply price payable by licensee**

89. The cost of power procured by the bulk supply licensee (Inter-State Trader) consist of 2 part namely fixed cost and variable Cost. The RST also consist of fixed charge and variable charge. Therefore the BSP payable by the licensee should also consist of 2 part tariff.
90. Further the licensee has no incentive to provide adequate rebate to the consumer as the amount paid by the licensee towards BSP is not directly affected by LF and PF. It was suggested by the objector that there should be two part tariff as it was before FY 2007-08.

#### **Financial Issues**

91. One of the objector objected further tariff hike stating that the consumers are already paying eight installments of arrears of previous years and further tariff hike will burden the consumer.
92. Licensee has projected Rs.29.08 Cr towards the cost of uniforms of the employees. But practically it is noticed that the employees are not wearing the uniforms and hence this cost is loss to the system.

#### **Computation of Tariff /Tariff Rationalization Measures**

93. One of the objector proposed that during statutory power cuts or load restrictions by the licensee or interruptions due to tripping, the Demand Charges may be reduced by 10% if the total period of non-availability of power supply exceeds 30 hours a month. For calculation of TOD benefit the period of 10 p.m. to 6 a.m. should be considered.
94. One of the objector opposed on the proposal of the licensee to charge MMFC for consumers with CD < 110 kVA as the proposal contravenes regulation 64 of the OERC Distribution Code 2004 and therefore cannot be implemented.
95. One of the objector objected on the proposal of the licensee to bill on flat rate base on the HP of the motor. Further, some objectors have proposed that the 'Take or Pay' scheme which was introduced in the last year should continue for the next years also. Also the power factor incentives should be computed beyond the p.f. of 95% as existed earlier instead of 97% and the penalty should be below 90% instead of 92% p.f.
96. Some of the objectors have submitted that MI industries are to be connected to LT supply. However, due to non availability of load on DISCOMs transformers such consumers are connected at 11 kV and are billed at HT category instead of LT category. Hence, the industries having same category and connected demand are fed from different supplies then there is wide difference in demand charges. The demand charges are higher if the consumer is connected to HT supply.
97. Further there is discrimination between HT medium category of consumers below 70 kVA & GP HT < 70 kVA category of consumers in case of charging of demand charges. Hence, it is suggested to make uniform demand charges for MI consumers having CD 70 kVA irrespective of voltage of supply in line with the Regulations (76) of OERC distribution condition of supply or else allow the consumers up to 70 kVA to hand over the substation to licensee to get the benefit of demand charges.

98. Some of the objectors have objected that in rural areas the voltage levels are not proper and hence the consumers in the rural area should be categorized separately with low tariffs. Further, in case of DPS applicability to all categories of consumers, the licensee is providing rebate to encourage the consumers for timely payment and the licensee can always disconnect the supply in case of default.
99. In case of implementation of kVAh billing, OERC distribution code needs to be amended first. Further, this may not be implemented as there is provision for p.f. penalty and incentives.
100. One of the objector submitted that, private student mess and mess organized by NGO registered under Society Act 1860 may kindly be converted from the commercial category to domestic and special purpose category.
101. Demand charges for HT industries have been increased disproportionately in FY 10-11 it was Rs 50 per kW, in FY 11-12 increased to Rs 150 per kW, and in FY 12-13 increased to Rs. 250 per kW.
102. One of the objector submitted that, when the Commission has approved the SI scheme of CESU, there is no meaning of imposition of system loading charge. Further this should not be allowed as this will violate Section 13(1) of Supply Code, 2004.

#### **General Issues / Others**

103. One of the objector submitted that, the Commission had recalled the office of Ombudsman for NESCO from Balasore and established the same at Bhubaneswar. For facilitating the cases he suggested to operate camp courts at Balsore for at least six times in a year.
104. Further one of the objector submitted that GRF have become another department of NESCO and it should be an independent and competent body.
105. Many objectors have strongly objected on the data submitted by the licensee on the SoP and submitted that the same are fabricated and manipulated data. The Commission may verify the same and undertake the public audit to know the facts on ground and the performance of licensee.
106. One of the objector submitted that people are not aware of SoP and their rights, GRF and ombudsmen. Licensee has not done any networking with any consumer right groups for disseminating information related to SoP, GRF and ombudsmen. Further, in case of violation of OERC regulations the Licensees do not pay the penalty to the poor consumers. Further it is not possible for the poor consumers to approach GRF or OERC for the penalty. OERC may evolve the procedure for timely payment of penalty and for monitoring of the same.
107. One of the objectors submitted that, while implementing the tariff order of the Commission, the officers of the licensee refer to the Commission's observations and decisions and confuse the consumers instead of implementing the Commissions orders. Hence he suggested to publish a retail supply tariff booklet as annexure to the main tariff order which can be referred to by the general public at large.
108. Some of the objectors objected that the ARR copies were not available for purchase at the licensee's offices. Further, the ARR filing notices were published in English and not in local Language in the local newspaper.

## **REJOINDER BY THE LICENSEE TO THE OBJECTIONS RAISED DURING HEARING (Para 109 to 162)**

109. In response to written and oral objections/submission/suggestions during hearing the licensees have submitted their written rejoinders to the objections. Some of the issues raised by the objectors are general in nature whereas certain issues are specific to the licensees. The rejoinders of the licensees can be better appreciated if it is presented issue-wise in this order. The rejoinders are accordingly summarized issue-wise as follows:

### **Legal Issues**

110. NESCO submitted that, they have submitted the ARR application in accordance with the provisions of Regulation 53 of OERC (Conduct of Business) Regulations 2004 and Regulation 5 of OERC (Terms and Conditions of Determination of Tariff) Regulations 2004. The licensee is operating in a regulatory regime and in transparent manner and complying all the statutory obligations. The petition is filed as per the format prescribed by the Commission. Hence, the rejection of ARR application without citing any reason is a premature approach of the objector.

### **Review of Past Operations in General**

111. On the issue of higher distribution loss in the past and increasing losses, the licensees have submitted that they have taken up system improvement projects under capex program. Also they have upgraded the network and transformers through RGGVY program which will help to arrest the losses and will also improve the supply quality. However, all the planned SI projects are yet to be completed to bring better performance and reduction of losses.

### **Audited Result**

112. NESCO had submitted that the licensee had filed its ARR and tariff application for FY 2013-14 based on the Audited Accounts for FY 2011-12, Actual till Sept -12 & estimation has been made for the balance six months of the current year. Hence, the perception of the objector is not correct. Other licensees have submitted similar reply to the objection of audited Accounts.

### **Quality of Supply**

113. NESCO submitted that the quality of power has drastically increased as compared to the past period. Voltages have been improved due to SI work, up gradation of substation and replacement of old conductors. Augmentation in network assets has also been made due to capacity addition on account of RGGVY scheme.

114. CESU submitted that they are taking all possible effective measures to render uninterrupted quality power supply to the consumers. In this regard, required maintenance is being undertaken by the engineers. System improvement work are also being executed which include up gradation of transformers and installation of additional transformers, replacement of LT bare conductors with AB cables, installation of substations etc.

115. On the issues of interruptions and losses incurred by the EHT consumers, SOUTHCO submitted that the interruptions to EHT consumers are only due to the grid failures. However, the interruptions on the 132 kV Ganjam grid substation have been minimized now days. In the tariff order it has been made clear that if the interruptions are above 60 hrs a month then the same is to be excluded from the LF calculations.

### **Quality of Service**

116. NESCO accepted that the network assets are very old. However, during last 12 years of its operation lot of work has been carried out through various schemes like PMU, MNP, SI, Deposit work by private parties as well as government body etc. towards up-gradation & replacement of sub-stations & conductors. In the CAPEX scheme the licensee has proposed for network asset addition of Rs. 468 Cr.
117. The allegation of load shedding daily for 12-14 hours for rural consumers is denied by CESU and they submitted that whenever the power restriction is imposed by the SLDC depending on the generation CESU passes the same to the consumers.
118. SOUTHCO submitted that the efficiency, performance and SoP have been improved by the licensee. However, they are not up to the approved levels of targets set by the Commission. SOUTHCO submitted that they have so far installed 210 new transformers and upgraded 537 no of transformers at various locations and upgraded 63 numbers of power transformers to provide reliable and uninterrupted power supply.
119. On the issue of recruiting the unprofessional and unlicensed manpower, SOUTHCO submitted that the recruitment is being carried out as per the recruitment procedure of the licensee which was duly approved by the board. The selection procedure is very transparent followed with either written or selection through personal interview with requisite qualifications and experience required for the specified post/job.

### **Consumer Grievance**

120. On the objection of implementation of RTI, CESU submitted that CESU is under the purview of RTI Act and it is implementing in all its offices. Further on the issue of making the consumers data available on portal, CESU submitted that the consumer information related to two months current bills is available in the portal.
121. In the case of non-following the clause 12 of the (Condition of Supply) Code 2004 in almost all the cases NESCO submitted that it is not correct at all. Further the consumers are free to move to GRF or Ombudsman to lodge their grievances if any.

### **Distribution Loss**

122. NESCO submitted that, the Commission is approving the loss level on normative basis without considering the ground reality. However, the projections made for loss reduction is based on the actual position and considering the effect of Capex and other SI work including support from all the stakeholders.
123. On the objection of increase in tariff due to non achievement of normative losses, CESU submitted that, because of non-achievement of loss targets by CESU, consumers don't suffer but CESU suffers because of low cash flow, for which its operation becomes difficult.

### **Billing and Collection**

124. On the objection of provision for bad and doubtful debts, NESCO submitted that the Commission will decide the matter relating to the provision of bad and doubtful debts on the basis of the report of the independent auditors appointed by the Commission. The collection inefficiency may be considered as bad debt. Licensee is also taking action against the defaulting consumers by disconnecting the power supply.

125. Licensee has replied that the data related to the collection of current bills and arrear has already been submitted to the Commission in reply to additional queries. Further licensee has taken steps for concentrating on arrear collection by fixing accountability on officers and the collection status is being reviewed periodically along with setting monthly targets for arrear collection.
126. On the issue of submission of data of payment against current demand and collection from arrears CESU had submitted the actual data for FY 2011-12 and for FY 2012-13 (up to Sept 2012). Further with regard to the objection on outstanding dues with PSU and Govt. Dept. the licensee have submitted the said information in ARR Application.

#### **Security Deposit**

127. NESCO submitted that the details of revenue collection & billing are regularly supplied to the Commission. The same are also made available in the audited accounts of the licensee.
128. NESCO submitted that the licensee is regularly crediting interest on security deposit on 1st May of every year to all its customers at the interest rate of 6% p.a.

#### **Metering**

129. The metering report submitted by the licensee is reflecting the actual metering position of NESCO, and there is no question of fabrication of figures as stated by the objector.
130. On the objection of proper functioning meters CESU submitted that out of total consumers of 16.33 Lakhs about 14.28 Lakhs consumers are being supplied through proper working meters. However, to achieve 100% metering in CESU, CESU had completed the vender registration process and finalized 8 meter manufacturers / suppliers. Now the concerned SEs and EEs can directly procure the meters without going through the tendering process.
131. SOUHCO submitted that in its area about 99% of the consumers are metered and about 92% of the consumers are having OK maters. The defective meters are being replaced on monthly basis.

#### **Energy Audit & Demand Side Management**

132. NESCO replied that they are taking energy conservation measures and entered into an agreement with M/s. Banyan Environmental Innovations Pvt. Ltd. for replacement of incandescent bulb with CFL bulbs at very nominal cost. However, the actual replacement is yet to start.
133. On the suggestion of use of LED lighting for street lighting, licensee replied that the proposal is novel one from the point of view of DSM and present power scenario. However, suggestion needs proper deliberation before implementation.

#### **Energy Police Station**

134. CESU submitted that they have taken various steps to restrict power theft by engaging Energy Police Stations and MRT Squads, through franchise operations, metering and installation of check meters in high value consumer's premises. CESU had submitted that out of 540 no of cases registered 356 no of arrests were made and Rs 27.72 Lakhs of rupees penal amount collected in FY 2012-13.

135. SOUTHCO has submitted the information of eight operating police stations in its licensee area. However, they are not fully operational due to non availability of full manpower. The total number of FIRs filed by the licensee is 455.

#### **Energy Sales Forecast**

136. On the issue of energy sales forecast NESCO submitted that, for projecting the consumption of different categories, the licensee has analyzed the past trends of consumption pattern for last ten years i.e. FY 2001-2002 to FY 2011-12. From the past trend, it can be seen that the projection submitted by the licensee is justified and hence the contention made by the objector is not true.

#### **BPL/RGGVY Category Consumers**

137. In case of higher consumption by BPL consumer over approved 30 kWh per month the licensee had proposed to convert the said BPL consumer to the general purpose category.

#### **Cross-Subsidy**

138. NESCO submitted that the issue of Cross Subsidy had been addressed by the Commission in RST tariff order for FY 2012-13 after considering the provisions in the NEP, NTP, EA- 2003 and OERC Regulations. The tariffs for FY 2012-13 is so designed that cross subsidy is within + or – 20% of Avg. cost of supply.

#### **Issues of Industries**

139. On the issue of increasing tariffs to the HT and EHT consumers, the licensee has submitted that the BST has also been increased in the past. Further, the Commission allows the normative distribution loss and not the actual loss incurred by the licensee. Hence, the licensees are not being affected by shortfall in revenue because of higher actual losses than the normative targets.

#### **Captive Generating Plants**

140. On the objection to pay demand charges by the CPP, NESCO replied that Regulation 80(15) does not say that the consumer under this category will not pay the demand charges. The licensee had submitted the adequate data to the Commission in the cases where CPPs had been consuming power on regular basis for days even though the drawl was low. This is quite contrary to the submission of the objector.
141. NESCO submitted that, the CPP's can draw power for start-up purpose or to meet their essential auxiliaries and survival requirements. However, no where under the regulation the consumer has been permitted to run the industry for maintaining its normal production with emergency power supply.
142. NESCO further submitted that, under Regulations 85(iii), if a consumer is not able to avail power for more than 60 hours in a month due to statutory power cut imposed by the licensee-demand charges is to be paid on prorata basis. However, this does not envisage 660 hrs as the normative hours for availing power supply. Therefore, the contention of the objector is not true.
143. On the issue of maintaining the spinning reserve, NESCO replied that, the statement of the objector that the DISCOM does not have any role to play is not correct. GRIDCO is allotting power to DISCOM and purchasing power for the DISCOMs as per the requirements of the DISCOM. DISCOM has to pay the BSP, transmission charges and unscheduled interchange charges. As in case of emergency supply, no drawl schedule is given by the consumer and hence DISCOM is not able to reflect the same in its schedule. However, for this DISCOM is being penalized in shape of UI

charges. Further this additional power has to be procured at higher cost and the DISCOM has to pay the same and not the GRIDCO.

#### **East Coast Railways**

144. On the objection to reduce the tariff to railways, NSCO submitted that railways is paying HT and EHT tariff where loss computation is nominal. Accordingly the average cost of supply vrs. average tariff realization is well within the permissible limit hence suggestion for reduction of railways tariff is not acceptable.
145. Further suggestion of the railways on continuity of 120% drawl during off peak period is not acceptable to the licensee as there is no such reason specified by the railways for the same.
146. On the issue of poor quality of supply licensee replied that, railways is a high value consumer and they are always given priority and they are always exempted from load shedding as it is an emergency service. Further, load of railways shoots up momentarily during traffic congestion which operates the over-current relays and the traction feeder trips automatically without any reason.
147. On the issue of TOD benefit to railways, the licensee replied that railways s a two phase consumer who is not eligible for TOD benefit. If TOD benefit to railways would b given then the purpose of regulation 7(a) of OERC (Terms and Conditions for determination of tariff) Code 2004 would be defeated.

#### **Separate Licensee for Supply of EHT Power**

148. On the suggestion to have separate EHT licensee for supply of EHT power, WESCO submitted that there no such provision exists in OERC rules or the EA 2003 for giving independent license to EHT category. For availing the distribution license the applicant has to move as per section 14 of EA 2003.

#### **Bulk supply price payable by licensee**

149. On the issue of two part tariff for BSP, the licensee has also proposed for two part tariff for its bulk purchase from GRIDCO.

#### **Financial Issues**

150. On the objection of tariff hike, CESU had submitted that collection of arrears in eight installments were against the tariff order of FY 2011-12. But now CESU has submitted its proposal for the FY 2013-14. So there is no relation between the collection of arrears in 8 installments in FY 2012-13 and tariff proposal for FY 2013-14.
151. On the objection of steep hike in LT/HT tariff CESU submitted that, BST cost has increased 57% from financial year 2010-11 to 2012-13. Average cost of sale has increased by 37% from financial year 2010-11 to 2012-13. The average cost of sales is very less even when the loss is very high as compared to approved normative loss by the Commission.

#### **Computation of Tariff/Tariff Rationalization Measures**

152. On the objection that the licensee is not serious about SoP, CESU submitted that, they are submitting report on SoP quarterly and annually. As per the report submitted, CESU's performance is within the limit prescribed by the Commission.

153. On the objection of further lowering the PF from 0.97%, for incentivizing the consumers NESCO replied that it will adversely affect the licensee.
154. In case of take of pay tariff, the idea was to encourage the consumers with low load factors to draw power at higher load factor and thereby avail special rebate, NESCO submitted that this would have been the win-win situation to both the parties. However, in actual the consumers did not increase their consumption and the consumers who were already having 80% and above load factor in the FY 2011-12 had availed the benefit of take or pay tariff in addition to the graded slab tariff. The reasons for discontinuation have been narrated in the ARR.
155. On the objection to kVAh based billing NESCO submitted that there is no such regulation for billing on the basis of Graded Slab method. So, no such amendment is required in the OERC Regulation and the same can be dealt through tariff determination process.
156. NESCO submitted that the intention of incentive scheme is to encourage higher consumption. In case the load factor of the consumer is higher, then the consumer will definitely be benefitted in OYT scheme. In any case if the consumer is incurring loss in the scheme then he may approach the Licensee for proper redressal.
157. On the objection of having separate tariff for rural area, NESCO had submitted that system study and proper deliberation in this regard is required. However, CESU submitted that separate tariff for rural area should not be considered because the BST cost for urban and rural consumers is same.
158. On the objection of applicability of domestic tariff for student hostels, licensee had submitted that hostels and educational institutions are grouped under specified public purpose category in line with regulation 80(7) of OERC Distribution (Condition of Supply) Code 2004. However, if there is any specific case where such category of consumer is charged at different rate then it may be brought to the notice of MD NESCO for proper redressal or the consumer may take the help of complaint handling procedure through GRF/Ombudsman.

#### **General Issues**

159. On the issue of publishing the ARR filing, NESCO submitted that they have published the ARR filing in English & Odia daily having wide circulation in its area of operation. The ARR copies were made available by NESCO in its Electrical Division offices, Corporate Office, Circle offices for the general consumers.  
  
On the issue of selection of members of GRF and the objection of ex-employee of the licensee being a member of GRF the licensee replied that the selection of member of the GRF is based on their capabilities/abilities. The members of GRF are impartial. In FY 2011-12, about 90% cases the cases GRF had given the order in the favour of consumers.
160. On the objection of data not being submitted at section office under RTI, licensee submitted that the information which is not available at section level or division level can be made available at corporate level.
161. On the issue of consumer education and creating awareness among the consumers, licensee had replied that they are publishing hoardings, posters and clippings in the TV. Further, consumer interactions are also being organized. Further, licensee is making mike announcements about the payment of the bills on due date for avoiding

disconnections, consumer awareness meetings at division level are being conducted every month.

162. WESCO had submitted the list of fatal and & non fatal accidents till Sept 2012 and the same are also submitted in the form No. P2 of the ARR submissions.

**OBSERVATION OF THE STATE ADVISORY COMMITTEE (SAC) (Para 163)**

163. State Advisory Committee (SAC) was convened on 28.02.2013 to discuss about the proposed ARR and Tariff Applications of different utilities of the State for FY 2013-14. The Members of the SAC have given the following observations / suggestions to the Commission in this regard.

- That from the inception of the reform the SAC has been giving valuable suggestions for effective reform. But so far all its efforts have been fruitless as the DISCOMs have not improved their performance and are encouraging dishonest consumers at the expense of honest innocent consumers. The DISCOMs were only partially implementing the regulations which are beneficial to them without respecting the rights of the consumers. Adoption of the new technological model of operation prescribed by OERC is required to reduce manual intervention and manipulation. If the Commission had gone by the licensee's submission the tariff increase would have been more than 30%.
- The tariff must be now linked to the prescribed quality and services of supply of power. In an area where there is sub-standard power supply the bill should be as per the old tariff. The Commission should not penalize consumers to pay more without commensurate quality.
- Minimum fixed charges should be as per meter reading prescribed in all past orders of the Commission. No scope should be given to licensee for an easy billing and fixed revenue. This will only harass the consumer by determining higher contract demand by the licensee, not acceptable to consumers.
- It is not duty or job of power generator, power purchaser, distributor and the consumers to compensate the subsidy given to a particular category of the consumers by Govt. The government alternatively can levy electricity duty to meet such expenditure and take responsibility to the extent of hike in the cost for this purpose so that the Commission is not blamed fully for the entire increase. Before reform the Govt. was also compensating such losses in their budget to subsidize some category of consumers as per the policy.
- Due considerations may be given to the apprehension of consumers for the manipulation of the account by the licensees for their irresponsible submission of account and data not prepared by prescribed method or audit as expressed before the Commission by the consumer during public hearing.
- The consumers must not be penalized any more for inefficiency and failure of the licensee to bill all consumers and losses in distribution beyond prescribed limit. The losses should be brought down further by OERC particularly when it is seen by monitoring committee of OERC that the loss can be reduced upto 16% with a very meagre investment compared to return.
- Arrear collection and bill is being done in a very haphazard manner. Complaint regarding huge arrear come to the GRF where those are revised. Such confusing bills should be avoided. Perhaps dishonest consumers in

connivance with the staff of the licensees are sometimes revising high arrear electricity bills to a small amount.

- There was no energy audit in feeders though the Commission has passed orders regarding the same in 2004. DISCOMs are not changing in spite of all the attempts by OERC, and SAC and Govt. Therefore privatization had proved to be futile and should be rolled back.
- Commission should take into consideration forthcoming IPPs such as JSTPL, Monnet, Kaniha and Derang by Feb, 2014 before fixing tariff. That the power exchange rate has been low and GRIDCO should have taken advantage of the same. Additional demand charges should not be levied on CGP. The imposition of MMFC would incentivise DISCOMs and would harm interest of domestic and industrial consumer. There should be concessional tariff in off peak hour for seasonal industries.
- CESU has already franchisees in its area of operation under BOOT model to take up meter reading, billing and collection work, besides other activities as per the terms of the contract. The loss reduction by these franchisees is expected to be around 15% to 17% in the first year of their operation. In CESU area 1% loss reduction is projected to generate around Rs.30 crs annually. The extra generation of revenue due to loss reduction activities by the franchisees be quite substantial which will offset the revenue gap projected by CESU.
- It is necessary to review the manpower of CESU in light of deployment of franchisees in the entire CESU area. The establishment cost needs to be pruned to a reasonable level.
- That the water in all the reservoirs are quite comfortable which means that hydro generation in full quantity from OHPC will be available. This is around 6500MU with a comparatively low cost. Therefore, rise of bulk supply price proposed by GRIDCO is not justified. The BSP should be kept at the same level as it is for the FY 2012-13. Rise in BSP will have a rising impact on the retail tariff applicable to the consumers.
- It is proposed that high rise apartments, housing colonies etc should be supplied power with one point supply in HT to avoid loss in long L.T. lines and also the difficulty in meter reading and billing.
- It is observed many times that street lights are burning during day time. It is because of manual operation of street lights by persons of the utility. It is proposed that solar photo voltaic switches which do not cost much should be utilized for automatic operation of the street lights as is being done in other metropolitan cities like Delhi, Mumbai, Bangalore etc.
- Consumers are supposed to pay the estimated consumption charges applying for temporary service connections. Hence it is proposed to use prepaid meters for temp service connections.
- Whereas industries such as rice mills, oil mills, cotton ginning mills, ice factories, salt factories are paying charges for the entire year for the demand required for few months. Secondly, in case the meter becomes defective during any period, the average consumption for six months shall be arrived basing on subsequent three months consumption. This condition of regulation is

affecting the principle of natural justice as consumers are at the mercy of licensee as it can decide when to replace a defective meter.

- There is discrimination in the tariff of HT industrial consumers and LT industrial consumers as the rate for demand charges is Rs.250/- per KVA and for the later it is Rs.50/-. HT consumer who has invested money for making his infrastructure is compelled to pay at five times that rate of LT category though the load is same and purpose is same. This anomaly is disincentivising the HT category and is against the object of OERC as the rate difference in energy charges is minimal and load factor of industries is less than 20% on average.
- As Govt. is getting the electricity duty and water cess, sincere steps should have been taken by the Govt. in order to have a stable supply system with low cost power. Govt. is required to take necessary steps to boost of hydel generation in state for availability of cheap power in the state. As Govt. is the part owner of the supply system, adequate investments may be made for infrastructure strengthening. As far as power cut is concerned, DISCOMs should follow the OERC order on protocol on Power Regulation instead of arbitrary power cuts. Further, the licensees, WESCO is raising defective bills of exorbitant high amounts may be due to erratic behaviour of meters or for some ulterior motive.
- Commission is to conduct a third party audit of the Standards of Performance (S.O.P.) reports submitted by the DISCOMs through affidavit.
- Secretary, Energy Dept., Govt. of Odisha agreed that the performance of the DISCOMs is not up to the mark. The distribution supply situation is gradually worsening and AT & C loss is increasing. Reacting to the views of some members about Government's role, he clarified that Govt. may not have given direct subsidy to the DISCOMs, but due to Govt. support through GRIDCO & OHPC, people of the state are getting power supply even during any difficult times, by purchasing costly power from outside. He also said that with the support and timely intervention by the Commission, injection of power to Southern region is possible now. He totally disagreed with the views of SAC members as regards to cross subsidization of RGGVY and BGJY consumers by other consumers. He expressed its dissatisfaction as DISCOMs are not bringing any capital to their business Govt. is now infusing capital through CAPEX for infrastructure strengthening. Govt. is now planning to construct 500 nos. of SCADA enabled unmanned 33/11 KV s/s with an investment of 650 Cr. and separate agriculture feeder apart from normal feeders with an investment of 150 Cr. Further, govt. is planning to invest 21 Cr. for construction of elephant corridor and 15 Cr. for shifting existing s/s from school and Anganbadi campuses to outside. DISCOMs should instill discipline among its officials/staffs and initiate appropriate measures to change the attitude of their staff's towards the consumers. He also proposed that the tariff may be linked to the performance of DISCOMs. Govt. has recently taken a decision to install pre-paid meters in its offices to reduce human interface.

## COMMISSION'S OBSERVATIONS (Para 164 to 371)

164. While formulating the Retail Supply Tariff for different types of consumers, the Commission is to be guided by the statutory provision as provided from Section 61 to Section 66 of the Electricity Act, 2003. Some of the important provisions under which tariff is to be determined are as follows:

- The generation, transmission, distribution and supply of electricity should be conducted on commercial principles: Section 61(b) of Electricity Act, 2003.
- The factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments: Section 61(c).
- Safeguarding the consumers interests and at the same time recovering the cost of supply electricity in a reasonable manner: Section 61(d).
- The principles regarding efficiency in performance: Section 61(e).
- Multi-Year Tariff Principle: Section 61 (f).
- The tariff progressively should reflect the cost of supply of electricity and also reduce cross subsidies in the manner specified by the appropriate Commission: Section 61(g).
- National Electricity Policy and Tariff Policy: Section 61 (i).
- The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required: Section 62 (3)

165. In addition to that the following important provisions of Tariff Policy and National Electricity Policy of Govt. of India should also be taken into consideration for formulating appropriate Electricity Tariff for the State of Odisha.

- “Para 8.3.2 of the Tariff Policy enjoins upon the State Regulatory Commission to notify road map with a target that latest by end of the year 2010-11 tariffs are within  $\pm 20\%$  of the average cost of supply.”
- The National Electricity Policy envisages existence of some amount of cross-subsidy. As per Para 1.1 of National Electricity Policy, 2005, the supply of electricity at reasonable rate to rural India is essential for its overall development. Equally important is availability of reliable and quality power at competitive rates to Indian Industry to make it globally competitive and to enable it to exploit the tremendous potential of employment generation.
- Similarly, as per Para 5.5.2 of the National Electricity Policy, “a minimum level of support may be required to make the electricity affordable for consumers of very poor category. Consumers below poverty line who consume below a specified level, say 30 units per month, may receive special support in terms of Tariff which are cross-subsidized. Tariff for such designated group of consumers will be at least 50% of the “average (overall) cost of supply”.

166. The Commission has been consistently following the above mandate of the statute as far as possible for determination of tariff. It has been a very onerous task to strike a balance between the interest of the consumers and the viability of the power utilities. The issue of cross-subsidy has become a contentious issue for consumers. The Commission has also amended Regulation 7 (c)(iii) of OERC (Terms and Conditions for Determination of Tariff) Regulation, 2004 for its practical applicability. The above statute after amendment reads as follows:
- “For the purpose of computing Cross-subsidy payable by a certain category of consumer, the difference between average cost-to-serve of all consumers of the State taken together and average tariff applicable to such consumers shall be considered.”*
167. This stand of the Commission has also been vindicated by Hon’ble High Court of Odisha in WP(C) No. 8409 of 2011 dtd. 30.03.2012 in which Hon’ble High Court has observed as follows:
- “At present the OERC is guided by the notion of subsidy by average cost of supply for the State as a whole, which has been recommended by the Forum of Regulator (FOR) and, in our considered opinion also, the same is a practical solution, at least in the present context of the Indian Power Sector.”*
168. As the Commission is to be guided by MYT Principle and Business Plan Order during determination of tariff it can’t factor in the inefficiency, slothfulness, negligence and managerial failure of the DISCOMs into the tariff. The business parameters / norms fixed in MYT Principle and Business Plan Order are very much required for bringing in efficiency and predictability in the tariff. The Commission is also statute bound to follow the above principle.
169. With the increase in consumer base from 16 lakhs in 1999-2000 to about 49 lakhs by 2012-13 and increasing trend in consumption even by the existing consumers the hydro-thermal ratio in the State has been reversed. In other words in 2011-12 while 25% of the State demand was being met from the cheap hydro generation about 75% of the power requirement was being met from high cost thermal power. The tariff is very sensitive to power purchase cost as the power purchase cost is a major component in the tariff which constitute about 73.7% in FY 2013-14 of tariff.

#### **Estimate of Distribution Loss**

170. Distribution loss being a component of AT&C loss is a controllable cost in the tariff. The Commission has also adopted distribution loss as a controllable factor as per Long Term Tariff Strategy (LTTS) Principle adopted by the Commission in two MYT Orders in Case No.8/2003 (2003-04 to 2007-08) and in Case No.133/2009 (2008-09 to 2012-13) which is binding on the DISCOMs. This has statutory force as Commission has adopted it in consonance with Section 61(f) of the EA, 2003 and none of the stakeholders has challenged it in any Court of law.

Under Multi Year Tariff Principle many parameters like distribution loss, AT &C loss are fixed in advance for a period of five years (called control period). This gives predictability to the future tariff. Accordingly, by order dtd. 28.02.2005 in Case No. 115/2004 and by Order dtd. 20.03.2010 passed in Case Nos. 41, 42 & 43/2007 the Commission had approved the two Business Plans for a control period of 5 years each starting from 2003-04 to 2012-13 wherein the distribution loss and AT &C loss for each financial year have been fixed in advance in continuation from the 1<sup>st</sup> year of the 1<sup>st</sup> Business Plan (2003-04). While fixing the opening distribution loss level the

Commission had depended upon the submission of the DISCOMs regarding their own distribution loss level.

The Govt. of Orissa constituted a high power Committee called “Sovan Kanungo Committee” to suggest mid-course correction of reform which submitted its report in the year 2001-02. The DISCOMs themselves furnished the level of distribution loss to Sovan Kanungo Committee in the year 2001-02 at 42.21% on the average for the four DISCOMs in transmission and distribution excluding the loss in EHT transmission system (NESCO-41.38%, WESCO-38.29%, SOUTHCO- 39.14% and CESCO-43.02%) which has been approved in toto by the Committee in its report. During Business Plan Hearing OERC also considered the loss level accepted by Sovan Kanungo Committee and accordingly set out trajectory for reduction. But during subsequent review the Commission found that due to inaction of DISCOMs in none of the years they have achieved the target as set out by the Commission which is evident from the table below:

**Table – 16**  
**Distribution Loss Targets (in %)**

|                   | 2008-09       |               | 2009-10       |               | 2010-11       |               | 2011-12       |                       | 2012-13 Up to Sept. |                                   |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------|---------------------|-----------------------------------|
|                   | OERC Approval | Actual        | OERC Approval | Actual        | OERC Approval | Actual        | OERC Approval | Actual for FY 2011-12 | OERC Approval       | Actual for FY 2012-13 Up to Sept. |
| <b>CESU</b>       | 29.30%        | 40.34%        | 26.30%        | 39.43%        | 25.37%        | 38.30%        | 24.00%        | 38.20%                | 23.00%              | 36.72%                            |
| <b>NESCO</b>      | 25.50%        | 34.57%        | 23.00%        | 32.52%        | 18.46%        | 32.75%        | 18.40%        | 34.28%                | 18.35%              | 34.85%                            |
| <b>WESCO</b>      | 25.00%        | 33.55%        | 22.50%        | 34.68%        | 19.93%        | 38.88%        | 19.70%        | 38.89%                | 19.60%              | 37.30%                            |
| <b>SOUTHCO</b>    | 30.40%        | 47.78%        | 27.92%        | 48.02%        | 27.82%        | 48.22%        | 26.50%        | 46.42%                | 25.50%              | 44.19%                            |
| <b>ALL ODISHA</b> | <b>27.00%</b> | <b>37.50%</b> | <b>24.45%</b> | <b>37.24%</b> | <b>22.22%</b> | <b>38.34%</b> | <b>21.71%</b> | <b>38.56%</b>         | <b>21.29%</b>       | <b>37.44%</b>                     |

It is found that the Gulf between actual distribution loss and the target set by the Commission has been increasing year after year as in none of the years the DISCOMs have achieved the target level set for them. Their distribution loss has remained more or less at the same level what they have submitted before Souvan Kanungo Committee considering the increase in EHT sales which is a zero loss business for DISCOMs.

In this regard, Hon’ble ATE in their Order in Appeal No. 77-79 of 2006 dtd. 13.12.2006 has directed as follows *“that the Regulatory Commission to take a relook of the entire matter while undertaking Truing Up exercise. We hasten to add that the Commission need not stick to its earlier view, but it shall have a relook in this respect by taking a practical view of the ground realities instead of proceeding on assumptions and surmises. We are sure that Commission will take a relook of the matter and grant the benefits to the DISCOMs.”*

The Commission has gone on appeal to Hon’ble Supreme Court against the above Order of Hon’ble ATE in CA No. 759 of 2007 and in CA No. 3595-3597 of 2011. The matters are part heard and pending before the Hon’ble Court.

Hon’ble Supreme Court of India in their judgement in WBERC vrs. CESC Ltd. reported in AIR 2002 in S.C. 3615 has observed as follows:

*“While we agree with the Commission that it is the duty of the Company to bring down the loss under this head, at the same time, we feel that the same cannot be done in its entirety forthwith because of the reasons given by the Commission itself. At the same time, we also take into consideration the fact that the loss be it transmission or*

*distribution is not totally beyond the control of the company, which fact is established by the admission made by the respondent company xxxxxxxxxxxxxxxxx. Therefore, the problem with which the company is now faced in regard to this loss is very much contributed by the inaction on the part of the Company. Therefore, we are of the opinion that the Company should bear a substantial part of this loss by itself rather than seeking to transfer the entire burden on the consumers.”*

The Hon’ble Apex Court has held that distribution loss is controllable. Therefore, the Commission have the power to determine the loss at a normative level as otherwise the actual loss which is largely a product of inefficiency of DISCOMs will be unfairly passed on to the consumers. The Commission for the last 12 years have been consistently directing the DISCOMs to take proactive steps with regard to energy audit, full scale metering, collection of arrears and taking action against the theft of electricity. Their performance in this respect has been dismal. The inaction of the distribution companies is evident not from their present loss level but also from the fact that though the 2<sup>nd</sup> Control Period (2<sup>nd</sup> Business Plan Order) ended with FY 2012-13 they failed to submit their Business Plan for 3<sup>rd</sup> Control Period beginning with FY 2013-14 in time in spite of several reminders by the Commission. Therefore, the Commission constrained to hold that distribution loss target fixed by the Commission for the last year of the 2<sup>nd</sup> Control Period (FY 2012-13) shall be applied for determining the sales level of DISCOMs as follows:

**Table – 17**  
**Distribution loss target for FY 2013-14**

| <b>DISCOM</b>     | <b>Distribution Loss (in %)</b> |
|-------------------|---------------------------------|
| <b>CESU</b>       | 23.00%                          |
| <b>NESCO</b>      | 18.35%                          |
| <b>WESCO</b>      | 19.60%                          |
| <b>SOUTHCO</b>    | 25.50%                          |
| <b>ALL ODISHA</b> | <b>21.29%</b>                   |

**Estimate of Power Purchase of DISCOMs for FY 2013-14**

**CESU**

171. The monthly quantum of power purchase of CESU from April, 2012 to December, 2012 is available with us. It is seen from the drawal pattern of CESU that the average drawal from April, 2012 to December, 2012 is higher than its average drawal for the last six month ending 2012. This implies that the drawal during the summer months is quite high compared to the rest of the year. The Commission accept this drawal trend of CESU to continue in the year 2013-14. The average drawal of CESU during last 6 months was 611.16 MU, if pro-rated for the 12 months of 2013-14 then CESU would purchase 7333.88 MU in 2013-14. In addition to that CESU has projected additional sales as follows:

RGGVY- 83.26 MU

HT – 150.27 MU

EHT – 162.50 MU

The power purchase for this additional sales would be 371.59 MU which when added to the estimated power purchase of CESU it would reach 7705.47 MU. The sale of power at EHT and HT as projected by CESU for FY 2013-14 is more than our

estimation basing trend of this year. We accept the higher sales in HT and EHT as projected by CESU and allow power purchase of 231.29 MU for this. Therefore, the Commission approves the power purchase of 7937.00 MU for CESU during FY 2013-14 against 8236.00 MU approved for 2012-13.

#### **NESCO**

172. The monthly quantum of power purchase of NESCO from April, 2012 to December, 2012 is available with us. It is seen from the drawal pattern of NESCO that the average drawal from April, 2012 to December, 2012 is higher than its average drawal for the last six month ending 2012. This implies that the drawal during the summer months is quite high compared to the rest of the year. Commission accept this drawal trend of NESCO to continue in the year 2013-14. The average drawal of NESCO during last 6 months was 421.76 MU, if pro-rated for the 12 months of 2013-14 then NESCO would purchase 5061.18 MU in 2013-14. In addition to that NESCO has projected additional sales as follows:

LT/RGGVY- 176.30 MU

The power purchase for this additional sale would be 191.63 MU which when added to the estimated power purchase of NESCO it would reach 5252.81 MU. The sale of power at HT as projected by NESCO for FY 2013-14 is more than our estimation basing on the trend of this year. We accept the higher sales in HT by 14.96 MU as projected by NESCO and allow power purchase of 16.26 MU for this. Therefore, the Commission approves the power purchase of 5269.00 MU for NESCO during FY 2013-14 against their approval of 5306 MU for FY2012-13.

#### **WESCO**

173. The monthly quantum of power purchase of WESCO from April, 2012 to December, 2012 is available with us. It is seen from the drawal pattern of WESCO that the average drawal from April, 2012 to December, 2012 is higher than its average drawal for the last six month ending 2012. This implies that the drawal during the summer months is quite high compared to the rest of the year. Further it has been observed that there was a sudden jump in the drawal of WESCO during Aug and Sept due to unexpected drawal by Hindalco and Vedanta by 80.42 MU and 50.71 MU respectively. Commission accept this drawal trend of WESCO to continue in the year 2013-14. Hence the average drawal of WESCO during last 9 months except August and September were taken in to consideration and pro-rated for the 12 months of 2013-14. Accordingly WESCO would purchase 6400.39 MU in 2013-14. In addition to that WESCO has projected additional sales as follows:

RGGVY- 148.05 MU

EHT – 39.00 MU

The power purchase for this additional sales would be 199.92 MU which when added to the estimated power purchase of WESCO it would reach 6600.31MU. The sale of power at HT as projected by WESCO for FY 2013-14 is more than our estimation basing on the trend of this year. We accept the higher sales in HT by 49.87 MU as projected by WESCO and allow power purchase of 54.21 MU for this. Therefore, the Commission approves the power purchase of 6655.00 MU for WESCO during FY 2013-14 against 6496.00 MU approved for 2012-13.

## SOUTHCO

174. The monthly quantum of power purchase of SOUTHCO from April, 2012 to December, 2012 is available with us. It is seen from the drawal pattern of SOUTHCO that the average drawal from April, 2012 to December, 2012 is higher than its average drawal for the last six month ending 2012. This implies that the drawal during the summer months is quite high compared to the rest of the year. Commission accept this drawal trend of SOUTHCO to continue in the year 2013-14. The average drawal of SOUTHCO during last 6 months was 245.03 MU, if pro-rated for the 12 months of 2013-14 then SOUTHCO would purchase 2940.37 MU in 2013-14. In addition to that SOUTHCO has projected additional sales as follows:

RGGVY- 127.10 MU

EHT – 26.00 MU

The power purchase for this additional sales would be 217.87 MU which when added to the estimated power purchase of SOUTHCO it would reach 3158.24 MU. The sale of power at HT as projected by SOUTHCO for FY 2013-14 is more than our estimation basing on the trend of this year. We accept the higher sales in HT by 26.40 MU as projected by SOUTHCO and allow power purchase of 28.69 MU for this. Therefore, the Commission approves the power purchase of 3187.00 MU for SOUTHCO during FY 2013-14 against 3047.00 MU approved for 2012-13.

### Estimation of LT Sales of DISCOMs for FY 2013-14

175. We have already approved Business Plan for DISCOMs for the control period 2008-09 to 2012-13 wherein we have fixed overall distribution loss for each year of the control period. The approved Business Plan loss for CESU, NESCO, WESCO and SOUTHCO are 23.00%, 18.35%, 19.60% and 25.50% respectively for FY 2012-13. We have approved the same for FY 2013-14 for the reasons already cited earlier. Applying this loss target on power purchase already approved by us we have fixed LT sales for DISCOMs. It is worthwhile to mention here that the Commission has been following consistently a Top Down approach for determination of sales by DISCOMs as mandated under Regulation 3 (b) of OERC Tariff Regulation, 2004

Accordingly, the power purchase and sales approval for FY 2013-14 is given below in a Tabular form:

**Table - 18**  
**Approval of Power Purchase and Sale for DISCOMs for FY 2013-14 (In MU)**

|             | CESU     |          | NESCO    |          | WESCO    |          | SOUTHCO  |          | ALL ODISHA |
|-------------|----------|----------|----------|----------|----------|----------|----------|----------|------------|
|             | Proposed | Approved | Proposed | Approved | Proposed | Approved | Proposed | Approved | Approved   |
| Purchase    | 8210.47  | 7937.00  | 6140.24  | 5269.00  | 6821.00  | 6655.00  | 3600.00  | 3187.00  | 23048.00   |
| EHT Sales   | 1500.92  | 1500.92  | 1575.02  | 1605.66  | 1450.00  | 1500.52  | 426.02   | 434.17   | 5041.26    |
| HT Sales    | 1181.94  | 1181.94  | 464.52   | 464.52   | 1268.00  | 1268.00  | 199.74   | 199.74   | 3114.20    |
| LT Sales    | 2900.25  | 3428.63  | 2103.28  | 2231.96  | 1715.00  | 2582.10  | 1533.31  | 1740.41  | 9983.10    |
| Total Sales | 5583.11  | 6111.49  | 4142.81  | 4302.14  | 4433.00  | 5350.62  | 2159.07  | 2374.32  | 18138.56   |

176. In view of the above purchase, distribution loss and sales approved by the Commission we fix the performance criteria for different DISCOMs for FY2013-14 in the table below:

**Table – 19**  
**Distribution Loss, Collection Efficiency & AT&C Loss (in %)**

|                                  | 2011-12<br>(Audited) | 2012-13<br>(Approved) | 2012-13- Up<br>to Sept-<br>(Provisional) | 2012-13<br>(Estimated by<br>the Licensee) | 2013-14<br>(Proposed by<br>the Licensees) | 2013-14<br>(Approved) |
|----------------------------------|----------------------|-----------------------|--|---|---|-----------------------|
| <b>DISTRIBUTION LOSS (%)</b>     |                      |                       |  |   |   |                       |
| CESU                             | 38.20                | 23.00                 | 36.72                                    | 37.50                                     | 32.00                                     | 23.00                 |
| NESCO                            | 34.28                | 18.35                 | 34.85                                    | 33.45                                     | 32.53                                     | 18.35                 |
| WESCO                            | 38.89                | 19.60                 | 37.30                                    | 38.00                                     | 35.01                                     | 19.60                 |
| SOUTHCO                          | 46.42                | 25.50                 | 44.19                                    | 43.47                                     | 40.03                                     | 25.50                 |
| <b>ALL ODISHA</b>                | 38.56                | 21.30                 | 37.44                                    | 37.43                                     | 34.13                                     | 21.29                 |
| <b>COLLECTION EFFICIENCY (%)</b> |                      |                       |  |   |   |                       |
| CESU                             | 97.14                | 99.00                 | 89.20                                    | 99.00                                     | 99.00                                     | 99.00                 |
| NESCO                            | 100.56               | 99.00                 | 90.63                                    | 99.66                                     | 99.17                                     | 99.00                 |
| WESCO                            | 97.13                | 99.00                 | 92.79                                    | 97.00                                     | 98.00                                     | 99.00                 |
| SOUTHCO                          | 97.79                | 99.00                 | 88.70                                    | 97.00                                     | 97.00                                     | 99.00                 |
| <b>ALL ODISHA</b>                | 98.08                | 99.00                 | 90.59                                    | 98.36                                     | 98.54                                     | 99.00                 |
| <b>AT &amp; C LOSS (%)</b>       |                      |                       |  |   |   |                       |
| CESU                             | 39.97                | 23.77                 | 43.56                                    | 38.13                                     | 32.68                                     | 23.77                 |
| NESCO                            | 33.91                | 19.17                 | 40.96                                    | 33.67                                     | 33.08                                     | 19.17                 |
| WESCO                            | 40.65                | 20.40                 | 41.83                                    | 39.86                                     | 36.31                                     | 20.40                 |
| SOUTHCO                          | 47.60                | 26.25                 | 50.49                                    | 45.17                                     | 41.83                                     | 26.25                 |
| <b>ALL ODISHA</b>                | 39.74                | 22.09                 | 43.33                                    | 38.46                                     | 35.09                                     | 22.08                 |

### **Computation of Revenue**

177. As stipulated under Section 61(g) of the Electricity Act, the tariff should progressively reflect the cost of supply of electricity and the cross subsidy among various group of consumers voltage-wise is also to be reduced. Based on the normative parameters of the reduction of Distribution loss, collection efficiency and consequential reduction of AT&C loss, Retail tariff is fixed so that the cost of supply by the DISCOMs is recovered enabling it to pay to the GRIDCO towards power purchase cost, Transmission charges to OPTCL, SLDC charges to SLDC and to meet the operational expenditure. We have adopted the following methodology which appears to be more realistic to estimate the revenue of DISCOMs from different voltage category of consumers for ensuing year.

- **EHT Category**

The average revenue billed per unit (P/Kwh) category-wise by DISCOMs for first 9 months of current financial year (T-6 Format) is available with us. This per unit revenue billed is multiplied by category wise expected sales for FY 2013-14 to arrive at expected revenue of the licensees in the respective category with the existing tariff. Thereafter, to find out of the likely revenue to be billed by DISCOMs in the ensuing year the respective increase in tariff in that category in different load factor (considering the drawal pattern) are added to the average revenue billed per unit in the current year. This total average per unit revenue billed in the coming year so arrived is multiplied by category-wise expected sale for FY 2013-14 to arrive at expected revenue of the licensee in the respective category in the revised tariff for ensuing year. The above principle followed for all DISCOMs.

- **HT Category**

The average revenue billed per unit (P/Kwh) category-wise by DISCOMs for first 9 months of current year is available with us. This per unit revenue billed

is multiplied by category wise expected sale for FY 2013-14 to arrive at expected revenue of the licensees in the respective category with the existing tariff. Thereafter, to find out average revenue billed per unit in the coming year the increase in tariff is added to the average revenue billed in the current year. This likely average per unit revenue to be billed in the coming year is multiplied by category-wise expected sales for FY 2013-14 to arrive at expected revenue of the licensee in the respective category in the revised tariff.

- **LT Category**

The Commission has approved the sales of DISCOMs at LT level by considering power purchase allowed to them and applying the target loss level for FY 2013-14 at that voltage. The Commission expects appreciable growth in LT sales due to rapid Rural Electrification and improved standard of living of the people of the State. But the licensees have projected less sale in LT than what is approved for them by applying target loss level. It is difficult to assess the LT sales for ensuing year as per billing data within a reasonable accuracy limit. However, the Commission is optimistic of higher sales in LT sector in the coming year. Therefore, the Commission thinks it fit to allow revenue to DISCOMs at the approved sales level at LT. The average revenue billed per unit (P/Kwh) category-wise by DISCOMs for first 9 months of current year at LT level is available with us. The DISCOMs are likely to maintain at least this trend or bill more revenue per unit of sales in ensuing year. This per unit revenue billed is multiplied by category-wise expected sale for FY 2013-14 to arrive at expected revenue of the licensees in the respective category in the existing tariff. Thereafter, to find out average revenue billed per unit in the coming year the increase in tariff is added to the average revenue billed in the current year. This likely average revenue billed in the coming year is multiplied by category-wise expected sale for FY 2013-14 to arrive at expected revenue of the licensee in the respective category in the revised tariff. However, the Commission takes a pragmatic view on reasonableness of sales and revenue to individual DISCOMs in domestic category.

Therefore, following the above principle we approve the expected revenue of DISCOMs for FY 2013-14 as given in the table below:

**Table - 20**  
**Proposal and Approval of Revenue Requirement for the DISCOMs for FY 2013-14**  
**(Rs. Crore)**

| Category             | CESU           |                | NESCO          |                | WESCO          |                | SOUTHCO       |               | ALL ODISHA     |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|
|                      | Proposed       | Approved       | Proposed       | Approved       | Proposed       | Approved       | Proposed      | Approved      | Approved       |
| LT                   | 1209.71        | 1358.03        | 744.96         | 833.28         | 607.73         | 951.69         | 487.77        | 597.28        | 3740.28        |
| HT                   | 631.13         | 664.22         | 264.33         | 271.94         | 680.98         | 694.84         | 108.27        | 111.99        | 1742.99        |
| EHT                  | 759.11         | 847.24         | 809.98         | 885.80         | 811.67         | 846.16         | 223.54        | 239.75        | 2818.95        |
| <b>Total Revenue</b> | <b>2599.96</b> | <b>2869.49</b> | <b>1819.28</b> | <b>1991.03</b> | <b>2100.38</b> | <b>2492.69</b> | <b>819.58</b> | <b>949.02</b> | <b>8302.23</b> |

**Issues of Railway (East Coast Railway)**

178. The Commission is bound to act under Section 61 (b) & (g) of the Electricity Act, 2003 which provides for electricity business to be conducted on commercial principle and as such tariff should progressively reflect the cost of supply of electricity. Uniform tariff at a particular voltage is a step towards tariff rationalisation. All

Consumers categories in EHT pay equal tariff basing on their load factor. Therefore, a separate reduced tariff for railways at EHT is contrary to the tariff principle and request of railway in this regard is not acceptable to the Commission. We reiterate that due to very nature of traction load, normally Railway traction sub-station draw unbalanced load (132 KV, 2 phase) and generate higher harmonics in the system. Truly speaking, the traction tariff should have been higher than that of any balanced EHT, 3 phase load. But, the Commission has not done so but has ordered that as Railway traction not being a 3 phase balanced supply is not entitled for ToD benefit. As regards to quality of supply, line tripping due to fault in the Railway feeder, the DISCOM shall coordinate with OPTCL and both OPTCL and DISCOMs authorities should see that the line is restored on war footing basis. In case of need of maintenance shut down a clear 24 hours notice should be given to the Railway authorities. Any violation on the part of DISCOM / OPTCL authority in this front should be brought to the notice of the Commission.

179. The Commission allows different schemes which have been introduced in RST order for FY 2012-13 to continue until further orders. They are as follows:

(a) **Demand charges for Ice Factories dependant on fishing vis-a-vis statutory restriction on fishing**

The Fisheries Department of the Government of Odisha has introduced a seasonal prohibition on fishing by trawlers for a distance of 20 km from the seashore at the Devi (Jatadhari River mouth to Devi River mouth) and Rushikulya (Chilika lake mouth to Rushikulya River mouth). The annual ban was for the turtle season from January to May. Considering this ban we have allowed some concession to Ice Factories dependant on fishing in terms of demand charges in FY 2012-13 vide Para 250 to 257 in our RST Order for that year. We direct that same concession would continue for FY 2013-14 also. Accordingly during the statutory restriction imposed by the Fisheries Department, the Ice factory located at a distance not more than 5 KM towards the land from the seashore of the restricted zone will pay demand charges based on the actual maximum demand recorded during the billing period. There will be no changes in energy charges and other charges payable to the DISCOMs as per the existing Tariff Order and Regulations.

Regarding modalities of implementation of the concession with regard to payment of demand charges on actual maximum demand recorded during restriction period, it is difficult on the part of the Commission to identify which of the ice factory actually suffer from low business turn over due to the statutory restriction on fishing. It is the concerned distribution companies which are to identify only such ice factories located within a distance of not more than 5 KM towards the land from the sea shore of the restricted zone and then after periodical inspection and checking of meter reading the DISCOMs may allow payment of demand charges based on the actual maximum demand recorded during the restriction period only. The demand charges shall be based on maximum demand or 80% of the contract demand whichever is higher during the period other than the restriction period. In order that this special dispensation for the Ice factories located upto 5 KM towards land from the sea shore of the restriction zone is not misused, the DISCOMs should periodically inspect the functioning of the Ice factory and the manner of the consumption

of electricity during the statutory restriction period. The above provision regarding fixation of demand charges shall continue until further orders.

(b) **Allied Agro-industrial activities**

Due to practical difficulties in segregating cold storage load from food processing the food processing unit attached with cold storage shall be charged at Agro-Industrial Tariff if cold storage load is not less than 80% of the entire connected load. If the load of the food processing unit other than cold storage unit exceeds 20% of the connected load, then the entire consumption by the cold storage and the processing unit taken together shall be charged with the tariff as applicable for general purpose or the industrial purpose as the case may be.

(c) **Issue of Public lighting**

Due to unavailability of meter in many public lighting load, until metering is in place the Commission directs that billing should be done assuming 11 hours burning time taking the average use of summer and winter seasons.

(d) **Own Your Transformers (OYT) Scheme**

The scheme is now intended for individual LT Domestic and individual /group General Purpose consumers who would like to avail single point HT supply by owning their distribution transformers. In such a case the licensee would extend a special concession of minimum 5% rebate from the total 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. For removal of doubt it is clarified that the bulk supply domestic category of consumers i.e. consumers in an apartment building or a colony are entitled to avail bulk domestic HT supply at a concessional flat rate and, therefore, not covered under 'OYT' scheme although they install their own Distribution transformers for availing power supply. The scheme was introduced to encourage LT less distribution only.

(e) **Pre-paid meters**

Regulation 54(3) of OERC Distribution (Conditions of Supply) Code, 2004 provides that the licensee shall make out a plan for introduction and adoption of new technologies (such as Pre-paid Meters, time of the day meters, automatic remote meter reading system through appropriate communication system) becoming available with the approval of the Commission or as per the directions of the Commission. Therefore, licensees must try to adopt new metering technologies for better consumer service. A pre-paid meter not only help the consumers to manage their purchase of electricity well, but also reduces the receivable of DISCOMs.

Govt. of Odisha vide their notification No.914 dtd.04.02.2013 have been pleased to decide to install prepaid energy meters in government establishments including public sector undertakings, autonomous bodies, urban local bodies, govt. societies etc. at State, District and Block levels by 31.03.2013. Therefore DISCOMs are directed to stick to the above guidelines of the Govt. scrupulously. Any electricity dues accruing after this date shall not be treated as receivables by the Commission.

We also direct that all such consumers who default in payment thrice during a particular financial year should mandatorily be fitted with pre-paid meters. The pre-paid meters can be purchased by the consumers from approved vendors. The DISCOMs therefore immediately finalise the list of vendors for pre-paid meters and develop associated infrastructure for its installation. The pre-paid meters should have easy charge facilities. The vendor should provide facilities for sale of recharge vouchers in their respective licensed area. The DISCOMs are expected to provide all temporary connection through pre-paid meters only. No security deposit or rent should be collected from pre-paid consumers. The security deposit of existing consumers who will be fitted with pre-paid meters should be refunded in terms of recharge vouchers. The consumers having pre-paid meters pay their electricity charges up front before consuming the energy. The Commission would like to give a special incentive in the form of the two times of rebate of the applicable category. The DISCOMs will give this special concession in the form of additional energy in the recharge vouchers.

(f) **Tatkal Scheme for New Connection**

The Commission has received a number of grievances regarding undue delay in providing new power connection to their premises with one plea or other by the field Engineers of DISCOMs. The Commission would like to introduce a “**Tatkal scheme**” for immediate power connection to the consumer premises after compliance of the following requirements.

- (a) New connection application filled in as far as practicable.
- (b) Contractors completion certificates of internal wiring including test reports.
- (c) Indemnity Bond / Ownership document of the premises
- (d) Deposit of processing fee and estimated amount for service connection.

On compliance of the above requirement licensee shall communicate to the consumer the technical feasibility and remunerativeness of the application within three working days. On deposit of Tatkal charges, thereafter, the licensee shall extend the service connection within three working days. In case Tatkal connection, is not effected the Engineer shall communicate the reason of delay, in writing to the consumer, as well as his/her next higher authority.

This Tatkal scheme is applicable to consumers availing LT supply for Domestic, Agricultural and General purpose only. The Tatkal charges are given below:

**Table - 21**

| <b>Category of Consumers</b>                              | <b>Tatkal charges</b> |
|---|-----------------------|
| LT Single phase upto 5 KW load                            | <b>Rs.2000</b>        |
| LT three phase 5 KW and above                             | <b>Rs.2500</b>        |
| LT Agricultural consumers                                 | <b>Rs.1000</b>        |
| LT General purpose single phase and three phase consumers | <b>Rs.4000</b>        |

The above Tatkal charges don't include meter cost/rent.

### **‘Take or Pay’ Tariff**

180. The Commission on analysis of submission of DISCOMs during hearing found that the ‘Take or Pay’ tariff scheme introduced by the Commission in FY 2012-13 has not borne the desired result. The intended expectation of more and more industries would go for higher load factor opting for ‘Take or Pay’ scheme has not been achieved, in practice. In stead the process industries who are already consuming power at higher LF have multiple benefits seriously affecting the revenue inflow of the DISCOMs. It has upset the existing cross-subsidy mechanism. Therefore, the Commission is pleased to withdraw the scheme w.e.f. FY 2013-14.

### **Issue of Security Deposit**

181. As per Regulation 19(4) of OERC Distribution (Condition of Supply) code, 2004 the security deposit shall be paid in cash or by bank draft. It may also paid by cheque or credit card where specifically allowed by the licensee. There is no provision of payment of security deposit through Bank Guarantee in the Regulation. Modification to the existing provision may be considered only after the distribution companies achieve financial turn around and are able to generate enough cash for timely taking up of repair and renovation of the existing old distribution network. It is alleged that licensee is not reviewing the security deposit nor refunding the excess security deposit collected at the time of initial/enhanced power supply. Therefore, as per Regulation 20(1) of Supply Code, licensee should make a general review of security deposit available with them after revision of the tariff and refund or bill excess or shortfall in security deposit, if any. The status report may be submitted to the Commission by 30<sup>th</sup> June 2012,

### **Issue of Rice Mills**

182. Some objectors and representative of Rice Mills situated basically in Umarkote area of SOUTHCO have brought to our notice the poor quality of supply in their area. They have further added that due to supply of power in their area from distant gird of OPTCL they are experiencing very low voltage leading to stoppage of their machineries. They urged the Commission that people living rural areas are being discriminated in the matter of prescribed standard of service though they are paying same electricity tariff as that of urban area. They submitted that as OERC (Licensees Standard of Performance) Regulation 2004 prescribes two different sets of performance standards for rural and urban areas for the licensees, therefore, the rural and urban tariff for electricity should be different.
183. The submission of the objectors who have highlighted the different prescribed standard of service and poor quality of service being given in the rural areas has same merit. But though for all towns and cities the same standard of service has been prescribed, the quality of service across the towns and cities is not the same at present. It is to be mentioned here that the Commission has been following uniform retail tariff throughout the State due to legacy of the past and present expediency. As the tariff is equal, the customers are also rightfully entitled for similar quality of services. Quality of service does not depend solely on the efficiency in operation of the licensees but also on several factors such as accessibility of the area of service, consumer density, outreach of the transmission Grid etc. over which the licensees have no control. Therefore, the four DISCOMs of the State have different operational settings. The licensees incur more cost to supply electricity to the remote areas in comparison to urban areas. In spite of that Commission keeping in mind the interest of the

Consumers of the State have kept the differentiation in performance standards to the minimum by limiting it to urban and rural throughout the State. In this connection it may be clarified that only in case of restoration of power following interruption /failure of power supply and distribution transformer failure differential time limit has been fixed for urban and rural bodies but no such differentiation in case of low voltage, scheduled shut down etc. Therefore, it would not be prudent to accept the suggestion of the objector to provide a lower tariff for rural areas basing solely on the contention that the rural areas have different standard of performance in respect of voltage level, restoration of power, replacement of burnt/failed transformers etc. The Commission further wants to emphasize that due to massive industrialization of the State, urbanization is spreading very fast now in comparison to yesteryears. Therefore, the rural area of today will be urban area tomorrow. In this context, the rural consumers are very likely to be converted to urban consumers at some point of time availing the similar standard of performance what urban consumers are getting today.

184. But the objectors of Umarkote area have brought to our notice alarmingly low quality of power supply to their area. As committed during hearing we have sent a fact finding team to that area. The expert team has been instructed to suggest both short term and long term solutions to the low voltage problem. Once the recommendations are available with us the Commission shall take up the issue both with the DISCOMs and OPTCL.
185. Some Rice Mill Owner's Association have brought to our notice the disparity in demand charges / MMFC between HT (Medium Industries) and LT (Medium Industries) categories. We want to clarify that though HT consumers pay higher demand charges with respect to their LT counterpart at the same time they pay lower energy charges than them. However, the Commission considering the increase in demand charges for HT (M) supply for last three years and quality of supply available to them reduce the demand charges from Rs.250 to Rs.150/KVA/month for FY 2013-14.

#### **The issue of energy charge to the hostels run by SC/ST Department**

186. During hearing it has come to our notice that hostels attached to the schools run by SC/ST Department, Govt. of Odisha are facing difficulties in payment of electricity bills due to meagre paying capacity of the students residing in those hostels. Most of the students belong to BPL families. When we allow special reduced /highly subsidised tariff to their families it will be logical to extend a subsidised tariff to the children staying in those hostels. On an analysis it is found that the hostels are consuming on an average very low quantity of electricity. Therefore, the Commission allows a Special Rebate of Rs.2.40 paise per unit to those hostels attached to the school recognized and run by SC/ST Dept., Govt. of Odisha on the energy charge under Specified Public Purpose category (HT/LT). DISCOMs would request State Govt. authorities to supply them the list of such schools qualifying for the Special Rebate.

#### **Issue of NIT, Rourkela**

187. NIT, Rourkela during hearing brought to our notice that they are HT Specified Public Purpose category of consumers. Their Electricity load can be classified as follows (a) Domestic (Colony) (b) Academic and (c) Hostels. The domestic load constitutes 60% of the total load approximately but all the above categories of load are paid at HT

Specified Public Purpose category which results in paying higher tariff for domestic load equal to Specified Public Purpose category. Therefore, they have submitted for segregation of Institute and hostel load from domestic load of the colony. Considering the request we find that NIT, Rourkela is legitimately eligible for segregation of colony load from rest of the Institute and Hostel. We direct WESCO on the application of NIT, Rourkela and completing all the formalities as per Regulation to segregate colony load from institute and its hostels. The colony should get a separate connection as bulk supply domestic HT category.

#### **Tariff for Start-up Power of IPPs/CGPs**

188. Regulation 80(15) of Supply Code provides for emergency supply to industries having/owning generating station including Captive Power Plants (CGPs). This category relates to supply of power to industries with Generating Stations including Captive Power Plants only for start-up of the unit or to meet their essential auxiliary and survival requirements in the event of the failure of their generation capacity. Such emergency assistance shall be limited to 100% of the rated capacity of the largest unit in the Captive Power Plant of the Generating Station. DISCOMs submit that there should be demand charges for CGP emergency drawal. It is to be mentioned here that there can be two types of industries having CGPs. One is having a limited CD with DISCOMs and other is without any CD but connected to the Grid. In case of first category of industry they pay demand charges (80% of the contract demand or maximum demand whichever is higher) and energy charges. They have a right to draw any time upto the contract demand and emergency drawal price is not applicable to them. They pay normal tariff equal to any other similarly placed industries. But in case of second category of industries which have zero CD with DISCOMs they pay only charges for emergency drawal. However, if their drawal exceeds the 100% of the rated capacity of their largest unit they shall cease to be consumer for emergency supply and pay demand charge and energy charge for the balance period of financial year like any HT and EHT industrial category Similarly IPPs are consumers of DISCOMs for emergency drawal purpose only.

#### **Issue of KVAh billing**

189. Some DISCOMs have been urging us to introduce KVAh billing for last three years. We find that very few states have introduced this methodology of billing. Though this methodology dispense with the system of power factor incentive and penalty it requires amendment of the Supply Code particularly the definition of load factor etc. When we are providing for power factor penalty DISCOMs should not have grouse against Kwh billing. When proper infrastructure will be in place and regulation is appropriately changed the Commission may consider the same in future.

#### **Provisional / Average / Load Factor basis Billing**

190. The provisional billing has been allowed by the Commission under Regulation 93 (8) and 99 of OERC Distribution (Condition of Supply) Code, 2004. The amount thus billed shall be adjusted against the bill raised on the basis of actual meter reading during subsequent billing cycle. Such provisional billing shall not continue for more than one meter reading cycle at a stretch. If the meter remains inaccessible even for the next cycle the licensee is free to proceed as per Section 163 of the Electricity Act, 2003 which may lead to cut-off the supply to the consumers. Therefore, the licensee must act expeditiously in case of inaccessibility of meter for reading purpose. In no case billing should be made on provisional basis for more than one billing cycle.

191. Average billing is allowed by the Commission under Regulation 97 of Supply Code, 2004 for the period the meter remains defective or is lost. The billing shall be made on the basis of average meter reading for the consecutive three billing periods succeeding the billing period in which the defect or loss was noticed. The Commission has not allowed average meter reading in any other case except in case of defective meter or when the meter is lost. Therefore, the licensee must desist from billing on average basis in other cases.
192. Load factor billing has been abolished by the Commission w.e.f. 01.04.2004. It should not be utilized as a substitute billing methodology when the licensee is unable to read meter for any other reason. Therefore, the Commission directs that the licensee must adhere to the codal provision strictly. The consumers are at liberty to take recourse to remedial measures as provided in the Electricity Act, 2003 and Supply Code, 2004.

**Power Factor Incentive and Penalty**

193. The Commission analyses the drawal pattern of EHT and HT industries of the State as submitted by the DISCOMs. Many industries have been able to run with a power factor of 95% or more. This has helped them to reduce their electricity bills. The system power factor of the DISCOMs have also reached a level of more than 90%. A time has reached when the consumers have become conscious of keeping their power factor high for their own benefit without any external stimulus. Therefore, the Commission abolishes power factor incentive and continues with existing provision of power factor penalty. There should be no power factor penalty for leading power factor. The power factor penalty shall be charged below the power factor level of 92% as usual as follows:

**Table - 22**

|                                  |   |
|----------------------------------|---|
| Below 92% upto and including 70% | 0.5% penalty for every 1% fall from 92% upto and including 70% plus |
| From 70% to 30%                  | 1% penalty for every 1% fall below 70% upto and including 30% plus  |
| From 30% or below                | 2% for every 1% fall below 30%                                      |

(Pro-rata penalty shall be calculated and the power factor shall be calculated upto four decimal points). The penalty shall be on monthly demand charge and energy charge of the HT and EHT industries as prescribed later on in this Order.

The licensee may give a 3 months’ notice to install capacitor for reduction of reactive drawl failing which licensee may disconnect the power supply if the power factor falls below 30%.

**Graded Slab Tariff for HT/EHT Consumers**

194. Considering more and more industries are running in higher load factor the Commission has modified Graded slab tariff for HT and EHT consumers as follows:

**Table – 23**

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

| Load Factor (%) | HT  | EHT |
|-----------------|-----|-----|
| = < 60%         | 505 | 500 |
| > 60%           | 400 | 395 |

Load factor has to be calculated as per Regulation 2 (y) of OERC Distribution Code, 2004. **However, in calculation of load factor, the actual power factor of the**

**consumer and power-on-hours during billing period shall be taken into consideration.**

195. Power on hours is defined as total hours in the billing period minus allowable power interruption hour. The allowable power interruption hours should be calculated by deducting 60 hours in a month from the total interruption hour. In case power interruption is 60 hours or less in a month then no deduction shall be made.

**Reliability Surcharge**

196. Many concerns, basically HT/ EHT Industries brought to the notice of the Commission regarding uninterrupted quality power supply to their units. Many process industries particularly connected with the dedicated feeders from the Grid of OPTCL and Primary sub-station of DISCOMs objected to the restrictions being imposed on their units by the DISCOMs in case of exigency with or without the express intimation of SLDC. While there is a need to supply uninterrupted power to high end HT/EHT consumers this has to be viewed in the overall perspective of a situation of system unavailability / power deficit where a large number of ordinary consumers suffer power cut during peak hours and also sometimes during the summer months. The Commission is, therefore, of the view that for getting uninterrupted power supply in this adverse scenario the high end consumer must compensate the DISCOMs who may otherwise would have imposed power cuts on those consumers. Therefore, we introduce a concept of reliability surcharge in this tariff order for FY 2013-14. The reliability surcharge shall be payable to start with such HT and EHT consumers who get power supply through dedicated feeders from OPTCL Grid sub-station or from the primary 33/11 KV sub-station of DISCOMs. The reliability surcharge shall be 20 paise per unit for all the units consumed by such HT and EHT consumers in the billing month. This surcharge is leviable over and above the bill amount based on normal tariff for that category of consumers after the rebate and penalty if any. The reliability surcharge is leviable provided following two conditions are satisfied.

- (a) If Reliability Index formula which is given below is at or more than 99% in a month.

**Reliability Index** for dedicated feeder for the month =

$$\left[ 1 - \frac{\text{SAIDI for the dedicated Feeder}}{24 \times 60 \times \text{nos. of days in the month}} \right] \times 100$$

and

- (b) The voltage variation at the consumer premises is as per Section 2.1 (Schedule I) of OERC (Standard of Performance) Regulation, 2004.

DISCOMs shall also attach the reliability index calculation and voltage variation report with the bill in case of levy of reliability surcharge. They are not required to pay any charges for this report to be attached with the bill. We also direct M/s. OPTCL to co-operate for ensuring uninterrupted power supply without restriction to such consumers.

**Cross-subsidy in Tariff**

197. Section 61(g) of Electricity Act 2003 stipulates that the appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity and also reduces cross-subsidies in the manner

specified by the Commission. Para 8.3.2 of Tariff Policy enjoins that *for achieving the objective that tariff progressively reflects the cost of supply of electricity, the SERC would notify road map within 6 months with a target that latest by the end of year 2010-11 tariffs are within  $\pm 20\%$  of the “average cost of supply”.*

198. Section 62 of the Electricity Act, 2003 empowers OERC to determine tariff for retail sale of electricity. While doing so, the Commission is to be guided by National Electricity Policy and Tariff Policy under the provision of Section 61 (i) of the said Act. However, in the meantime in conformity with the provisions of Para 8.3.2 of the Tariff Policy and Para 5.5.2 of the National Electricity Policy, 2005 which specifically refers to average cost of supply, the Commission has already amended Regulations 7(c)(iii) of the OERC (Terms and Conditions of Tariff Determination) Regulation, 2004 vide notified dated 30.5.2011 which was published in the Odisha Gazette on 10.8.2011. The said amended provision which has come into force from 10.8.2011 is extracted below:-

**“7 (c) (iii)**

*For the purpose of computing Cross-subsidy payable by a certain category of consumer, the difference between average cost-to-serve all consumers of the State taken together and average tariff applicable to such consumers shall be considered.”*

199. Thus, after the amendment of Regulation 7(c)(iii) of the OERC (Terms and Conditions of Tariff Determination) Regulation, 2004 which has become effective from 10.8.2011 cross subsidy is to be worked out based on the average cost to supply to all consumers of the State taken together and average tariff applicable to such consumers. The average cost of supply for Odisha for FY 2013-14 is follows:

**Table – 24**  
**Average Cost of Supply (per Unit) FY 2013-14**

| <b>Expenditure</b>                                       | <b>(Rs. Cr)</b><br><b>(Approved)</b> |
|--|--------------------------------------|
| Cost of Power Purchase                                   | 6,113.92                             |
| Transmission Cost  | 576.22                               |
| SLDC Cost  | 3.67                                 |
| Total Power Purchase, Transmission & SLDC Cost(A)        | 6,693.81                             |
| Employee costs   | 1,041.39                             |
| Repair & Maintenance                                     | 233.42                               |
| Administrative and General Expenses                      | 104.16                               |
| Provision for Bad & Doubtful Debts                       | 54.83                                |
| Depreciation   | 114.61                               |
| Interest Chargeable to Revenue including Interest on S.D | 186.64                               |
| Sub-Total  | 1,735.06                             |
| Less: Expenses capitalised                               | -                                    |
| Total Operation & Maintenance and Other Cost             | 1,735.06                             |
| Return on equity   | 36.00                                |
| Total Distribution Cost (B)                              | 1,771.06                             |
| Amortisation of Regulatory Asset                         | -                                    |
| True up of Past Losses                                   | -                                    |
| Contingency reserve                                      | -                                    |
| Total Special Appropriation (C)                          | -                                    |

| <b>Expenditure</b>                   | <b>(Approved)</b> |
|--------------------------------------|-------------------|
| Total Cost (A+B+C)                   | 8,464.87          |
| Less: Miscellaneous Receipt          | 197.93            |
| Total Revenue Requirement            | 8,266.94          |
| Expected Revenue(Full year )         | 8,302.23          |
| GAP at existing(+/-)                 | 35.29             |
| Approved Saleable Units (MU)         | 18,138.56         |
| <b>Average Cost (paisa per unit)</b> | <b>466.68</b>     |

200. For the purpose of calculating the cross-subsidy the estimated revenue realization and the estimated sale of energy to EHT, HT & LT category consumer has been taken into account while working out the average tariff of those respective category as per the format given below:

$$\text{Average Tariff realization for a category} = \frac{\text{Total expected revenue to be realized from that category as per ARR}}{\text{Total anticipated sale to that category as per ARR}}$$

201. The cross-subsidy calculated as per the above methodology is given in the table below:

**Table - 25**  
**Cross-subsidy for FY 2013-14**

| <b>Year</b>    | <b>Level of Voltage</b> | <b>Average cost of supply for the State as a whole (P/U)</b> | <b>Tariff P/U</b> | <b>Cross-Subsidy P/U</b> | <b>Percentage of Cross-subsidy above/below of cost of supply</b> |
|----------------|-------------------------|--|-------------------|--------------------------|--|
| <b>1</b>       | <b>2</b>                | <b>3</b>   | <b>4</b>          | <b>5=(4-3)</b>           | <b>6= (5 / 3)</b>  |
| <b>2011-12</b> | <b>EHT</b>              | 408.87   | 506.98            | 98.11                    | 24.00%   |
|                | <b>HT</b>               |  | 524.92            | 116.05                   | 28.38%   |
|                | <b>LT</b>               |  | 300.34            | -108.53                  | -26.54%  |
| <b>2012-13</b> | <b>EHT</b>              | 460.51   | 551.04            | 90.53                    | 19.66%   |
|                | <b>HT</b>               |  | 552.09            | 91.58                    | 19.89%   |
|                | <b>LT</b>               |  | 368.52            | -91.99                   | -19.98%  |
| <b>2013-14</b> | <b>EHT</b>              | 466.68   | 559.18            | 92.50                    | 19.82%   |
|                | <b>HT</b>               |  | 559.69            | 93.01                    | 19.93%   |
|                | <b>LT</b>               |  | 374.66            | -92.02                   | -19.72%  |

### **Overdrawal of Demand**

#### **Incentive**

202. As per the existing Commission's Order all the consumers who pay two-part tariff are allowed to draw upto 120% of contract demand during off peak hours on payment of demand charge as per the 80% of the contract demand or maximum demand drawn during other than off peak hours whichever is higher where drawal of maximum demand is within CD.

#### **Eligibility for availing overdrawal benefit during off peak hours**

203. HT and EHT industries are allowed for 120% overdrawal benefit only if, their maximum demand drawn during other than off peak hours remains within the contract demand. In case the consumer overdraws than contract demand during other than off

peak hours, but within 120% of contract demand during off-peak hours, no overdrawing benefit shall be allowed to such consumer. In that case the demand charge will be calculated as per the recorded maximum demand, irrespective of hours of its drawal.

**Penalty for overdrawing**

- 204. Demand charge shall be calculated on the basis of 80% CD or actual MD during other than off peak hour whichever is higher. Any overdrawing more than 120% of CD during off-peak hours, the overdrawing penalty shall be charged on the excess of demand over the 120% CD. The penalty rate is Rs.250/KVA. In case there is overdrawing during other than off peak hours, no off peak benefit is available as per the previous Para of this Order. Therefore, the overdrawing penalty @ Rs.250/KVA shall be charged over the excess drawal of demand over CD irrespective of hours it occurs. This penalty for overdrawing in any case shall be over and above the normal demand charges.
- 205. When Maximum Demand is less than the Contract Demand during hours other than off peak hours then the consumer is entitled for over drawal benefit limited to 120% of Contract Demand during off peak hours. If MD exceeds 120% of CD during off peak hours then the consumer is liable for overdrawing penalty only on the excess demand recorded over 120% of CD @ Rs.250/- per KVA per month. If Maximum Demand exceeds the Contract Demand during hours other than off peak hours then the consumer is not entitled to get off peak hour over drawal benefit even if the drawal is more than the contract demand but within 120% of CD.

**Re-connection Charges**

- 206. The Commission allow existing reconnection charges to continue for FY 2013-14.

**Table - 26**

| Category of Consumers             | Reconnection charges |
|-----------------------------------|----------------------|
| 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/-            |

**Adoption of new Metering Technology / Meter Rent**

- 207. CEA (Installation and operation of Meters) Regulation, 2006 regarding adoption of new technologies OERC Supply Code, 2004 provides as follows:

*“The licensee shall make out a plan for introduction and adoption of new technologies (such as Pre-paid Meters, time of the day meters, automatic remote meter reading system through appropriate communication system) becoming available with the approval of the Commission or as per the directions of the Commission.”* As per Section 55 of Electricity Act, 2003 the licensee may require the consumers to give him security for price of a meter and enter into agreement for the hire thereof, unless the consumer elects to purchase a meter. In view of the above the consumer should have the first option to provide the meter so that they could have a genuine correct meter. If that option is not exercised, it is the duty of the licensee to give initial supply with a correct meter and not force the consumer to purchase one. It is needless to say that if subsequently the meter gets defective the licensee has to follow the procedure as laid out in the Regulation 97 of Supply Code. The Commission fixes monthly meter rent for FY 2013-14 as follows:

**Table - 27**

| <b>Type of Meter</b>                             | <b>Monthly Meter Rent (Rs.)</b> |
|--|---------------------------------|
| 1. Single phase electro-magnetic Kwh meter       | 20                              |
| 2. Three phase electro-magnetic Kwh meter        | 40                              |
| 3. Three phase electro-magnetic 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 henceforward shall be collected for a period of 60 months only.

208. The monthly meter rent shall be charged from the consumers to whom meter has been supplied by the licensee. The licensee should strengthen their meter testing laboratories so that they can handle repair and replacement of defective meters quickly. Meter test report should be supplied to the consumer at the time of installation of the meter. The Commission desires that DISCOMs may initiate advance metering technology like pre-paid meters, automatic meter reading system (AMR/AMI) etc. by replacing sluggish yesterday technology meters in line with CEA and OERC Regulation. The DISCOMs, in line with the stated smart metering policy may introduce AMR / AMI compliant pre-paid/post-paid smart meters (as per consumer choice) in selected urban areas to start with. No meter cost except usual meter rent shall be charged to the consumers of such areas.

#### **The Tariff for Kutir Jyoti / BPL Consumers**

209. The tariff for Kutir Jyoti/BPL category has remained unchanged at Rs.30 per month for consumption upto 30 units per month from 2000-01 till 2011-12. It was revised to Rs.60 per month in FY 2012-13. In the meantime average cost of supply for Odisha has gone up from 460.51 Paise per unit in FY 2012-13 to 466.68 paise per unit in 2013-14.
210. As per Para 5.5.2 of the National Electricity Policy, “a minimum level of support may be required to make the electricity affordable for consumers of very poor category. Consumers below poverty line who consume below a specified level, say 30 units per month, may receive special support in terms of Tariff which are cross-subsidized. Tariff for such designated group of consumers will be at least 50% of the “average (overall) cost of supply”. Accordingly, the tariff for BPL/Kutir Jyoti consumers should have been 233.34 paise per unit but the Commission has fixed a highly subsidized fixed amount of Rs.65 per month for consumption within 30 units per month for FY 2013-14 considering the paying capacity of poor consumers of Odisha. If any BPL / Kutir Jyoti consumer consumes more than 30 units in any month then he shall be treated as ordinary domestic consumers subsequently even if he consumes less than 30 units per month in any succeeding month.

#### **Tariff for Irrigation Pumping and Agriculture/ Allied Agriculture Activities /Allied Agro-Industrial Activities:**

211. The Govt. of Odisha vide Lr. No.2261 dtd. 19.03.2012 has inter alia communicated to the Commission that “*Though tariff for irrigation pumping & agriculture remain*

more or less same since 2001-02, the consumption for these categories is around 3-5%. Therefore any small increase in tariff will not provide any substantial revenue support to the DISCOMs. While Govt. is giving priority to agriculture, there should not be any increase in tariff under Irrigation Pumping & Agriculture and Allied Agriculture Activities. Presently Govt. does not have any proposal to provide any subsidy/subvention in terms of sec-65 of the Electricity Act, 2003 for the purpose.”

212. Accordingly the tariff for Irrigation Pumping and Agriculture / Allied Agriculture Activities have been retained at previous rates. It is to be mentioned here that tariff for irrigation pumping and Agriculture has remained unchanged since 2000-01 to 2013-14 while Allied Agricultural Activities the rates continues since 2009-10. Although average cost of supply has increased manifold and has reached the level of 466.68 paise per unit.
213. DISCOMs should take appropriate steps to recover outstanding amount from lift irrigation consumers and from Pani Panchayats and ensure that the outstanding amount is paid latest by 30.06.2013. At the same time instruction should also be issued that the monthly current bills also be paid in time by the Lift Irrigation and Pani Panchayat functionaries. If there is default in payment of the current bills on three occasions by the Lift Irrigation Projects and Pani Panchayats, the distribution companies should disconnect the power supply and power supply shall not be restored unless beneficiary of the consumers of Lift Irrigation Projects and Pani Panchayats install prepaid meters. In order to help the beneficiaries of Lift Irrigation Projects and Pani Panchayats the Commission have considered keeping the tariff of Lift Irrigation and Pani Panchayat at a lower rate with the hope that the beneficiaries should make economic use of the water by using star rated pump sets and to avoid wastage of water and energy by switching off the pump sets at proper time and ensure payment of monthly energy charges in time along with clearing the outstanding electricity bills by 30.6.2013 at the latest. The Commission hereby advise the Principal Secretary, Water Resources Department to closely monitor the economic use of LI points by Lift Irrigation Corporation and the Pani Panchayat to ensure that payment are made in time. Further, the Commission would like to stress that Agriculture Dept. and Water Resources Dept. should take appropriate steps to educate the farming community to avoid use of lift point for water-intensive crops and switch over to more value added cash crops and less water intensive crops.

**FINANCIAL ISSUES FY 2013-14 (Para 214 to 322)**

**Employees Cost**

214. The petitioners WESCO, NESCO, SOUTHCO and CESU in their ARR and tariff petition for the FY 2013-14 have projected enhanced employees cost as against the approved cost for FY 2012-13. A comparison of the approved Employees cost for FY 2012-13 and proposed employees cost by DISCOMS for FY 2013-14 is shown in table below.

**Table – 28**

**(Rs. Cr.)**

|                          | WESCO               |                     | NESCO               |                     | SOUTHCO             |                     | CESU                |                     |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                          | Approved FY 2012-13 | Proposed FY 2013-14 | Approved FY 2012-13 | Proposed FY 2013-14 | Approved FY 2012-13 | Proposed FY 2013-14 | Approved FY 2012-13 | Proposed FY 2013-14 |
| Basic Pay+ GP            | 70.95               | 71.79               | 53.48               | 62.72               | 55.7                | 60.46               | 91.43               | 77.86               |
| Additional Employee Cost | 4.01                | 2.31                | 6.76                | 5.42                | 8.49                | 1.04                | 7.96                |                     |

|  | WESCO                      |                            | NESCO                      |                            | SOUTHCO                    |                            | CESU                       |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|  | Approved<br>FY 2012-<br>13 | Proposed<br>FY 2013-<br>14 | Approved<br>FY 2012-<br>13 | Proposed<br>FY 2013-<br>14 | Approved<br>FY 2012-<br>13 | Proposed<br>FY 2013-<br>14 | Approved<br>FY 2012-<br>13 | Proposed<br>FY 2013-<br>14 |
| Dearness Allowance                                       | 51.08                      | 61.75                      | 38.51                      | 58.6                       | 40.11                      | 51.99                      | 65.83                      | 66.96                      |
| HRA  | 10.64                      | 12.92                      | 8.02                       | 12.95                      | 8.36                       | 10.88                      | 13.71                      | 15.57                      |
| Others   | 6.1                        | 13.09                      | 6.00                       | 7.14                       | 4.7                        | 5.12                       | 11.12                      | 12.98                      |
| Terminal benefit   | 66.13                      | 163.86                     | 67.88                      | 205.05                     | 68.81                      | 103.32                     | 149.84                     | 103.62                     |
| Sub-Total  | 208.91                     | 325.72                     | 180.65                     | 351.88                     | 186.17                     | 232.81                     | 339.89                     | 276.99                     |
| Less: Expenses Capitalized                               | 2.09                       | 2.34                       | 0.63                       | 0.55                       |                            |                            |                            | 5.24                       |
| Total Cost   | 206.82                     | 323.38                     | 180.02                     | 351.33                     | 186.17                     | 232.81                     | 339.89                     | 271.75                     |
| Outsource Employee Cost                                  |                            | 2.60                       |                            | 2.42                       |                            | 17.77                      |                            | 26.84                      |
| Total Employee Cost                                      | 206.82                     | 325.98                     | 180.02                     | 353.75                     | 186.17                     | 250.58                     | 339.89                     | 298.59                     |
| Percentage rise of proposed over approved for FY 2012-13 |                            | 57.62                      |                            | 96.51                      |                            | 34.60                      |                            | -12.15                     |

215. The table above reveals that for the ensuing year the licensees excepts CESU have proposed a substantial rise in employee's cost compared to the approval for the FY 2012-13. WESCO, NESCO, SOUTHCO and CESU have projected an increase over the approval for the FY 2012-13 at 57.62%, 96.51%, 34.60% and -12.15% respectively. The projected enhancements in case of WESCO, NESCO and SOUTHCO is mainly attributable to higher estimation towards Terminal liabilities based on the actuarial valuation appointed by these distribution companies.
216. The audited accounts of all the licensees are now available with the Commission upto the FY 2011-12.
217. The Commission allows Employees cost in terms of the MYT principles enunciated for the control period FY 2013-14 to FY 2017-18 in its order dated 20.03.2013. The relevant portion of said order is reproduced below:

**“ 16.1 Employee Cost**

*The three DISCOMs, WESCO, NESCO & SOUTHCO submitted to provide employee cost through indexation mechanism linked to CPI during the control period in line with the model FOR MYT Regulations. CESU submitted to take into account the employee cost due to massive RGGVY expansion of network. DISCOMs also submitted that incentive and dis-incentive scheme may be introduced to improve productivity level.*

*The Commission after considering the submissions has decided to continue with the employee cost allocation in the ARR on the same principles as adopted during the second control period.*

*Wages and salaries during this control period would include the base year values of Basic pay and Grade Pay escalated for annual salary increments and inflation based on Govt. of Odisha notification. The sixth pay recommendation notified by Govt. of Odisha recommends annual increment @ 3% of the Basic and grade pay. The annual increment would be approved as per such recommendation. Basic Pay and grade pay are to be taken from annual audited*

*accounts of the Licensee. However if as per the Commission's assessment the figures shown in the audited accounts cannot be relied upon, the Commission may take into account the actual payment outgo during the last six months of the year to arrive upon the pay for the ensuing year. Dearness Allowance, HRA and other allowance would be calculated as per rates notified by Govt. of Odisha. Terminal liabilities would be provided based on a periodic actuarial valuation to be made by OERC in line with the prevailing Indian accounting standards. The financial impact of any award by Govt. of India/Govt. of Orissa shall be taken care of in subsequent year in truing up. XXXXXX"*

218. In order to arrive at the estimates of requirement under Basic Pay including Grade Pay, the assessment of number of employees as on 31.03.2013 and 31.03.2014 is essential. Regarding number of employees, DISCOMs have submitted the information on the induction and reduction in the number of employees from year to year in their ARR submissions. The position upto the year ending 2013-14 as proposed by the Licensees is depicted in table below:

**Table – 29**

| <b>Employees Proposed (2013-14)</b>                     | <b>WESCO</b> | <b>NESCO</b> | <b>SOUTHCO</b> | <b>CESU</b> |
|---|--------------|--------------|----------------|-------------|
| No. of employees as on 31.03.2012                       | 4514         | 3756         | 3393           | 8265        |
| Add: Addition during 2012-13                            | 28           | 3            | 797            | 135         |
| Less: Retirement/Expired<br>Resignation during 2012-13  | 330          | 292          | 231            | 267         |
| No. of employees as on 31.03.2013                       | 4212         | 3467         | 3959           | 8133        |
| Add: Addition during 2013-14                            | 482          | 338          | 260            | 159         |
| Less: Retirement/Expired/<br>Resignation during 2013-14 | 313          | 221          | 199            | 319         |
| No. of employees as on 31.03.2014                       | 4381         | 3584         | 4020           | 7973        |

219. CESU for the year 2013-14 has projected the induction of 159 employees. Similarly NESCO, WESCO and SOUTHCO have projected to induct 482, 338 and 260 numbers of employees during the year 2013-14 respectively.
220. Commission while computing employee cost has taken into consideration the actual inductions made during the year 2012-13 and projected employees in the ARR for FY 2013-14. The induction of number of employees as projected in their ARR for FY 2013-14 by WESCO, NESCO and SOUTHCO is accordingly approved at 150, 150 and 100 respectively. In case of CESU the number of induction of employees during the FY 2013-14 is approved at 159 as projected.
221. The Commission in view of the above discussions approves following number of employees to the DISCOMs for FY 2013-14:

**Table – 30**

| <b>Employees Approved (2013-14)</b>                  | <b>WESCO</b> | <b>NESCO</b> | <b>SOUTHCO</b> | <b>CESU</b> |
|--|--------------|--------------|----------------|-------------|
| No. of employees as on 31.03.2012                    | 4514         | 3756         | 3393           | 6670        |
| Add: Addition during 2012-13                         | 28           | 3            | 150            | 135         |
| Less: Retirement/Expired/<br>Resignation during year | 330          | 292          | 231            | 267         |
| No. of employees as on 31.03.2013                    | 4212         | 3467         | 3312           | 6538        |
| Add: Addition during 2013-14                         | 150          | 150          | 100            | 159         |
| Less: Retirement/Expired/<br>Resignation during year | 313          | 221          | 199            | 319         |
| No. of employees as on 31.03.2014                    | 4049         | 3396         | 3213           | 6378        |
| Average no. of employees for FY 2012-13              | 4363         | 3612         | 3353           | 6604        |
| Average no. of employees for FY 2013-14              | <b>4131</b>  | <b>3432</b>  | <b>3263</b>    | <b>6458</b> |

222. The Commission in last few years have relied on the actual expenses on (as per cash flow) Basic Pay including Grade Pay incurred during the current financial year. This method has been adopted in order to eliminate any payment made on arrear salary due to 6<sup>th</sup> Pay Revision which might have been included in the audited accounts. Commission has found that assessment of Basic Pay and Grade Pay on actual drawl is more reliable which is further extrapolated for the ensuing year. The Licensees were accordingly asked to furnish the data on Basic Pay and Grade Pay for the current year i.e. FY 2012-13 upto November, 2012.
223. The Commission in accordance with the MYT principle allows 3% escalation on Basic Pay and Grade Pay, towards normal annual increment on year over year basis. The Commission has adopted the same method of arriving at the Basic pay and grade pay as was done in the previous year and explained in the Para above. In order to arrive at the Basic pay and Grade pay for the ensuing year i.e FY 2013-14, the Basic Pay and GP actually paid during last eight months of the current year i.e FY 2012-13, is averaged and extrapolated for the whole year. The basic pay and GP for the ensuing year is thereafter calculated by escalating current year's average basic pay and GP at the rate of 3% and factoring the average number of employees for the current and ensuing year. A table below shows such calculation of the Basic Pay and Grade Pay for FY 2013-14 on the basis of above discussion.

**Table- 31**

|                                 | (Rs. Cr)     |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|
|                                 | WESCO        | NESCO        | SOUTHCO      | CESU         |
| Avg. Basic Pay + GP             | 6.81         | 4.16         | 4.02         | 6.25         |
| Pro-rated for FY 2012-13        | 81.77        | 49.94        | 48.26        | 75.03        |
| <b>Estimated for FY 2013-14</b> | <b>79.73</b> | <b>48.87</b> | <b>48.37</b> | <b>75.57</b> |

As revealed from the above table the estimated Basic Pay and GP in case of WESCO was found to be abnormally high whereas in case of NESCO and SOUTHCO it was estimated to be low. For the FY 2012-13 the Basic Pay + GP as per the filing (F-21) of WESCO is Rs.70.71 crore, whereas the pro-rated figure for FY 2012-13 based on actual cash flow for FY 2012-13 (8 months) is Rs.81.77 crore. The inconsistency of the figures needs to be addressed in the tariff order. Therefore, the audited accounts of DISCOMs available with the Commission upto 31.3.2012 were scrutinised for reasonably estimating the Basic salary with Grade pay. The Basic pay and grade pay were taken from the audited accounts upto 31.03.2012 which was then divided by the number of employees on that date. This was then multiplied with the Average number of employees approved now for FY 13-14 by allowing 3% escalation for 2012-13 and 2013-14 respectively. It was revealed that such estimation nearly matched the filing figure of the DISCOMs in the ARR. In order that salary obligation of the DISCOMs are met adequately, Commission therefore allows the Salary for FY 2013-14 as filed by the DISCOMs in their ARR.

**Table - 32**

|   | WESCO | NESCO | SOUTHCO | CESU  |
|---|-------|-------|---------|-------|
| Salary (Basic + GP) audited as on 31.03.2012 (in Cr.) | 69.86 | 54.68 | 55.32   | 74.73 |
| No. of Employee as on 31.03.2012 (Audited)            | 4514  | 3756  | 3393    | 6670  |
| Avg no. of Employee for FY 13-14 (Approved))          | 4131  | 3432  | 3263    | 6458  |

|   |        |        |        |        |
|---|--------|--------|--------|--------|
| Salary (Basic + GP)/per employee (in Cr.)                       | 0.0155 | 0.0146 | 0.0163 | 0.0112 |
| Total Salary (Basic + GP) as on 31.03.2013 (estimated) (in Cr.) | 67.82  | 53.00  | 56.43  | 76.76  |
| Salary (Basic + GP) FY 2013-14 (as per filing) (in Cr.)         | 71.80  | 62.72  | 60.465 | 77.87  |

224. On the basis of the calculation in the above table, Commission approves Basic Pay and Grade Pay for the ensuing year 2013-14 in respect of four DISCOMs as detailed below:

**Table – 33**  
(Rs. Cr.)

| Name of the DISCOM | Approved Basic Pay with Grade Pay for FY 2013-14 |
|--------------------|--|
| WESCO              | 71.80  |
| NESCO              | 62.72  |
| SOUTHCO            | 60.46  |
| CESU               | 77.87  |

225. As regards Dearness Allowance the rate of DA revision as per the Govt. of Odisha Notification the approved rates and estimation by the Commission for ensuing year is given in the table below:

**Table – 34**

| Date effective from | Rate       | Status           |
|---------------------|------------|------------------|
| 1.01.09             | 22%        | Approved By GoO  |
| 1.07.09             | 27%        | Approved By GoO  |
| 1.01.10             | 35%        | Approved By GoO  |
| 1.07.10             | 45%        | Approved By GoO  |
| 1.01.11             | 52%        | Approved By GoO  |
| 1.07.11             | 58%        | Approved By GoO  |
| 1.01.12             | 65%        | Approved By GoO  |
| 1.07.12             | 72%        | Approved By GoO  |
| 1.01.13             | 79%        | Estimated        |
| 1.07.13             | 86%        | Estimated        |
| <b>1.01.14</b>      | <b>93%</b> | <b>Estimated</b> |

226. The DA rate as it stands now is 72% with effect from 01.07.2012. The next revisions are due with effect from 01.01.2013 and 01.07.2013 which would have bearing on the DA estimation for FY 2013-14. According to the previous trend and likely revision in future it would be prudent to consider DA rate at an average of 86% for the FY 2013-14. DA has accordingly been calculated at such rate for the ensuing year FY 2013-14.
227. For the year 2013-14 Medical Reimbursement has been approved at the rate of 5% over Basic Pay and Grade Pay. House rent allowance is approved at an average rate of 15% of the Basic Pay and Grade Pay instead of 20% considering the fact that many employees are staying in quarters. On the scrutiny of Audited Accounts, it is also seen that the HRA as a proportion to the Basic Pay and GP is about 15% and hence such rate is allowed towards HRA.
228. WESCO, NESCO, SOUTHCO and CESU have proposed the amount of Rs.2.31 cr., Rs.5.42 cr., Rs.1.04 cr and 26.84 cr. respectively on account of additional employee cost mainly to engage contractual and out-sourced employees. Commission has analysed the requirements of licensees towards outsourced and contractual employees

in addition to the regular employees for various activities. An analysis on this account would be prudent to understand the consumers' vis-a-vis employees ratio existing during the initial stages of distribution business and its growth at present. A table below shows such comparison.

**Table - 35**

| <b>Employees as on 31.03.1999</b>          | <b>WESCO</b> | <b>NESCO</b> | <b>SOUTHCO</b> | <b>CESU</b> | <b>Total</b> |
|--|--------------|--------------|----------------|-------------|--------------|
| No. of employees existing as on 31.03.1999 | 5562         | 4599         | 4674           | 8608        | 23443        |
| No. of consumers as on 31.03.1999          | 295415       | 251703       | 322912         | 554610      | 1424640      |
| Ratio consumers / employees                | 53           | 55           | 69             | 64          | 61           |
| No. of employees existing as on 31.03.2013 | 4212         | 3467         | 3959           | 8133        | 19771        |
| No. of consumers as on 31.03.2013          | 1233858      | 1627921      | 1298903        | 1702391     | 5863073      |
| Ratio consumers / employees                | 293          | 470          | 328            | 209         | 297          |
| Percentage of employees reduction          | -32.05       | -32.65       | -18.06         | -5.84       | -18.57       |
| Percentage growth of consumers             | 76.06        | 84.54        | 75.14          | 67.42       | 75.70        |

As revealed from the above table, there has been quantum jump in the number of consumers totalling 1424640 in 31.03.1999 to 5863073 in 31.03.2013. The consumer vrs. Employees ratio during 1999 was 61 which has substantially increased to 297. There is also negative reduction of 18.57% in employees compared to about 75% growth in consumers as on 31.03.2013. This effectively means induction of employees has not been commensurate to the exponential growth of consumers. Due to reduction in number of employees on account of retirement and otherwise, DISCOMs are relying on persons engaged through contract and outsourced services. These contract and outsourced services are basically engaged in billing, collection and customer care services. The expenses towards engagement of these services can be allowed after prudent check. The DISCOMs were asked to submit the actual expenses on these activities during the current financial year 2012-13. The DISCOMs have accordingly been allowed the cost on additional employees and outsource employees projected by them in the ARR under additional employee cost.

229. The Commission from time to time have been insisting on induction of additional man power to carry out energy audit for reduction of commercial losses of the utilities. The licensees are being repeatedly directed to fill up the vacancies due to retirement and attrition so as not to affect services to the consumer. At the same time the Commission makes it absolutely clear that mere addition of manpower is not going to improve delivery of services and collection of revenue unless productivity of the employees is ensured by holding them accountable to the management. The principle of hire and fire should be followed to ensure accountability. Engagement should be made on contract basis for a definite period which can be renewed subject to satisfactory performance and increased productivity.

**Terminal benefit**

230. The DISCOMs have projected significant increase in their terminal liability for the ensuing year FY 2013-14. A comparative position of the approved terminal liability in

ARR of FY 2012-13 vis-a-vis projection made by the DISCOMs for FY 2013-14 is given in the following table:

**Table – 36**

(Rs. Cr.)

| Name of the Company | Approved<br>FY 2012-13 | Proposed FY<br>2013-14 | Percentage<br>increase (in % ) |
|---------------------|------------------------|------------------------|--------------------------------|
| <b>WESCO</b>        | 66.13                  | 163.86                 | 147.78                         |
| <b>NESCO</b>        | 67.88                  | 205.05                 | 202.08                         |
| <b>SOUTHCO</b>      | 68.81                  | 103.32                 | 50.15                          |
| <b>CESU</b>         | 149.84                 | 103.62                 | -30.85                         |

231. WESCO, NESCO and SOUTHCO in their submission have stated that the estimate on contribution to the pension fund, gratuity fund and leave encashment to be made for the FY 2013-14 is based on the actuarial valuation carried out by M/s N.Seeta Kumari as on 31.03.2012. These licensees have assumed that the trend in the requirement of Terminal Benefit Corpus for the FY 2012-13 shall continue for the year 2013-14. While computing the contribution required by the Licensees to fund the employees trust, the actual investments as on 01.4.2012, estimated investments as on 01.4.2013, income from the investments during the year 2013-14 and payments during 2013-14 have been considered.
232. Commission have been appointing independent actuary to undertake assessment of pension, gratuity and leave encashment liability of the employees of four DISCOMs (WESCO, NESCO, SOUTHCO & CESU) and OPTCL. Commission engaged M/s Darashaw & Company Pvt. Ltd., Mumbai as actuary for undertaking assessment of pension, gratuity and leave encashment liability of the employees of four DISCOMs (WESCO, NESCO, SOUTHCO & CESU) and OPTCL upto 31.03.2009 with projection for FY 2009-10 and FY 2010-11 during the FY 2010-11. The Commission in line with the earlier years, during FY 2011-12 undertook the process of appointment of independent actuary for assessment of pension, gratuity and leave encashment liability of the employees of four DISCOMs (WESCO, NESCO, SOUTHCO & CESU) and OPTCL upto 31.03.2010 with projection for FY 2010-11 and 2011-12. The Commission after due process appointed an independent actuary M/s Darashaw & Company Pvt. Ltd., Mumbai for undertaking such valuation. However, the said actuary expressed its inability to undertake such assignment due to circumstances beyond their control. In the mean time filing of ARR by Licensee was due on 30<sup>th</sup> November 2011 and therefore Commission in such an event decided that terminal benefit to the Licensees may be allowed provisionally based on the last assessment of actuary which can be updated periodically within a gap of 3 to 5 years.
233. The projection for the terminal liabilities of the Licensees has been accordingly done on the basis of the valuation given by the actuary during the last year i.e upto 31.03.2009 with projection for FY 2009-10 and FY 2010-11. A summary of such valuation is given in the table below:

**Table – 37**

**Actuarial Valuation as given by the Actuary M/s DARASHAW, Mumbai**

(Rs. Cr.)

|                 | WESCO  | NESCO  | SOUTHCO | CESU   |
|-----------------|--------|--------|---------|--------|
| <b>31.03.09</b> |        |        |         |        |
| Pension         | 290.91 | 267.44 | 271.37  | 528.46 |
| Gratuity        | 32.77  | 30.38  | 28.22   | 54.32  |

|  | WESCO         | NESCO         | SOUTHCO       | CESU          |
|--|---------------|---------------|---------------|---------------|
| Leave                                    | 34.24         | 29.74         | 27.61         | 62.42         |
| <b>Total</b>                             | <b>357.92</b> | <b>327.56</b> | <b>327.2</b>  | <b>645.20</b> |
| <b>31.03.10</b>                          |               |               |               |               |
| Pension                                  | 301.97        | 278.2         | 281.22        | 552.8         |
| Gratuity                                 | 36.52         | 32.61         | 31.16         | 57.71         |
| Leave                                    | 37.13         | 32.37         | 30.68         | 67.7          |
| <b>Total</b>                             | <b>375.62</b> | <b>343.18</b> | <b>343.06</b> | <b>678.21</b> |
| <b>31.03.11</b>                          |               |               |               |               |
| Pension                                  | 310.17        | 285.88        | 293.18        | 571.63        |
| Gratuity                                 | 38.69         | 36.17         | 34.13         | 61.53         |
| Leave                                    | 40.1          | 35.85         | 33.84         | 73.41         |
| <b>Total</b>                             | <b>388.96</b> | <b>357.9</b>  | <b>361.15</b> | <b>706.57</b> |
| <b>%age rise allowed for 2011-12</b>     | <b>5.00</b>   | <b>5.00</b>   | <b>5.00</b>   | <b>5.00</b>   |
| <b>Estimated corpus as on 31.03.2012</b> | <b>408.41</b> | <b>375.80</b> | <b>379.21</b> | <b>741.90</b> |

As per the valuation given by M/s Darashaw & Company Pvt. Ltd., Mumbai, the total corpus estimation upto 31.3.2011 was Rs.388.96 crore, 357.90 crore, 361.15 crore and 706.57 crores respectively for NESCO, WESCO, SOUTHCO & CESU. Commission in the last RST Order i.e. 2012-13 allowed an escalation of 5% over the level of 31.3.2011 and accordingly estimated the corpus requirement for 31.3.2012 at Rs.408.41 crore, 375.80 crore, 379.21 crore and Rs.741.90 crore respective for NESCO, WESCO, SOUTHCO & CESU.

Commission in line with the last year have decided to further escalate the estimation of the corpus requirement as on 31.3.2012 by allowing @5% rise to the requirement as on 31.3.2013. The estimated corpus requirement after allowing 5% rise is tabulated below:-

**Table – 38**

(Rs. Cr.)

|  | WESCO         | NESCO         | SOUTHCO       | CESU          |
|--|---------------|---------------|---------------|---------------|
| <b>Estimated corpus as on 31.03.2012</b> | <b>408.41</b> | <b>375.80</b> | <b>379.21</b> | <b>741.90</b> |
| <b>%age rise allowed for 2012-13</b>     | <b>5.00</b>   | <b>5.00</b>   | <b>5.00</b>   | <b>5.00</b>   |
| <b>Estimated corpus as on 31.03.2013</b> | <b>428.83</b> | <b>394.58</b> | <b>398.17</b> | <b>778.99</b> |

234. The Commission has been analysing the expected corpus available with the DISCOMs taking into account the provision allowed in the successive tariff orders of the Commission. The expected corpus liability as per funds approved in the ARRs from FY 1999-00 onwards till FY 2012-13 is stated in the table below:

**Table – 39**

(Rs. Cr.)

|   | WESCO | NESCO | SOUTHCO | CESU   |
|---|-------|-------|---------|--------|
| (A) OB As on 01.04.99/ Fund transfer from GRIDCO to DISTCOs | 70.77 | 68    | 67.39   | 138.56 |
| (B) Allowed in ARR  |       |       |         |        |
| 1999-00   | 6.71  | 5.62  | 7.78    | 0.00   |
| 2000-01   | 6.27  | 7.07  | 7.07    | 0.00   |

|                         | WESCO         | NESCO         | SOUTHCO       | CESU          |
|-------------------------|---------------|---------------|---------------|---------------|
| 2001-02                 | 7.92          | 7.00          | 6.63          | 6.09          |
| 2002-03                 | 8.08          | 7.21          | 6.81          | 6.27          |
| 2003-04                 | 8.96          | 7.56          | 7.57          | 6.90          |
| 2004-05                 | 11.30         | 8.35          | 9.40          | 3.25          |
| 2005-06                 | 12.06         | 8.92          | 10.03         | 3.51          |
| 2006-07                 | 12.07         | 9.55          | 9.73          | 13.19         |
| 2007-08                 | 16.36         | 15.30         | 13.97         | 18.28         |
| 2008-09                 | 37.02         | 25.16         | 24.49         | 48.10         |
| 2009-10                 | 37.04         | 27.19         | 20.53         | 49.68         |
| 2010-11                 | 51.81         | 51.13         | 58.22         | 75.84         |
| 2011-12                 | 55.91         | 59.86         | 60.78         | 131.39        |
| 2012-13                 | 66.13         | 67.88         | 68.81         | 149.84        |
| Sub-Total(B)            | 337.64        | 307.80        | 311.82        | 512.34        |
| <b>Grand Total(A+B)</b> | <b>408.41</b> | <b>375.80</b> | <b>379.21</b> | <b>650.90</b> |

235. The differential funding requirement as on 31.03.2013 as per the valuation arrived by the Commission after 5% escalation and the expected corpus availability as estimated above is accordingly arrived and shown in the table below:

**Table – 40**

(Rs. Cr.)

| Licensee | Estimated corpus fund as on 31.03.2013 | Corpus availability as on 31.03.2013 | Difference to be funded | Expected Cash outgo FY 2013-14 | Allowed for FY 2013-14 |
|----------|--|--------------------------------------|-------------------------|--------------------------------|------------------------|
| WESCO    | 428.83                                 | 408.41                               | 20.42                   | 72.80                          | 93.21                  |
| NESCO    | 394.58                                 | 375.80                               | 18.78                   | 52.43                          | 71.21                  |
| SOUTHCO  | 398.17                                 | 379.21                               | 18.96                   | 36.71                          | 55.66                  |
| CESU     | 778.99                                 | 650.90                               | 128.09                  | 82.41                          | 210.50                 |

236. In accordance with the above calculations, the Commission decides to fund the requirement of WESCO, NESCO and SOUTHCO of Rs.20.42 cr., Rs.18.78 cr. and Rs.18.96 cr. respectively. The differential funding required for CESU is on the higher side to the tune of Rs. 128.09 cr. The Commission in the last RST Order had decided to allow the funding of differential requirement of Rs.240.84 cr. as on 31.3.2012 to CESU in two instalments. CESU was accordingly allowed an amount of Rs.149.84 cr. along with carrying cost towards terminal liabilities for FY 2012-13. The Commission had observed that the balance requirement of Rs.100 cr. would be funded during finalisation of next year ARR in case of CESU. CESU is now therefore, allowed Rs.128.09 crore towards the differential funding which would wipe out the total corpus requirement till 31.3.2013. The Commission have also taken into consideration the actual outgo of the DISCOMs towards terminal liabilities during the year. Commission is aware that DISCOMs have not maintained the required corpus to fund of terminal liabilities of the employees. In reply to the query of the Commission regarding actual cash outgo during the current financial year towards terminal liabilities the licensee submitted the following details for eight months period.

|         |                |
|---------|----------------|
| WESCO   | Rs.48.53 crore |
| NESCO   | Rs.34.95 crore |
| SOUTHCO | Rs.24.47 crore |
| CESU    | Rs.54.94 crore |

The above figures are extrapolated for a period of twelve months to determine the annual impact which was calculated at Rs.72.80 crore, Rs.52.43 crore, Rs.36.71 crore and Rs.82.41 crore for WESCO, NESCO, SOUTHCO & CESU respectively. Commission therefore allows the above amounts towards the terminal benefits additionally for the FY 2013-14.

237. Commission accordingly allows following amounts towards terminal Liabilities of DISCOMs for FY 2013-14.

**Table – 41**

(Rs. Cr.)

| Name of the DISCOM                     | WESCO | NESCO | SOUTHCO | CESU   |
|--|-------|-------|---------|--------|
| Amount to be charged to ARR (in Crore) | 93.21 | 71.21 | 55.66   | 210.50 |

238. In light of the discussions in the foregone paragraphs, the Employee cost proposed by the DISCOMs vis-à-vis approval by the Commission for FY 2012-13 is shown in the table below:

**Table – 42**  
**Employee Cost**

(Rs. in crore)

| Sl. | Particulars                                    | WESCO                 |                         |                         | NESCO                 |                         |                         | SOUTHCO               |                         |                         | CESU                  |                         |                         |
|-----|--|-----------------------|-------------------------|-------------------------|-----------------------|-------------------------|-------------------------|-----------------------|-------------------------|-------------------------|-----------------------|-------------------------|-------------------------|
|     |  | Approved for FY 12-13 | Proposed for FY 2013-14 | Approved for FY 2013-14 | Approved for FY 12-13 | Proposed for FY 2013-14 | Approved for FY 2013-14 | Approved for FY 12-13 | Proposed for FY 2013-14 | Approved for FY 2013-14 | Approved for FY 12-13 | Proposed for FY 2013-14 | Approved for FY 2013-14 |
| 1   | Basic Pay + GP                                 | 70.95                 | 71.79                   | 71.79                   | 53.48                 | 62.72                   | 62.72                   | 55.70                 | 60.47                   | 60.47                   | 91.43                 | 77.88                   | 77.88                   |
| 2   | Addl. Emp. Cost                                | 4.01                  | 2.31                    | 2.31                    | 6.76                  | 5.43                    | 5.43                    | 8.49                  | 1.05                    | 1.05                    | 7.96                  |                         |                         |
| 3   | DA   | 51.08                 | 61.75                   | 61.74                   | 38.51                 | 58.6                    | 58.61                   | 40.11                 | 51.99                   | 52.00                   | 65.83                 | 66.96                   | 66.98                   |
| 4   | Other allowance                                | 1.19                  | 1.26                    | 1.26                    | 1.62                  | 1.56                    | 1.56                    | 1.00                  | 1.11                    | 1.11                    | 2.58                  | 1.08                    | 1.08                    |
| 5   | Bonus  | 0.25                  | 0.25                    | 0.25                    | 0.40                  |                         |                         | 0.20                  | 0.02                    | 0.02                    | 0.78                  | 0.89                    | 0.89                    |
| 6   | Contractual Employees                          |                       | 2.60                    | 2.60                    |                       | 2.43                    | 2.35                    |                       | 17.77                   | 5.55                    |                       | 26.86                   | 14.59                   |
| 6   | Total Emoluments (1 to 5)                      | 127.48                | 139.96                  | 139.95                  | 100.77                | 130.74                  | 130.67                  | 105.50                | 132.41                  | 120.19                  | 168.58                | 173.67                  | 161.41                  |
| 7   | Reimbursement of medical expenses              | 3.55                  | 3.58                    | 3.59                    | 2.67                  | 3.41                    | 3.41                    | 2.79                  | 3.03                    | 3.02                    | 4.57                  | 3.89                    | 3.89                    |
| 8   | Leave Travel Concession                        | 0.05                  | 0.05                    | 0.05                    | 0.30                  | 0.3                     | 0.3                     | 0.10                  | 0.09                    | 0.09                    | 0.57                  | 0.01                    | 0.01                    |
| 9   | Reimbursement of HR                            | 10.64                 | 12.93                   | 10.77                   | 8.02                  | 12.94                   | 10.22                   | 8.36                  | 10.89                   | 9.07                    | 13.71                 | 15.57                   | 11.68                   |
| 10  | Interim relief of Staff                        |                       |                         |                         |                       |                         |                         |                       |                         |                         |                       | 0.05                    |                         |
| 11  | Encashment of Earned Leave                     |                       | 5.56                    |                         |                       |                         |                         |                       | 0.20                    |                         |                       |                         |                         |
| 12  | Honorarium                                     | 0.07                  | 0.07                    | 0.07                    | 0.02                  | 0.01                    | 0.01                    |                       | 0.01                    | 0.01                    |                       |                         |                         |
| 13  | Payment under workmen compensation Act         | 0.1                   | 0.10                    | 0.10                    | 0.20                  | 0.2                     | 0.2                     | 0.15                  | 0.14                    | 0.14                    | 0.10                  | 0.17                    | 0.17                    |
| 14  | Ex-gratia                                      | 0.1                   | 0.10                    | 0.10                    |                       | 0.29                    | 0.29                    |                       |                         |                         |                       | 0.14                    | 0.14                    |
| 15  | Other Staff Costs                              |                       |                         |                         | 0.02                  | 0.02                    | 0.02                    | 0.05                  | 0.04                    | 0.04                    | 0.54                  | 3.38                    | 2.20                    |
| 16  | Total Other Staff Costs (7 to 15)              | 14.51                 | 22.39                   | 14.68                   | 11.23                 | 17.17                   | 14.45                   | 11.45                 | 14.40                   | 12.37                   | 19.49                 | 23.21                   | 18.10                   |
| 17  | Staff Welfare Expenses                         | 0.79                  | 2.10                    | 2.10                    | 0.77                  | 1.34                    | 1.34                    | 0.42                  | 0.42                    | 0.42                    | 1.98                  | 3.33                    | 3.33                    |
| 18  | Terminal Benefits (Pension + Gratuity + Leave) | 66.13                 | 163.86                  | 93.21                   | 67.88                 | 205.05                  | 71.21                   | 68.80                 | 103.34                  | 55.66                   | 149.84                | 103.62                  | 210.50                  |
| 19  | Total (6+ 16+17+18)                            | <b>208.91</b>         | <b>328.31</b>           | <b>249.94</b>           | <b>180.65</b>         | <b>354.30</b>           | <b>217.67</b>           | <b>186.17</b>         | <b>250.57</b>           | <b>188.65</b>           | <b>339.89</b>         | <b>303.83</b>           | <b>393.34</b>           |
| 20  | Less : Empl. cost capitalized                  | 2.09                  | 2.34                    | 2.34                    | 0.63                  | 0.55                    | 0.63                    | 0.63                  |                         |                         |                       | 5.24                    | 5.24                    |
| 21  | Total Employees Cost                           | <b>206.82</b>         | <b>325.97</b>           | <b>247.60</b>           | <b>180.02</b>         | <b>353.75</b>           | <b>217.04</b>           | <b>185.54</b>         | <b>250.57</b>           | <b>188.65</b>           | <b>339.89</b>         | <b>298.59</b>           | <b>388.10</b>           |

The total employee cost of four distribution companies approved for 2012-13 was Rs.912.89 crore. DISCOMs for FY 2013-14 have proposed total employee cost of Rs.1237.04 crore. The Commission now approves Rs.1041.39 crore as total employee cost for FY 2013-14 against Rs.912.89 crore approved for 2012-13.

**Administrative and General Expenses:**

239. The Administrative and General Expenses broadly covers property related expenses, Licence Fees to OERC, communication expenses, professional charges, conveyance and travelling expenses, material related expenses and other expenses. The licensees have projected their estimates for FY 2013-14 in their ARR in the following manner which are compared with approved A&G expenses for previous year FY 2012-13.

**Table - 43**

**(Rs. Crore)**

| A&G Expenses   | Approved 2012-13 |                |           | Ensuing year FY 2013-14<br>(Proposed) |                |           |
|----------------|------------------|----------------|-----------|---------------------------------------|----------------|-----------|
|                | Normal A&G       | Additional A&G | Total A&G | Normal A&G                            | Additional A&G | Total A&G |
| <b>WESCO</b>   | 23.75            | 5.5            | 29.25     | 31.30                                 | 15.86          | 47.16     |
| <b>NESCO</b>   | 15.88            | 5.50           | 21.38     | 21.17                                 | 32.40          | 53.57     |
| <b>SOUTHCO</b> | 13.67            | 5.5            | 19.17     | 15.77                                 | 30.39          | 46.16     |
| <b>CESU</b>    | 34.23            | 5.5            | 39.73     | 39.33                                 | 11.34          | 50.67     |

240. WESCO, NESCO & SOUTHCO have submitted that they have forecast the A&G expenses for FY 2013-14 based on actual expenses till September 2012 as against the approved A&G expenses including special additional expenditure towards customer care, IT automation, special police station for FY 2012-13.
241. The A&G expenses for ensuing year have been forecasted based on estimated expenses during FY 2012-13 in line with the Commission's earlier orders, the increase in A&G expenses for the ensuing year has been projected by considering 7% increase on account of inflation over the approved A&G expenses for FY 2012-13. They have proposed to undertake following initiatives for the ensuing year to be met under A&G expenses.
- Annual Inspection Fees of Lines and substations.
  - Operating expenses of Customer Care centres in each Divisions
  - Introduction of Spot Billing in various Divisions
  - Creation of Infrastructure to carryout enterprise wide Energy Audit exercise
  - Implementation of Intra State ABT including Metering with connectivity to DSOCC, Server, Digital Display Board and Software, Software for day ahead load forecasting, Installation of VCBs for Control of drawal
  - Implementation of Right to Information Act
  - Demand Side Management
  - Development of franchisee in licensee area
  - Cess as per the Building and other construction Workers (RE&CS) Act, 1996 & Building and other construction Workers Welfare Cess Act, 1996.

242. The Commission in its order on MYT principles for the second Control period FY 2013-14 to FY 2017-18 in its order dated 20.03.2013 have decided to the following effect.

*“16.3 Commission during the third MYT control period would continue to allow normal A&G expenses at the rate of 7% escalated over the approved base year value of the previous year. Commission may also approve additional expenses in addition to the normal A&G expenses for special measures to be undertaken by the DISCOMs towards reduction of AT&C losses and improving collection efficiency after prudent check.”*

243. The Commission observes that A&G expenses is a controllable cost as defined in the MYT order and the DISCOMs would not be allowed more than the approvals in the truing up exercise. The DISCOMs should make efforts to expend A&G expenses prudently and put efforts to curb wasteful and avoidable expenses. The Commission further observes that with the declining employee base, computerized and IT automation the A&G expenses should be declining over the years. Commission in previous ARR approvals have been allowing additional expense towards Customer Care, Expenses on IT automation, Special police station, inspection fees towards SI Works and compensation for electrical accidents.

244. Commission scrutinised the proposal towards A&G expense for the ensuing year FY 2012-13. The Commission has considered an escalation of 7% over the normal A&G expenditure for the last year tariff FY 2012-13 towards normal A&G expenditure for the FY 2013-14 in terms of the MYT order for the current control period.

245. Commission in its query to Licensees asked to furnish the details of actual expenses made on additional A&G expenses vis-à-vis approval in the ARR, during the year FY 2012-13:

**Table- 44**

**(Rs. Crore)**

| Additional A & G Expenses                        | WESCO       |                                 | NESCO       |                                 | SOUTHCO     |                                 | CESU        |                                 |
|--|-------------|---------------------------------|-------------|---------------------------------|-------------|---------------------------------|-------------|---------------------------------|
|  | Approved    | Actual Expenses (upto Nov 2012) | Approved    | Actual Expenses (upto Nov 2012) | Approved    | Actual Expenses (upto Nov 2012) | Approved    | Actual Expenses (upto Nov 2012) |
| Expenses for Customer Care Centers/ Call Centres | 0.50        | 0.12                            | 0.50        |                                 | 0.50        |                                 | 0.50        | 0.5                             |
| Special Police Station.                          | 1.00        | 0.12                            | 1.00        |                                 | 1.00        | 0.05                            | 1.00        | 2.31                            |
| Automation/IT expenses                           | 2.00        | 1.03                            | 2.00        | 0.66                            | 2.00        | 0.06                            | 2.00        | 0.4                             |
| Inspection Fee towards SI works                  | 1.00        |                                 | 1.00        |                                 | 1.00        |                                 | 1.00        | 0.081                           |
| Compensation for Electric Accidents              | 1.00        | 0.18                            | 1.00        |                                 | 1.00        | 0.48                            | 1.00        |                                 |
| <b>Total Additional Expenses</b>                 | <b>5.50</b> | <b>1.45</b>                     | <b>5.50</b> | <b>0.66</b>                     | <b>5.50</b> | <b>0.59</b>                     | <b>5.50</b> | <b>3.29</b>                     |

**Inspection fees towards SI Works**

246. WESCO, NESCO and SOUTHCO have submitted that the State Govt. is insisting for payment of Inspection Fees on installation of lines and substations. Licensee is not recovering the inspection fees in the previous ARRs and now proposes that the annual

inspection fees of service connection may be imposed separately which shall be recovered from the consumers and shall be deposited on collection basis with the State Govt. They have also submitted that the Commission may recommend to the State Govt. to waive the arrears of the past years.

247. Commission in previous ARR for FY 2012-13, allows an amount of Rs.1 crore to each DISCOMs to meet the Inspection fees towards SI Works. However, on scrutiny of actual expenses incurred during the current year upto November, 2012 as submitted by the Licensees, it is seen that no payment has been made by any DISCOMs to the State Government. Commission therefore, allows Rs.0.25 crore towards inspection fees of SI Works for FY 2013-14.

### **Energy Police Station**

248. Regarding additional expenses on the Special Police Station, Govt of Odisha have notified for establishment of 35 nos. of Energy Police station all over the state. All the 35 energy police stations ten nos. of police stations in WESCO area, nine in SOUTHCO, five in NESCO and eleven in CESU area have been established.
249. The Govt. earlier had decided that a senior level IPS officer in the office of D.G. Police will look up the functioning of the energy police stations. The state govt. also decided to post a Nodal officer in the rank of an Additional S.P. in the range Head Quarters to oversee the day to day functioning of the energy police stations. This has not been done at the State Govt. level. The Commission expects the State Govt. to see with the arrangement proposed to oversee the energy police stations are become effective as already advised earlier. The State govt. should adopt the West Bengal Model where a very senior police officer at the level of IG works with the West Bengal State Electricity Distribution Company Limited and is responsible for theft prevention, detection, prosecution and liaison with the police. As reiterated in previous tariff order State govt. should consider having one senior Officer working with the Energy Department and being responsible for theft prevention and detection in all the four DISCOMs. He could supervise and monitor the working of all the Energy Police Stations and ensure their effective functioning. As an officer of the State's Police Administration, he could liaise easily with the police and act as a bridge between the Electricity Utility and the police.
250. Commission have been emphasizing on the reduction of AT& C losses and with the effective involvement of the Energy Police station such a task would be achieved in a more effective manner. Commission in order to fully functionalize the Energy Police stations allowed the expenses on this account as proposed by the DISCOMs in the last tariff order. However it is seen from the submissions all the DISCOMs have spent nominal amounts against such approvals except CESU. Commission allowed Rs. one crore to each DISCOM on the account of expenses towards Energy Police Station for FY 2012-13. WESCO & SOUTHCO have incurred some expenditure towards Special Police Station however NESCO has not expended any amount during the current year on this account. CESU has however spent Rs. 2.31 cr till Nov 2012 on Special Police Station which is more than the Rs. 2 cr allowed for FY 2012-13. Commission in view of such a scenario allows Rs.0.25 crore to WESCO, NESCO & SOUTHCO respectively and Rs.2.50 crore to CESU towards Special Energy Police Stations expenses.
251. It is however seen that in spite of all the Energy Police Stations being operationalised there is no perceptible reduction in AT&C losses, which is the primary aim of setting

up of the Energy Police Stations. Commission is therefore of opinion that there has been a radical change in the entire set up of Energy Police Station in order to make them accountable and contribute effectively to the task of loss reduction. Commission is also advised Govt. of Odisha to deal in the officials posted in Energy Police Stations from the general law and order functioning and hierarchy. These officials must be directly responsible and report to the Licensee and shall not be diverted for any other duties other than prevention of theft of electricity.

252. The Commission is of the firm opinion that intervention of IT is important to minimise human intervention and error. The DISCOMs should make all out effort to introduce newer technologies through IT intervention to effectively reduce AT&C losses and automate various processes required for settling various problems in billing, collection and other consumer related issues. On Automation and IT related expenses, however, on scrutiny of the actual expenses incurred by the DISCOMs during the current year upto November, 2012, it is seen that all the DISCOMs have spent nominal amount on account of Automation and IT related expenses. WESCO have spent more than 1 crore on this account till November, 2012, SOUTHCO spent 0.66 crore and other two DISCOMs NESCO & CESU have not spent significant amounts on Automation and IT related expenses. Commission therefore, allows Rs. two crore to WESCO and one crore each to NESCO, SOUTHCO & CESU respectively for undertaking various Automation and IT initiatives.
253. Electrical Accidents - Commission finds that there has been large number of electrical related accidents and deaths reported in the various electronic and print media. Commission also receives large number of petitions of such accidents and compensation related issues regarding related to such accidents. The DISCOMs should take necessary precaution in order to minimise these electrical accidents and compensate the victims quickly as provided in Regulation and Rules. DISCOMs are advised to procure the safety equipment of adequate nos. of sets for each section and insist upon and train their staff to take precautionary measures for electrical safety. DISCOMs should take advantage of the recent seminar conducted at OPTCL Training Centre under aegis of the Commission. The Commission provisionally allowed Rs. one crore to each DISCOMs towards compensation for electrical related accidents during FY 2012-13 pending issue of guidelines for compensation towards electrical accidents by the State govt. On scrutiny of the actual expenses incurred by the DISCOMs on this account it is seen that WESCO & SOUTHCO have paid some amount towards compensation for electrical accidents whereas NESCO & CESU have not incurred any expenses on this account. In view of this, Commission allows Rs.0.25 crore to each DISCOMS towards compensation for electrical accidents for the FY 2013-14.
254. In view of the observations as above, the total A&G expenses allowed for FY 2013-14 to the DISCOMs are summarized below:

**Table - 45**

**(Rs. in Crore)**

| <b>A &amp; G Expenses Approved for FY 2013-14</b>   | <b>WESCO</b> | <b>NESCO</b> | <b>SOUTHCO</b> | <b>CESU</b> |
|---|--------------|--------------|----------------|-------------|
| Normal A&G expenses (Escalated @7% over FY 2012-13) | 25.41        | 16.99        | 14.63          | 36.63       |
| Additional expenses:                                |              |              |                |             |
| Expenses for Customer Care Centers/                 | 0.25         | 0.25         | 0.25           | 0.50        |

| <b>A &amp; G Expenses Approved for FY 2013-14</b> | <b>WESCO</b> | <b>NESCO</b> | <b>SOUTHCO</b> | <b>CESU</b>  |
|---|--------------|--------------|----------------|--------------|
| Call Centres                                      |              |              |                |              |
| Special Police Station.                           | 0.25         | 0.25         | 0.25           | 2.50         |
| Automation/IT expenses                            | 1.00         | 1.00         | 1.00           | 1.00         |
| Inspection Fee towards SI works                   | 0.25         | 0.25         | 0.25           | 0.25         |
| Compensation for Electrical Accidents             | 0.25         | 0.25         | 0.25           | 0.25         |
| <b>Total Additional Expenses</b>                  | <b>2.00</b>  | <b>2.00</b>  | <b>2.00</b>    | <b>4.50</b>  |
| <b>Total A&amp;G expenses</b>                     | <b>27.41</b> | <b>18.99</b> | <b>16.63</b>   | <b>41.13</b> |

#### **Training of Personnel -Rs.2.00 cr. out of normal A&G expenditure**

255. Training of officers and staff of the utilities has become an urgent need for development of the organization. This is more so important in view of the lack of knowledge with regard to evolving technologies and best practices being used by the other organizations. Commission, therefore, attaches much importance to the training of personnel of the utilities in order to upgrade their skills to cope up with the changing needs. Utilities consequently should have a calendar of training schedule for their employees in order to upgrade their skills and infuse motivation to take their task efficiently. Commission in order to bring about more seriousness to the training of utility personnel earmarked a sum of Rs.50 lakhs towards training programme for each DISCOM out of normal A&G expenses for FY 2012-13 for the respective DISCOMs. Commission in line with last year's order directs Licensees to earmark Rs. 50 lakhs towards training programme for FY 2013-14.
256. In order to bring about more efficiency in billing and collection activity and in order to stream line the billing and collection process, Commission in the RST order for FY 2010-11 directed the DISCOMs to adopt dynamic billing and collection system in their area of operation. DISCOMs were directed to report to the Commission the compliance of the same by 31<sup>st</sup> May 2012 in the last RST Order for FY 2012-13. DISCOMs are again directed to furnish the progress made on the implementation of dynamic billing and collection activity by 31<sup>st</sup> May, 2013.

#### **Repair and Maintenance Expenses:**

257. The distribution companies in their ARR and tariff petition for FY 2013-14 have proposed an enhanced requirement over the previous year's approved expenses in the following manner:

**Table – 46**

**(Rs. in crore)**

| <b>R&amp;M Proposal FY 2013-14</b> | <b>Approved for FY 2012-13</b> | <b>Proposed for the Year 2013-14</b> | <b>% rise proposed over FY 2012-13 approved figure</b> |
|------------------------------------|--------------------------------|--------------------------------------|--|
| <b>WESCO</b>                       | 40.06                          | 54.75                                | 26.83%   |
| <b>NESCO</b>                       | 41.17                          | 84.08                                | 51.03%   |
| <b>SOUTHCO</b>                     | 28.28                          | 64.96                                | 56.47%   |
| <b>CESU</b>                        | 57.78                          | 77.65                                | 25.59%   |
| <b>TOTAL</b>                       | 167.29                         | 281.44                               |  |

As revealed from the above table that WESCO, NESCO, SOUTHCO and CESU have enhanced requirement in the R&M expenses with percentage of 26.83%, 51.03%,

56.47% and 25.59% respectively over and above approved expenses for the previous FY 2012-13.

258. The Commission has been analyzing the pattern of spending in R&M by the Licensees, through the information available in the audited accounts of the companies. The audited figures in respect of all the four DISCOMs upto FY 2011-12 are available with the Commission. The approved and audited figures under R&M expenses are updated and given in the table below.

**Table - 47**

**(Rs in Crore)**

| R&M Expenses | WESCO        |         | NESCO        |         | SOUTHCO      |         | CESU         |         |
|--------------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|
|              | Approved     | Audited | Approved     | Audited | Approved     | Audited | Approved     | Audited |
| Years        |              |         |              |         |              |         |              |         |
| 99-00        | 14.43        | 15.9    | 14.22        | 16.19   | 12.63        | 13.39   | 19.05        | 24.01   |
| 00-01        | 14.43        | 10.25   | 14.22        | 11.02   | 12.63        | 7.31    | 19.57        | 19.92   |
| 01-02        | 13.62        | 10.12   | 16.32        | 7.02    | 15.57        | 9.29    | 23.43        | 15.6    |
| 02-03        | 15.33        | 8.04    | 14.62        | 5.65    | 16.82        | 6.43    | 22.11        | 25.04   |
| 03-04        | 16.89        | 16.27   | 17.59        | 8.84    | 16.38        | 9.93    | 24.12        | 21.22   |
| 04-05        | 17.28        | 12.85   | 17.66        | 11.13   | 13.25        | 8.43    | 31.95        | 20.27   |
| 05-06        | 21.3         | 9.61    | 22.63        | 11.21   | 18.55        | 6.07    | 33.67        | 12.26   |
| 06-07        | 24.25        | 12.44   | 24.48        | 12.88   | 17.35        | 5.54    | 41.31        | 22.09   |
| 07-08        | 23.82        | 12.37   | 24.43        | 13      | 18.38        | 5.5     | 43.64        | 25.11   |
| 08-09        | 25.66        | 17.90   | 25.87        | 20.86   | 19.08        | 7.79    | 41.87        | 34.79   |
| 09-10        | 27.01        | 18.01   | 27.88        | 22.79   | 20.73        | 11.59   | 40.46        | 28.45   |
| 10-11        | <b>34.77</b> | 16.56   | <b>37.22</b> | 19.26   | <b>26.11</b> | 13.09   | <b>51.19</b> | 29.38   |
| 11-12        | <b>36.81</b> | 18.04   | <b>47.46</b> | 16.39   | <b>28.47</b> | 8.28    | <b>56.77</b> | 28.92   |
| 12-13        | <b>40.06</b> | 24.32*  | <b>41.17</b> | 11.32*  | <b>28.28</b> | 2.47*   | <b>57.78</b> | 24.75*  |

*\*Expenditure as per cash flow upto Nov- 12*

259. The above table reveals that DISCOMs are spending much less than what is being approved by the Commission in the ARR. During last few years the spending on R&M expenses is about 50% of the amount approved by the Commission. The source of R&M expenses for the DISCOMs is from the revenue deposited through collection in the respective escrow account. It is observed that the DISCOMs have not been able to put enough money in the escrow account through improved collection and therefore there is no extra revenue available to be released towards R&M activities after meeting the power purchase cost, transmission cost and the employee cost. This has resulted in grossly neglecting the repair and maintenance activities essential to maintain the fragile network and to ensure quality supply to the consumers. During the current year all the DISCOMs have availed very less amount from escrow account towards R&M. DISCOMs have stated that due to insufficient revenue in the Escrow account, they have not been able to avail the escrow amount due. A table below shows the comparison between the relaxation due and relaxation availed on account of R& M during the year:

**Table – 48**

**(Rs. In Crore)**

| Escrow Relaxation on R&M for FY 2012-13 | WESCO | NESCO | SOUTHCO | CESU  |
|---|-------|-------|---------|-------|
| Relaxation Due                          | 40.06 | 41.17 | 28.28   | 57.78 |
| Relaxation Availed (Nov 2012)           | 6.68  | 4.26  | 2.35    | 14.46 |

260. Commission is aware that timely and efficient R&M activities are essential to the optimum utilisation of the distribution network. The Commission is not averse towards allocating of higher amounts on R&M activities but the DISCOMs have to exhibit sincerity of purpose by undertaking adequate R&M activities and increased revenue collection out of current as well as arrears in order to enable Commission to allow more money by way of ESCROW relaxation. Non relaxation of ESCROW is not the problem; the real problem is inadequate revenue collection efforts. If sufficient revenue is collected there will be no difficulty in allowing withdrawal from ESCROW account after meeting the BST, salary and other important item of expenditure.

261. The Commission allows the R&M expenses based on the principles enunciated in the MYT order for the second Control FY 2013-14 to FY 2017-18 in its order dated 20.03.2013 and have decided therein to the following:

*“16.2 In view of the above, the Commission during the third control period would continue to grant R&M at the rate of 5.4% on Gross Fixed Asset added during the year. As regards the R & M expenses for the assets added under RGGVY and BGGY programme Commission may provisionally allow an amount for maintenance of these assets during the third control period.*

*Commission may also allow special R&M during this control period in order to enable DISCOMs to undertake critical activities such as loss reduction, energy audit, Consumer Indexing, Pole scheduling and all such activities deemed necessary for the up-gradation of network.”*

262. In the FY 2012-13, WESCO, NESCO, SOUTHCO and CESU have proposed following amounts towards asset addition as tabulated below:

**Table – 49**

**(Rs. crore)**

| <b>Proposed addition of Fixed Assets FY 2012-13</b> | <b>WESCO</b>  | <b>NESCO</b>  | <b>SOUTHCO</b> | <b>CESU</b>   |
|---|---------------|---------------|----------------|---------------|
| Land Building Furniture and Fixtures                | 1.6           | 5.46          | 1              |               |
| Network Assets                                      |               |               |                |               |
| RE/LI/MNP   | 9.38          |               | 1.84           |               |
| PMU   |               |               | 3.87           |               |
| APDRP   |               |               | 0.44           |               |
| S.I. Scheme   | 8.45          | 25.16         | 2.85           | 20.49         |
| Deposit work  |               | 61.1          |                | 173.10        |
| Metering & others                                   |               |               |                |               |
| RGGVY   | 258.46        | 504.24        |                |               |
| Biju Gram Jyoti                                     | 21.00         | 17.00         | 0.46           |               |
| Capex Plan (GoO)                                    | 18.77         | 80.5          | 92.59          | 142.41        |
| <b>Other works</b>                                  | 7.14          |               | 19.99          |               |
| <b>Total</b>  | <b>324.80</b> | <b>693.46</b> | <b>123.04</b>  | <b>336.00</b> |

263. In order to approve asset addition during FY 2013-14, scheme wise asset addition considered by the Commission are discussed below:

264. **RGGVY & Biju Gram Jyoti Scheme** - The asset addition under these Schemes shall be entirely funded by Govt. of India and Govt. of Orissa and the projects are being implemented by the Central PSUs as per the terms of agreement. Once the assets are

handed over to the Licensees they would be responsible to operate and maintain those assets. As regards R&M of the assets, Commission in its tariff order for FY 2009-10 observed that the State Govt. should provide revenue subsidy to the DISCOMs to compensate for undertaking such non remunerative work under RGGVY & Biju Gram Jyoti Scheme. DISCOMs were advised to approach State Government in this regard for obtaining revenue subsidy. DISCOMs in their present petition for the ARR of FY 2013-14 have submitted that Government of Odisha have not provided any revenue subsidy for undertaking works under RGGVY & Biju Gram Jyoti Scheme. DISCOMs have submitted to allow the R&M on the RGGVY & BGJY assets in order to maintain those assets. In the event the State Government provides revenue subsidy, the R&M of the corresponding year may be reduced. They have further submitted that if such funds are not provided by the State Government, they would not be able to effect proper maintenance of RGGVY and BGJY assets which has been entrusted by the terms of agreements made by the GoO, GoI and DISCOMs. In view of such a stalemate Commission in line with advice in last year ARR i.e. 2012-13, again advises Government of Odisha to share its obligation to provide quality supply to the lifeline consumers as mandated in the Electricity Act 2003. Government of Orissa therefore may consider allocating revenue subsidy in order to enable Licensees to maintain and operate these lines. Commission is not sure of addition of the exact quantum of assets under RGGVY & Biju Gram Jyoti Scheme for the purpose of determination of R&M and depreciation during FY2013-14.

265. As regards the RE/LI, APDRP, PMU schemes these are ongoing schemes. Hence, Commission allows the asset addition proposed by the licensee.
266. **System Improvement Scheme-** WESCO, NESCO, SOUTHCO and CESU have projected asset addition of an amount of Rs.8.45 crore, Rs.25.15 crore, Rs.0.67 and Rs.20.49 crore respectively under system improvement scheme. In reply to the query raised in this account, the companies submitted the actual amount of drawal of SI loan by end of February, 2012 from REC. As revealed from their submissions, only WESCO has received Rs.1.00 cr. on this account during the current FY 2012-13. Hence, Commission allows asset addition on SI ongoing projects based on their Capital works in progress as per audited data. WESCO, NESCO, SOUTHCO and CESU are accordingly allowed Rs.8.45 cr., Rs.25.15 cr., Rs.0.67 cr. and Rs.20.49 cr. respectively as asset addition under S.I. Scheme.
267. **Deposit works-** NESCO and CESU have proposed asset addition under deposit work to the tune of Rs.61.10 cr. & Rs.173.10 cr. respectively. It is found that in case of NESCO the same is a spill over of work of previous year and in case of CESU Rs100.00 crore is allowed as asset addition depending on the quantum of fund received towards deposit works.
268. **Metering and others-** These are also ongoing programmes hence Commission allows the same as proposed by the Licensees
269. In view of the discussions in the foregone paragraphs, the asset addition during 2012-13 is determined and approved as detailed below:

**Table – 50**

|  |          |           |     | (Rs. crore) |       |         |      |
|--|----------|-----------|-----|-------------|-------|---------|------|
| Approved addition of Fixed Assets FY 2012-13 |          |           |     | WESCO       | NESCO | SOUTHCO | CESU |
| Land   | Building | Furniture | and | 1.6         | 5.46  | 2.00    |      |

|                              |              |              |              |               |
|------------------------------|--------------|--------------|--------------|---------------|
| Fixtures                     |              |              |              |               |
| RGGVY                        |              |              |              |               |
| Biju Gram Jyoti              |              |              |              |               |
| RE/LI/MNP                    |              |              | 1.84         |               |
| PMU                          |              |              | 3.86         |               |
| APDRP                        |              |              | 0.43         |               |
| System Improvement           | 8.45         | 25.15        | 1.98         | 20.49         |
| Deposit work                 | 9.38         | 61.09        |              | 100.00        |
| Metering & others            |              |              |              |               |
| RGGVY                        |              |              |              |               |
| Biju Gram Jyoti              |              |              |              |               |
| Capex                        |              |              |              |               |
| Other works (including PMGY) | 7.14         |              | 2.05         |               |
| <b>Total</b>                 | <b>26.57</b> | <b>91.70</b> | <b>12.16</b> | <b>120.49</b> |

270. The Gross Fixed Assets as on 31.03.2013 calculated on the basis of the asset addition allowed in the above table is given as below:

**Table – 51**

**(Rs. Cr.)**

*GFA as on 31.03.12*

| <b>Particulars</b>                | <b>WESCO</b>  | <b>NESCO</b>  | <b>SOUTHCO</b> | <b>CESU</b>    |
|-----------------------------------|---------------|---------------|----------------|----------------|
| Gross Book Value as on 01.04.1996 | 139.867       | 137.89        | 122.41         | 188.697        |
| Addition 1996-97                  | 13.74         | 13.54         | 12.02          | 18.53          |
| 1997-98                           | 16.84         | 16.6          | 14.74          | 22.72          |
| 1998-99                           | 0             | 0             | 0              | 0              |
| 1999-00                           | 53.32         | 41.11         | 37.53          | 87.16          |
| 2000-01                           | 19.9          | 26.83         | 13.8           | 85.09          |
| 2001-02                           | 19.58         | 30.63         | 20.72          | 67.25          |
| 2002-03                           | 21.31         | 30.55         | 7.64           | 127.01         |
| 2003-04                           | 35.14         | 28.63         | 12.6           | 88.42          |
| 2004-05                           | 71.74         | 55.09         | 39.78          | 66.26          |
| 2005-06                           | 23.52         | 30.2          | 13.89          | -95.95         |
| 2006-07                           | 22.21         | 30.73         | 11.1           | 22.57          |
| 2007-08                           | 24.79         | 32.49         | 18.91          | 35.52          |
| 2008-09                           | 35.16         | 92.14         | 31.85          | 38.68          |
| 2009-10                           | 38.07         | 101.33        | 10.70          | 52.29          |
| 2010-11                           | 42.46         | 64.65         | 11.46          | 71.59          |
| 2011-12                           | 31.01         | 59.71         | 7.32           | 112.29         |
| 2012-13                           | 26.57         | 91.70         | 12.16          | 120.49         |
| <b>Total up to 2012-13</b>        | <b>635.23</b> | <b>883.82</b> | <b>398.63</b>  | <b>1108.62</b> |

271. The position of Gross Fixed Asset as on 31.03.2013 were computed based on their audited accounts available for the previous years. After taking into consideration the addition of assets during the FY 2011-12 and the position of GFA as on 31.03.2013 the approved R&M for FY 2013-14 is given in the table below:

Table - 52

(Rs. Cr.)

| R&M for FY 2013-14                                | WESCO    |              | NESCO    |              | SOUTHCO  |              | CESU     |              |
|---|----------|--------------|----------|--------------|----------|--------------|----------|--------------|
|   | Proposed | Approved     | Proposed | Approved     | Proposed | Approved     | Proposed | Approved     |
| Gross fixed asset as on 01.04.2013                | 1013.86  | 635.23       | 1557.02  | 883.82       | 1205.05  | 398.63       | 1437.89  | 1108.62      |
| % of GFA  | 5.40%    | 5.40%        | 5.40%    | 5.40%        | 5.40%    | 5.40%        | 5.40%    | 5.40%        |
| R&M on GFA  | 54.75    | <b>34.30</b> | 84.08    | <b>47.73</b> | 65.07    | <b>21.53</b> | 77.65    | <b>59.87</b> |
| Special R&M for addition of RGGVY and BJGY assets |          | 7.00         |          | 7.00         |          | 7.00         |          | 7.00         |
| Special R&M for loss reduction activities         |          | 10.00        |          | 2.00         |          | 15.00        |          | 15.00        |
| Total R&M approved for FY 2013-14                 |          | <b>51.30</b> |          | <b>56.73</b> |          | <b>43.53</b> |          | <b>81.87</b> |

272. Besides the normal R&M expenses allowed on the basis of 5.4% of GFA, Commission allowed in addition a sum of Rs.7 crore provisionally towards R&M expenses to each of the four DISCOMs on account of asset addition under RGGVY and BGJY in the RST order for FY 2011-12 & 2012-13. The approval of Rs. 7 crore was subject to detailed scrutiny in next tariff processing for FY 2013-14. From the filing it is revealed that no asset under RGGVY or BGJY has been transferred to the Licensees. These assets continue to be with the Government of Orissa. However in line with the previous RST order for FY 2012-13, Commission continues to allow an additional sum of Rs. 7.00 crore to WESCO, NESCO, SOUTHCO & CESU each on provisional basis for FY 2013-14 besides the normal R&M expenditure approved @ of 5.4% on the Gross Fixed Assets. It may be noted that in order that consumers getting new connection under RGGVY and BGJY do not face difficulties for non-maintenance assets, this additional provision is being allowed to the DISCOM to ensure power supply to these vulnerable groups.

273. It has been observed that the loss reduction performance of the all the DISCOMs are poor and they should undertake such activities to devise methodological strategy to reduce losses. During the review of performance of the DISCOMs it is seen that none of the licensees have taken the task of energy auditing; seriously consequently they have not been able to plug the energy loss from the critical points. The overall AT&C losses is still hovering around 40% which a matter of grave concern. Therefore in order to address this problem the energy auditing must be undertaken by the licensees forthwith with seriousness. The licensees must therefore identify the loss making key feeders in their system and begin energy audit of these feeders. Commission now directs that they must devise a plan to audit the loss making feeders and submit it before the Commission by 31.5.2013 with definite timeline to complete the task within two years. In the first phase the Licensees must complete energy audit of at least 40% of total feeders in their area of operation during the year 2013-14 and balance 60% in the year 2014-15. Commission for the said purpose therefore allocates special R & M of Rs.15.00 crore to CESU, Rs.10.00 crore to WESCO, Rs.2.00 crore to NESCO and Rs.15.00 crore to SOUTHCO. Commission would constantly monitor the energy audit activity of the Licensee according to the timeline given by them and for any violation on this account would be dealt as per the appropriate provisions of the Electricity Act, 2003. The Commission further directs that this special R&M should only be utilised for energy audit purpose and should not be diverted in any manner for normal R&M activities.

### Interest on Loan

274. The source-wise interest on loan proposed by the four DISCOMs for FY 2013-14 is given in the table below:

**Table – 53**  
**Proposed Loans FY 2013-14**

| Source   | (Rs. Crore) |       |         |        |
|--|-------------|-------|---------|--------|
|  | WESCO       | NESCO | SOUTHCO | CESU   |
| GRIDCO loan  | -           | -     | -       | -      |
| World Bank loan                                    | 11.82       | 10.38 | 7.79    | 98.93  |
| Power Bond – Differential Amount                   |             |       |         |        |
| APDRP Net of 50% grant (GoO)                       | 1.22        | 0.76  | 0.68    | 15.41  |
| R-APDRP LOAN Counterpart Funding                   |             |       |         | 2.73   |
| REC/PFC (Counter Part Funding APDRP) and SI Scheme | 2.35        | 12.59 | 16.04   |        |
| Interest on security deposit                       | 26.17       | 19.89 | 6.62    | 25.76  |
| CAPEX (REC)  | 5.22        |       |         | 6.08   |
| Govt. of Orissa Capex loan                         | 2.85        | 3.08  | 13.99   | 0.62   |
| Working Capital Loan                               |             |       | 4.50    |        |
| Other interest and finance charges                 | 18.79       | 3.69  | 7.93    |        |
| New Loan   |             | 22.4  | 14.51   |        |
| Total interest before capitalisation               | 68.42       | 72.79 | 72.06   | 149.53 |
| Less: Interest Capitalised                         | 3.83        | 6.74  | 5.69    | 2.29   |
| Total Interest proposed                            | 64.59       | 66.05 | 66.37   | 147.24 |

275. In order to approve the interest on loans the position of individual loan as on 1.04.2013 is discussed below:

### World Bank Loan

276. In line with the Commission's previous order, the licensees have calculated the interest on World Bank Loan @ 13%, considering 30% of loan as grant and balance 70% as loan. WESCO, NESCO, SOUTHCO & CESU have proposed interest liability towards World Bank loan of Rs.11.82 crore, Rs.10.38 crore, Rs.7.79. crore and Rs. 98.93 crore respectively. Besides the WESCO, NESCO and SOUTHCO have projected repayment loan liability of Rs. 9.10 cr, 9.13 cr and 7.26 cr respectively. The loan balance (Net of 30% grant) is projected by the DISCOMs along with the interest for the FY 2013-14.
277. After analysis of the loan position the approval of interest on the same is given in the table below:

**Table – 54**

| World Bank Loan | Loan as on 31.3.2013 | Repayment Due in 2013-14 | Loan as on 31.3.2014 | (Rs. Cr.)                          |                                    |
|-----------------|----------------------|--------------------------|----------------------|------------------------------------|------------------------------------|
|                 |                      |                          |                      | Interest for FY 2013-14 (Proposed) | Interest for FY 2013-14 (Approved) |
| <b>WESCO</b>    | 90.96                | 9.10                     | 81.86                | 11.82                              | 11.23                              |
| <b>NESCO</b>    | 82.15                | 9.13                     | 73.02                | 10.38                              | 10.09                              |
| <b>SOUTHCO</b>  | 65.34                | 7.26                     | 58.08                | 7.79                               | 8.02                               |
| <b>CESU</b>     | 204.51               | -                        | 204.51               | 98.93                              | 26.59                              |
| <b>Total</b>    | 442.96               | 25.49                    | 417.47               | 128.92                             | 55.93                              |

### Capex Loan from Government of Orissa

278. Govt. Of Odisha subsequently have notified Capital Expenditure (CAPEX) Programme for Distribution Companies of Orissa in their letter no. 9230/ En. dated 21.10.2010 for providing financial support to the tune of Rs.2400 Cr. in distribution sector which includes the grant of Finance Commission, state budgetary support and counterpart funding by the DISCOM. The basic objective of this programme is system improvement, establishment of reliable system, reduction of AT&C losses to a sustainable level and improvement of quality of supply to the consumer of the state.

In the mean time some progress has been made in the Capex programmes and GRIDCO has reported such progress.

The programme has been divided in two phases and the details of funding during the Phase –I & II are given below:

**Table – 55**

(Rs. Cr.)

| DISCOMs      | Phase-I       | Phase-II       | Total          |
|--------------|---------------|----------------|----------------|
| CESU         | 351.00        | 585.00         | 936.00         |
| WESCO        | 175.50        | 292.50         | 468.00         |
| NESCO        | 189.00        | 315.00         | 504.00         |
| SOUTHCO      | 184.50        | 307.50         | 492.00         |
| <b>Total</b> | <b>900.00</b> | <b>1500.00</b> | <b>2400.00</b> |

### Progress till date

1. Finalisation of Technical Specification for all major supply items (35 Nos.) and Turn-key projects
2. Finalization of (a) Procurement Guidelines, (b) Tender Specification of procurement/ supply, (c) Tender Specification for Turn-key Contracts for supply and erection.
3. Finalization of Loan Agreement between GoO & GRIDCO and GRIDCO & DISCOMs and approved by Monitoring Committee on 26-06-2012.
4. Engagement of TPEIA for four DISCOMs have finalized by GRIDCO for verification of AT&C loss and inspection of materials. Pre-dispatch inspection of materials by the TPEIA placed by the DISCOMs are in progress.
5. Till date, DISCOMs have floated tender of worth Rs.805.29 crore (Reliance managed DISCOMs - Rs. 436.05 crore and CESU – Rs.369.24 crore for supply as well as turnkey projects.
6. The value of Supply & Turnkey orders placed by DISCOMs are under:

**Table – 56**

(Rs. Cr)

| SI No | Description         | CESU          | WESCO, NESCO & SOUTHCO | Total         |
|-------|---------------------|---------------|------------------------|---------------|
| A     | Supply of Materials | 118.72        | 124.13                 | 242.85        |
| B     | Turnkey             | 112.64        | 39.66                  | 152.30        |
|       | <b>Total</b>        | <b>231.36</b> | <b>163.79</b>          | <b>395.15</b> |

7. CESU & Reliance managed DISCOMs have planned to spend Rs.137.88 crore and Rs.272.26 crore respectively by 31.03.2013.

8. Out of total CAPEX Fund, Rs. 420.38 crore has been received from Govt of Odisha.
9. GRIDCO has disbursed Rs. 87.66 Crore to Suppliers and Contactors as per requisition order of four DISCOMs. DISCOM wise utilization amounts is given below:

**Table – 57**

(Rs. Cr)

| Particulars | WESCO | NESCO | SOUTHCO | CESU  | Total |
|-------------|-------|-------|---------|-------|-------|
| Utilisation | 6.98  | 13.83 | 13.99   | 52.86 | 87.66 |

10. The preparation of DPR for Phase-II has been finalized and submitted before OERC by GRIDCO. The tendering process of Supply of shall commence from 1<sup>st</sup> April 2013. The entire works of Phase –II shall be completed one year.

**Accelerated Power Development Reform Programme (APDRP)**

279. Licensees in their filling have submitted that no amount has been estimated to be spent under APDRP scheme during the ensuing year FY 2013-14. The interest liability on APDRP has been considered on the adjusting loan only @ 12% for Govt. of Odisha loan and @13.5% on the loan received from REC/ PFC.
280. The interest liability on loans from GoO & REC/PFC is computed on the basis of the actual expenditure of APDRP during the current year and balance expenditure to be incurred during the ensuing year. The DISCOMs have not projected any receipts on account of APDRP loan from GoO or REC/PFC during the years FY 2012-13 & 2013-14. They have already utilized the amounts received during the previous years. Accordingly, the loans availed and anticipated receipts along with approved interest for FY 2013-14 are tabulated below:

**Table - 58**

(Rs. in crore)

| APDRP          | Balance upto FY 2011-12 |             | Receipt during FY 2012-13 & 2013-14 |             | Repayment during FY 2012-13 & 2013-14 |             | Balance upto FY 2013-14 |             | Interest due for FY 2013-14 |             | Total interest approved for FY 2013-14 |
|----------------|-------------------------|-------------|-------------------------------------|-------------|---------------------------------------|-------------|-------------------------|-------------|-----------------------------|-------------|--|
|                | GoO                     | REC/<br>PFC | GoO                                 | REC/<br>PFC | GoO                                   | REC/<br>PFC | GoO                     | REC/<br>PFC | GoO                         | REC/<br>PFC |  |
| <b>WESCO</b>   | 5.48                    | 6.16        | -                                   | -           | -                                     | 0.99        | 5.48                    | 5.17        | 0.66                        | 0.62        | <b>1.28</b>                            |
| <b>NESCO</b>   | 6.36                    | 7.16        | -                                   | -           | -                                     | 2.29        | 6.36                    | 4.87        | 0.76                        | 0.66        | <b>1.42</b>                            |
| <b>SOUTHCO</b> | 6.62                    | 3.21        | -                                   | -           | 1.02                                  | 1.03        | 5.6                     | 2.18        | 0.73                        | 0.30        | <b>1.03</b>                            |
| <b>CESU</b>    | 37.09                   | 16          | -                                   | -           | -                                     | 3.54        | 37.09                   | 12.46       | 4.45                        | 1.71        | <b>6.16</b>                            |

**System Improvement Scheme:**

281. WESCO, NESCO, SOUTHCO and CESU have not estimated to avail long-term loan during FY 2013-14 for funding the System Improvement Schemes. Till the end of January, 2013 no DISCOMs have received any amount on the said scheme. WESCO, NESCO & SOUTHCO have proposed to repay the loan of Rs.2.04 cr., Rs.1.95 cr. and Rs.1.93 cr. in the FY 2012-13 and Rs.2.04 cr., Rs.1.95 cr. & Rs.1.93 cr. in the FY 2013-14 respectively. Considering the above repayment schedule Commission therefore allows the following interest on the continuing loan only under the System Improvement Scheme to WESCO, NESCO and SOUTHCO to be included in the revenue requirement for FY 2013-14 as indicated below:

**Table - 59****(Rs Crores)**

| System Improvement scheme | Opening Balance as on 1.04.2012 | Proposed Loan for FY 2012-13 | Loan received from REC till Jan 13 | Anticipated repayment during 2012-13 | Balance as on 31.03.2013 | Proposed Loan for FY 2013-14 | Anticipated repayment during 2013-14 | Balance as on 31.03.2014 | Interest for FY 2013-14 (Approved) |
|---------------------------|---------------------------------|------------------------------|------------------------------------|--------------------------------------|--------------------------|------------------------------|--------------------------------------|--------------------------|------------------------------------|
| <b>WESCO</b>              | 11.63                           | 2.61                         | 0                                  | 2.04                                 | 12.20                    | 0                            | 2.04                                 | 10.16                    | 1.57                               |
| <b>NESCO</b>              | 14.53                           | 0                            | 0                                  | 1.95                                 | 12.58                    | 0                            | 1.95                                 | 10.63                    | 1.60                               |
| <b>SOUTHCO</b>            | 9.17                            | 3.48                         | 0                                  | 1.93                                 | 10.72                    | 0                            | 1.95                                 | 8.77                     | 1.32                               |
| <b>CESU</b>               | 0                               | 0                            | 0                                  | 0                                    | 0                        | 0                            | 0                                    | 0                        | 0                                  |

**Interest on Security Deposit**

282. The Interest on security deposit is allowed by the Commission as per the OERC Distribution (Conditions of Supply Code) 2004. The said regulation provides that The Licensee shall pay interest on security deposit of the consumer at the Bank rate notified by RBI provided that the Commission may direct a higher rate of interest from time to time by notification in official gazette.
283. The prevailing bank rate as notified by RBI is 8.75% per annum as ascertained from the RBI website. Commission in previous RST orders have allowed 6% interest on the Security deposits. The Commission accordingly allows the interest at the rate of 8.75% on the closing balance on consumer's security deposit as on 31.03.2013 as shown in the table below:

**Table - 60****(Rs. Cr.)**

| Interest on Consumer's Security Deposit | Proposed interest on Consumer's SD for FY 2013-14 | Consumer's Security as on 31.03.2013 (Proposed) | Approved interest on Consumer's SD for FY 2013-14 |
|---|---|---|---|
| <b>WESCO</b>                            | 26.17   | 426.13  | <b>37.29</b>                                      |
| <b>NESCO</b>                            | 19.89   | 371.44  | <b>32.50</b>                                      |
| <b>SOUTHCO</b>                          | 6.62  | 102.71  | <b>8.99</b>                                       |
| <b>CESU</b>                             | 25.76   | 429.34  | <b>37.57</b>                                      |

284. **Interest to be Capitalised-** The Commission examined the item Interest during construction and observes that the Licensees have proposed to capitalize the interest on system improvement works only, Commission has allowed the Interest on system improvement works based on the actual loan drawal during the FY 2012-13. Hence the Commission does not feel it necessary to adjust any amount towards interest during construction.
285. Accordingly the total interest on loan proposed by DISCOMs and approved by the Commission for FY 2012-13 is summarized below:

**Table – 61**  
**Total Annual Interest**

**(Rs. crore)**

| Interest on Loans of DISCOMs                                      | WESCO            |                  |                  | NESCO            |                  |                  | SOUTHCO          |                  |                  | CESU             |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | Approved 2012-13 | Proposed 2013-14 | Approved 2013-14 | Approved 2012-13 | Proposed 2013-14 | Approved 2013-14 | Approved 2012-13 | Proposed 2013-14 | Approved 2013-14 | Approved 2012-13 | Proposed 2013-14 | Approved 2013-14 |
| World Bank loan   | 11.23            | 11.82            | 11.23            | 11.27            | 10.38            | 10.09            | 8.02             | 7.79             | 8.02             | 26.59            | 98.93            | 26.59            |
| NTPC Bond – Differential amount                                   |                  | 0                |                  |                  | 0.00             |                  |                  | 0                |                  |                  | -                |                  |
| Carrying Cost(NTPC bond and default in securitization obligation) |                  | -                |                  |                  | -                |                  |                  | -                |                  |                  | -                |                  |
| APDRP Net of 50% grant (GoO)                                      | 0.66             | 1.22             | 0.66             | 0.76             | 0.76             | 0.76             | 0.79             | 0.68             | 0.73             | 4.45             | 15.41            | 4.45             |
| (Counter Part Funding APDRP)                                      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| R-APDRP Counterpart Funding                                       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  | 2.73             |                  |
| SI Scheme   | 1.42             | -                | 1.57             | 1.53             | -                | 1.60             | 1.11             | -                | 1.32             | 0                | -                |                  |
| Interest on security deposit                                      | 23.58            | 26.17            | 37.29            | 16.43            | 19.89            | 32.50            | 5.63             | 6.62             | 8.99             | 20.11            | 25.76            | 37.57            |
| Capex (REC)   |                  | 5.22             |                  |                  |                  |                  |                  | 0                |                  |                  | 6.08             |                  |
| Gov of Orissa Capex Loan  | 0                | 2.85             |                  | 0                | 3.08             |                  | 0                | 13.99            |                  | 0                | 0.62             |                  |
| Working Capital Loan  |                  |                  |                  |                  |                  |                  |                  | 4.50             |                  |                  |                  |                  |
| Other interest and finance charges                                |                  | 18.79            |                  |                  | 3.69             |                  |                  | 7.93             |                  |                  | -                |                  |
| New Loan  |                  |                  |                  |                  | 22.40            |                  |                  | 14.51            |                  |                  |                  |                  |
| <b>Total interest</b>   | <b>37.79</b>     | <b>68.42</b>     | <b>51.37</b>     | <b>30.78</b>     | <b>72.79</b>     | <b>45.61</b>     | <b>15.98</b>     | <b>72.06</b>     | <b>19.35</b>     | <b>53.49</b>     | <b>149.53</b>    | <b>70.31</b>     |
| Less Interest Capitalised   |                  | 3.83             |                  |                  | 6.74             |                  |                  | 5.69             |                  |                  | 2.29             |                  |
| <b>Interest chargeable to revenue</b>                             | <b>37.79</b>     | <b>64.59</b>     | <b>51.37</b>     | <b>30.78</b>     | <b>66.05</b>     | <b>45.61</b>     | <b>15.98</b>     | <b>66.37</b>     | <b>19.35</b>     | <b>53.49</b>     | <b>147.24</b>    | <b>70.31</b>     |

**Financing costs of short term loans/cash credits for working capital**

286. The Commission in its Order dated 20.03.2013 on MYT principles for the third control FY 2013-14 to FY 2017-18 have set out principle for allowing Financing costs of short term loans/cash credits for working capital in the following manner:

*“21 As per the principle in the LTTS order for first control period and MYT order for the second control period, the amount of working capital is the approved shortfall in collection minus amount approved towards bad and doubtful debt. Since the benchmark collection efficiency target is set at 99% for the third control period, the remaining 1% would be treated as Bad and Doubtful debt. Hence there is no allowance for working capital for during the third control period.*

In view of the above principle of the MYT no financing on working capital is allowed to the DISCOMs in the ARR for FY 2013-14.

## Depreciation

287. DISCOMs have calculated depreciation at Pre-92 rate on the up-valued asset base plus asset addition after 01.04.1996 for FY 2013-14. The depreciation amounts claimed by the four DISCOMs are given as under.

**Table - 62**

| (Rs. in crore) |       |       |         |       |
|----------------|-------|-------|---------|-------|
| Year           | WESCO | NESCO | SOUTHCO | CESU  |
| FY 2013-14     | 36.33 | 56.20 | 43.99   | 78.72 |

288. The Hon'ble High Court in their judgement dated 28/02/2003 and 14/03/2003 in Misc Case No. 7410 and 8953 of 2002 have directed to calculate the depreciation on the pre-upvalued cost of assets at pre-92 rate on the Transmission and Distribution assets as on 01.4.96 apportioned amongst GRIDCO and DISCOMs. Regarding calculation of depreciation the Commission observed following in the RST order for FY 2009-10:
- “388. The Commission has extensively dealt with the matter of calculation of depreciation in successive tariff orders and in the last tariff order for FY 2008-09 (para 399 to 406) considering the book value of the fixed asset as on 1.04.1996 at the pre-upvalued cost and subsequent asset additions thereof in later years. The Commission adopts the same principle for determination of depreciation for FY 2009-10.”*
289. The asset addition from 1.04.1999 has been based on the audited annual accounts of the DISCOMs. For ascertaining the asset addition in case of all the four DISCOMs audited accounts upto FY 2011-12 are available with the Commission.
290. The gross book value as on 01.04.1996 and year wise asset addition thereafter till FY 2011-12 and during FY 2012-13 have already been discussed while calculating R&M expenses and accordingly the position of assets as on 1.04.2013 has been depicted in the Table No. 51 under R&M expenses.
291. The depreciation is calculated on the approved asset base as on 1.04.2012 at Pre-92 rate in pursuance to the directive of the Honb'le High Court. The classification of assets has been done proportionately based on the audited accounts and tariff filing submitted by DISCOMs. Accordingly, the Commission approves the following amount towards depreciation for the year 2011-12.

**Table – 63**

| Depreciation                 | WESCO        | NESCO        | SOUTHCO      | CESU         |
|------------------------------|--------------|--------------|--------------|--------------|
| Asset value as on 01.04.2013 | 635.23       | 883.82       | 398.63       | 1108.62      |
| Depreciation for FY 2013-14  | <b>24.01</b> | <b>33.58</b> | <b>15.18</b> | <b>41.85</b> |

## Provision for Bad & doubtful debts

292. The WESCO, NESCO, SOUTHCO and CESU have proposed to consider the amount equivalent to the collection inefficiency as Bad and doubtful debts while estimating the ARR for FY 2013-14 which is shown in the table below:

**Table – 64**

| (Rs. cr)                                  |         |         |         |         |
|---|---------|---------|---------|---------|
| Bad & Doubtful Debt FY 2013-14 (Proposed) | WESCO   | NESCO   | SOUTHCO | CESU    |
| Proposed revenue billed (Rs. In Cr.)      | 2098.81 | 1822.53 | 825.49  | 2684.13 |
| Proposed Collection efficiency (%)        | 98%     | 99%     | 97%     | 99%     |

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| Proposed Collection Inefficiency (%)        | 2%    | 1%    | 3%    | 1%    |
| Proposed Bad and Doubtful debt (Rs. In Cr.) | 57.98 | 15.13 | 24.76 | 26.84 |

293. WESCO, NESCO & SOUTHCO in their filing, have submitted to employ AT&C loss as the bench mark for determination of ARR instead of the distribution loss target. They have further submitted that considering the past accumulated losses had huge liabilities it would be extremely difficult for them to arrange working capital finance to bridge the revenue gap, the revenue gap which would arise due to non recognition of collection efficiency in determination of tariff. Hence the gap between the billing and collection efficiency may be allowed as bad debt, since it is difficult for the licensee to arrange working capital fund.
294. From the above table it is revealed that the DISCOMs essentially propose to treat the entire uncollected amount beyond the collection efficiency as bad and doubtful debt. In other words the DISCOMs have assumed that there would be no collection of arrears and all such amount beyond collection efficiency level would be treated as bad and doubtful debt. The said proposal of the DISCOMs is unjust for the consumers as this would mean passing of the entire collection inefficiency of the DISCOMs through ARR. Further if any amount is not collected during a current financial year it may be collected in subsequent year. Hence entire uncollected amount cannot be treated as bad debt. It may be clarified that amount treated as bad and doubtful debt would represent the amount that may not be collected during the year in which bill is raised but some amount out of the amount may be collected in subsequent years/years.
295. The commission in its Order dated 20.03.2013 on MYT principles for the third control FY 2013-14 to FY 2017-18 have set out principle for allowing bad and doubtful debt in the following manner:
- “17 The Business Plan order of the Commission dated 20.03.2010 approved collection efficiency of 99% for FY 2011-12 and FY 2012-13. The benchmark of collection efficiency would continue to be at the level of 99% during the third control period also. Accordingly the Bad and Doubtful debt during the third control period would also be allowed @ 1% of the total annual revenue billing in HT and LT sales only”*
296. The Commission in line with the above quoted Order on MYT principles allows on normative basis Bad and Doubtful debt of 1% of the total annual revenue billing in HT and LT sales only. Hence the amount of Bad and doubtful debt as proposed by the DISCOMs and approved by the Commission for FY 2013-14 is summarized below:

**Table – 65**  
**Bad & Doubtful Debt FY 2013-14**

**(Rs. in Crore)**

| Bad & Doubtful Debt<br>FY 2013-14 (Approved) | Proposed |          | Approved      |                    |          |
|--|----------|----------|---------------|--------------------|----------|
|  | Revenue  | Bad debt | Total Revenue | Revenue at HT & LT | Bad debt |
| <b>WESCO</b>                                 | 2098.81  | 57.98    | 2,492.69      | 1646.53            | 16.47    |
| <b>NESCO</b>                                 | 1822.53  | 15.13    | 1,981.13      | 1105.22            | 11.05    |
| <b>SOUTHCO</b>                               | 825.49   | 24.76    | 949.02        | 709.27             | 7.09     |
| <b>CESU</b>                                  | 2684.13  | 26.84    | 2,869.49      | 2022.24            | 20.22    |

### Truing up

297. The Commission have finalised the truing up upto FY 2010-11, in respect of all the Licensees including DISCOMs in Case No. 29, 30 & 31 / 2007 and Case No. 6, 7 & 8 / 2012 dated 19.03.2012. In the said order the Commission have allowed an amount of Rs. 9 cr. towards amortization regulatory assets in respect of SOUTHCO for the FY 2012-13. As per the said order WESCO, NESCO and CESU have landed with positive regulatory assets in the true up exercise, therefore no amortization of regulatory assets have been allowed to these three DISCOMs in the ARR for FY 2012-13.

In the meantime all the four DISCOMs submitted their audited accounts upto 31.03.2012 and basing on such audited account further truing up has been carried out upto 31.03.2012 applying principles as laid down in Case No. 29, 30 & 31 / 2007 and Case No. 6, 7 & 8 / 2012 dated 19.03.2012. As per the said truing up exercise all the four DISCOMs have landed up with positive true up gap therefore no provision is made on the account of true up in the ARR for FY 2013-14. The summary of true up over the years is tabulated below:

**Table – 66**  
**True up of DISCOMs**

(Rs. in Cr.)

| Available Audited accounts<br>for the year | Gap considered for True up |               |               |               |
|--|----------------------------|---------------|---------------|---------------|
|  | WESCO                      | NESCO         | SOUTHCO       | CESU          |
| 1999-00                                    | (21.68)                    | (65.79)       | (55.97)       | (172.64)      |
| 2000-01                                    | (50.78)                    | (53.43)       | (50.45)       | (86.73)       |
| 2001-02                                    | 8.85                       | (83.28)       | (34.85)       | (30.02)       |
| 2002-03                                    | 36.36                      | (21.92)       | (18.34)       | (68.63)       |
| 2003-04                                    | 48.19                      | (21.31)       | (38.84)       | (59.19)       |
| 2004-05                                    | 32.86                      | (64.90)       | (86.51)       | (2.73)        |
| 2005-06                                    | 123.32                     | 54.39         | 4.75          | 99.49         |
| 2006-07                                    | 107.45                     | 70.07         | (26.74)       | 26.82         |
| 2007-08                                    | 149.13                     | 87.14         | 43.66         | 165.69        |
| 2008-09                                    | 192.68                     | 69.28         | 67.89         | 67.00         |
| 2009-10                                    | 241.74                     | 167.07        | 66.16         | 132.02        |
| 2010-11                                    | 355.33                     | 180.10        | 128.77        | 319.35        |
| 2011-12                                    | 357.31                     | 220.50        | 144.43        | 263.48        |
| <b>TOTAL</b>                               | <b>1580.76</b>             | <b>537.88</b> | <b>143.97</b> | <b>653.91</b> |
| Regulatory Assets allowed in<br>ARR        |                            |               |               |               |
| 2006-07                                    | 0.00                       | 41.36         | 31.91         | 0.00          |
| 2007-08                                    | 0.00                       | 41.36         | 31.91         | 43.23         |
| 2008-09                                    | 0.00                       | 65.00         | 0.00          | 118.00        |
| 2009-10                                    | 0.00                       | 0.00          | 19.00         | 151.00        |
| 2011-12                                    |                            |               | 35.00         | 7.30          |
| 2012-13                                    |                            |               | 9.00          |               |
| Total Regulatory Assets<br>allowed         | <b>0.00</b>                | <b>147.72</b> | <b>126.82</b> | <b>319.53</b> |
| <b>NET TOTAL</b>                           | <b>1580.76</b>             | <b>685.60</b> | <b>270.79</b> | <b>973.44</b> |

### Return on Equity

298. WESCO, NESCO and SOUTHCO in their ARR filing have submitted that due to negative returns( gaps) in their ARR and carry forward of huge Regulatory Assets in previous years, the Licensee could not avail the ROE over the years, which otherwise would have been invested in the company for improvement of the infrastructure. They have further submitted that the ROE to be allowed on the amount of the equity and the accrued ROE for the previous years.
299. The Commission in its Order towards approval of MYT principles for FY 2013-14 to FY 2017-18 in its order dated 20.03.2013 have enunciated the return all share holder equity in the following manner:
- “22. *The Commission allowed 16% return on equity on the approved equity capital infusion during the first and second control period. The Commission had observed that return on equity incentivises the investor for the equity infusion to the business. A return of 16% suitably covers the risk associated with the distribution business. The Commission would continue to allow 16% return on equity on the approved equity capital infusion during the third control period also. Adjustments on account for variations between the actual and approved values of equity capital shall be made in the ARR subsequently in truing up*”
300. The Commission examined the audited annual accounts of all the four DISCOMs for FY 2011-12. The position of share capital (Equity Base) of each company as reflected in their aforesaid accounts is given below:

**Table - 67**

(Rs. in crore)

| Name of the Company | Share Capital (Equity Base) |
|---------------------|-----------------------------|
| WESCO               | 48.65                       |
| SOUTHCO             | 37.66                       |
| NESCO               | 65.91                       |
| CESU                | 72.72                       |

301. From the audited accounts of the DISCOMS for FY 2011-12, it is revealed that there has been no infusion of owner’s capital by the DISCOMs and the share capital initially invested while acquiring the distribution Licence by the Licensees remaining unchanged. The Commission thus allows a return of 16% on the equity base (share capital) in terms of MYT principles and approves following amounts against the proposed ROE:

**Table - 68**

(Rs. in crore)

| Particulars                       | WESCO | NESCO | SOUTHCO | CESU  |
|-----------------------------------|-------|-------|---------|-------|
| Amount proposed by DISCOMs        | 7.78  | 10.55 | 6.03    | 11.64 |
| Amount approved by the Commission | 7.78  | 10.55 | 6.03    | 11.64 |

It may be noted that though accumulated loss of all the DISCOMs upto 2011-12 have far exceeded the equity base but as per the provision in the MYT, the Commission has been allowing return on actual infusion of equity at time of taking over the management of the DISCOMs.

### Miscellaneous receipts

302. The miscellaneous receipts proposed by the licensees for the FY 2013-14 against the approved for FY 2012-13 are given in the table below:

**Table - 69**

(Rs. in crore)

|                                | WESCO | NESCO | SOUTHCO | CESU   |
|--------------------------------|-------|-------|---------|--------|
| Amount approved for FY 2012-13 | 49.1  | 50.7  | 17.07   | 45.64  |
| Amount proposed for FY 2013-14 | 51.23 | 26.87 | 7.46    | 102.25 |

303. The miscellaneous receipt of the DISCOMS is mainly on account of meter rent, commission for collection of ED, miscellaneous charges, interest on loans and advances, interest on bank deposit, DPS, over drawl penalty, supervision charges and other miscellaneous receipts. It is observed from the audited accounts that the actual miscellaneous receipts of DISCOMS is much more than the proposed receipts in the ARR. The audited accounts are available upto the year 2011-12 in case of all the four DISCOMS.
304. The position of miscellaneous receipts during the last two years of audited accounts available to the Commission is tabulated below:

**Table – 70**

(Rs. cr.)

| Year  | WESCO   |         | NESCO   |         | SOUTHCO |         | CESU    |         |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2010-11 | 2011-12 | 2010-11 | 2011-12 | 2010-11 | 2011-12 | 2010-11 | 2011-12 |
| Misc. Receipt   | 71.81   | 132.99  | 60.59   | 97.81   | 18.10   | 55.6    | 65.91   | 94.11   |
| Less: DPS & OD penalty and other write back provision | 14.32   | 70.6    | 14.78   | 47.87   | 0.61    | 33.11   | 7.46    | 12.32   |
| Net Misc Receipt                                      | 57.49   | 62.39   | 45.81   | 49.94   | 17.49   | 22.49   | 58.45   | 81.79   |
| Average Receipt (Approved for FY 2013-14)             | 59.94   |         | 47.88   |         | 19.99   |         | 70.12   |         |

305. Commission observes that the receipts under miscellaneous receipts are of fluctuating nature and the reasonable estimate of future receipts would be on the basis of the analysis of past actual trends. The Commission thus estimates the average actual receipts for last two years audited accounts available to the Commission as the likely receipts during the ensuing year FY 2012-13 and which is calculated in the above table. The miscellaneous receipts thus approved by the Commission for FY 2013-14 are shown in the table below:

**Table - 71**

(Rs. cr)

| WESCO | NESCO | SOUTHCO | CESU  |
|-------|-------|---------|-------|
| 59.94 | 47.88 | 19.99   | 70.12 |

### Receivables of GRIDCO from DISCOMS

306. GRIDCO in its filing submitted that during the current financial year the DISCOMS have not paid any amount towards arrear dues as directed by Hon'ble Commission in the Securitisation order dtd.01.12.2008. The following table as filed by the GRIDCO

indicates detailed position of arrear approved in ARR of different years vis-a-vis actual amount paid by DISCOMs

**Table – 72**

(Rs. Cr.)

| Particulars    | Securitized dues payable by 31.03.2012 | Amount paid by 31.03.2012 | Outstanding by 31.03.2012 |
|----------------|--|---------------------------|---------------------------|
| <b>WESCO</b>   | 253.25                                 | 122.56                    | 130.69                    |
| <b>NESCO</b>   | 275.63                                 | 142.42                    | 133.21                    |
| <b>SOUTHCO</b> | 179.10                                 | 31.83                     | 147.27                    |
| <b>CESU</b>    | 1009.34                                | 172.17                    | 837.17                    |
| <b>TOTAL</b>   | <b>1717.32</b>                         | <b>468.98</b>             | <b>1248.34</b>            |

307. In this regard the Commission observes that regarding securitization of outstanding dues the Commission in their Business Plan order dtd.20.7.2006 and in securitization order dated 01.12.2008 finalised the securitized amount as on 31.3.2005. The Commission considered this date as cut-off date since after such period the DISCOMs started paying 100% of current BST bill to GRIDCO in full without any default.
308. The securitization order of the Commission dtd.01.12.2008 finalized the following amounts as on 31.3.2005 to be discharged by the respective DISCOMs to GRIDCO in 120 monthly (maximum) equal instalments starting from FY 2006-2007 and ending in 2015-16 which is shown in the subsequent table.
309. From the year 2006-07 to 2012-13, Commission in their RST orders have also determined the amounts over and above the current BST bills to be adjusted against the securitization of BST dues. A statement showing the details of securitized amount, amount approved by the Commission in the ARR from 2006-07 to 2012-13 and the amount paid by the licensee over and above the 100% current BST bills and balance default amount is given in Table below.

**Table – 73**

**Dues as per OERC Order Dtd. 01-12-2008 and Actual Payment upto 28.02.2013**

(Rs. in crore)

| SI No    | Particulars  | WESCO         | NESCO         | SOUTHCO       | CESU           | TOTAL          |
|----------|--|---------------|---------------|---------------|----------------|----------------|
| <b>1</b> | <b>BST</b>   |               |               |               |                |                |
|          | OB 01-04-99  | 46.18         | 41.66         | 26.5          | 80.16          | 194.5          |
|          | From 01-04-99 to 31-03-05  | 118.41        | 194.83        | 47.19         | 605.2          | 965.63         |
|          | <b>Sub total</b>   | <b>164.59</b> | <b>236.49</b> | <b>73.69</b>  | <b>685.36</b>  | <b>1160.13</b> |
| <b>2</b> | <b>DPS on Above</b>  | <b>58.72</b>  | <b>87.2</b>   | <b>32.02</b>  | <b>526.41</b>  | <b>704.35</b>  |
| <b>3</b> | <b>Loan</b>  |               |               |               |                |                |
|          | Principal  | 138.46        | 94.64         | 134.36        | 307.61         | 675.07         |
|          | Interest   | 60.31         | 41.05         | 58.43         | 162.86         | 322.65         |
|          | <b>Sub total</b>   | <b>198.77</b> | <b>135.69</b> | <b>192.79</b> | <b>470.47</b>  | <b>997.72</b>  |
| <b>4</b> | <b>Outstanding as on 31-03-2005 vide OERC Order Dated 01-12-2008 (1+2+3)</b> | <b>422.08</b> | <b>459.38</b> | <b>298.5</b>  | <b>1682.24</b> | <b>2862.2</b>  |
| <b>5</b> | <b>Average dues per month</b>  | 3.52          | 3.83          | 2.49          | 14.02          | 23.85          |
| <b>6</b> | <b>Dues from 2006-07 to 2011-12 as per securitization order</b>              |               |               |               |                |                |
|          | 2006-07  | 42.24         | 45.96         | 29.88         | 168.22         | 286.3          |
|          | 2007-08  | 42.24         | 45.96         | 29.88         | 168.22         | 286.3          |

| SI No     | Particulars   | WESCO         | NESCO         | SOUTHCO       | CESU           | TOTAL          |
|-----------|---|---------------|---------------|---------------|----------------|----------------|
|           | 2008-09   | 42.24         | 45.96         | 29.88         | 168.22         | 286.3          |
|           | 2009-2010   | 42.24         | 45.96         | 29.88         | 168.22         | 286.3          |
|           | 2010-11   | 42.24         | 45.96         | 29.88         | 168.22         | 286.3          |
|           | 2011-12   | 42.24         | 45.96         | 29.88         | 168.22         | 286.3          |
|           | 2012-13   | 42.24         | 45.96         | 29.88         | 168.22         | 286.3          |
|           | <b>Total Dues to be paid as per Securitisation order</b>                  | <b>295.68</b> | <b>321.72</b> | <b>209.16</b> | <b>1177.54</b> | <b>2004.1</b>  |
| <b>7</b>  | <b>Dues Allowed in ARR from 2006-07 to 2012-13</b>                        |               |               |               |                |                |
|           | 2006-07   | 36.83         | 41.36         | 31.91         |                | 110.1          |
|           | 2007-08   | 36.83         | 41.36         | 31.91         | 43.23          | 153.33         |
|           | 2008-09   | 36.83         | 65            | -             | 118            | 219.83         |
|           | 2009-2010   | -             | -             | 19            | 151            | 170            |
|           | 2010-11   | -             | -             | -             |                |                |
|           | 2011-12   |               |               | 35            | 7.30           |                |
|           | 2012-13   |               |               | 9             |                |                |
|           | <b>Total dues allowed in ARR to be paid</b>                               | <b>110.49</b> | <b>147.72</b> | <b>126.82</b> | <b>319.53</b>  | <b>653.26</b>  |
| <b>8</b>  | <b>Excess BSP paid by DISTCOs to be adjusted against securitized dues</b> |               |               |               |                |                |
| <b>A</b>  | Downward Revision of BST in 2007-08                                       | 88.31         | 3.32          | 11.07         | 93.37          | 196.07         |
| <b>B</b>  | Payment by DISCOMS over and above the current dues                        |               |               |               |                |                |
|           | 2006-07   | 36.83         | 41.36         | -             |                | 78.19          |
|           | 2007-08   | 4.4           | 41.36         | 9.53          |                | 55.29          |
|           | 2008-09   | -             | 65            | 5.86          | 32.47          | 103.33         |
|           | 2009-10   | 2             | -             | 9.69          | 80.5           | 92.19          |
|           | 2010-11   | -             | -             | -             |                |                |
|           | 2011-12   |               |               |               |                |                |
|           | <b>Total payment made over and above Current dues</b>                     | <b>43.23</b>  | <b>147.72</b> | <b>25.08</b>  | <b>112.97</b>  | <b>329</b>     |
|           | <b>Total payment including Downward revision of BST dues</b>              | <b>131.54</b> | <b>151.04</b> | <b>36.15</b>  | <b>206.34</b>  | <b>525.07</b>  |
| <b>9</b>  | <b>Short fall (6-8) as per securitization order</b>                       | <b>164.14</b> | <b>170.68</b> | <b>173.01</b> | <b>971.2</b>   | <b>1479.03</b> |
| <b>10</b> | <b>Short fall (7-8B) against the amount allowed in ARR</b>                | <b>67.26</b>  | <b>0</b>      | <b>101.74</b> | <b>206.56</b>  | <b>324.26</b>  |
| <b>11</b> | <b>Total Balance due(4-8)</b>   | <b>290.54</b> | <b>308.34</b> | <b>262.35</b> | <b>1475.9</b>  | <b>2337.13</b> |

310. As revealed from the table above, except NESCO, all the three DISCOMS have not complied with the direction of the Commission on payment of outstanding dues allowed in ARR of different years. These outstanding amount approved by the Commission in different ARR are to be adjusted against the total outstanding dues mentioned in Para 20 of the securitisation order of 01.12.2008. Commission, therefore, directs the defaulting DISCOMS to ensure payment of outstanding dues relating to securitised dues and amounts as ordered in various tariff orders that falls

short of the amount approved by the Commission, by the end of 2012-13 and during FY 2013-14 by taking systematic steps to collect the arrears outstanding.

311. Therefore, the Commission reiterates that directions given vide order dtd.01.12.2008 relating to securitization of receivables of GRIDCO as on 31.03.2005 must be scrupulously followed by the DISCOMs.

#### **Resolution of NTPC Bond**

312. WESCO, NESCO & SOUTHCO filed a petition under Sec.86(1)(f) of Electricity Act, 2003 for resolution of Power Bond(NTPC Bond) dispute of Rs.400.00 cr. in line with the direction of the Commission in Case No.35 of 2005. This was registered as case no. 107 of 2011. Commission after hearing the matter disposed the case.
313. The Commission has reviewed the implementation of the Order in case no. 107/2011dtd. 29.03.2012 and it is seen that WESCO, NESCO and SOUTHCO have paid Rs.100 cr. by 30.04.2012 and another 10 crore as on 13.6.2012 collectively out of the total amount due of Rs.308.45 crore. The balance amount of Rs.198.45 crore is due to be paid by WESCO, NESCO & SOUTHCO by 30.3.2013. The said order of the Commission has also stipulated that from May, 2012 onwards the monthly payment should not be less than Rs.10 crore for the 3 DISCOMs taken together.
314. WESCO, NESCO & SOUTCHO have defaulted in paying monthly dues of Rs.10 crore June, 2012 onwards and as a result Rs.70 crore is now outstanding as on 31.3.2012. Commission therefore directs the three DISCOMs to clear their dues to GRIDCO in terms of the case no. 107/2011 dtd. 29.03.2012.

#### **Revenue Requirement**

315. In the light of above discussion, the Commission approves the revenue requirement of 2013-14 of four DISCOMs, as shown in **Annexure-A**.
316. A summary of the approved revenue requirement, expected revenue at the approved tariff and approved revenue gap for FY 2013-14 by the Commission is given below:

**Table - 74**

**(Rs. in Cr)**

| DISCOM         | Revenue Requirement Approved (Rs. in Cr) |                | Expected Revenue from Tariff (Rs.in Cr.) |                | Gap (-)/Surplus(+) |              |
|----------------|--|----------------|--|----------------|--------------------|--------------|
|                | 2012-13                                  | 2013-14        | 2012-13                                  | 2013-14        | 2012-13            | 2013-14      |
| <b>WESCO</b>   | 2422.10                                  | 2,490.00       | 2422.27                                  | 2492.69        | 0.17               | 2.69         |
| <b>NESCO</b>   | 2014.70                                  | 2,006.25       | 2015.02                                  | 1991.03        | 0.32               | -15.22       |
| <b>SOUTHCO</b> | 898.04                                   | 930.31         | 900.32                                   | 949.02         | 2.28               | 18.71        |
| <b>CESU</b>    | 2868.70                                  | 2,840.37       | 2870.91                                  | 2869.49        | 2.21               | 29.12        |
| <b>Total</b>   | <b>8203.54</b>                           | <b>8266.94</b> | <b>8208.52</b>                           | <b>8302.23</b> | <b>4.98</b>        | <b>35.29</b> |

#### **Treatment of Surplus Revenue and Revenue Gap**

317. As shown in the table above the Commission has approved surplus to the tune of Rs.2.69 Cr, Rs.18.71 Cr and Rs.29.12 Cr to WESCO, SOUTHCO and CESU respectively. The surplus revenue earned by WESCO, NESCO and CESU should be treated towards liquidation of past power purchase dues of GRIDCO. In case of NESCO since they have been left with negative gap of Rs.15.22 cr this would be treated as Regulatory Asset to be liquidated against the positive true up amount arrived till 2011-12.

318. The Commission hereby directs that the surplus revenue in case of DISCOMs shall be maintained by the company in its own fund and shall not be utilised for any other purpose or shall not be transferred to any other account without specific approval of the Commission. Any surplus has to be utilized to clear the outstanding dues of the GRIDCO at the first instance as directed by the Commission's orders towards Escrow relaxation for DISCOMs discussed below:

**Prioritization of release of fund from Escrow account.**

319. As per Clause 7.1 of the License Conditions the licensee is required to develop and maintain an efficient, co-ordinate and economical distribution system in the Area of Distribution and effect supply of electricity to consumers in such area of supply in accordance with the provisions of the Act, the State Act, Rules, Regulations, Orders and Directions of the Commission. Timely repair and maintenance of the distribution network is absolutely essential to maintain the quality of service to the consumers which pay for the service provided. This is one of the most important requirements to comply with the conditions of Clause 7.1 of the License Conditions of the distribution companies.
320. The Commission finds that contrary to the mandatory requirement distribution companies don't pay adequate attention for timely repair and maintenance. This is evident from the fact that while they incur more expenditure on salary and administration and general purposes compared to the amount approved by the Commission in different years. The expenditure incurred by them for repair and maintenance is less than 50% of the amount approved in the respective ARR. For example, for the year 1999-2000 to 2010-12 the four distribution companies taken together have spent Rs.774.57 crore on repair and maintenance against Rs.1275.29 crore approved by the Commission. On the other hand, they have spent Rs. Rs.5864.88 crore on employees cost during the year 1999-2000 to 2010-12 against Rs.4999.95 crore approved by the Commission for those years taken together. In case of administration and general expenditure, the expenditure incurred is Rs.693.88 crore during these years against Rs.669.26 crore approved by the Commission. The DISCOM wise and year wise amount approved for repair and maintenance, employees cost, administration and general expenditure vis-à-vis the actual expenditure incurred by them may be seen from the table given below:-

**Table- 75**

**(Rs. in Cr)**

| <b>Repair and Maintenance (Approval)</b> |               |               |               |                |                | <b>Repair and Maintenance (Audited)</b> |               |               |               |                |               |
|--|---------------|---------------|---------------|----------------|----------------|---|---------------|---------------|---------------|----------------|---------------|
|  | <b>CESU</b>   | <b>NESCO</b>  | <b>WESCO</b>  | <b>SOUTHCO</b> | <b>Total</b>   |   | <b>CESU</b>   | <b>NESCO</b>  | <b>WESCO</b>  | <b>SOUTHCO</b> | <b>Total</b>  |
| 1999-00                                  | 19.05         | 14.22         | 14.43         | 12.63          | <b>60.33</b>   | 1999-00                                 | 24.01         | 16.19         | 15.9          | 13.39          | <b>69.49</b>  |
| 2000-01                                  | 19.57         | 14.22         | 14.43         | 12.63          | <b>60.85</b>   | 2000-01                                 | 19.91         | 11.02         | 10.25         | 7.31           | <b>48.49</b>  |
| 2001-02                                  | 23.43         | 16.32         | 13.62         | 15.57          | <b>68.94</b>   | 2001-02                                 | 15.6          | 7.02          | 10.12         | 9.29           | <b>42.03</b>  |
| 2002-03                                  | 22.11         | 14.62         | 15.33         | 16.82          | <b>68.88</b>   | 2002-03                                 | 25.04         | 5.65          | 8.04          | 6.43           | <b>45.16</b>  |
| 2003-04                                  | 24.12         | 17.59         | 16.89         | 16.38          | <b>74.98</b>   | 2003-04                                 | 21.22         | 8.84          | 16.27         | 9.93           | <b>56.26</b>  |
| 2004-05                                  | 31.95         | 17.66         | 17.28         | 13.25          | <b>80.14</b>   | 2004-05                                 | 20.26         | 11.13         | 12.85         | 8.43           | <b>52.67</b>  |
| 2005-06                                  | 33.67         | 22.63         | 21.30         | 18.55          | <b>96.15</b>   | 2005-06                                 | 12.26         | 11.21         | 9.61          | 6.07           | <b>39.15</b>  |
| 2006-07                                  | 41.31         | 24.48         | 24.25         | 17.35          | <b>107.39</b>  | 2006-07                                 | 22.1          | 13.37         | 12.5          | 5.19           | <b>53.16</b>  |
| 2007-08                                  | 43.64         | 24.43         | 23.82         | 18.38          | <b>110.27</b>  | 2007-08                                 | 25.11         | 13.02         | 12.38         | 5.5            | <b>56.01</b>  |
| 2008-09                                  | 41.87         | 25.87         | 25.66         | 19.08          | <b>112.48</b>  | 2008-09                                 | 34.79         | 20.86         | 17.9          | 7.79           | <b>81.34</b>  |
| 2009-10                                  | 40.46         | 27.88         | 27.01         | 20.73          | <b>116.08</b>  | 2009-10                                 | 28.45         | 22.8          | 18.01         | 11.6           | <b>80.86</b>  |
| 2010-11                                  | 51.19         | 37.22         | 34.77         | 26.11          | <b>149.29</b>  | 2010-11                                 | 29.39         | 19.26         | 16.58         | 13.09          | <b>78.32</b>  |
| 2011-12                                  | 56.77         | 47.46         | 36.81         | 28.47          | <b>169.51</b>  | 2011-12                                 | 28.92         | 16.39         | 18.04         | 8.28           | <b>71.63</b>  |
| <b>TOTAL</b>                             | <b>449.14</b> | <b>304.60</b> | <b>285.60</b> | <b>235.95</b>  | <b>1275.29</b> | <b>TOTAL</b>                            | <b>307.06</b> | <b>176.76</b> | <b>178.45</b> | <b>112.3</b>   | <b>774.57</b> |

Table- 76

(Rs. in Cr)

| Employees cost (Approved) |                |             |                |               |                | Employees Cost (Audited) |                |                |                |                |                |
|---------------------------|----------------|-------------|----------------|---------------|----------------|--------------------------|----------------|----------------|----------------|----------------|----------------|
|                           | CESU           | NESCO       | WESCO          | SOUTHCO       | Total          |                          | CESU           | NESCO          | WESCO          | SOUTHCO        | Total          |
| 1999-00                   | 82.75          | 39.84       | 48.62          | 43.87         | <b>215.08</b>  | 1999-00                  | 97.92          | 44.61          | 54.01          | 44.3           | <b>240.84</b>  |
| 2000-01                   | 89.37          | 46.26       | 56.92          | 46.26         | <b>238.81</b>  | 2000-01                  | 99.58          | 46.47          | 55.17          | 45.61          | <b>246.83</b>  |
| 2001-02                   | 93.27          | 49.6        | 56.86          | 47.53         | <b>247.26</b>  | 2001-02                  | 95.31          | 51.88          | 57.09          | 47.34          | <b>251.62</b>  |
| 2002-03                   | 95.63          | 51.11       | 58.16          | 48.53         | <b>253.43</b>  | 2002-03                  | 89.91          | 52.22          | 58.66          | 47.58          | <b>248.37</b>  |
| 2003-04                   | 108.86         | 56.17       | 60.79          | 52.92         | <b>278.74</b>  | 2003-04                  | 97.83          | 49.68          | 59.49          | 48.4           | <b>255.40</b>  |
| 2004-05                   | 107.49         | 54.31       | 65.18          | 56.85         | <b>283.83</b>  | 2004-05                  | 216.11         | 52.51          | 68.22          | 48.55          | <b>385.39</b>  |
| 2005-06                   | 113.3          | 62.56       | 70.76          | 63.73         | <b>310.35</b>  | 2005-06                  | 108.8          | 66.51          | 85.5           | 61.54          | <b>322.35</b>  |
| 2006-07                   | 113.1          | 69.6        | 80.16          | 68.18         | <b>331.04</b>  | 2006-07                  | 108.38         | 104.65         | 145.17         | 85.87          | <b>444.07</b>  |
| 2007-08                   | 126.14         | 85.07       | 89.88          | 77.48         | <b>378.57</b>  | 2007-08                  | 212.93         | 105.45         | 96.35          | 106.47         | <b>521.20</b>  |
| 2008-09                   | 163.19         | 102.33      | 109.97         | 93.06         | <b>468.55</b>  | 2008-09                  | 242.14         | 127.83         | 135.58         | 115.71         | <b>621.26</b>  |
| 2009-10                   | 194.85         | 114.28      | 138.88         | 98.59         | <b>546.60</b>  | 2009-10                  | 341.02         | 103.63         | 150.98         | 118.15         | <b>713.78</b>  |
| 2010-11                   | 223.63         | 147.58      | 166.73         | 133.96        | <b>671.90</b>  | 2010-11                  | 207.02         | 155.08         | 203.23         | 163.37         | <b>728.70</b>  |
| 2011-12                   | 294.08         | 157.29      | 170.83         | 153.59        | <b>775.79</b>  | 2011-12                  | 363.88         | 204.95         | 178.69         | 137.55         | <b>885.07</b>  |
| <b>TOTAL</b>              | <b>1805.66</b> | <b>1036</b> | <b>1173.74</b> | <b>984.55</b> | <b>4999.95</b> | <b>TOTAL</b>             | <b>2280.83</b> | <b>1165.47</b> | <b>1348.14</b> | <b>1070.44</b> | <b>5864.88</b> |

Table- 77

(Rs. in Cr)

| Admn& General (Approved) |               |               |               |               |               | Admin &General (Audited) |              |               |              |               |               |
|--------------------------|---------------|---------------|---------------|---------------|---------------|--------------------------|--------------|---------------|--------------|---------------|---------------|
|                          | CESU          | NESCO         | WESCO         | SOUTHCO       | Total         |                          | CESU         | NESCO         | WESCO        | SOUTHCO       | Total         |
| 1999-00                  | 6.28          | 4.55          | 2.79          | 2.01          | <b>15.63</b>  | 1999-00                  | 11.51        | 4.87          | 5.91         | 4.47          | <b>26.76</b>  |
| 2000-01                  | 7.78          | 5.91          | 4.01          | 3.02          | <b>20.72</b>  | 2000-01                  | 16.4         | 8.74          | 9.42         | 6.43          | <b>40.99</b>  |
| 2001-02                  | 8.17          | 6.21          | 4.21          | 3.17          | <b>21.76</b>  | 2001-02                  | 9.78         | 8.38          | 9.64         | 6.09          | <b>33.89</b>  |
| 2002-03                  | 8.58          | 6.52          | 4.42          | 3.33          | <b>22.85</b>  | 2002-03                  | 17.88        | 7.95          | 9.91         | 7.05          | <b>42.79</b>  |
| 2003-04                  | 9.18          | 6.98          | 4.73          | 3.56          | <b>24.45</b>  | 2003-04                  | 21.61        | 7.48          | 11.02        | 7.00          | <b>47.11</b>  |
| 2004-05                  | 9.82          | 7.86          | 12.51         | 8.22          | <b>38.41</b>  | 2004-05                  | 22.33        | 8.89          | 14.3         | 11.95         | <b>57.47</b>  |
| 2005-06                  | 10.51         | 8.42          | 13.39         | 8.79          | <b>41.11</b>  | 2005-06                  | 30.67        | 9.41          | 15.54        | 14.55         | <b>70.17</b>  |
| 2006-07                  | 13.11         | 10.48         | 15.78         | 10.88         | <b>50.25</b>  | 2006-07                  | 11.8         | 10.14         | 15.82        | 16.4          | <b>54.16</b>  |
| 2007-08                  | 14.03         | 12.83         | 17.48         | 12.08         | <b>56.42</b>  | 2007-08                  | 13.84        | 9.86          | 17.17        | 13.14         | <b>54.01</b>  |
| 2008-09                  | 26.29         | 14.52         | 20.91         | 12.88         | <b>74.6</b>   | 2008-09                  | 12.29        | 11.76         | 17.05        | 10.58         | <b>51.68</b>  |
| 2009-10                  | 28.82         | 15.75         | 22.81         | 14.79         | <b>82.17</b>  | 2009-10                  | 12.48        | 15.44         | 16.64        | 12.39         | <b>56.95</b>  |
| 2010-11                  | 35.86         | 17.11         | 24.79         | 17.96         | <b>95.72</b>  | 2010-11                  | 30.66        | 18.5          | 21.51        | 12.63         | <b>83.30</b>  |
| 2011-12                  | 45.95         | 23.54         | 30.81         | 24.87         | <b>125.17</b> | 2011-12                  | 21.55        | 21.74         | 11.87        | 19.44         | <b>74.6</b>   |
| <b>TOTAL</b>             | <b>224.38</b> | <b>140.68</b> | <b>178.64</b> | <b>125.56</b> | <b>669.26</b> | <b>TOTAL</b>             | <b>232.8</b> | <b>143.16</b> | <b>175.8</b> | <b>142.12</b> | <b>693.88</b> |

321. The main reason for neglecting the timely Repair and maintenance is stated to be the inadequate availability of fund in the Escrow account. This is mainly because after meeting the power purchase cost and transmission cost, the employees cost are met fully and whatever is left only is utilized for repair and maintenance. This is not a desirable state of affairs and totally unacceptable to the Commission.
322. With the above stipulation as indicated in above paras, keeping in view the statutory requirement to protect the interest of the consumers and the need for adequate attention to refurbish the fragile network of the DISCOMs, the Commission, has therefore, decide that w.e.f. 1.4.2013 release of fund from the Escrow account by GRIDCO would be regulated as indicated as below:-

## **Escrow Relaxation**

### **(A) From Current Revenue**

- (a) Current BST dues, current Transmission charges, SLDC charges and license fees payable by the Distribution Companies to OERC, the energy bill of DISCOMs in respect of direct power purchase from CGPs or other agencies, if any and any other charges approved by the Commission from time to time including.
- (b) Monthly R&M expenditure excluding special R&M as approved by the Commission in the tariff order from FY 2013-14 onwards.
- (c) Monthly Employees cost as approved by the Commission in the tariff order from FY 2013-14 onwards.
- (d) The monthly obligation for repayment of principal and interest in respect of loan obtained/ to be obtained from the financial institutions for Capex programme/system improvement.
- (e) Monthly special R&M expenditure as approved by the Commission in the tariff order from FY 2013-14 onwards.
- (f) Average monthly obligation of the defaulted arrear BST of the previous years, if any.

The balance amount towards arrear of BSP dues worked out upto 31.3.2005 as approved in the securitization order of the Commission dated 01.12.2008.

### **(B) From Arrear Revenue**

The collection to be made out of the arrear outstanding as on 01.4.2013, beginning of the relevant financial year would be utilised in order of priority as indicated below:-

- (i) 15% of the monthly arrear collection would be utilised towards payment of the balance arrear revised salary and pension liabilities worked out up to 31.3.2009 in respect of the retired and serving employees in that order.
- (ii) Out of the arrear to be collected through different modes including under OTS, 15% would be utilized to clear the arrear dues of employees, 15% for repair and renovation of distribution network and

the balance 70% would be utilized towards payment of the outstanding NTPC dues. After NTPC dues have been cleared the aforesaid 70% of the arrear collection would be adjusted against the outstanding securitized dues.

- (C) GRIDCO and the Distribution companies are also bound to follow the following guidelines:-
- (i) GRIDCO is to strictly adhere to the above prioritization of the operation of Escrow account and in case GRIDCO makes any relaxation thereof, any financial cost on account of this will be entirely charged to the account of GRIDCO and cannot be allowed as pass through in the ARR.
  - (ii) GRIDCO is to relax escrow towards repair and maintenance in each month to DISCOMs proportionately based on the figures approved in the ARR of the respective financial year, considering the revenue deposited in escrow and the LC limit allowed by the banks to DISCOMs taken together. If the DISCOMs fail to draw the amount earmarked towards R&M for a quarter at the end of next quarter, the claim of DISCOMs will automatically lapse and the unutilized amount shall not be carried over to next period.
  - (iii) WESCO, NESCO and SOUTHCO should open letter of credit in the form prescribed by the bank and communicate the same to GRIDCO. This is also applicable to CESU if not already done.
  - (iv) In each month WESCO, NESCO, SOUTHCO and CESU should give the following statements to GRIDCO:
    - a. Amount of revenue collected
    - b. Amount deposited in escrow account
    - c. Amount paid to GRIDCO, OPTCL, SLDC
    - d. Amount drawn towards R&M cost, Employees cost, Spl R&M
    - e. Amount diverted from SOD account.
    - f. Statement of arrear collection out of the amount outstanding at the beginning of the year and deposited in escrow account.

## **DETERMINATION OF TARIFF (Para 323 to 367)**

323. The determination of tariff by the Commission has been done after examination of all details based on the records submitted by the Licensees, written and oral representations of the objectors. The electricity tariff in Odisha had not undergone any change in general from 01.02.2001 to 31.03.2010, except for changes in certain incentive schemes. The Commission has revised Retail Tariff upward in FY 2010-11, 2011-12 and 2012-13 of the order of 22.20%, 19.74% and 12% above the tariff of 2009-10 and 2010-11 and 2011-12 respectively. For the coming year 2013-14 the Commission has approved a minimal increase of 2.4% above the tariff of 2012-13.

### **324. The present tariff structure**

#### **LT supply upto 100 KW/110 KVA**

Kutir Jyoti consumers: Monthly Fixed Charge (Rs./Month)

Other classes of consumers:

- (a) Energy Charge (Paise/unit)
- (b) Monthly Minimum Fixed Charge (MMFC) (Rs./KW/ Month)

#### **LT supply with connected load 110 KVA and above**

- (a) Demand Charge (Rs./KVA)
- (b) Energy Charge (Paise/unit)
- (c) Customer Service Charge (Rs./Month)

#### **HT Consumers**

- (a) Demand Charge (Rs./KVA, Rs./KW)
- (b) Energy Charge (Paise/Unit)
- (c) Customer Service Charge (Rs./Month)

#### **EHT Consumers**

- (a) Demand Charge (Rs./KVA)
- (b) Energy Charge (Paise/Unit)
- (c) Customer Service Charge (Rs./Month)

325. In addition, certain other charges like power factor penalty, prompt payment rebate, meter rent, delayed payment surcharge, over drawal penalty/incentive, other miscellaneous charges, etc. are payable in cases and circumstances mentioned in the later part of this order.

326. The details of charges applicable to various categories of consumers classified under OERC Distribution (Conditions of Supply) Code, 2004 are discussed hereafter.

#### **Tariff for Consumers Availing Power Supply at LT**

The consumers availing power supply at LT with CD less than 110 KVA has to pay MMFC and energy charges as described below:

327. The MMFC is payable by the consumers with contract demand less than 110 KVA supplied power at LT. This is intended to meet a component of the fixed cost incurred in the system for meeting the consumer's load and also to recover the expenses on maintenance of meter, meter reading, preparation of bills, delivery of bills, collection of revenue and maintenance of customer accounts.
328. The Commission decides that rate of MMFC should be revised as follows for FY 2013-14.

**Table – 78**  
**MMFC for LT consumers**

| Sl. No                         | Category of Consumers                            | Monthly Minimum Fixed Charge for first KW or part (Rs.)* | Monthly Fixed Charge for any additional KW or part (Rs.) |
|--------------------------------|--|--|--|
| <b>Approved For FY 2012-13</b> |  |  |  |
|                                | <b>LT Category</b>                               |  |  |
| 1.                             | Domestic (other than Kutir Jyoti)                | 20   | 20   |
| 2.                             | General Purpose LT (<110 KVA)                    | 30   | 30   |
| 3.                             | Irrigation Pumping and Agriculture               | 20   | 10   |
| 4.                             | Allied Agricultural Activities                   | 20   | 10   |
| 5.                             | Allied Agro-Industrial Activities                | 80   | 50   |
| 6.                             | Public Lighting                                  | 20   | 15   |
| 7.                             | LT Industrial (S) Supply                         | 80   | 35   |
| 8.                             | LT Industrial (M) Supply                         | 100  | 50   |
| 9.                             | Specified Public Purpose                         | 50   | 50   |
| 10.                            | Public Water Works and Sewerage Pumping <110 KVA | 50   | 50   |

\* When agreement stipulates supply in KVA this shall be converted to KW by multiplying with a power factor of 0.9 as per Regulation 2 (j) of OERC Distribution (Conditions of Supply) Code, 2004.

329. Some consumers with connected load of less than 110 KVA might have been provided with simple energy meters which record energy consumption and not the maximum demand. But the OERC Distribution (Conditions of Supply) Code, 2004, Regulation 64 provides that “contract demand for loads of 110 KVA and above shall be as stipulated in the agreement and may be different from the connected load. Contract Demand for a connected load below 110 KVA shall be the same as connected load. However, 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. The licensees are directed to follow the above provision of Regulation strictly.

**Energy Charge (Consumers with connected load less than 110 KVA)**

**Domestic**

330. The Commission is aware of the paying capability of our BPL consumers. Therefore, the Kutir Jyoti consumers will only pay the monthly minimum fixed charge @ Rs.65/- per month for consumption upto 30 units per month. In case these consumers

consume in excess of 30 units per month, they will be billed like any other domestic consumers depending on their consumption and will lose their BPL status from that month onward.

331. The Commission is also conscious of affordability of non-Kutir Jyoti consumers. Keeping this in view the Energy Charge for supply to domestic consumers availing low tension supply has been revised with increase of 10 Paise per unit only.

| <b><u>Domestic consumption slab per month</u></b> | <b><u>Energy charge</u></b> |
|---|-----------------------------|
| Upto and including 50 Units                       | 230 paise per unit          |
| From 51 to 200 units                              | 400 paise per unit          |
| From 201 to 400 units                             | 500 paise per unit          |
| Balance units of consumption                      | 540 paise per unit          |

332. In accordance with the provision under the OERC Distribution (Condition of Supply) Code, 2004, initial power supply shall not be given without a correct meter. **Load factor billing has been done away w.e.f. 1<sup>st</sup> April, 2004, as stipulated in the Commission's RST order for FY 2003-04.** As such licensees are directed not to bill any consumer on load factor basis.

**General Purpose LT (<110 KVA):**

333. The Commission reviewed the existing tariff structure and also decided to revise the existing rates upwards by 10 paise per unit.

**Table - 79**

| <b>Slab</b>     | <b>Revised Energy charge (P/U)</b> |
|-----------------|------------------------------------|
| First 100 units | 510                                |
| Next 200 units  | 620                                |
| Balance units   | 690                                |

**Irrigation Pumping and Agriculture**

334. The Commission decides that the Energy Charge for this category will remain unchanged i.e. 110 paise per unit for supply at LT. Consumers in the irrigation pumping and agriculture category availing power supply at HT will pay 100 paise per unit.

**Allied Agricultural Activities**

335. After hearing the stakeholders the Commission decides not to revise the energy charge of this category since allied agricultural activities are very much related to agriculture. The Commission, therefore, decides that energy charge for allied agricultural activities shall be 120 paise per unit at LT and 110 paise per unit at HT.

**Allied Agro-Industrial Activities**

336. The Commission after careful consideration decides to revise the tariff of this category and it shall be to 400 paise per unit at LT and 390 paise per unit at HT.
337. The Commission, in keeping with its objective of rationalisation of tariff structure by progressive introduction of a cost-based tariff, has linked the Energy Charge at different voltage levels to reflect the cost of supply. The following revised tariff structure has been adopted for all loads at LT except domestic, Kutir Jyoti, general purpose, irrigation pumping, allied agricultural activities and allied agro-industrial activities.

**Voltage of Supply**

LT

**Energy Charge**

540 paise per unit

**The above rate shall apply to the following categories:**

- 1) Public lighting
- 2) LT industrial(S) supply <22 KVA
- 3) LT industrial(M) supply >=22 KVA <110 KVA
- 4) Specified Public Purpose
- 5) Public Water works and Sewerage pumping < 110 KVA
- 6) Public Water works and Sewerage pumping >= 110 KVA
- 7) General Purpose >= 110 KVA
- 8) Large Industries >=110 KVA

**Tariff for consumers availing power supply at LT with contract demand of 110 KVA and above are given hereunder.****Customer Service Charge at LT**

338. The existing customer service charge for consumers with connected load of 110 KVA and above shall continue for FY 2012-13.

**Table - 80**

| <b>Category</b>               | <b>Voltage of Supply</b> | <b>Customer Service Charge (Rs. per month)</b> |
|-------------------------------|--------------------------|--|
| Public Water Works (=>110KVA) | LT                       | 30   |
| General Purpose (=>110KVA)    | LT                       | 30   |
| Large Industry                | LT                       | 30   |

**Demand Charges at LT:**

339. The Commission examined the existing level of Demand Charge of Rs.200/KVA/month payable by the consumers with a contract demand of 110 KVA and above and decides not to revise it. This shall include Public Water Works and Sewerage Pumping, General Purpose Supply and Large Industry of contract demand of 110 KVA or more.

**Voltage of Supply**

LT (110 KVA &amp; above)

**Demand charge**

Rs.200/ KVA/month

**Tariff for HT & EHT Consumers****Customer Service Charge for consumers with contract demand of 110 KVA and above at HT & EHT:**

340. All the consumers at HT and EHT having CD of 110 KVA and above are liable to pay customer service charge. This charge is meant for meeting the expenditure of the licensees on account of meter reading, preparation of bills, delivery of bills, collection of revenue and maintenance of customer accounts etc. The licensee is bound to meet these expenses irrespective of the level of consumption of the consumer. The customer service charges as existing shall continue as per details in the table below:

**Table - 81**

| Category                                | Voltage of Supply | Customer service charge (Rs./month) |
|---|-------------------|-------------------------------------|
| Bulk Supply (Domestic)                  | HT                | Rs.250/- for all categories         |
| Irrigation Pumping and Agriculture      | HT                |                                     |
| Allied Agricultural Activities          | HT                |                                     |
| Allied Agro-Industrial Activities       | HT                |                                     |
| Specified Public Purpose                | HT                |                                     |
| General Purpose (HT >70 KVA <110KVA)    | HT                |                                     |
| HT Industrial (M) Supply                | HT                |                                     |
| General Purpose (>=110KVA)              | HT                |                                     |
| Public Water Works and Sewerage Pumping | HT                |                                     |
| Large Industry                          | HT                |                                     |
| Power Intensive Industry                | HT                |                                     |
| Mini Steel Plant                        | HT                |                                     |
| Emergency Supply to CGPs                | HT                |                                     |
| Railway Traction                        | HT                |                                     |
| General Purpose                         | EHT               | Rs.700/- for all categories         |
| Large Industry                          | EHT               |                                     |
| Railway Traction                        | EHT               |                                     |
| Heavy Industry                          | EHT               |                                     |
| Power Intensive Industry                | EHT               |                                     |
| Mini Steel Plant                        | EHT               |                                     |
| Emergency Supply to CGPs                | EHT               |                                     |

**Demand Charge for consumers with contract demand of 110 KVA and above at HT & EHT**

341. The Commission examined the existing level of Demand Charge of Rs.250/KVA/month payable by the HT and EHT consumer and decide not to revise the same except for HT industrial (M) consumer. The class of consumers and the voltage of supply to whom this charge shall be applicable are listed below.

**HT Category**

Specified Public Purpose

General Purpose (>70 KVA <110 KVA)

General Purpose (>=110 KVA)

Public Water Works and Sewerage Pumping

Large Industry

Power Intensive Industry

Mini Steel Plant

Railway Traction

HT Industrial (M) Supply (>=22 KVA and less than 100 KVA) consumer shall pay demand charge of Rs.150/KVA/month as against existing demand charge of Rs.250/KVA/Month for FY 2013-14 for the reasons mentioned earlier in this order.

### **EHT Category**

General Purpose

Large Industry

Railway Traction

Heavy Industry

Power Intensive Industry

Mini Steel Plant

342. Consumers with contract demand 110 KVA and above are billed on two-part tariff on the basis of reading of the demand meter and the energy meter. They are also allowed to maintain loads in excess of their contract demand. The Demand Charge reflects the recovery of fixed cost payable by the consumers for the reservation of the capacity made by the licensee for them. To insulate the licensee from the risk of financial uncertainty due to non-utilisation of the contracted capacity by the consumer it is necessary that the consumer pays at least a certain amount of fixed cost to the licensee. To arrive at that cost the Commission studied the pattern of demand recorded by the demand meters of all such consumers of the licensee for the period from April, 2012 to September, 2012. The Commission after taking into consideration this aspect has decided that **the existing method of billing the consumer for the Demand Charge on the basis of the maximum demand recorded or 80% of the contract demand, whichever is higher shall continue.** The method of billing of Demand Charge in case of consumers without a meter or with a defective meter shall be in accordance with the procedure prescribed in OERC Distribution (Conditions of Supply) Code, 2004. Again in case of statutory load restriction the contract demand shall be assumed as the restricted demand.
343. As per the OERC Distribution (Conditions of Supply) Code, 2004, for contract demand above 70 KVA but below 555 KVA, supply shall be at 3-phase, 3-wire, 11 kV. However, these consumers connected prior to 01.10.95 may be allowed to continue to receive power at LT. But there are some consumers in the categories of Bulk Supply Domestic, Irrigation Pumping, Allied Agricultural Activities and Allied Agro-Industrial Activities, who have availed power supply at HT. **For such types of consumers the Commission have decided to allow the existing Demand Charges to continue except Bulk Supply Domestic.** Accordingly, the rates applicable to all such customers who are to pay demand charges are given below:

**Table - 82**

| <b>Category</b>                   | <b>(Rs./KW/month)</b> |
|-----------------------------------|-----------------------|
| Bulk Supply Domestic              | 20                    |
| Irrigation pumping                | 30                    |
| Allied Agricultural Activities    | 30                    |
| Allied Agro-Industrial Activities | 50                    |

344. 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.

### **Energy Charge for consumers with contract demand of 110 KVA and above**

345. The Commission, aiming at rationalisation of tariff structure by progressive introduction of a cost-based tariff, has set the Energy Charge at different voltage levels to reflect the cost of supply. While determining Energy Charge, the principle of higher rate for supply at low voltage and gradually reduced rate as the voltage level goes up has been adopted. However, the Commission has made certain exceptions to the above provisions in respect of Domestic, Irrigation Pumping, Allied Agricultural Activities and Allied Agro-Industrial Activities consumers availing power at HT. Similarly, Emergency supply to CGPs and Colony consumption at both HT and EHT level have also been exempted.

### **HT Supply for Irrigation pumping, Allied Agricultural Activities and Allied Agro-Industrial Activities Consumers**

346. With a view to avoid steep rise in tariff in respect of Irrigation pumping, Allied Agricultural/Agro-Industrial Activities availing power at HT and for encouraging Agro-Industrial growth, the Energy Charge is fixed for them as follows:

| <u>Category</u>                   | <u>Energy Charge</u> |
|-----------------------------------|----------------------|
| Irrigation Pumping                | - 100 paise per unit |
| Allied Agricultural Activities    | - 110 paise per unit |
| Allied Agro-Industrial Activities | - 390 paise per unit |

### **Industrial Colony Consumption**

347. Since the purpose of incentive scheme is to encourage higher consumption by the EHT & HT consumers, the Commission after reviewing the scheme, directs that, the units consumed for the colony shall be separately metered and the total consumption shall be deducted from the main meter reading and billed at 450 paise per unit for supply at HT and 440 paise per unit at EHT. For the energy consumed in colony in excess of 10% of the total consumption, the same shall be billed at the rate of Energy Charge applicable to the appropriate class of industry.

### **Emergency power supply to CGPs/Generating stations**

348. Industries owning CGPs/ Generating Stations have to enter into an agreement with the concerned DISCOMs subject to technical feasibility and availability of required quantum of power/energy in the system as per the provision under the OERC Distribution (Condition of Supply) Code, 2004. For them, (i) a flat rate of 700 paise/kwh at HT and (ii) 695 paise/kwh at EHT would apply. The industry owning CGP and having zero contract demand can draw power supply for its CGP from the Grid maximum upto the capacity of the highest unit of its CGP. If the industry draws more than highest unit of its CGP the energy rate of power supply as allowed would cease and normal industrial two part tariff with payment of demand charge at highest MD for the full financial year shall apply.

### **Peak and off-peak tariff**

349. Section 62(3) of the Electricity Act, 2003 mandates as follows:

*“The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the*

*geographical position of any area, the nature of supply and the purpose for which the supply is required.”*

350. Further, in accordance with the provision of Para 7(a) (i) of OERC (Terms and Conditions for Determination of Tariff) Regulation, 2004, a differential tariff for peak and off-peak hours is essential to promote demand side management. Accordingly, the Commission decides to continue off-peak hours for the purpose of tariff shall be treated from 12 Midnight to 6.00 AM of the next day. Three-phase Consumers barring those mentioned below having static meters, recording hourly consumption with a memory of 31 days and having facility for downloading printout drawing power during off-peak hours shall be given a discount at the rate of 10 paise per unit of the energy consumed during this period. This discount, however, will not be available to the following categories of consumers.
- i) Public Lighting Consumers
  - ii) Emergency supply to captive power plants

**Incentive for improvement in power factor**

351. The Commission decides that incentive for maintenance of high power factor shall be withdrawn from FY 2013-14 onwards for the reasons already cited in this Order. However, penalty for lower power factor shall continue.

**Power Factor Penalty**

352. The Commission also orders for continuance of the power factor penalty as a percentage of monthly Demand Charge and Energy Charge on the following HT/EHT categories of consumers:
- (i) Large Industries
  - (ii) Public Water Works (110 KVA and above)
  - (iii) Railway Traction
  - (iv) Power Intensive Industries
  - (v) Heavy Industries
  - (vi) General Purpose Supply
  - (vii) Specified Public Purpose (110 KVA and above)
  - (viii) Mini Steel Plants
  - (ix) Emergency supply to CGP

**Rate of Power Factor Penalty:**

- 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%

There shall not be any power factor penalty for leading power factor determined through meter.

**Other Charges**

The Commission authorises levy of other charges by the licensees as given below:-

**Over draw during off peak hours**

353. As per the existing tariff provisions, there is no penalty for overdrawal during off-peak hours upto 120% of the contract demand. The off-peak hours is defined as 12 Midnight to 6 AM of the next day. However, any consumer overdrawing during hours other than off-peak hours shall not be eligible for overdrawal benefit during off-peak

hours. In case of Statutory Load Regulation deemed contract demand shall be the restricted contract demand.

**Penalty for overdrawal of power above the contract demand**

354. The overdrawal penalty shall be Rs.250/KVA/Month for overdrawal during hours other than the off-peak hours and off-peak hours.

**Metering on LT side of Consumers Transformer**

355. As per Regulation 54 of OERC Distribution (Conditions of Supply) Code, 2004 Transformer loss, as computed below has to be added to the consumption as per meter reading.

Energy loss =  $(730 \times \text{rating of the transformer KVA}) / 100$ .

Loss in demand = 1% of the rating of the transformer in KVA (for two part tariff)

**Incentive for prompt payment**

356. The Commission examined the existing method of incentive and its financial implications. The Commission has decided to grant incentive for early and prompt payment as below:

- a) A rebate of 10 paise/unit shall be allowed on energy charges if the payment of the bill (excluding all arrears) is made by the due date indicated in the bill in respect of the following categories of consumers.

**LT:** Domestic, General purpose <110 KVA, Irrigation Pumping and Agriculture, Allied Agricultural Activities and LT Industrial (S), Public Water Works and Sewerage Pumping.

**HT:** Bulk supply Domestic, Irrigation Pumping and Agriculture, Allied Agricultural Activities, General purpose >70 <110 KVA, Public Water Works and Sewerage Pumping.

- b) Consumers other than those mentioned at Para 'a' above shall be entitled to a rebate of 1% (one percent) of the amount of the monthly bill (excluding all arrears), if payment is made within 3 working days of presentation of the bill.

357. **Special Rebates**

- (a) Hostels attached to the Schools run by SC/ST Dept. of Govt. of Odisha shall get a rebate of Rs.2.40 paise per unit in energy charge under Specified Public Purpose category (LT/HT).
- (b) All Swajala Dhara consumers shall get 10% special rebate on total bill (except electricity duty and meter rent) in addition to other rebates they are otherwise eligible if the electricity bill is paid within the prescribed due date of normal rebate.
- (c) 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. They will continue to be LT consumers with appropriate tariff category. In addition 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.

**Delayed Payment Surcharge**

358. The Commission has examined the present method and rate of DPS and has decided that if payment is not made within the due date, Delayed Payment Surcharge shall be charged for every day of delay at 1.25% per month on the amount remaining unpaid (excluding arrears on account of DPS) in respect of categories of consumers as mentioned below:

- i) Large industries
- ii) LT/HT Industrial (M) Supply
- iii) Railway Traction
- iv) Public Lighting
- v) Power Intensive Industries
- vi) Heavy Industries
- vii) General Purpose Supply  $\geq$ 110 KVA
- viii) Specified Public Purpose
- ix) Mini Steel Plants
- x) Emergency supply to CGP
- xi) Allied Agro-Industrial Activities
- xii) Colony Consumption

**Reconnection Charge:**

359. The Commission decide existing re-connection charges to continue as follows:

**Table - 83**

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

360. There is a tendency among the category of LT Domestic, General Purpose and HT Bulk Supply Domestic etc. consumers who don't pay delayed payment surcharge to be negligent towards bill payment once the due date is over. But the licensees are to disconnect those consumer after giving them required notice. Therefore, we direct the DISCOMs to charge reconnection charge in every two month to the defaulting consumers if the supply has not been disconnected to encourage those consumers to pay the bill within due date. In case of normal disconnection reconnection charges is also to be paid.

361. The tariff as determined above is reflected in **Annexure-B**. For any discrepancy Annexure-B is final

**Rounding off of consumers billed amount to nearest rupee**

362. The Commission directs for rounding off of the electricity bills to the nearest rupee and at the same time directs that the money actually collected should be properly accounted for.

### **Charges for Temporary Supply**

363. The tariff for the period of temporary connection shall be at the rate applicable to the relevant consumer category. Connection temporary in nature shall be provided as far as possible with pre-paid meters to avoid accumulation of arrears in the event of dismantling of the temporary connection etc.

### **New Connection Charges for LT**

364. 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.

### **Fuel Surcharge Adjustment Formula**

365. The Commission has already prescribed a fuel surcharge adjustment formula for the distribution licensees in the OERC (Conduct of Business) Regulations, 2004, which shall continue to be valid.

### **Effective date of Tariff**

366. The revised tariff schedule shall be made effective from 01.04.2013. In order to simplify the procedure, we stipulate that if the metering and billing date falls within 15th of April' 13 (including 15th), the bill for the consumers will be prepared on pre-revised rate i.e. tariff applicable for the FY 2012-13. If the billing and metering date falls on or after 16th of April, 2013 the bill will be prepared at the revised tariff rate i.e. Tariff applicable for 2013-14. The DISCOMs should ensure that the billing cycle of any consumer should not be disturbed due to the above stipulations.
367. CESU has taken a number of initiative in engaging Franchisee and extending the same to different areas unfortunately other DISCOMs have not shown similar urgency. In FY 2013-14 DISCOMs should identify high loss prone area and engage revenue sharing model franchisee. It has been brought to our notice that some unruly elements are creating law and order problem. Protection given by Police and District Administration has been grossly inadequate. This is a matter serious concern. It is expected that Govt. should take proactive steps. DISCOMs should identify the theft prone loss making 11 KV feeders and enforce graded restriction in such feeders to curb the excessive AT&C loss.
368. Conscious consumers are strength of the DISCOMs. The DISCOMs should take proactive steps for such as road show, electronic/print media campaign for consumer awareness. The consumers are to be sensitised about their rights and obligation.
369. WESCO, NESCO & SOUTHCO in Appeal Nos. 77, 78 & 79 of 2006 in respect of RST Order for FY 2006-07, Appeal Nos. 52, 53 & 54 of 2007 in respect of RST Order for FY 2007-08 and Appeal Nos. 26, 27 & 28 of 2009 in respect of RST Order for FY 2008-09 and Appeal Nos. 160, 161 & 162 of 2010 in respect of RST Order for FY 2010-11 in Appeal Nos. 147, 148, 149/2011 for RST Order of FY 2011-12 in Appeal Nos. 193, 194 & 195 of 2012 for RST Order of FY 2012-13 before the Hon'ble ATE have raised several issues such as those concerning distribution loss, mode of calculation of estimated sales and income and truing exercises etc. The three DISCOMs have also challenged the Truing up Order dated 19.03.2012 passed in Case Nos.29, 30, 31 of 2007 and 6, 7 & 8 of 2012 of the Commission before the Hon'ble ATE in Appeal No.196 of 2012. In the first two sets of cases aforesaid relating to RST

Order of FY 2006-07 and 2007-08 the Hon'ble ATE have passed their orders and the Commission have preferred appeals against those order before the Hon'ble Supreme Court vide Civil Appeal No. 759 of 2007 and Civil Appeal No. D.4688 of 2011(Civil Appeal Nos. 3595, 3596 & 3597 of 2011). Regarding rest of the cases hearings have been concluded before Hon'ble ATE and judgments are reserved. Again, M/s. OPTCL has preferred an appeal against the Transmission Tariff Order for FY 2011-12 of the Commission before the Hon'ble ATE. Thus all the above matters are pending either in the Hon'ble Supreme Court or in the Hon'ble ATE. In none of these cases CESU the other Distribution Company has preferred any appeal or has been impleaded as a respondent. When above appeals will be finally disposed of, the effect of those final judgments shall be taken into consideration while determining tariff for ensuing years by the Commission. The present Order shall also be subject to the final outcome of W.P.(C) No. 2772 of 2013 (Keonjhar Nava Nirman Parisad & others Vrs. OERC & Others) pending before the Hon,ble High Court of Orissa.

370. The revised Retail Supply Tariff as stipulated in the order shall be effective from 1st April, 2013 and shall be in force until further orders.
371. The applications of WESCO bearing Case No.104/2012, NESCO bearing Case No.105/2012, SOUTHCO bearing Case No.106/2012 and CESU bearing Case No.107/2012 are disposed of accordingly.

Sd/-  
**(S.P.SWAIN)**  
**MEMBER**

Sd/-  
**(B. K. MISRA)**  
**MEMBER**

Sd/-  
**(S. P. NANDA)**  
**CHAIRPERSON**

## Annexure –A

| <b>REVENUE REQUIREMENT OF DISTCOS FOR THE FY 2013-14</b>     |                 |                 |                 |                 |                 |                 |                 |                 |                      |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
|  | <b>WESCO</b>    |                 | <b>NESCO</b>    |                 | <b>SOUTHCO</b>  |                 | <b>CESU</b>     |                 | <b>TOTAL DISCOMs</b> |                 |
| <b>Expenditure</b>   | <b>Proposed</b> | <b>Approved</b> | <b>Proposed</b> | <b>Approved</b> | <b>Proposed</b> | <b>Approved</b> | <b>Proposed</b> | <b>Approved</b> | <b>Proposed</b>      | <b>Approved</b> |
| Cost of Power Purchase                                       |                 | 1,956.57        |                 | 1,528.01        |                 | 573.66          |                 | 2055.68         | -                    | 6,113.92        |
| Transmission Cost  |                 | 166.38          |                 | 131.73          |                 | 79.68           |                 | 198.43          | -                    | 576.22          |
| SLDC Cost  |                 | 1.06            |                 | 0.84            |                 | 0.51            |                 | 1.264           | -                    | 3.67            |
| <b>Total Power Purchase, Transmission &amp; SLDC Cost(A)</b> | 2,217.99        | <b>2,124.01</b> | 2,002.67        | <b>1,660.58</b> | 745.75          | <b>653.85</b>   | 2,398.28        | <b>2,255.37</b> | <b>7,364.69</b>      | 6,693.81        |
| Employee costs   | 328.32          | 247.60          | 354.30          | 217.04          | 250.58          | 188.65          | 303.84          | 388.10          | 1,237.04             | 1,041.39        |
| Repair & Maintenance   | 54.75           | 51.30           | 84.08           | 56.73           | 64.96           | 43.53           | 77.65           | 81.87           | 281.44               | 233.42          |
| Administrative and General Expenses                          | 47.16           | 27.41           | 53.57           | 18.99           | 46.16           | 16.63           | 50.66           | 41.13           | 197.55               | 104.16          |
| Provision for Bad & Doubtful Debts                           | 57.98           | 16.47           | 15.13           | 11.05           | 24.76           | 7.09            | 26.84           | 20.22           | 124.71               | 54.83           |
| Depreciation   | 36.33           | 24.01           | 56.20           | 33.58           | 43.99           | 15.18           | 78.72           | 41.85           | 215.24               | 114.61          |
| Interest Chargeable to Revenue including Interest on S.D     | 64.59           | 51.37           | 66.05           | 45.61           | 66.36           | 19.35           | 147.25          | 70.31           | 344.25               | 186.64          |
| <b>Sub-Total</b>   | 589.13          | 418.15          | 629.33          | 383.00          | 496.81          | 290.43          | 684.96          | 643.48          | 2,400.23             | 1,735.06        |
| Less: Expenses capitalised                                   | 2.35            |                 | 0.55            |                 | 2.95            |                 | 5.24            |                 | 11.09                | -               |
| <b>Total Operation &amp; Maintenance and Other Cost</b>      | 586.78          | <b>418.15</b>   | 628.78          | <b>383.00</b>   | 493.86          | <b>290.43</b>   | 679.72          | <b>643.48</b>   | <b>2,389.14</b>      | <b>1,735.06</b> |
| Return on equity   | 7.78            | 7.78            | 10.55           | 10.55           | 6.03            | 6.03            | 11.64           | 11.64           | 36.00                | 36.00           |
| <b>Total Distribution Cost (B)</b>                           | 594.56          | <b>425.93</b>   | 639.33          | <b>393.55</b>   | 499.89          | <b>296.46</b>   | 691.36          | <b>655.12</b>   | <b>2,425.14</b>      | <b>1,771.06</b> |
| Amortisation of Regulatory Asset                             | 82.20           |                 | 118.40          |                 | 257.61          |                 |                 |                 | 458.21               | -               |
| True up of Past Losses                                       | 314.62          |                 | 217.80          |                 | 259.44          |                 | 42.95           |                 | 834.81               | -               |
| Contingency reserve  | 3.80            |                 | 5.84            |                 | 4.52            |                 |                 |                 | 14.16                | -               |
| <b>Total Special Appropriation (C)</b>                       | 400.62          | -               | 342.04          | -               | 521.57          | -               | 42.95           | -               | 1,307.18             | -               |
| <b>Total Cost (A+B+C)</b>                                    | 3,213.17        | <b>2,549.94</b> | 2,984.04        | <b>2,054.13</b> | 1,767.21        | <b>950.30</b>   | 3,132.59        | <b>2,910.49</b> | <b>11,097.01</b>     | <b>8,464.87</b> |
| Less: Miscellaneous Receipt                                  | 51.23           | 59.94           | 26.87           | 47.88           | 7.46            | 19.99           | 102.25          | 70.12           | 187.81               | 197.93          |
| <b>Total Revenue Requirement</b>                             | 3,161.94        | <b>2,490.00</b> | 2,957.17        | <b>2,006.25</b> | 1,759.75        | <b>930.31</b>   | 3,030.34        | <b>2,840.37</b> | <b>10,909.20</b>     | <b>8,266.94</b> |
| <b>Expected Revenue(Full year )</b>                          | 2,098.81        | <b>2,492.69</b> | 1,822.53        | <b>1,991.03</b> | 825.49          | <b>949.02</b>   | 2,684.13        | <b>2,869.49</b> | <b>7,430.96</b>      | <b>8,302.23</b> |
| <b>GAP at existing(+/-)</b>                                  | -1063.13        | <b>2.69</b>     | -1134.64        | <b>(15.22)</b>  | -934.26         | <b>18.71</b>    | -346.21         | <b>29.12</b>    | <b>(3,478.24)</b>    | <b>35.29</b>    |

## RETAIL SUPPLY TARIFF EFFECTIVE FROM 1ST APRIL, 2013

| Sl. No. | Category of Consumers                             | Voltage of Supply | Demand Charge (Rs./KW/Month)/(Rs./KVA/Month) | Energy Charge (P/kWh) | Customer Service Charge (Rs./Month) | Monthly Minimum Fixed Charge for first KW or part (Rs.) | Monthly Fixed Charge for any additional KW or part (Rs.) | Rebate (P/kWh)/DPS |
|---------|---|-------------------|--|-----------------------|-------------------------------------|---|--|--------------------|
|         | <b>LT Category</b>                                |                   |  |                       |                                     |   |  |                    |
| 1       | Domestic  |                   |  |                       |                                     |   |  |                    |
| 1.a     | Kutir Jyoti <= 30 Units/month                     | LT                | FIXED MONTHLY CHARGE-->                      |                       |                                     | 65  |  |                    |
| 1.b     | Others  |                   |  |                       |                                     |   |  | 10                 |
|         | (Consumption <= 50 units/month)                   | LT                |  | 230.00                |                                     | 20  | 20   |                    |
|         | (Consumption >50, <=200 units/month)              | LT                |  | 400.00                |                                     |   |  |                    |
|         | (Consumption >200, <=400 units/month)             | LT                |  | 500.00                |                                     |   |  |                    |
|         | Consumption >400 units/month)                     | LT                |  | 540.00                |                                     |   |  |                    |
| 2       | General Purpose < 110 KVA                         |                   |  |                       |                                     |   |  | 10                 |
|         | Consumption <=100 units/month)                    | LT                |  | 510.00                |                                     | 30  | 30   |                    |
|         | Consumption >100, <=300 units/month)              | LT                |  | 620.00                |                                     |   |  |                    |
|         | (Consumption >300 units/month)                    | LT                |  | 690.00                |                                     |   |  |                    |
| 3       | Irrigation Pumping and Agriculture                | LT                |  | 110.00                |                                     | 20  | 10   | 10                 |
| 4       | Allied Agricultural Activities                    | LT                |  | 120.00                |                                     | 20  | 10   | 10                 |
| 5       | Allied Agro-Industrial Activities                 | LT                |  | 400.00                |                                     | 80  | 50   | DPS/Rebate         |
| 6       | Public Lighting                                   | LT                |  | 540.00                |                                     | 20  | 15   | DPS/Rebate         |
| 7       | L.T. Industrial (S) Supply <22 KVA                | LT                |  | 540.00                |                                     | 80  | 35   | 10                 |
| 8       | L.T. Industrial (M) Supply >=22 KVA <110 KVA      | LT                |  | 540.00                |                                     | 100   | 50   | DPS/Rebate         |
| 9       | Specified Public Purpose                          | LT                |  | 540.00                |                                     | 50  | 50   | DPS/Rebate         |
| 10      | Public Water Works and Sewerage Pumping<110 KVA   | LT                |  | 540.00                |                                     | 50  | 50   | 10                 |
| 11      | Public Water Works and Sewerage Pumping >=110 KVA | LT                | 200  | 540.00                | 30                                  |   |  | 10                 |
| 12      | General Purpose >= 110 KVA                        | LT                | 200  | 540.00                | 30                                  |   |  | DPS/Rebate         |
| 13      | Large Industry                                    | LT                | 200  | 540.00                | 30                                  |   |  | DPS/Rebate         |
|         | <b>HT Category</b>                                |                   |  |                       |                                     |   |  |                    |
| 14      | Bulk Supply - Domestic                            | HT                | 20   | 410.00                | 250                                 |   |  | 10                 |
| 15      | Irrigation Pumping and Agriculture                | HT                | 30   | 100.00                | 250                                 |   |  | 10                 |
| 16      | Allied Agricultural Activities                    | HT                | 30   | 110.00                | 250                                 |   |  | 10                 |
| 17      | Allied Agro-Industrial Activities                 | HT                | 50   | 390.00                | 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  | 700.00                | 250                                 |   |  | DPS/Rebate         |
| 28      | Colony Consumption                                | HT                | 0  | 450.00                | 0                                   |   |  | DPS/Rebate         |
|         | <b>EHT Category</b>                               |                   |  |                       |                                     |   |  |                    |
| 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  | 695.00                | 700                                 |   |  | DPS/Rebate         |
| 36      | Colony Consumption                                | EHT               | 0  | 440.00                | 0                                   |   |  | DPS/Rebate         |

**Note:**

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

| <b>Load Factor (%)</b> | <b>HT</b> | <b>EHT</b> |
|------------------------|-----------|------------|
| = < 60%                | 505       | 500        |
| > 60%                  | 400       | 395        |

- (i) The reconnection charges w.e.f. 1.4.2013 shall be as follows.

| <b>Category of Consumers</b>      | <b>New Rate Applicable</b> |
|-----------------------------------|----------------------------|
| 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) The meter rents for FY 2013-14 is as follows.

| <b>Type of Meter</b>                             | <b>Monthly Meter Rent (Rs.)</b> |
|--|---------------------------------|
| 1. Single phase electro-magnetic Kwh meter       | 20                              |
| 2. Three phase electro-magnetic Kwh meter        | 40                              |
| 3. Three phase electro-magnetic 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                             |

\* The meter rent shall be collected for 60 months from the existing and new consumers.

- (iii) A Reliability surcharge has been introduced for such HT and EHT consumers availing power through dedicated feeder from grid/primary sub-station. Reliability surcharge @ 20 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)
- (iv) Reconnection charges have been introduced 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. (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 has been introduced which is applicable to LT Domestic, Agricultural and General Purpose consumers.
- (vii) In case of installation with static meter/meter with provision of recording demand, the recorded demand rounded to nearest 0.5 KW shall be considered as the contract demand requiring no verification irrespective of the agreement. Therefore, for the purpose of calculation of Monthly Minimum Fixed 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 @ 10 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 DISCOMs. 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. Power factor incentive is hereby withdrawn. (Please see the detailed order for the category of consumers on whom power factor penalty shall be levied.)

- (xvi) 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.
- (xvii) Tariff as approved shall be applicable in addition to other charges as approved in this Tariff order w.e.f. 01.04.2013. However, for the month of April, 2013 the pre-revised tariff shall be applicable if meter reading / billing date is on or before 15.04.2013. The revised tariff shall be applicable if meter reading/billing date is on 16.04.2013 or afterwards. The billing cycle as existing shall not be violated by the DISCOMs.